



FINANCE COMMITTEE MINUTES

Thursday, April 29, 2021, 9:00 A.M.

Virtual

To join the meeting please visit: www.centrecountypa.gov/virtual.

I. CALL TO ORDER

Chair of the Committee, Commissioner Mark Higgins called the Finance Committee meeting to order at 9:06 AM on Thursday, April 29, 2021.

In attendance were Commissioner Michael Pipe, Commissioner Mark Higgins, Commissioner Steven Dershem, Administrator Margaret Gray, Controller Jason Moser, Deputy Controller Terri Fisher, Treasurer Colleen Kennedy, and Executive Office Supervisor Natalie Smith.

County personnel present included Travis Walker and Jillian Savage.

Guests present included Corey Troutman and Ed Zack of Susquehanna Accounting and Consulting Solutions, Inc.

II. PUBLIC COMMENT

There were no comments received from the public.

III. MEETING MINUTES

The Board will consider approving the minutes from the Finance Committee meeting held on Thursday, February 25, 2021.

Action: *On a motion by Commissioner Dershem, seconded by Controller Jason Moser, the Board voted unanimously to approve the minutes of February 25, 2021.*

IV. OLD BUSINESS

V. NEW BUSINESS

A. Susquehanna Accounting and Consulting Solutions, Inc.

i. Assessment of Current Operations

Corey Troutman provided an overview of the County's assessment. Susquehanna Accounting and Consulting Solutions (SACS) has completed a preliminary assessment of the Director of Financial Management position. They met with Administrator Margaret Gray, Controller Jason Moser and the Office of Financial Management to verify that all responsibilities are covered.

SACS has started to monitor the 2021 Budget and has conducted meetings with key departments to see where they currently are from a budgetary standpoint.

ii. 2021 Budget to Actual Review

iii. Reporting

Ed Zack provided the Committee with General Fund Expenditure and Revenue reports. Expenditures are currently at 22.5% for the first quarter. The miscellaneous line is well over budget because it includes funding from the CHIRP Grant, which was not included in the adopted budget.

Revenues are currently at 23.45%, slightly under budget. This is because real estate taxes are just starting to come in and continual impacts of the COVID-19 Pandemic on revenues, such as housing provided by the Correctional Facility for out of county inmates.

B. ADC and 2021 Budget

Controller Jason Moser reported that the ADC was included in the 2021 Budget for approximately \$2.25 million. Today, the Retirement Board will meet to discuss change in assumptions and methods from the actuarial standpoint. Jason expects this will be under budget, maybe as much as \$400,000, as there was only one scenario option which increased the ADC over the October 2020 estimate.

Administrator Margaret Gray asked the Committee to consider where the savings would be reallocated to within the General Fund.

C. 2020 Year-End Update and Discussion

The Controller's Office continues to work through some of the year end process related to the audit and grant roll forwards.

Not including CARES ACT funds, Commissioner Higgins asked if the County should expect a deficit or surplus. Jason expects a deficit as fees collected, such as liquid fuel and hotel tax, are significantly lower than other years.

Commissioner Pipe added that SACS was asked by the Board of Commissioners to determine the year end. The Board may want to move surplus funds to the Capital Budget before they year is closed out. He asked if SACS needed anything further from the Controller's Office. The Financial Status Report (FSR) for CARES Act funding, provided to the Department of Community and Economic Development (DCED), was prepared a certain way to close out the grant and maximize funding.

Corey agreed that not taking the CARES Act into consideration, the County may experience a deficit. SACS is waiting for a list of approved CARES Act transactions to reconcile how they were paid. They will also reconcile the list of encumbered funds that are not yet liquidated. This will most likely result in a surplus for the year end. Following their meeting with the Controller's Office today and additional clarifications, SACS should have a better idea of the year end.

With the CARES Act, Jason expects there will be a surplus. Internal Auditor Travis Walker reported the General Fund is at a \$1.8 million surplus prior to net use. He is expecting a \$1.5 million surplus overall.

SACS is working on a process with Jason and Margaret to better track new grant

programs such as the Emergency Rental Assistance Program (ERAP), COVID-19 Hospitality Industry Recovery Program (CHIRP) and American Rescue Plan (ARP). With a system in place they can prepare reports more efficiently.

Depending on how many discrepancies or budgetary changes there are from the CARES Act, Corey asked if there will be audit adjustments before SACS receives the final numbers. Jason will be able to provide a clearer picture within a week or two. Outside of a significant audit adjustment, SACS will be able to provide a close number. They will not be able to provide a final number until the audit is complete.

The Board of Commissioners can move 2020 surplus funding to Capital up until the audit is complete.

D. 2020 Audit Update

The audit process is a little behind, however the Government Finance Officers Association (GFOA) is offering a no-excuse extension to file the Comprehensive Annual Financial Report (CAFR). A lot of counties have received funds that were not anticipated. The Controller's Office will submit an extension request in June for reporting at the end of July.

Jason announced that the County was awarded the Certificate of Achievement for Excellence in Reporting for the 2019 CAFR. Notification was received earlier this month.

E. American Rescue Plan

Margaret reported that all requirements to receive funding from the Department of Treasury are in place. She asked the Committee if the County should establish a secondary account to deposit funding and track expenditures.

Treasurer Colleen Kennedy has been in contact with M&T Bank to establish an account. She confirmed with Jason that there are no limitations, and this can be an interest-bearing account. Jason added that the intent is not to issue checks from the account, but to transfer funds to the General Fund. He is working with SACS to determine how the transactions will be accounted for within the system. They are also awaiting additional guidance from the Department of Treasury.

VI. DISCUSSION ITEMS

Process for Budget Modifications

With SACS on board and the Controller's Office fully staffed, Commissioner Pipe asked the Committee how to change the authority for spending funds. He feels that there should be action at a Commissioners' meeting to approve and document budgetary changes, such as reallocation of the ADC or funds to manage the Centre Crest Building. He asked what actions are appropriate for Financial Management and what should be approved in public session.

If there is a line item within a department that needs changed, Ed suggested this could be approved by Margaret and adjusted by Financial Management. A budget

amendment between departments or funds, should be put on the agenda for approval at a public meeting. Margaret added that this is the current practice, which was instituted by the former Director of Financial Management Tom Martin.

VII. ANNOUNCEMENTS

VIII. ADJOURNMENT

On a motion by Commissioner Dershem, seconded by Treasurer Colleen Kennedy, the Committee voted unanimously to adjourn the meeting at 9:56 AM.

ATTEST

Margaret N. Gray
Administrator