

**FINANCE COMMITTEE MEETING
THURSDAY, FEBRUARY 3, 1994, 4:00 PM
ROOM 564, COUNTY COURTHOUSE**

Present: John Keefe
Billy King

Absent: Marshall Faircloth

Others: Cliff Strassenburg, County Manager
John Nalepa, Finance Director
Rhonda R. Davis, Deputy Clerk

AGENDA ITEMS:

1. Election of Chairman

The meeting was called to order and Commissioner King was duly elected Chairman of the Committee.

2. Selection of Regular Meeting Date

John Nalepa, Finance Director, suggested the committee have meetings on call as needed. He did not feel there was a need for a regular meeting date. If the committee members or staff members have something they need to discuss, a meeting can be called.

It was the consensus of the group that meetings of the Finance Committee be on call.

3. Review of Investment Policy

John Nalepa stated there had been some question as to whether or not he was too conservative in his investment practices. He presented a copy of the Cash Management and Investment Policy adopted by the Board of Commissioners on January 16, 1990. He stated a question was raised as to why he does not purchase governmental bonds. He feels the risks are too great and the money must be tied up for too long when a bond is purchased. If a bond is purchased and the county has a cash squeeze, the bond would have to be sold in distress. What you would get for it will depend on the market at the time of the sale. Most of the county's investments are for less than forty-five days. Investments are placed to correspond to the times of the year the county needs money. The reason for short period purchases is due to the current interest rates. He has not considered long term investments recently due to the county's low fund balance. He has checked investments with other counties and has found the ones that make long term (1 or 2 years) have much more money to invest than Cumberland County does.

Nalepa also presented a comparison sheet of the Cash and Investments and Investment Earnings and Tax Levy of Cumberland and other counties. He is very proud of his investment record. He does not know of anything more that can be done until the interest rates stabilize and the fund balance is keep up. He would like to continue investments as they are currently being done.

Strassenburg stated Nalepa has checked with other counties and only one in the state has purchased bonds. That county has not done very well with it.

Commissioner Keefe stated he would like the county to continue the investment procedures in the same manner as they are currently being handled.

Commissioner King stated he does not have a problem with being conservative with the county's money. It seems to have worked for the twenty years Nalepa has been handling them and sees no need to change.

The committee affirmed the present investment procedures as being adequate.

Mr. Strassenburg left the meeting.

4. Consideration of Changing Policy for Reimbursement of Meals

John Nalepa stated the current policy concerning the reimbursement of meals while traveling on county business was adopted in 1988. The problem with the policy is that if an employee wants to be reimbursed through receipts for meals, they must produce a receipt for each meal that day. If a receipt is lost for one of those meals, the employee cannot be reimbursed at the county rate for that meal and use his receipts for the others. The policy is that you either take the county rate for the entire day or you produce receipts for the entire day. He is asking if the committee would consider allowing an employee to be reimbursed the standard meal rate for the one meal that the receipt has been lost for and use receipts for the rest of the day.

Commissioner King stated he felt if the policy is to provide a receipt for the entire day, then the employee should produce receipts.

Commissioner Keefe asked Nalepa if the per day rate could be raised.

Nalepa stated he could gather information from the state on the current reimbursement rate for meals and bring this information back to them and they could also discuss the receipt policy at that time. He also stated he would like to discuss the reimbursement of

meals purchased through room service. He has a problem since room service is so much more expensive. He usually will only reimburse an employee the standard rate.

Commissioners Keefe and King stated they had no problem with reimbursing for room service and felt making a policy concerning it was unnecessary.

Commissioner Keefe stated he feels the in state rate should be raised to \$30.00 and out of state should be raised to \$35.00.

Nalepa stated he will search other rates and bring the information back to them.

Commissioner King asked Nalepa to find out the policy and rates reimbursed by the NC Association of County Commissioners.

Meeting adjourned 4:45 P.M.