

Executive Board Meeting
6:30 p.m. - Thursday, March 11, 2021
Third Floor Conference Room
233 Middle Street, New Bern, NC

Minutes

ECC Executive Committee in Attendance:

E.T. Mitchell, Craven County Commissioner
Frank Emory, Jones County Commissioner
Steve Wiggins, Mount Olive Commissioner
Roland Best, Lenoir County Commissioner
Johnnie Ray Kinsey, City of New Bern Commissioner
Ed. Riggs, 2nd Vice President
Shane Turney, Treasurer
Bill Taylor, 1st Vice President
Jay Bender, President
Freeman Hardison, Wayne County Commissioner
Bob Cavanaugh, Carteret County Commissioner
Bennie Heath, Greene County Commissioner
Arthur Robinson, Greene County caucus
Jesse Dowe, Duplin County Commissioner

ECC Staff in Attendance:

Katie Bordeaux, Executive Director
Jenny Miller, Finance Director
Leighann Morgan, Deputy Finance Director/Transportation Director
B.J. Eversole, Senior Transportation Planner
Mickey Anderson, Transportation Planner

Guest in Attendance:

Jill Quattlebaum, Attorney, Grady Quattlebaum

- 1. Welcome, Invocation, and Call to Order** – President Jay Bender called the meeting to order at 6:32 p.m. Quorum was met.
- 2. Adopt Agenda - Jay Bender, President**
President Jay Bender pointed out the added item #11 AAA HCCBG & Monitoring Update on the agenda.

Commissioner Kinsey motioned to approve the agenda with the items moved, seconded by Commissioner Best, and motion was unanimously approved.

3. Consent Agenda – Jay Bender, President

- a. Executive Board Meeting Minutes – January 14, 2021
- b. Special Called Executive Board Meeting Minutes – January 28, 2021
- c. Financial Statement

Commissioner Kinsey motioned to approve the consent agenda, seconded by Commissioner Dowe, and motion was unanimously approved.

4. Closed Session Minutes – Jill Quattlebaum, Grady & Quattlebaum

- a. January 14, 2021
- b. January 28, 2021

Attorney Quattlebaum distributed the closed session minutes to the Executive Committee in sealed envelopes for review. Commissioner Robinson collected the minutes and returned the minutes back to Attorney Quattlebaum.

Commissioner Riggs motioned to approve the minutes, seconded by Commissioner Mitchell, and motion was unanimously approved.

5. Budget & Audit Committee Report – Shane Turney, Treasurer

Treasurer Turney stated the Budget & Audit Committee met before the Executive Committee Board meeting to go over the check register, proposed budget, RFP of auditor, and the audit presentation.

6. Audit Presentation – Robbie Bittner & Sarah Kate Willis, RSM

Mr. Bittner presented the FY 2019/2020 Audit report to the Budget & Audit Committee. ECC's audit received a Clean Unmodified Opinion with one material weakness noted in the general fund with the accounts payable module. No issues/concerns or disagreements with management or staff were reported.

7. Audit RFP – Jenny Miller, Finance Director

Finance Director stated a Request for Proposal was issued for audit services and two firms responded. The two firms were the current ECC auditors (PB Mares) and Sharpe Patel CPA firm out of Raleigh. The ECC's current auditors three-year proposal came in at \$93,600 and Sharpe Patel, CPA came in at \$88,096 for a three year contract. Sharpe Patel only has offices in Raleigh and the City of Kinston is the only government within our region that they are in contract. Based on PB Mares recently changing from their old firm, RSM, no local offices in our area for Sharpe Patel, and the minimal cost difference not being worth the additional work that would be required on staff to get new auditors onboard, Finance Director Miller recommended continuing with PB Mares at this time.

Commissioner Taylor motioned to stay with PB Mares, seconded by Commissioner Best.

The Executive Committee discussed changing auditors every five years.

Vote of 8 “nay” and 6 “yay”

Commissioner Mitchell motioned to switch audit firm to Sharpe Patel. The motion was not seconded.

8. ECC By-Law Committee Update – Bill Taylor, 1st Vice President

Commissioner Taylor stated the By-law Committee met three times by virtual and in-person means. The Committee’s recommendations are in the agenda packet for review. Commissioner Taylor asked the Board to review the amendments and return comments by April 12, 2021 to the Executive Director.

9. RPO Overview – B.J. Eversole, Senior Transportation Planner and Mickey Anderson, Transportation Planner

Mr. Eversole and Mr. Anderson gave a presentation on the Statewide Transportation Improvement Plan (STIP), funding, prioritization and the SPOT process. Eastern Carolina Rural Planning Organization (ECRPO) has submitted 21 new submissions and the Down East Rural Planning Organization (DERPO) has submitted 20 new submissions. They explained the local impact points and they work with DOT and other RPO to split and add points to projects to receive a better score to receive funding.

10. Recovery & Resiliency Funding Resource Guide for Local Governments – Katie Bordeaux, Executive Director

Executive Director Bordeaux exhibit the Recovery & Resiliency Funding Resource Guide that ECC was awarded a grant for recovery and resiliency. Deputy Finance Director shared the link on the Eastern Carolina Council website where a pdf format can be found.

11. AAA HCCBG & Monitoring Update – Jenny Miller, Finance Director

The North Carolina Division of Aging acknowledged March 10, 2021 that there is an error in the ARMS (reimbursement system used by the state Division of Aging to collect all information and issue payments) system. Most of the Aging money does not reconcile and in some cases the state reimbursed the wrong providers. This has been an ongoing issue since the system broke at the close of the last fiscal year. Currently, the ECC is working with DAAS on how to resolve the issues without causing problems with the audit confirmations at year end for our entire region.

Approximately 6.5 million of ECCs funding is pass thru and the part we are referring. We have also heard that there will be an additional COVID funding coming shortly which will increase the liability amount.

The ECC is providing a mandatory provider meeting on April 28, 2021 and will be in contact with county finance staff once decisions are made and everything is reconciled. Finance Director Miller reiterated that this change of reimbursements will be a big undertaking. ECC’s total budget that was just presented is \$8,101,539, of that amount, \$7,520,883 are Aging funds (93% of our budget) and is affected by this problem.



When the ARMS system broke, DAAS realized that the ECC was the only COG in the state that the pass thru funds go directly to the providers rather than to the COG. This created more issues as the ARMS system could not be as easily programmed to operate in this manner when the other COGs were not, so effective July 1, 2021 the ECC will be receiving the funds directly and sending the funds to counties and providers.

The ECC was also advised we would not receive additional administrative funding to distribute the funds. It became clear that the money we were using in house for different outreach or projects that staff had been working on should have been used for this purpose. We began asking many questions because ECC will now be signing checks and forwarding funds, which means we are 100% liable if this is not handled properly. The magnitude of this is that each month HCCBG reimbursements are approximately \$400,000. ECC's fund balance is approximately \$500,000.

Per the grant requirements, the ECC is issued aging funds to monitor and provide technical assistance to ensure our providers are using these funds within the guidelines. If this is not done, we have defaulted on our obligation and would owe any non-reimbursable money back to the Division. We began looking into how monitoring had been done to make sure this would not be an issue and if any changes need to be addressed prior to issuing a statement to the region about the changes for the HCCBG funding process and learned that we had some major issues that needed to be corrected prior to this transition.

The Aging Director began provider monitoring to see exactly who we needed to work with and what were the major non-compliant issues. We also had a change due to COVID and did not do in person monitoring, we did desk audits which some providers were not pleased with. It does require them to upload documents in the computer which is a change, but this was beyond our control. The Aging Director is also asking for a lot more documentation and writing up things that are ineligible. This was not done properly in the past (records as far back as 2016 indicate no monitoring to some providers) and we know some providers may not be happy and may reach out to superiors with complaints, therefore we want to ensure our Board is aware and prepared for these conversations and understand what is occurring. The Aging funds are no different than any other grant funds providers receive and they must be held to the requirements of the grant or costs are ineligible. They will now be monitored accordingly so that ECC is not the entity in default of our requirements of the grant and liable for the paybacks.

12. Member Comments

13. Closed Session - NC G.S. 143-318-11(a)(3) and NC G.S. 143-318-11(a)(6)

Commissioner Heath motioned to enter a closed session, seconded by Commissioner Dowe and motion was carried unanimously approved.

14. Adjournment