

The Board of Commissioners of Fayette County, Georgia met in Official Session on Wednesday, October 3, 2001, at 3:30 p.m. in the public meeting room of the Fayette County Administrative Complex, 140 Stonewall Avenue, Fayetteville, Georgia.

COMMISSIONERS PRESENT:   Greg Dunn, Chairman  
                                      Linda Wells, Vice Chair  
                                      Herb Frady  
                                      Peter Pfeifer  
                                      A.G. VanLandingham

STAFF MEMBERS PRESENT:   Chris W. Cofty, County Administrator  
                                      William R. McNally, County Attorney  
                                      Karen Morley, Chief Deputy Clerk

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Chairman Dunn called the meeting to order, offered the Invocation and led the pledge to the Flag.

**FURTHER DISCUSSION OF MCDONOUGH ROAD AND COUNTY LINE ROAD:**

Director of Public Works Lee Hearn presented the Board with an outline of three options that were available to the county regarding the McDonough Road and County Line Road intersection improvements. He said they had worked several weeks in terms of meeting with the Georgia Department of Transportation and working internally as far as coming up with these options.

Mr. Hearn remarked that option #1 regarded the Georgia D.O.T. actually constructing the project and the county waiting until funds were available for Georgia D.O.T. to completely handle the project. He remarked that option #2 would be for the county to accept the \$370,000 from the Georgia D.O.T. and contract the construction portion out to a contractor. He said he had received a good estimate from A.P.A.C. who was a local contractor who does this kind of work. He said these figures were good figures in terms of the total cost including utility relocation of \$824,000. He remarked that option #3 would be for the county to accept the \$370,000 from Georgia D.O.T. and to construct the project with county forces with \$100,000 earmarked for utility relocation for a total cost of \$529,000. He said it was his recommendation to go with option #2. He said his reason for that was because there were a number of projects his department was currently scheduled to work on in terms of intersection improvements and shoulder improvements and so forth. He said they would be unable to handle those sort of projects if the crews were tied up. He also felt it would take his crew a little longer to do the project in that dirt roads would still have to be maintained and a certain amount of time would need to be devoted to maintenance. He said with the amount of traffic going through this intersection, the timeliness of completing construction was of paramount importance. He said he would be happy to answer any questions that they Board might have at this time.

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Commissioner Frady said he understood that there had been sixty-four accidents in the last five years at that intersection equating to twelve accidents per year or one accident per month.

Mr. Hearn remarked that he was not aware that the number of accidents was that high.

Commissioner Frady said he had the figures.

Mr. Hearn stated it was his understanding that the accidents had decreased since the three way stop was installed.

Commissioner Frady said there had been some accidents involving cars running the stop signs.

Commissioner VanLandingham interjected that he had seen an article in today's newspaper where three people were seriously hurt at that intersection. He said there was a serious problem there and it did not look like the Georgia D.O.T. was going to move much further than they already had for the foreseeable amount of time. He felt the county needed to proceed in some fashion.

Commissioner Wells asked Mr. Hearn if the county had dealt with A.P.A.C. before and the reason this company was chosen.

Mr. Hearn replied this was a local company located in Tyrone. He said the county purchases asphalt from them. He said he had taken the quantities in terms of excavation, rock, the G.A.B. and asphalt quantities. He said he had told A.P.A.C. that he did not want a bid number at this time only a budget number. He said A.P.A.C. helped the county on projects such as this from time to time.

Commissioner Wells clarified that this was a ballpark figure estimate with no commitment from A.P.A.C. to do any work.

Mr. Hearn said he had just gotten a budget number and he would certainly go back and several people to bid on this project if the county chose to handle it that way.

Commissioner Wells said she would like to make a motion.

On motion made by Commissioner Wells, seconded by Commissioner Frady to proceed with acceptance of money from Georgia D.O.T. and to proceed in putting this out for bid, discussion followed.

Commissioner Frady said he would second the motion that this would go out for bids. He felt this intersection would continue to grow in traffic and would continue to grow in accidents as

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well. He said it was his understanding that the State would give the county \$370,000. He said the county already had \$369,000 that was already committed for that intersection and would leave a balance of approximately \$85,000 to come from the county's emergency contingency fund. He said he would like the motion to include the \$85,000.

Commissioner Wells felt dollar amounts did not need to be included in the motion just other than accepting the amount from Georgia D.O.T.

Chairman Dunn remarked that he had spoken to Secretary Tom Coleman of the D.O.T. who reassured him that he was \$160 million short of money for this type of program and Fayette County could not get another penny beyond the \$370,000. He said he supported the motion 100%. He said the reason this had taken so long was because the county was trying to see if it could get some federal grant money and that became impossible because of some other factors.

The motion carried 5-0.

Chairman Dunn asked Mr. Hearn to get this out for bids and Mr. Hearn replied that it would not be this week but he would do it soon.

**DISCUSSION OF THE IMPLEMENTATION OF THE PURCHASING CARD PROGRAM AND POLICY:**

Pam Reed, representing the Finance Department, stated she was asking for the Board's consideration for the Finance Department to proceed with the implementation of the purchasing card program and policy. She said the representatives from Wachovia Bank were present to give their presentation regarding a purchasing card and some of the benefits that go along with it. She asked the Board if there were any questions from the information that they had received regarding the purchasing card. She introduced Dorothy Moore who was with the Treasury Services of Wachovia Bank. She remarked that Wachovia Bank was currently the county's financial institution.

Dorothy Moore remarked that Wachovia Bank had been the county's financial institution for the last six years. She said Wachovia greatly appreciated the fact that the county had entrusted its banking business with it. She said from time to time the Bank tried to introduce new products and also kept people abreast of change in existing products. She said they would be discussing the purchasing card or the p-card as it was commonly referred to. She said Ingrid Kelley would be making the presentation today. She said as Ingrid delivered the information to the Board, she was quite sure the Board would have questions. She asked the Board to make note of any questions and she would be glad to answer them. She said if the Board would give this presentation consideration today, it would find that this product would save time, money, effort and a whole list of things. She said they would not be here today unless they knew the county would benefit from it.

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Ingrid Kelley, Senior Sales Officer at Wachovia Bank, responsible for selling purchasing and travel cards. She said she would give the Board a general synopsis of the purpose of the p-card as well as the benefits for Fayette County. She remarked that a purchasing card was a mechanism of payment and had controls built in to it therefore the authorization for the individuals to make purchases. She said those controls could be customized to each card to each card holder to each person's job function. She said this was a purchasing card and not a credit card. She said the only similarities in the p-card and a credit card was the fact that it was a Visa brand card and therefore it was accepted wherever Visa was accepted at over 1,800 merchants world wide. She said other than that the similarities were not the same. She said the objectives typically were to decentralize the purchasing but at the same time maintain control. She said right now there were a lot of people purchasing outside the traditional means of purchasing that the county would want to give them a means of purchasing but give them controls within the county's guidelines and that was the purpose of the card.

Ms. Kelley remarked that the increase in supplier acceptability a lot of times would come about because the county might be limited on who would accept P.O.'s a lot of times. She said now this would open up the possibility especially in the maintenance or repair area that it was the merchant who would accept the Visa card who would now accept the p-card and the county still have the control that it would have otherwise.

Ms. Kelley remarked on faster payment to the suppliers. She said currently the county's payment terms might be thirty days or forty-five days. She said the supplier would get paid within twenty-four to thirty-six hours of the time the purchase was made. She said the supplier would not have to wait until the end of the month to invoice the county and wait thirty days thereafter for payment. She said the supplier's accounts would be reimbursed within twenty-four to thirty-six hours. She said if the supplier was set up on the Wachovia Merchant acceptance they would be paid within twenty-four hours directly to their account. She said it reduced the paper work and time required for not only the county but also for the supplier because they would no longer have the invoice.

Ms. Kelley remarked on the transaction cost. She said the transaction cost in the traditional environment was anywhere from \$50 to \$150. She said each time a purchase was made it would cost \$50 to \$150. She said she was sure the Board had heard the rumor about Lockheed spending a few hundred dollars for a toilet seat for an airplane. She said the toilet seat was actually \$15 to \$20 and the rest of it was actually process cost. She said the county's process cost as she understood it were close to \$150. She said as a result of the purchasing card this would be reduced.

Ms. Kelley stated that the county's focus could be anything possible or a dollar value could be determined. She said she understood the county's would be \$2,000 or less for the type of purchases to be made. She said an individual's card may have a transaction limit of \$2,000

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but a monthly limit of maybe \$5,000. She said each card could be totally different. She said there might be some cards with only a transaction limit of \$100 but a monthly limit of \$2,000 and according to their job function.

Ms. Kelley remarked on the money this program would save the county. She said this program would save the county money because the process costs would be decreased. She said the individual suppliers would be getting paid faster and the rule of thumb was typically the 80/20 rule. She said 80% of transactions represent only 20% of spending. She said the focus of the purchasing card was typically that small spend but the high transaction areas. She said if the county was focusing on \$2,500 or less and it represented 80% of the county's purchases and the average transaction itself was \$300 and the transaction cost was anywhere from \$50 to \$150 but as a result of putting the p-card in place that transaction cost would now go down to \$15 or \$25 and the county would be saving soft dollars. She said the soft dollars usually equated to the time factor involved in making the purchases.

Ms. Kelley remarked on the typically card holders. She said they had Fulton County, Atlanta Board of Education, City of Salem, City of Roanoke and Roanoke County. She said all of these were a synopsis of the departments that they have put in there and they had since customized it to be specific to the county. She said these were the departments that would have cards in place. She said it might be one card or it might be numerous cards. She said the cards could be set up in two ways. She said there could be an individual's name on the card or a department card could be created. She stated because of the ramifications or liability it was suggested that an individual card be done with the individual's responsibility for reconciling the statement. She said there could be numerous cards within a department. She said these were departments specific to the county.

Ms. Kelley commented on card uses. She said maintenance, repair and operations was number one. She remarked that travel and entertainment were growing. She said the unique thing about the card was that Wachovia could give a senior secretary that has the travel and entertainment capability and no one else would have it. She said this would be according to the job functions. She said wherever the card could be used, the card uses could be allowed. She remarked that typically there would be non value added purchases. She said there would no longer be a need for petty cash and that cash would go back into the cash flow of the county. She said each merchant who accepts the card was set up on a merchant category code or an NCC code. She said each card could be set to allow or disallow a specific type of merchant. She said they might block travel and entertainment cash advance but they might allow everything else. She said a person solely doing maintenance would be allowed maintenance type purchases and everything else could be blocked. She said the controls were in place according to the card holder or the job function. She said the controls were by transaction dollar limit/monthly limit. She said each card must have those at a minimum at the merchant type and merchant limit. She said the controls would be specific according to the function and the use of the cardholder.

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Ms. Kelley remarked on Wachovia's recommendations. She said the first thing would be to put a policy and procedure in place that would explain how and what they are to purchase. She said Wachovia suggested the only means of authorized purchasing should be the traditional means and the purchasing card. She said the cards could also be linked to a budget. She gave as an example the fire department having a budget of \$40,000 and within that department there being two or three cards. She said those three cards could be linked to that \$40,000 budget. She said once the cards reached the \$40,000 the cards would then decline. She said this would give better control over where employees purchase and how much they purchase and also staying within the budget. She said the limits should be set up according to the individual and the job function. She said each card could be totally different or it could be done in categories. She said typically companies start off in categories and as the program progresses then limits are changed according to the person's job functions. She said the limits set on the cards as well as the controls then determine the authorized level that was being given to each individual.

Ms. Kelley remarked on supplier negotiations were in place and those should continue. She said those suppliers that the county had negotiated rates with could accept the card and the rates that have been negotiated should not change.

Ms. Kelley said one of the things that Wachovia recommended as part of the pilot program would be to set clear and measurable goals—how they would be measured and what would be measured. She said this would become a clear indicator of the program's success. She said if it was to decrease the number of invoices received then the county should see that number sharply decline. She said if it did not decline then this would be a clear indicator that the program was not set up the way it should be or the people were not using the card the way they should be.

Ms. Kelley remarked on the acknowledgment of responsibilities form. She said Wachovia would provide the county with a sample letter. She said this was a paper signed by the individual acknowledging that the card was solely for county purposes only. She said any misuse or abuse of the cards was grounds for disciplinary action and for termination. She said Wachovia always suggested that this be viewed by Human Resources as well as legal. She said this would become part of the individual's file.

Ms. Kelly remarked on the Visa liability waiver. She said the county was insured up to \$15,000 per card holder. She said if an individual were to misuse or abuse the card for whatever reason, the county would be insured up to \$15,000 per card. She said the key was that the employee must be terminated and proof of termination must be shown. She said the county would then be reimbursed for that amount. She said because of the controls in place versus a consumer card misuse or abuse of the card would be less than .3% of the total millions of dollars spent.

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Ms. Kelley commented on pilot program. She said the pilot program should usually last approximately three months. She said this would give the county time to get the bills. She said it would also give the individuals time to reconcile the bill and it would also give the county time to work out any problems in the program. She said the pilot should be representative of the county but not the whole county. She said the pilot could consist of twenty or thirty people for the three months. She said thereafter Wachovia could start to roll out all at once or roll out by departments whichever would fit the county's needs.

Ms. Kelley commented on the Wachovia/First Union merger. She said as a result of the merger there was something that she needed to explain to the Board. She said First Union has gotten out of the purchasing card and the commercial card business. She said as a result of Wachovia merging with First Union, Wachovia would be creating a subcontract relationship with NBNA. She said the good thing about it would be that the card would still say Wachovia and the customer service would still say Wachovia but the service itself would be enhanced. She said at this time Wachovia did not have internet access and as a result of this subcontractor/agent relationship the county would have access to internet payment online and account maintenance on line. She said Wachovia was still implementing the merger itself over the merger to NBNA. She said the time frame was unknown but it was guessed to be the end of first quarter 2002. She said the change should be seamless to the county. She said First Union had just done this change with NBNA and it took them approximately one year to complete the process.

Ms. Kelley said she would be glad to answer any questions that the Board might have.

Commissioner Wells questioned computer protection from hackers. She asked if the set up of cards was controlled at a central place or was it embedded in the card or what. She asked if an individual could go into the computer and change the limit on the card.

Ms. Kelley replied that all of that would be controlled in the Wachovia headquarters within Wachovia customer service. She said to date nothing of this nature had ever happened. She said Wachovia had always been very conservative and had built fire walls into their computer system. She said Wachovia had hired hackers to try and break through these fire walls and to date this had never happened. She said Wachovia's system was very secure. She said it had been everyone's concern, with the growing increase of e-commerce, that there would be an increase in fraud and they had not seen any increase.

Commissioner Wells asked how long this had been in place with some of the references that Ms. Kelley had provided.

Ms. Kelley replied that the City of Salem had used this for approximately one and a half year, Fulton County was approximately five years, City of Roanoke was approximately one year and the Atlanta Board of Education was approximately five years.

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Commissioner Wells asked if these clients would be able to say that this had measurably saved them money.

Ms. Kelley responded that the Atlanta Board of Education had actually forced Wachovia into creating a new capability on the cards. She said this was the one that she had spoken of regarding linking the cards to a budget. She said that was something that the Atlanta Board of Education required. She said at the end of their fiscal year the cards were turned off and then new budget amounts were assigned and the cards were turned back on at the beginning of the new fiscal year. She said function wise, Wachovia had been able to customize according to their needs and this was something they had always done and would continue to do.

Commissioner Wells expressed concern with not having an invoice that could be matched up. She asked if the reports the county would receive from Wachovia would be definitive enough that it could determine if the items purchased were appropriate.

Ms. Kelley replied that the only way to determine that would be by the merchant's capability and Wachovia calls this level of detail. She said the traditional merchants were considered level one. She said it would say for example Wal-Mart, city and state and \$50. She remarked that level two would break out tax. She said only when the merchant was level three capable would one see the detail other than looking at the receipt itself. She said to answer Ms. Kelley's question the answer was no unless the merchant was level three capable.

Commissioner Wells asked how many merchants were level three.

Ms. Kelley replied of the more than 18,000,000 less than 1%. She said the large office suppliers such as Office Depot or Office Max were level three. She said the large maintenance repair houses such as W.W. Granger and Scientific Fisher were level three capable but the small local mom and pop businesses were not. She said it was up to the receipt.

Commissioner Wells said as long as the card holder stayed within their definitive limit and as long as it was linked to the budget and they did not go over the budget the county would still not have a way of knowing exactly. She asked if the Board would have purchases definitively broken out as to exactly what was purchased so that cost of items could be identified for specific items.

Ms. Kelley responded that this would be done within the reconciliation process. She recalled the City of Roanoke had done this. She said when the individual reconciles they could then note how much was spent in specific categories. She said it would then be up to accounts payable to then charge those specific categories and there would be a link as to how much was spent on specific items. She said that would be the only way.



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Commissioner Wells said this would be very similar to looking at an invoice.

Ms. Kelley remarked that would be correct. She said in this case the individual would be doing the reconciling not accounts payable or accounts receivable.

Commissioner Wells remarked someone would still have to look at that to verify it. She said the county would be doing away with an invoice on one hand but the check would still have to be done to see if these match up. She questioned if the county would still be saving a great deal of money if it wanted to make sure that there was that level of detail.

Ms. Kelley remarked that the county would save in that the normal process was anywhere from 25 to 50 steps between making a purchase and paying an invoice. She said when she had done the original presentation and showed the Finance Department 52 steps they commented that this looked very familiar. She said as a result of the purchasing card process, that was decreased to approximately eight to ten steps and not as many hands were touching it but some comfort zones would still need to be put in to get the level of detail that the county wanted.

Commissioner Wells remarked on the insurance of \$15,000 per card if there was a violation. She remarked if the employee was terminated the county policy was that the employee could go through several different steps and the county might decide not to terminate the employee. She asked Attorney McNally if he saw a legal problem for the county if this was done.

Attorney McNally asked if the question was whether or not this would interfere with the county's ability to be reimbursed.

Commissioner Wells replied no. She said it was stated that each card would be insured up to \$15,000 if the employee was terminated by the county. She asked if there would be a problem with someone saying that they did not get a fair hearing.

Attorney McNally replied the employee would have to go through the process.

Commissioner Wells clarified if the county decided not to terminate that employee then the county would not be insured and would not be reimbursed for it.

Ms. Kelley interjected that she had heard of some municipalities who had created an exception. She asked if that would be possible.

Attorney McNally remarked that the county could, of course, change personnel rules but the county could not take away an employee's administrative right to appeal.

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Commissioner Wells said that was what she was getting at. She said the county might be infringing upon their right for appeal and possibly placing itself in a situation where it could lose substantial money.

Attorney McNally remarked that he would hope that if anyone actually did misappropriate any money that any panel would uphold the employee's termination.

Commissioner VanLandingham questioned the \$15 to \$25 charge for the purchasing card was Wachovia's cost.

Ms. Kelley replied that was the decrease in the process cost. She said right now if the county's process was costing \$150 as a result of the purchasing card the process itself would be reduced to \$15 to \$25.

Commissioner VanLandingham asked if the figures that Ms. Kelley was presenting were pertinent to Fayette County's operation.

Ms. Kelley replied no and remarked that those were general numbers. She said she believed that Mr. Pullium had those figures.

Commissioner VanLandingham asked Mr. Pullium for those figures and Mr. Pullium replied that he did not have those figures at this particular point in time.

Commissioner VanLandingham asked if the \$15 to \$25 figure was on Wachovia's end and not on the county's end.

Ms. Kelley replied that these figures were the typical process costs for those within the industry of those using the cards. She said these were not Wachovia's costs or fees. She said within the industry of those who use the purchasing card statistics show that process cost can be anywhere from \$50 to \$150 and as a result their process costs decrease down to the \$15 to \$25.

Commissioner VanLandingham asked if the cost was based on purchase transactions, amount of transaction, card holder or a combination.

Ms. Kelley responded that this was based on a combination. She said basically all of the hands that touch a purchase from the time that someone thinks they need to make a purchase to the time that the check was released in the envelope with the stamp. She said it was the whole process in making the purchase.

Commissioner Frady asked if Ms. Kelly was referring to the \$50 to \$150 and not the \$15 to \$25.

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Ms. Kelley replied that the county's traditional cost for the process itself was anywhere from \$50 to \$150. She said as a result of putting the purchasing card in place this would be reduced to \$15 to \$25.

Commissioner Frady said he thought Commissioner VanLandingham was asking for a breakdown on the \$15 to \$25.

Commissioner VanLandingham asked if this was the bank cost or was this the cost of industry.

Ms. Kelley replied this would be the county's internal process cost and within the industry and not the county's specific numbers.

Commissioner Wells asked what the bank cost would be for a program such as this.

Ms. Kelley replied nothing.

Commissioner VanLandingham clarified that Wachovia was doing this for the county for the cost of nothing.

Ms. Kelley replied exactly. She said this was due to the county and Wachovia's banking relationship.

Commissioner Frady asked who would get the \$15 to \$25.

Ms. Kelley replied that those were internal soft costs to make a purchase.

Dorothy Moore interjected this would be the cost that would be incurred if someone took five minutes to write an invoice and someone else touched it and it took them five minutes. She said these employees' time cost the county money.

Commissioner VanLandingham asked Ms. Kelley how they would get paid.

Ms. Kelley replied that they would be paid on the interchange. She said each time the card was used the merchant would pay Visa an interchange fee. She said Wachovia would receive a portion of that from Visa. She said they make their money solely on the interchange and not on fees to the county.

Chairman Dunn clarified that this was the same principle as any credit card.

Commissioner Frady asked if the county would have difficulty in getting discounts because the merchants have to pay a fee of 5% or more.

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Ms. Kelley responded that the interchange fee for Visa was 1.25% to 2.25%. She said American Express charged 5%. She said the merchant would now be paid within twenty-four to thirty-six hours versus the county's normal terms of a minimum of thirty days. She said the merchants cash flow would be constant versus waiting for the county to pay an invoice. She said if the merchant did increase the county's cost they would be outside of Visa's regulations and could lose their privileges of using a Visa card.

Commissioner Frady said he just could not get warm an fuzzy over it costing the county \$50 to \$150 to make a purchase. He said that seemed rather high to him.

Ms. Kelley said she would give the Board an example of a traditional purchasing process. She said for example if she wanted to purchase a screw driver. She said the traditional process was to sit down and write out a request. She said she would then give the request to purchasing. She stated purchasing would then input it and send the request to the supplier. She said the supplier would then mail the merchandise. She said the invoice would then be received by accounts payable. She said accounts payable would then process the invoice depending upon the county's system they may request approval over a certain dollar level. She said they would then key it in. She said the check was then set in the system to release. She said the check would then go into an envelope with a stamp on it. She said receiving would accept the purchased item and then put it in the system. She said then it would have to be determined if it balanced out to the original order. She said if it did not then they would have to go through a process. She said if it did then it would have to agree with the purchase order with the invoice with the receiving document. She said all of this was involved in the cost of making a single purchase regardless of the dollar value of the purchase.

Commissioner Frady felt something needed to be done about the county's purchasing if this was what was happening.

Commissioner VanLandingham said it was his conclusion since it was not known how much this would cost the county, it would just be an arbitrary decision on his part if he voted on this matter today. He suggested that this matter be tabled to a later time so that the Board could get some figures that it could deal with.

Commissioner Frady said he could not support it either. He said he just could not see that these things were happening in that fashion. He said he would need to find out more about the county's operation. He said he would hate to know that the county was sending someone to a hardware store and it was costing the county \$50 to \$150 to buy it plus the cost of the screw driver.

Chairman Dunn remarked that since one or more of the Commissioners had asked not to make a decision on this matter today then the Board would not be making a decision on this

today. He said while the Wachovia representatives were present the Board could continue to ask them questions.

Commissioner VanLandingham said his questions would be directed to the Finance Department and the Purchasing Department.

Chairman Dunn remarked that there was one statement that he felt compelled to make. He said his son was a Vice President with Wachovia Bank. He said his son has nothing whatsoever to do with a program like this. He said he felt totally free to discuss this and vote on this when the times comes even if it was Wachovia. He said he just wanted it to be clear that he had a connection with Wachovia. He said since he had been a Commissioner he had wanted to get into something like this. He said he had dealt with this in the Federal government. He said there were millions and millions of dollars saved on programs like this in the Federal government right now because of people purchasing like this. He felt this program needed to come down to this level. He said he did not know if there would ever be the capability to determine the cost per transaction.

Commissioner Wells clarified that Ms. Kelley had said that a pilot program could be tried in a small controlled environment. She felt that would be the way to go if the Board decided later on that it wanted to at least test this out. She said there could be some very definitive check lists as to what was accomplished and what was done away with as far as costs and hands touching everything.

Ms. Kelley suggested that the Board also check the references and check with the other counties who have this program in place and see the benefit that they had received. She felt this would give the Board a clear indicator of the true benefits of the program.

Commissioner Wells remarked to Finance Director Mark Pullium that one of the things to keep in mind when and if this pilot was set up would be to definitely link it to the budget. She felt this would be something that would be incredibly important for the county to do rather than just have a limit. She said this could even be within a budget line item. She said the Board reviews all budget line items individually.

Commissioner Pfeifer asked Finance Director Mark Pullium if he had an idea of where he would want to try this program out and how he would propose to determine whether or not this was a good thing or a bad thing.

Mr. Pullium replied yes. He said he had a couple of departments who had worked with the Finance Department in studying this program. He said the Fire Department would be one department who would offered to try the pilot program. He said also the Buildings and Grounds Maintenance Department. He said he was suggesting that there would be selected individuals within those departments as a start up so that potential problems could be

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identified that might be encountered. He said in addition he suggested the Road Department would be another area as well as a key member in the Sheriff's Department. He said there could also be a key member in Administration and the Finance Department. He said there would be a very limited scope involved in the pilot program.

Commissioner Wells asked if this was being seen as expending the number of people who would be able to make purchases. She asked if this would increase the number of people in each department who had the right to expend funds.

Mr. Pullium replied no. He said each department had a certain protocol of individuals who were authorized to requisition funds for goods and services. He said his department would work with each department to stay within those same confines. He said he was not suggesting that everyone on staff be given one of the purchasing cards. He said he would never recommend that.

Commissioner Frady clarified that Mr. Pullium had 32 people listed who would receive the p-card.

Mr. Pullium responded that figure pertained to potential departments once the program was rolled out in full scale. He said he was proposing to start with a pilot program. He remarked that some of the departments would not benefit from this at all.

Chairman Dunn remarked that there might also be some departments with more than one card.

Commissioner Frady asked if this meant the county would have 32 people out running to get merchandise or was the Purchasing Department going to be circumvented. He said the advantage to all of this was to have a credit card but there were a lot of disadvantages to that too. He asked how this would work if an employee needed to purchase a screw driver. He asked if the employee would have to go to the store.

Commissioner Pfeifer felt that would go to what the control options would be set at and how it would be proposed to authorize people at different levels.

Commissioner Frady said he could not imagine anyone getting a purchase requisition for a screw driver.

Mr. Pullium interjected that in theory that was what the county's current purchasing ordinance prescribed. He said it might not always happen exactly like that but it should. He said in theory that was what should be taking place. He said if someone in the Road Department was out on the highway and needed a roll of twine they might not necessarily go and make up a requisition for a ball of twine. He said for one little item it made sense to go ahead and either

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purchase the item and pay for it out of petty cash or charge it on account and get the requisition submitted after the fact. He said that was the part that they wanted to eliminate. He said they wanted to modify the purchasing ordinance to allow for this at some point in time. He said this would streamline the process so that an individual needing that role of twine could take their p-card and get it and get the job done without having to go through a lot of administrative headache. He said it would be a much more cost effective proposition. He felt the county's cost of an individual purchase order was well in excess of \$200. He said the money that the county would save would be considerable. He said he would like to have purchasing staff focus their efforts on large contracts where savings could be realized and minimize the costs in the processing of the small transactions that are necessities. He said there were some new key advantages in making some changes in this area.

Commissioner Frady said he agreed. He felt there needed to be places that the Purchasing Department makes an agreement on prices for every day purchases.

Commissioner Pfeifer asked if the Board had made a motion. He asked if he could make a motion.

Chairman Dunn said there was no motion and the Board would not be making a motion because Commissioners Frady and VanLandingham requested this matter be discussed further.

Commissioner Pfeifer asked if he could make a tentative motion to ask staff to prepare a presentation on a trial program and perhaps answer some of these questions.

Chairman Dunn said there did not need to be a motion for that. He said the Board would not deal with any motions because this matter would be tabled for further discussion.

Commissioner VanLandingham remarked he understood that the Board was just trying to get information on this program from Wachovia while they were present for this presentation.

Chairman Dunn said this idea was not totally new to the county. He asked how many people had credit cards.

Mr. Pullium responded there were some gas cards in the Sheriff's Department but to be honest he was not sure.

Chairman Dunn said there was a certain number of people in the county who could purchase items with a credit card now. He said there was also petty cash in most of the departments. He said the purchasing card program would eliminate petty cash. He said the county would have more control over this than over the petty cash. He said there was a lot of benefits. He commented that not every transaction for the county went through the Purchasing Department

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but too many of them do. He thought a \$2,000 cap on the purchasing card was a good idea as well as having the pilot program. He said this would save the county hundreds of paper transactions every month. He asked Mr. Pullium if he envisioned a time when he would have to hire a new person to go over the hundreds of transactions that he might end up with on a statement from Wachovia. He said there would not be a real good connectivity between what was purchased and how much. He said the amount of money spent would be known but it would not be known exactly what the money was spent for.

Commissioner Pfeifer interjected that this information could be gotten off the invoice and he suggested that this be part of the proposals. He asked how they would propose to match that up.

Mr. Pullium remarked that Ms. Kelley had addressed that issue previously.

Ms. Kelley responded that the Department would receive a middle statement showing all of the transactions for that level and it would be up to them to reconcile that statement.

Chairman Dunn remarked that no one would know if a pen or a pencil was purchased.

Ms. Kelley said they would always have a receipt. She said this was part of the policy and procedure to make the individual produce receipts.

Commissioner Frady asked if someone would have to audit thirty-two credit cards.

Ms. Kelley replied that 2% of the transactions each month would be randomly checked.

Chairman Dunn asked if this program worked, how many credit cards would be out there. He said there would be more than one card per department. He said he could envision a hundred credit cards.

Mr. Pullium remarked that would probably be an accurate assessment of the number of cards that there would be government wide.

County Administrator Chris Cofty interjected that this process was going to be very similar to the same reconciliation process that the county currently goes through as far as matching receipts. He felt the purpose of this card was to allow the consolidation of billing, to issue one check and process one statement as opposed to processing numerous statements. He said this would equate to reduced staff time. He felt it would give the county more internal control and better allow tracking of the current purchasing policy of the county. He said he was aware that some of the Commissioners had run into issues during their traveling to various places and this would circumvent a lot of that. He said this would also reduce the time and effort from the Finance Department staff to issue checks. He felt the net effect would equate to a



significant savings. He agreed that if this was not monitored then there could be a problem. He felt because the amount of purchases would be limited and specification on the card that this would be a key factor that the county needed to be cognizant of. He felt this was a good proposal and something that needed to be looked at.

Commissioner VanLandingham referred back to the issue of the road crew needing twine on the job. He felt the issue of proper planning was also being addressed. He asked the question of why an employee would go out on a job without twine. He felt there should have been a box of twine purchased and kept at their work station. He said the purchasing card might eliminate procedures for workers and giving them the opportunity to run to a store to make a purchase. He felt this aspect also needed to be reviewed and not just the savings of an unknown figure on transactions. He said he knew the convenience was there and there was no question of that. He stated the savings could be there if it was monitored and policed in a proper manner. He said Chairman Dunn had asked the question earlier as to how many employees have credit cards. He said it was apparently not known how many credit cards were out there now although there was probably a record somewhere.

Chairman Dunn said the Sheriff's Department purchases gasoline in that manner.

Commissioner VanLandingham said if no one knew how many credit cards were out there now, then the county was not policing what it already had. He said he did not know the county had credit cards.

Mr. Cofty interjected that the savings would be great but he was more concerned with the internal controls. He said he was not going to sit there and tell the Board that he knew someone who had a credit card because he was not aware of anybody having a credit card. He said he would tell the Board that if this policy was implemented he would know every single person who would have a credit card. He said he would certainly be monitoring that.

Chairman Dunn remarked that Mr. Cofty's predecessor used to have a credit card.

Mr. Cofty said that he did not have one.

Commissioner Frady felt the Sheriff did that himself because he does not respond too much to line items and spends the money that he gets.

Chairman Dunn remarked that the twine example was probably an unfortunate example because right now employees just go out with petty cash and purchase the twine. He said he sees the biggest benefit of getting rid of the petty cash laying around everywhere.

Commissioner Frady asked how much petty cash there was laying all over the place.

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Mr. Pullium said he would have to provide this to the Board later because he did not know the answer to that. He said he would also provide the information regarding the gas credit cards. He said he agreed with Commissioner VanLandingham in what might not have been proper planning but the objective would be for that department to go ahead and purchase the twine on the p-card.

Chairman Dunn asked how long it would take to find out from the credit card company that somebody had made a personal purchase such as travel on the purchasing card.

Ms. Kelley said it would depend if travel was allowed on the card or travel was not allowed on the card.

Chairman Dunn asked Ms. Kelly about any type of violation on the card. He asked her if the county would have to wait until paper work was received in order to compare records.

Ms. Kelley said reports can be done daily to trace any out of the ordinary purchases being made. She said if an individual was suspected then their transactions could be reviewed. She said the county would have this ability and on the internet it would be even better. She said the county would have visibility into the transactions.

Commissioner VanLandingham asked Mr. Pullium if he had the personnel to handle this.

Mr. Pullium replied yes that he had personnel in the Finance Department to accomplish this objective.

Chairman Dunn said no one was talking about checking every transaction but doing something randomly.

Commissioner VanLandingham asked Ms. Kelley if the county could block any purchase it wanted on any single card.

Ms. Kelley replied yes this would be done by the merchant type or merchant category.

Mr. Pullium said he would like to make a comment on how this card could benefit the county. He said when staff goes out on government business a lot of times staff would be advanced cash or issued a check payable to their hotel and so forth. He remarked that just this week there was a check issued for him to attend the Georgia Government Finance Officers Association Meeting at the Hyatt Regency in Savannah. He said when he got there he was told that they would not be able to accept a Fayette County check. He some members of Wachovia Bank helped resolve this issue. He said he was concerned with the potential problem for someone who would be traveling on government business taking a Fayette County check and not having the ability necessarily to cover that expense.

Commissioner VanLandingham asked if the county's tax exempt number would be embossed on this card.

Ms. Kelley responded that could be done.

Commissioner Frady asked why Ms. Kelley had provided only four references.

Ms. Kelley replied that was all that had been asked for.

Commissioner Frady said he assumed that Ms. Kelley had a lot more.

Ms. Kelley replied that she did.

Chairman Dunn said he was 100% behind getting something like this done but there needed to be tough controls put in place. He said he would commit himself to working very hard to make this work.

**CONSENT AGENDA:** On motion made by Commissioner Wells, seconded by Commissioner VanLandingham to approve the consent agenda as presented. The motion carried 5-0.

**FINANCE DEPARTMENT:** Approval of request from Finance Director Mark Pullium to provide communication equipment to the Georgia Department of Corrections, Fayetteville Probation Office with funds coming from the interest earned from the certificate of deposit and no budget amendments required.

Commissioner Frady asked if this request was for a specific amount or was it policy.

Mark Pullium replied that the request in connection with this was for \$843. He said after further discussion with the probation officer it was suggested that he obtain one of the cell phones through the county contract. He said this would mean a savings of \$400 annually for this cost. He said the probation officer had agreed to the Finance Department's recommendation to move to a firm through the county's contract which was much cheaper and would save the county some money.

Commissioner Frady said the request was dated June 14, 2000. He asked if the \$843 went back that far.

Mr. Pullium replied yes. He said that request was from June 1<sup>st</sup>, 2000 to May 31, 2001.

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**LISBON BAPTIST CHURCH:** Approval of request from Lisbon Baptist Church to place a sign at the Old Courthouse advertising their Fall Celebration Festival to be held October 14<sup>th</sup> through October 27<sup>th</sup>.

**PUBLIC COMMENT:**

Members of the public are allowed up to three minutes each to address the Board on issues of concern other than those items which are on this evening's agenda.

There was no public comment.

**STAFF REPORTS:**

**EXECUTIVE SESSION:** Attorney McNally requested an executive session to discuss two legal matters.

Commissioner VanLandingham requested an executive session to discuss one legal matter.

**UPDATE ON A.C.C.G MEETING:** Chairman Dunn updated the Board on the A.C.C.G. meeting held this morning. He remarked that the filing period for elections next year would be held in June, 2002 and the primary election would be held in August, 2002.

**COMMISSIONER FRADY:** Commissioner Frady remarked that he would not be able to attend the October 25<sup>th</sup> Commission meeting due to vacation.

**ELECTION MACHINES:** Chairman Dunn said the Secretary of State assured him that the State would absorb all costs relating to the new voting machines.

**EXECUTIVE SESSION:** On motion made by Commissioner Wells, seconded by Commissioner Frady to adjourn to executive session to discuss three legal matters. The motion carried 5-0.

**LEGAL:** Attorney McNally discussed a legal matter with the Board.

The Board took no action on this matter.

**LEGAL:** Attorney McNally updated the Board on a legal matter.

On motion made by Commissioner VanLandingham, seconded by Commissioner Frady to authorize Attorney McNally to proceed in this matter. The motion carried 5-0.

**LEGAL:** Commissioner VanLandingham withdrew his request for discussion of this item.

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**EXECUTIVE SESSION AFFIDAVIT:** On motion made by Commissioner Wells, seconded by Commissioner VanLandingham to authorize the Chairman to execute the Executive Session Affidavit affirming that two legal matters were discussed in executive session. The motion carried 5-0. A copy of the Executive Session Affidavit, identified as "Attachment No. 1", follows these minutes and is made an official part hereof.

There being no further business to come before the Board, Chairman Dunn adjourned the meeting at 5:15p.m.

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Karen Morley, Chief Deputy Clerk

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Gregory M. Dunn, Chairman

The foregoing minutes were duly approved at an official meeting of the Board of Commissioners of Fayette County, Georgia, held on the 25th day of October, 2001.

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Karen Morley, Chief Deputy Clerk