

**AUDIT/BIDS/INSURANCE COMMITTEE MEETING
WEDNESDAY, NOVEMBER 16, 2016
COUNCIL CONFERENCE ROOM—2ND FLOOR, CITY HALL**

The Audit/Bids/Insurance Committee met on Wednesday, November 16, 2016 at 5:45 p.m. in the Council Conference Room, 2nd Floor City Hall, Gastonia, North Carolina.

PRESENT: Chairman Dave Kirlin
Councilman Jim Gallagher

ABSENT: Councilman Robert Kellogg

GUEST: Mr. Matt Braswell, Martin Starnes & Associates

STAFF: Mr. Ed Munn, City Manager
Mr. Todd Carpenter, Assistant City Manager
Mr. Michael Peoples, Assistant City Manager
Mr. Ash Smith, City Attorney
Ms. Judy Smith, Assistant Director of Human Resources
Ms. Melody Braddy, Director of Financial Services
Mr. Wendell Hendrix, Controller

Chairman Kirlin opened the meeting and thanked everyone for coming.

ITEM 1: FINANCIAL AUDIT:

Chairman Kirlin recognized Ms. Melody Braddy, Director of Financial Services, for presentation. Ms. Braddy stated the auditor issued an Unmodified Opinion on the City's financial statements and no Management Letter was issued for this audit period.

Ms. Braddy recognized Mr. Matt Braswell, Audit Director with Martin Starnes & Associates, CPAs, P.A. who presented the Annual Financial Audit Report for fiscal year ending June 30, 2016 and fielded various questions of the Committee.

Committee Recommendation: The Committee accepted this for informational purposes only and recommends the Council accept the June 30, 2016 audit.

ITEM 2: AUDIT SERVICES CONTRACT:

Chairman Kirlin recognized Ms. Melody Braddy, Director of Financial Services, for presentation. Ms. Braddy presented the Audit Services Contract for FY ending June 30, 2017 and 2018 noting staff would like to continue the contract with Martin Starnes & Associates CPAs, P.A. for an additional two years. The proposed audit fee for the year ending June 30, 2017 is \$54,125 and

the audit fee for year ending June 30, 2018 is \$55,750 and increase of \$1,575 and \$3,200 respectively.

Committee Recommendation: The Committee voted unanimously (2-0) to recommend extending the contract for financial audit services for fiscal years ending June 30, 2017 and 2018 to Martin Starnes & Associates CPAs, P.A.

ITEM 3: WELLNESS PROGRAM INCENTIVE COST:

Chairman Kirlin recognized Mr. Todd Carpenter, Assistant City Manager – Administration and Public Safety, for presentation.

Mr. Carpenter presented the proposed Wellness Program Coordinator and Costs.

The Committee recommended doing the BIO screenings through the On-Site Clinic and directed staff to get a new quote from Caromont without the BIO screening portion.

The Committee will consider a Disease Management Program at a later time.

Committee Recommendation: The Committee voted unanimously (2-0) to contract with Caromont for a 2 year wellness program consisting of incentives, a full-time wellness coordinator, 12 lunch and learns per year, 2 exercise classes per week, and 4 targeted disease or fitness program per year.

ITEM 4: WELLNESS PROGRAM INCENTIVE COST:

Chairman Kirlin recognized Mr. Todd Carpenter, Assistant City Manager – Administration and Public Safety, for presentation. Mr. Carpenter presented the options for Wellness Program Incentives for Participation.

Option 1: Health Savings Account - \$520 in addition to current contribution.

Option 2: Premium Adjustment Method - employees not participating in the Health Risk Assessment pay an additional \$20 per pay period toward insurance premium.

The Committee stated that this should be considered as part of the City's overall compensation program which includes raises, market adjustments, insurance, etc.

Committee Recommendation: The Committee voted unanimously (2-0) to recommend Option 2: Premium Adjustment Method.

ITEM 5: GYM AFFILIATIONS AND COST:

Chairman Kirlin recognized Ms. Judy Smith, Assistant Director of Human Resources, for presentation. Ms. Smith presented findings for gym discounts for employees:

- CaroMont Health Gym – offered \$20 per month including fitness classes and gym membership
- YMCA - 10% discount off any membership
- Loray Athletic Club – offered \$25 per month, per person

Other gym options: Planet Fitness is always \$10 per month for any member.

The Committee directed staff to move forward with introducing the gym discounts to employees.

Committee Recommendation: The Committee accepted this for informational purposes only.

With no other items to discuss, the meeting was adjourned at 7:15 p.m.