

## BUDGET, FINANCE & INVESTMENT COMMITTEE

August 9, 2016

5:30 P.M.

Courthouse

### MINUTES:

#### Members Present:

Comm. Rhonda Allen  
Comm. Charlie Baum  
Comm. Joe Frank Jernigan  
Comm. Shawn Kaplan  
Comm. Robert Peay  
Comm. Doug Shafer  
Comm. Will Jordan, Chair

#### Others Present:

Ernest Burgess  
Lisa Nolen  
Mark Tucker  
Jeff Sandvig  
Melissa Street  
Teb Batey  
Don Odom

Mac Nolen  
Michael Gregory  
Trey King  
Greg Brooks  
Melissa Harrell  
Bruce Collier  
Brian Robertson

Ann Lynn Walker  
Comm. Pettus Read

Chairman Jordan presided and called the meeting to order at 5:30 P.M. with all members present.

#### APPROVE MINUTES:

Comm. Jernigan moved, seconded by Comm. Kaplan to approve the minutes of the June 21, 2016 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

#### INVESTMENT REPORT:

Teb Batey presented the monthly Investment Report noting that there were no CD bids for June or July. The LGIP interest rate for the month of June was .33% and for July was .35%.

Comm. Peay moved, seconded by Comm. Jernigan to approve the Investment Report as presented.

The motion passed unanimously by acclamation.

Mr. Batey next provided an update to the Committee on the change to Franklin Synergy Bank and the change in financial software.

#### FUND CONDITION REPORT:

Lisa Nolen, Finance Director, presented the monthly Fund Condition Report for June and July, 2016 for the use and information of the committee. The Development Tax collections for the month of June totaled \$387,750 with the year-to-date collections being \$5,086,500. This compared to the previous year when the monthly Development Tax collections were \$375,750, and the year-to-date collections were \$3,342,000. The Development Tax collections for the month of July totaled \$411,750. This compared to the previous year when the monthly Development Tax collections were \$264,750.

The committee reviewed the fund cash balances for June totaling \$202,801,894 with operating funds being \$178,612,343 and borrowed funds being \$24,189,551. This compared to the same period last year when the total cash balances were \$216,066,318 with operating funds being \$177,401,071 and borrowed funds being \$38,665,247. The committee reviewed the fund cash balances for July totaling \$185,106,497 with operating funds being \$161,548,112 and borrowed funds being \$23,558,385. This compared to the same period last year when the total cash balances were \$194,562,901 with operating funds being \$158,600,991 and borrowed funds being \$35,961,910.

The Finance Director next reviewed the revenue collections advising that 98.1% of the property tax levy had been collected through June 30, 2016. She also noted that the sales tax collections were up 21.8% in the rural area and up 9.31% countywide over the previous year.

She reported that calls took place with the bond rating agencies on August 1. Moody's Investors Service assigned an Aa1 bond rating to the upcoming bonds to be sold.

Mrs. Nolen stated that the 2015-16 fiscal year was closed on July 27 and provided the Committee with a fund analysis of the amount of revenue collected over budget, the amount of unspent appropriations and ending fund balances.

Following review, Comm. Jernigan moved, seconded by Comm. Kaplan to approve the Fund Condition Report as presented.

The motion passed unanimously by acclamation.

#### RISK MANAGEMENT:

Melissa Street presented the monthly Risk Management Financial Reports for June and July for the use and information of the committee advising that the cost per employee per month for the medical, dental and vision program for June was \$817 compared to \$995 for the prior year. The average cost per month was \$951 compared to \$897 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$994 compared to \$934 for the prior year for a trend of 6%. The cost per employee per month for the medical, dental and vision program for July was \$1,080 compared to \$894 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$1,116 compared to \$931 for the prior year.

For the Work Injury Fund performance, the year-to-date claims for June totaled \$702,183.87 compared to \$657,661.09 for the prior year. The year-to-date claims for July totaled \$22,764.62 compared to \$53,534.50 for the prior year.

Following review, Comm. Allen moved, seconded by Comm. Peay to approve the Risk Management Financial Report as presented.

The motion passed unanimously by acclamation.

#### SOLID WASTE FEASIBILITY STUDY:

Mac Nolen presented a Solid Waste Disposal Feasibility Study Agreement with Gershman, Brickner & Bratton, Inc. for preparation of a strategic plan for future solid waste disposal for Rutherford County and the City of Murfreesboro. The cost of the study is \$250,100 and one-half will be paid by the City of Murfreesboro in accordance with a previously approved Memorandum of Understanding. He stated that this is a very experienced team and was chosen after interviews and reviews of the proposals.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the feasibility study agreement as presented.

The motion passed unanimously by roll call vote.

#### SOLID WASTE:

Mac Nolen presented a Solid Waste Fund budget amendment to appropriate funds for the solid waste feasibility study presented above:

Increase Revenue:	116-48140	Contracted Services	\$125,050
Decrease:	116-34730	Assigned Fund Bal.	\$125,050
Increase Expend.:	116-55770-308	Consultants	\$250,100

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### GENERAL PURPOSE SCHOOL FUND:

Don Odom presented two General Purpose School Fund budget amendments. The first amendment is to reallocate \$4,854,683 in already budgeted software and other technology expenditures to the specific function object code combinations the State Department of Education has requested to be used beginning with the 2016/17 year. The second amendment is to transfer \$11,000,000 from the General Purpose School Fund Unassigned Fund Balance to the School Building Program, Fund 189. \$5,501,000 of this transfer will cover the needed increase in the construction budget for Rocky Fork Middle School. The \$5,499,000 balance of this transfer will be used for later elementary projects.

Comm. Shafer moved, seconded by Comm. Allen to approve the budget amendments as presented.

The motion passed unanimously by roll call vote.

PAWS ANIMAL FRIENDLY GRANT:

Michael Gregory presented an Animal Friendly Grant from the Tennessee Department of Health for acceptance. The grant is in the amount of \$3,900 and covers the period of July 1, 2016 through June 30, 2017. The grant is for the provision of low cost spay and neuter procedures.

Comm. Kaplan moved, seconded by Comm. Peay to accept the Animal Friendly Grant as presented.

The motion passed unanimously by roll call vote.

PAWS PETSMART GRANT:

Michael Gregory presented a grant from PetSmart Charities, Inc. for acceptance. The grant is in the amount of \$30,000 and covers a period of 12 months after execution. The grant provides funding for a cargo van and kennels for the Rescue Waggin program.

Comm. Allen moved, seconded by Comm. Shafer to accept the PetSmart Grant as presented.

The motion passed unanimously by roll call vote.

PAWS:

Michael Gregory presented three General Fund budget amendments and a transfer:

To recognize funds remaining from 2015-16 PetSmart Grant:			
Decrease:	101-34530	Restricted Fund Bal.	\$11,893
Increase Expend.:	101-55120-169	Part-time Personnel	\$11,035
	101-55120-201	Social Security	\$689
	101-55120-212	Employer Medicare	\$169
To recognize Animal Friendly Grant and appropriate funds:			
Increase Revenue:	101-46980-	-PAWS Oth. State Grant	\$3,900
Increase Expend.:	101-55120-413	Drug & Med. Supplies	\$3,900
To recognize PetSmart Grant and appropriate funds:			
Increase Revenue:	101-48130	Contributions	\$30,000
Increase Expend.:	101-55120-718	Motor Vehicles	\$30,000
To transfer funds for lease of a dishwasher:			
Increase Expend.:	101-55120-334	Maint. Agreements	\$7,000
Decrease Expend.:	101-55120-790	Other Equipment	\$7,000

Comm. Shafer moved, seconded by Comm. Jernigan to approve the budget amendments and transfer as presented.

The motion passed unanimously by roll call vote.

VENDOR AGREEMENTS WITH TENNESSEE DEPARTMENT OF MENTAL HEALTH FOR DRUG COURT:

Trey King presented two vendor agreements with the Tennessee Department of Mental Health and Substance Abuse for Alcohol and Drug Addiction Treatment for indigent supervised probation offenders' treatment (ADAT-SPOT) in the amount of \$7,000 and Alcohol and Drug Addiction Treatment (ADAT) for indigent driving under the influence (DUI) offenders (ADAT-DUI) in the amount of \$5,000. Both of these agreements reimburse certain costs at various rates. These agreements are for the period of July 1, 2016 through June 30, 2017.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the vendor agreements as presented.

The motion passed unanimously by roll call vote.

OTHER ADMIN OF JUSTICE (PROBATION):

Trey King presented a General Fund budget transfer to provide funds to purchase a replacement copier:

Increase Expend.:	101-53900-719 Office Equip.	\$4,200
Decrease Expend.:	101-53900-499 Other Supp. & Mat.	\$4,200

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget transfer as presented.

The motion passed unanimously by roll call vote.

HIGHWAY DEPARTMENT:

Greg Brooks presented a Highway Fund budget amendment to appropriate funds for the addition of 5 positions:

Decrease:	131-34750 Assigned for Highways	\$256,510
Increase Expend.:	131-62000-143 Equipment Operators	\$126,635
	131-62000-201 Social Security	\$7,850
	131-62000-204 Pensions	\$15,155
	131-62000-205 Employee Insurance	\$104,800
	131-62000-209 Disability Insurance	\$235
	131-62000-212 Employer Medicare	\$1,835

Mr. Brooks stated that with this amendment, the Highway budget would still be a balanced budget by about \$200,000. He also stated that he is aware this is a recurring expense and cannot continue to be funded from the fund balance.

Comm. Allen questioned Mr. Brooks as to why this was not presented during the preparation of the 2016-17 budget. Mr. Brooks stated that he wanted to wait and make sure that revenue for 2015-16 can in as expected.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget amendment as presented.

The motion passed by roll call vote with Comm. Baum voting "No".

CIRCUIT COURT CLERK:

Melissa Harrell presented a General Fund budget amendment to use available amounts from funds Committed for Administration of Justice for the purchase of TnCIS software from Local Government Corporation for Circuit Court Clerk:

Decrease:	101-34620 Committed for Admin.	\$233,000
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	of Justice	
Increase Expend.:	101-53100-317 Data Proc. Services	\$8,000
	101-53100-706 Data Proc. Equip.	\$225,000

Mrs. Harrell stated that the software had been reviewed by her and her staff. She has also spoken with several court clerks in other counties that are using the software.

Bruce Collier, Local Government Corporation, provided an overview of his company, as well as, some of the features of the software.

Ann Lynn Walker, Administrative Office of the Courts, stated that the State paid for the software to be developed by Local Government and the County will only pay for the conversion, setup and annual maintenance of the software.

Brian Robertson stated that the hardware and database software purchased for the previous clerk's software conversion request will be able to be used in this installation.

Comm. Allen moved, seconded by Comm. Kaplan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### HEALTH DEPARTMENT:

Lisa Nolen presented a General Fund budget amendment to appropriate the remaining balance of the funds from the State's tobacco settlement that were not expended in 2015-16:

Decrease:	101-34530- -TBCO	Restricted for	\$58,868
		Public Health	
Increase Expend.:	101-55170-310	Cont. w/Oth. Pub. Ag.	\$4,091
	101-55170-355	Travel	\$1,853
	101-55170-499	Other Supp. & Mat.	\$37,423
	101-55170-599	Other Charges	\$15,501

Comm. Allen moved, seconded by Comm. Peay to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

#### REGIONAL TRANSPORTATION AUTHORITY CONTRACT:

Mayor Burgess presented the Regional Transportation Authority contract for funding a portion of the bus route between Rutherford County and Nashville for the 2016-17 fiscal year. The contract is in the amount of \$49,220.

Comm. Allen moved, seconded by Comm. Shafer to approve the contract as presented.

The motion passed unanimously by roll call vote.

#### COUNTY BUILDINGS:

Mayor Burgess presented a General Fund budget amendment to appropriate the unspent balance of the prior year funds for County Buildings building improvement account to improve the HVAC system in the Historic Courthouse:

Decrease:	101-39000	Unassigned Fund Bal.	\$300,000
Increase Expend.:	101-51800-707	Building Improve.	\$300,000

Comm. Allen moved, seconded by Comm. Jernigan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

DISCUSSION OF SHERIFF'S OFFICE POSITIONS:

At the July 25, 2016 Public Safety Committee, the 19 patrol and detention positions that were removed from the 2016-17 budget recommendation of the Budget Committee to the County Commission were discussed. The Public Safety Committee's recommendation was to place this item on the Commission agenda for further discussion. Chairman Jordan asked that this item be placed on the Budget Committee before it went to the County Commission.

Comm. Baum asked whether a portion of the positions should be added back.

Comm. Peay asked if the departments were fully staff at this time. He also requested additional information on the overtime paid and the turnover rate of the last 12 months.

Comm. Allen stated that she struggled with the decision to take the positions out and also with adding them back. She stated that she wants to help the rank and file employees.

Comm. Kaplan stated that he was opposed to allowing the Sheriff to hire these additional positions in the environment that currently exists.

Comm. Read added that he had talked to employees of the Sheriff's Office and felt that the positions are needed.

No action was taken on this item.

ADJOURNMENT:

There being no further business to be presented, Chairman Jordan declared the meeting adjourned at 7:53 P.M.

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Mark Tucker, Secretary