

BUDGET, FINANCE & INVESTMENT COMMITTEE

September 8 , 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
Rob Mitchell
Trey King
Lynn Duke
Rosemary Faulk
Gary Clardy

Chairman Jordan presided and called the meeting to order at 5:30 P.M. with all members present except Comm. Shawn Kaplan at this time.

APPROVE MINUTES:

Comm. Jernigan moved, seconded by Comm. Allen to approve the minutes of the August 9, 2016 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

At this time, Comm. Shawn Kaplan joined the meeting.

INVESTMENT REPORT:

Teb Batey presented the monthly Investment Report noting that there was a CD bid in August, but the Trustee chose to not accept any of the bids and retain the funds in the bank account that offered the same interest rate. The LGIP interest rate for the month of August increased to .36%.

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

The motion passed unanimously by acclamation.

CHANGE TO INVESTMENT POLICY:

Teb Batey presented a change to the Investment Policy to allow investment in Insured Cash Sweeps and to allow the distribution of investment bid requests by email. Insured Cash Sweeps are similar to a money market account and lowers the collateral amount required by the bank.

Comm. Shafer moved, seconded by Comm. Peay to approve the change in the Investment Policy as presented.

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Lisa Nolen, Finance Director, presented the monthly Fund Condition Report for August, 2016 for the use and information of the committee. The Development Tax collections for the month of August totaled \$342,750 with the year-to-date collections being \$754,500. This compared to the previous year when the monthly Development Tax collections were \$582,750, and the year-to-date collections were \$847,500.

The committee reviewed the fund cash balances for August totaling \$174,918,496 with operating funds being \$155,039,682 and borrowed funds being \$19,878,814. This compared to the same period last year when the total cash balances were \$186,540,597 with operating funds being \$151,265,348 and borrowed funds being \$35,275,249.

The Finance Director next reviewed the revenue collections advising that the sales tax collections were up 13.6% in the rural area and up 8.6% countywide over the previous year.

She reported that the Standard and Poor's bond rating for the upcoming bonds to be sold was AA+ with a positive outlook which is up from a stable outlook on the previous bond issue.

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

The motion passed unanimously by acclamation.

RISK MANAGEMENT:

Melissa Street provided the committee with an update to the BenefitFocus contract that was previously approved for report generation software. She stated that in June a notice of termination was sent to BenefitFocus due to lack of performance in the software as well as the team because of unique issues that are required. She stated that she is working on a revised reporting package with our broker, Willis Towers Watson, and will present that at next month's meeting.

She next presented the monthly Risk Management Financial Reports for August for the use and information of the committee advising that the cost per employee per month for the medical, dental and vision program was \$1,083 compared to \$1,037 for the prior year. The average cost per month was \$1,081 compared to \$966 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$1,121 compared to \$1,012 for the prior year for a trend of 10.7%.

For the Work Injury Fund performance, the year-to-date claims for August totaled \$77,449.77 compared to \$131,193.05 for the prior year.

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

The motion passed unanimously by acclamation.

PROPERTY ASSESSOR:

Rob Mitchell presented a General Fund budget amendment to provide funding for copiers that were not purchased last fiscal year:

Decrease:	101-39000	Unassigned Fund Bal.	\$10,000
Increase Expend.:	101-52300-709	Data Process. Equip.	\$10,000

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

The motion passed unanimously by roll call vote.

DRUG COURT:

Trey King presented a grant contract with the Tennessee Department of Mental Health and Substance Abuse Services for the provision of the Tennessee Veterans Treatment Court Initiative in the County Veterans Court in the amount of \$70,000. The grant will be used to pay salaries and benefits. The contract is for the period of August 1, 2016 through June 30, 2017. Director Nolen noted that this grant would add an additional position to the Drug Court department.

Comm. Shafer requested an update in 6 months to review the savings at the jail if there is an objectionable way to determine those amounts.

Trey King next presented a General Fund budget amendment to recognize the revenue from the grant and appropriate the funds:

Increase Revenue:	101-46980- -VTC Other State Grants	\$70,000
Increase Expend.:	101-53330-189 Other Sal. & Wages	\$48,940
	101-53330-201 Social Security	\$3,040
	101-53330-204 Pensions	\$5,220
	101-53330-205 Emp. & Dep. Ins.	\$11,980
	101-53330-209 Disability Insurance	\$110
	101-53330-212 Employer Medicare	\$710

Comm. Shafer moved, seconded by Comm. Baum to approve the grant contract and related budget amendment as presented.

The motion passed unanimously by roll call vote.

JUVENILE DETENTION:

Lynn Duke presented a contract and amendment with Fayette County for detention bed services at a daily rate of \$175. The contract will remain in effect until terminated.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the contract and amendment with Fayette County as presented.

The motion passed unanimously by roll call vote.

SHERIFF'S OFFICE:

Rosemary Faulk presented two General Fund budget amendments:

To appropriate donations remaining from 2015-16:		
Decrease:	101-39000 Unassigned Fund Bal.	\$24,746
Increase Expend.:	101-54110-399 Other Contract Serv.	\$10,726
	101-54110-499 Other Supp. & Mat.	\$3,779
	101-54210-499 Other Supp. & Mat.	\$10,241

To appropriate funds remaining from 2015-16 for the GHSO grant:		
Increase Revenue:	101-47590 Other Fed./State	\$64,836
Increase Expend.:	101-54110-187 Overtime	\$54,802
	101-54110-201 Social Security	\$3,398
	101-54110-204 State Retirement	\$5,842
	101-54110-212 Employer Medicare	\$794

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

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE FUND:

Rosemary Faulk presented a Special Purpose Fund budget amendment to recognize funds from the Federal Government and appropriate \$87,500:

Increase:	121-34525 Restrict. for Pub. Saf.	\$32,583
Increase Revenue:	121-47700 Asset Forfeit. Funds	\$120,083
Increase Expend.:	121-54110-196 In-service Training	\$2,500
	121-54110-319 Confid. Drug Enforce.	\$30,000
	121-54110-429 Instuct. Supp. & Mat.	\$5,000
	121-54110-451 Uniforms	\$5,000
	121-54110-499 Other Supp. & Mat.	\$10,000
	121-54110-716 Law Enforce. Equip.	\$35,000

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

The motion passed unanimously by roll call vote.

BLIND VENDOR FACILITIES AGREEMENT FOR JAIL:

Mayor Burgess presented an occupancy and use permit agreement from the Tennessee Department of Human Services for acceptance. This agreement allows a licensed blind vendor to operate the commissary at the jail. He stated that licensed blind vendors through the Tennessee Department of Human Services have a right of first refusal by state statute to operate vending at public facilities. This contract will provide a sales commission to the County of 20%, which is less than the 25% that the County receives from the current vendor.

Comm. Peay moved, seconded by Comm. Jernigan to approve the blind operated vending facilities agreement as presented.

The motion passed unanimously by roll call vote.

EDUCATION CAPITAL PROJECTS FUND:

Don Odom presented the committee with an update on the change in attendance levels in each school for the current school year.

He next presented a budget amendment for the Education Capital Projects Fund in the amount of \$302,138 for 2015-2016 projects that were not complete at June 30, 2016. The projects are roofing at Barfield School at \$271,436 and the running track at LaVergne High at \$30,702:

Decrease:	177-34685	Committed for	\$302,138
		Capital Projects	
Increase Expend.:	177-91300-335	Maint. & Repair-Bldg.	\$302,138

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

The motion passed unanimously by roll call vote.

ENERGY EFFICIENT SCHOOLS INITIATIVE LOAN AGREEMENT:

Don Odom and Gary Clardy presented a loan agreement from the Energy Efficient Schools Council in the amount of \$2,137,047 to install automated control systems on HVAC units in 19 of the schools and to change gym lighting from metal halide to LED at Rockvale Middle School and Rock Springs Elementary School.

Comm. Allen moved, seconded by Comm. Kaplan to approve the loan agreement as presented.

The motion passed unanimously by roll call vote.

ARCHITECTURAL FEE FUNDING FOR SCHOOLS:

Don Odom and Gary Clardy requested approval of architectural fees for four school projects, Rockvale High School at an estimated fee of \$1,962,000, LaVergne and Smyrna High School Restrooms and Concessions at a combined fee of \$15,000, and Rocky Fork Two Story Elementary School at a fee of \$1,204,000. These fees are at a rate of 3-4.5% of the construction cost.

Funding will come from an operating transfer from the General Purpose School Fund.

Comm. Allen moved, seconded by Comm. Shafer to approve the architectural fee funding as presented.

The motion passed unanimously by roll call vote.

HEALTH DEPARTMENT:

Lisa Nolen presented a General Fund budget transfer to reallocate the tobacco settlement funds that will be spent through the contracts with MTSU:

Increase Expend.:	101-55170-310 Cont. w/Oth. Pub. Ag.	\$15,720
Decrease Expend.:	101-55170-499 Other Supp. & Mat.	\$15,720

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

The motion passed unanimously by roll call vote.

MTSU CONTRACTS WITH HEALTH DEPARTMENT:

Lisa Nolen presented amendments to the agreements with MTSU that will extend the term of the agreements until December 31, 2017. These agreements are in place to carry out the programs funded with the tobacco settlement funds.

Comm. Baum disclosed that he was an employee of MTSU.

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

The motion passed unanimously by acclamation.

SOLID WASTE:

Mac Nolen presented two Solid Waste Fund budget amendments:

To provide funding for additional hauling of leachate from the landfill.		
Decrease:	116-34730 Assigned for Public Health & Welfare	\$50,000
Increase Expend.:	116-55770-366 Cont. for Postclosure	\$50,000
To appropriate funds to pay a penalty to TDEC for landfill issues.		
Decrease:	116-34730 Assigned for Public Health & Welfare	\$31,315
Increase Expend.:	116-55754-362 Penalties	\$31,315

He stated that they would be appealing the penalty from TDEC.

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

The motion passed unanimously by roll call vote.

FACSIMILE SIGNATURE RESOLUTIONS:

The Finance Director presented Facsimile Signature Resolutions for the Rutherford County Payroll Account at SunTrust Bank and for the Rutherford County Trustee Account at Franklin Synergy Bank to replace the signature of the Chairman of the School Board.

Comm. Allen moved, seconded by Comm. Kaplan to approve the resolutions to update the signatures for the payroll account and trustee account as presented.

The motion passed unanimously by acclamation.

ADJOURNMENT:

There being no further business to be presented, Chairman Jordan declared the meeting adjourned at 6:58 P.M.

Mark Tucker, Secretary