

BUDGET, FINANCE & INVESTMENT COMMITTEE

February 9, 2012

5:30 P.M.

Courthouse

MINUTES:

<u>Members Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>
Comm. Charlie Baum	Ernest Burgess	Lynn Duke	Larry Farley
Comm. Joe Frank Jernigan	Teb Batey	Joe Russell	Elaine Short
Comm. Will Jordan	Comm. Robert Stevens	Steve Spence	
Comm. Robert Peay	Lisa Nolen	Bernard Salandy	
Comm. Steve Sandlin	Melissa Stinson	Jeff Sandvig	
Comm. Doug Shafer	Jan Rogers	Dana Garrett	
Comm. Joyce Ealy, Chrm.	Mary Schneider	Roger Allen	

Chairman Ealy presided and called the meeting to order with all members being present.

APPROVE MINUTES:

The minutes of the January 5, 2012 Budget Committee were presented for approval.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the minutes as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that the LGIP interest rate for the month was .12%.

Mr. Batey advised that one investment transaction had occurred during the month, and it was awarded to First Tennessee Bank at .89% interest.

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

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Mrs. Lisa Nolen, Finance Director, presented the monthly Fund Condition Report for the use and information of the committee advising that the Development Tax collections for the month of January totaled \$95,250. The year-to-date collections totaled \$508,500. This compared to the same period last year when the January Development Tax collections totaled \$84,750, and the year-to-date collections totaled \$518,250.

The committee reviewed the fund cash balances, which totaled \$168,099,674 with \$152,755,633 being operating funds and \$15,344,041 being borrowed funds. This compared to January of last year when the total cash balances totaled \$166,631,498 with operating funds being \$162,956,044 and borrowed funds being \$3,675,454.

The Finance Director reviewed the revenue collections, and advised that the revenue collections were on target at this point.

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

The motion passed unanimously by acclamation.

RISK MANAGEMENT REPORT:

Mrs. Melissa Stinson, Risk Management Director, presented the monthly Insurance Financial Report advising that the self-funded claims for the Employee Insurance Fund totaled \$4,518,089 for the month. The monthly cost per employee per month for the self-funded medical, dental, and vision plan was \$928.63 compared to \$857.78 for January of last year. When including the cost for the on-site medical clinics, the cost per employee per month was \$965.26 compared to \$889.34 for January of last year. Mrs. Stinson advised that the year-to-date average cost per employee was \$744.47 compared to \$716.89 for last year, and that the fund was trending at 17% over last year.

Regarding the Work Injury performance, the year-to-date claims totaled \$459,792 compared to \$557,489 for the same period last year reflecting 82% of the prior year. Mrs. Stinson advised that there were 20 open workers' compensation claims.

Following review, Comm. Shafer moved, seconded by Comm. Jernigan to approve the Insurance Financial Report as presented.

The motion passed unanimously by acclamation.

RECOMMENDATION TO AMEND EMPLOYEE HEALTH PLAN DOCUMENT REGARDING CHIROPRACTIC BENEFITS:

Mrs. Stinson advised that currently under Option 1 and Option 2 of the county's health plan 26 chiropractic visits per calendar year were allowed with a maximum pay of \$17.50 per visit and a separate deductible of \$150.00. Mrs. Stinson advised that it had been 10 years since any changes had been made to the chiropractic benefit.

Mrs. Stinson advised that it was the recommendation of the Insurance Committee that retroactive to January 1, 2012, the chiropractic benefits be adjusted for Option 1 and Option 2 to eliminate the \$17.50 cost per visit with the benefit being 80% in network after the separate chiropractic deductible of \$150.00; to pay the out-of-network the same as current benefits are paid; and that the limit of the number of visits per calendar year remain at 26 visits. Mrs. Stinson advised that it was estimated that the health plan would pay approximately five dollars more per visit.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan that effective January 1, 2012 the Employee Insurance Plan Document be amended regarding chiropractic benefits for Option 1 and Option 2 eliminating the \$17.50 cost per visit with the benefit being 80% in network after the separate chiropractic deductible of \$150.00, the out-of-network benefit being the same as current benefits, and that the limit of the number of visits remain at 26 visits per calendar year.

The motion passed unanimously by roll call vote.

RECOMMENDATION TO RENEW CONTRACT WITH CIGNA AS THIRD-PARTY ADMINISTRATOR FOR EMPLOYEE MEDICAL, DENTAL AND VISION PLAN:

Mrs. Stinson advised that the third-party administration of the county's self-insured medical, dental, and vision plan had been bid. She advised that CIGNA submitted the strongest proposal with the annual pharmacy rebate increasing from \$145,710 to \$755,376. CIGNA also lowered their ASO administration cost.

Mrs. Stinson advised that Blue Cross/Blue Shield did not provide a firm quote for stop-loss, and Blue Cross retained a portion of the manufacturer rebate. There was also some question as to whether the 57.3% medical discount that Blue Cross quoted would actually be achieved.

The total annual cost from CIGNA was proposed at \$1,610,840, which was a reduction in cost of \$42.3% when compared to the current contract with CIGNA.

Mrs. Stinson advised that the Insurance and Benefits Committee unanimously recommended the renewal of the contract with CIGNA as the third-party administrator for medical dental, vision and stop loss coverage effective July 1, 2012.

Following discussion, Comm. Jordan moved, seconded by Comm. Peay to renew the contract with CIGNA for medical, dental, vision, and stop-loss coverage with a total annual cost of \$1,610,840 effective July 1, 2012.

The motion passed unanimously by roll call vote.

RECOMMENDATION TO PROVIDE FUNDING FOR THE EXPANSION OF MOTLOW STATE COMMUNITY COLLEGE:

Ms. Jan Rogers, Director of Advancement, for Motlow State Community College addressed the committee regarding the addition of a 35,000 square foot building at the Smyrna location of Motlow State Community College. Ms. Rogers advised that the current estimated cost for the 35,000 square foot building was \$10,400,000. The State of Tennessee would fund \$7,613,700 and donations, including the land donated by the Town of Smyrna totaled \$1,787,050. The Christy Houston Foundation had agreed to match funds up to \$587,050, and additional donations totaled \$14,850. The remaining balance to fund the expansion of the 35,000 square foot building, which would be 81% complete with the remainder of the building consisting of a shell of a building, was \$397,350.

Ms. Rogers advised that 2,000 students attended the Smyrna Motlow campus seven days a week with 87% of the students attending having a Rutherford County address. The expansion will enable students to complete the Nursing Program at the Smyrna Campus without traveling to either McMinnville or the Moore County campus for labs.

Ms. Rogers advised that she was requesting a \$200,000 donation from Rutherford County to help complete the 35,000 square foot building at the Smyrna campus of Motlow State Community College. She advised that Motlow was also requesting \$200,000 from the City of Murfreesboro.

Mayor Burgess advised that he supported the Motlow project and that it was his recommendation that \$100,000 be funded from the Development Tax this year with the remaining \$100,000 to be funded next fiscal year from the Development Tax.

Comm. Jordan stated that a high school education was not what it used to be. He advised that it had been reported that approximately 87% of the students at the Smyrna Motlow were from Rutherford County. He stated that these were Rutherford County students, and he supported the project 100%.

Comm. Baum stated if the shortage was \$397,350 and if Rutherford County committed to donating \$200,000 and the City of Murfreesboro contributed \$200,000 that would bring the total a little over the amount needed. He stated that by the time the county paid the second \$100,000 next year, Motlow might receive even more donations. He asked what Motlow would do with the money if more was collected than needed.

Mrs. Rogers advised that \$397,350 would only provide enough money to complete the 35,000 square foot shell building and 81% of the interior. She stated that Motlow would have approximately \$800,000 to fundraise to complete the remainder of the building at some point.

Comm. Baum stated that he agreed with Comm. Jordan, and that he thought the Motlow project was a good idea. Comm. Baum advised that funding for a new science building at MTSU was being included in the Governor's proposed budget for the State of Tennessee. He explained that just like Motlow, MTSU would have to come up with matching funds. He advised that their match was much larger at \$18 million. He stated that the situation seemed somewhat comparable to the Motlow situation in that supporting these capital projects would help the county, they would attract students to the region, and the students would be spending money in the local economy. Comm. Baum stated if the students remained here or if Rutherford County students remained here after graduation, it would provide a more educated and skilled labor force that would make them more employable and their resulting incomes could be higher. He stated it could also attract employers to

the region. He asked Mayor Burgess and the county in general to consider assisting MTSU with the construction of the new science building. He advised that the Fact Book for MTSU stated that approximately 3,700 first-time freshman in the fall of 2011 were from Rutherford County. He stated that he believed that of the total student enrollment at MTSU, approximately 7,000 were from Rutherford County. Comm. Baum stated that he would like to formally ask the mayor to consider helping MTSU with funding for the new science building.

Mayor Burgess stated that he had already been thinking about that, and he knew that a request would probably be made. Mayor Burgess advised that he certainly would take that under serious consideration as soon as Dr. McPhee and his staff put their plan together on how they were going to approach the matter. He stated that he believed that the county should seriously look at any request that might be received, and that he would help with the discussion.

Comm. Jordan stated that at the Health & Education Committee meeting, he suggested that any funding from the county be contingent upon the City of Murfreesboro assisting in the funding, but that was not part of the Health & Education Committee's recommended motion.

Comm. Sandlin stated that he did not believe that the motion should be contingent upon the City of Murfreesboro assisting in the funding.

Comm. Shafer asked why the request was coming now instead of June when more would be known about the revenue collections.

Mayor Burgess stated that Motlow would like to have the \$200,000 now, but he said that both the county and the City of Murfreesboro wanted to split the contribution between two fiscal years. He stated that he believed that the return on the investment would be huge over time. He stated that when companies consider Rutherford County for relocation and expansion, the ability to have a trained workforce was critical. He stated that was one of the first things looked at.

Comm. Baum stated that people also want higher paying jobs, and jobs that come with higher level degrees were the higher paying jobs.

Following discussion, Comm. Sandlin moved, seconded by Comm. Peay to authorize \$200,000 in funding from the Development Tax for the expansion of the Motlow State Community College in Smyrna with \$100,000 being funded this fiscal year and \$100,000 being funded next fiscal year.

The motion passed unanimously by roll call vote.

GENERAL FUND BUDGET AMENDMENTS

DRUG COURT:

Ms. Mary Schneider was present to request approval of the following budget transfer to provide funding to pay the accumulated leave for an employee who left employment:

From: 101-53330-189 – Other Salaries & Wages -	\$531
To: 101-53330-187 – Overtime Pay -	\$531

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer for the Drug Court budget transferring \$531 from Account 101-53330-189, Other Salaries & Wages, to Account 101-53330-187, Overtime Pay, to pay the accumulated leave for an employee who left employment.

The motion passed unanimously by roll call vote.

JUVENILE DETENTION:

Lisa Nolen, Finance Director, explained to the committee that under the direction of the prior Workhouse Director, it was understood by the Finance Department that the maintenance agreements for the security systems at both the Workhouse and the Juvenile Detention Center would be

included in the budget of the Workhouse. The bill for the maintenance agreements were not paid during the last fiscal year and remaining funds that had been appropriated lapsed to fund balance at the close of the fiscal year. The Workhouse is now current having paid last year and the current year's maintenance agreement for their building. The amount associated with Juvenile Detention has been left unpaid and no funds have been appropriated to pay the maintenance agreement.

Mrs. Nolen also advised that another invoice in the amount of \$1,740 has been received for repairs to monitors relating to the Juvenile Detention Center security system.

Mrs. Lynn Duke, Juvenile Detention Center Director, was present and requested approval of the following budget amendment to provide funding to pay the maintenance agreement and repairs for the security system:

From: 101-39000 – Unassigned Fund Balance -	\$7,290
To: 101-54240-334 – Maintenance Agreements -	\$5,550
101-54240-336 – Maint./Repair Equipment -	1,740

Comm. Jernigan move, seconded by Comm. Sandlin to approve the budget amendment for the Juvenile Detention Center as requested to provide funding for the Maintenance Agreement and repair of monitors for the security system amending \$7,290 from Account 101-39000, Unassigned Fund Balance, with \$5,550 to Account 101-54240-334, Maintenance Agreements, and \$1,740 to Account 101-54240-336, Maintenance & Repair of Equipment.

The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT AND JAIL:

Mr. Joe Russell, Chief Deputy, was present to request approval of the following budget amendments and transfers to provide funding for the Maintenance and Repair Account in the Jail budget; to recognize revenue from the SCAAP Grant to be used for Maintenance and Repairs in the Jail budget; to transfer \$5,000 within the Sheriff's Department budget for sound suppressors for the SRO Division; and to transfer \$10,000 within the Jail budget for custodial supplies:

From: 101-54110-708 – Sheriff's Dept./Communication Equipment -	\$ 1,500
To: 101-54210-335 – Jail/Maint./Repair Building -	\$ 1,500
Increase Revenue: 101-47990 – Direct Federal Revenue -	\$10,959
Increase Expend.: 101-54210-335 – Jail/Maint./Repair Building -	\$10,959
From: 101-54110-429 – Instructional Supplies -	\$ 5,000
To: 101-54110-499 – Other Supplies/Materials -	\$ 5,000
From: 101-54210-710 – Food Service Equipment -	\$10,000
To: 101-54210-410 – Custodial Supplies -	\$10,000

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendments and transfers for the Sheriff's Department and Jail as requested amending \$1,500 from Account 101-54110-708, Sheriff's Department Communications Equipment to Account 101-54210-335, Jail Maintenance and Repair Building; increasing Revenue Account 101-47990, Direct Federal Revenue, by \$10,959 and increasing Expenditure Account 101-54210-335, Jail Maintenance and Repair Building, by \$10,959; transferring \$5,000 from Account 101-54110-429, Instructional Supplies, to Account 101-54110-499, Other Supplies and Materials; and transferring \$10,000 from Account 101-54210-710, Food Service Equipment, to Account 101-54210-410, Custodial Supplies.

The motion passed unanimously by roll call vote.

Chief Deputy Russell next requested approval of the following budget amendment to provide additional funding for the Jail Overtime Pay and the related benefits utilizing the Overtime Pay

Account and the related benefit accounts in the Sheriff's Department and the Hazardous Waste Cleanup Account:

From Sheriff's Department:

101-54110-187 – Overtime Pay -	\$20,000
101-54110-201 – Social Security -	1,240
101-54110-204 – State Retirement -	2,528
101-54110-212 – Employer Medicare -	290
101-54110-536 – Hazardous Waste Cleanup -	20,000

To Jail:

101-54210-187 – Overtime Pay -	\$36,600
101-54210-201 – Social Security -	2,282
101-54210-204 – State Retirement -	4,636
101-54210-212 – Employer Medicare -	540

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment for the Sheriff's Department and Jail as requested to provide additional funding for the Jail Overtime Pay and the related benefits as requested amending \$20,000 from Account 101-54110-187, Sheriff's Department Overtime Pay; \$1,240 from Account 101-54110-201, Sheriff's Department Social Security; \$2,528 from Account 101-54110-204, Sheriff's Department State Retirement; \$290 from Account 101-54110-212, Sheriff's Department Employer Medicare; and \$20,000 from Account 101-54110-536, Hazardous Waste Cleanup; with \$36,600 to Account 101-54210-187, Jail Overtime Pay; \$2,282 to Account 101-54210-201, Jail Social Security; \$4,636 to Account 101-54210-204, Jail State Retirement; and \$540 to Account 101-54210-212, Jail Employer Medicare.

The motion passed unanimously by roll call vote.

Chief Deputy Russell next requested approval of the following budget amendment to amend \$47,975 from the Restricted for Public Safety Account (Litigation Tax) to provide \$37,082 for Building Improvements in the Jail Budget to reimburse the Jail budget for kitchen work and \$9,055 for the Jail Overtime Pay and additional funds for the related benefits as follows:

From: 101-34525 – Restricted for Public Safety -	\$47,975
To: 101-54210-707 – Building Improvements -	\$37,082
101-54210-187 – Overtime Pay -	9,055
101-54210-201 – Social Security -	561
101-54210-204 – State Retirement -	1,146
101-54210-212 – Employer Medicare -	131

Comm. Jordan moved, seconded by Comm. Shafer to approve the budget amendment as requested providing \$47,975 from Account 101-34525, Restricted for Public Safety, with \$37,082 to Account 101-54210-707, Building Improvements; \$9,055 to Account 101-54210-187, Overtime Pay; \$561 to Account 101-54210-201, Social Security; \$1,146 to Account 101-54210-204, State Retirement; and \$131 to Account 101-54210-212, Employer Medicare.

The motion passed unanimously by roll call vote.

CORRECTIONAL WORK CENTER:

Mr. Bernard Salandy, Correctional Work Center Superintendent, requested approval of the following budget transfer to provide funding to complete the fiscal year for Maintenance & Repair of Buildings, Maintenance & Repair of Equipment and Prisoners Clothing. Due to a lieutenant vacancy for half of the year, money was available in the lieutenant account and related benefits:

From: 101-54220-110 – Lieutenants -	\$22,000
101-54220-201 – Social Security -	550
101-54220-204 – State Retirement -	1,500

To:	101-54220-335 – Maint./Repair Buildings -	\$ 7,000
	101-54220-336 – Maint./Repair Equipment -	7,650
	101-54220-441 – Prisoners Clothing -	9,400

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfers for the Correctional Work Center as requested transferring \$22,000 from Account 101-54220-110, Lieutenants, \$550 from Account 101-54220-201, Social Security, and \$1,500 from Account 101-54220-204, State Retirement; with \$7,000 to Account 101-54220-335, Maintenance & Repair Buildings; \$7,650 to Account 101-54220-336, Maintenance & Repair Equipment; and \$9,400 to Account 101-54220-441, Prisoners Clothing.

The motion passed unanimously by roll call vote.

Finance Director Lisa Nolen requested approval of the following budget amendment to provide funding for additional cameras at the Correctional Work Center with the money being transferred from the Other Charges Account in the County Mayor's Budget.

Mr. Salandy advised that the cameras were needed for the Community Sanctions area and the lobby area:

From:	101-51300-599 – County Mayor/Other Charges -	\$12,888
To:	101-54220-790 – Other Equipment -	\$12,888

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the Correctional Work Center to provide funding for additional cameras with \$12,888 being amended from Account 101-51300-599, County Mayor Other Charges, to Account 101-54220-790, Correctional Work Center, Other Equipment.

The motion passed unanimously by roll call vote.

EMPLOYEE INSURANCE (VARIOUS DEPARTMENTS):

The Finance Director requested approval of the following budget amendment, which reflected the yearly cleanup for employee insurance accounts after the open enrollment changes to coverage and new elections have occurred:

From:	101-58600-206 – Employee Benefits/Employee Insurance -	\$47,355
To:	101-52600-205 – OIT/Employee Insurance -	\$ 1,555
	101-51800-205 – County Buildings/Employee Insurance -	3,135
	101-54240-205 – Juvenile Detention/Employee Insurance -	6,389
	101-51920-205 – Risk Management/Employee Insurance -	2,370
	101-53910-205 – Youth Services/Employee Insurance -	5,747
	101-51310-205 – Human Resource/Employee Insurance -	20,238
	101-51760-205 – GIS/Employee Insurance -	5,298
	101-51720-205 – Planning/Employee Insurance -	2,623

Comm. Shafer moved, seconded by Comm. Sandlin to approve the budget amendment to amend the Employee Insurance Accounts for various departments reflecting the changes made during open enrollment with \$47,355 from Account 101-58600-205, Employee Benefits Employee Insurance and \$1,555 to Account 101-52600-205, OIT Employee Insurance; \$3,135 to Account 101-51800-205, County Buildings Employee Insurance; \$6,389 to Account 101-54240-205, Juvenile Detention Employee Insurance; \$2,370 to Account 101-51920-205, Risk Management Employee Insurance; \$5,747 to Account 101-53910-205, Youth Services Employee Insurance; \$20,238 to Account 101-51310-205, Human Resource Employee Insurance, \$5,298 to Account 101-51760-205, GIS Employee Insurance; and \$2,623 to Account 101-51720-205, Planning Employee Insurance.

The motion passed unanimously by roll call vote.

INDUSTRIAL/ECONOMIC DEVELOPMENT FUND:

The Finance Director advised that Rutherford County authorized a loan to Wherry Housing for \$1,279,297 for a term of 303 months at an interest rate of 10% with the first payment due January, 1994 and the last payment due March 2019. On January 31, 2012, Wherry Housing officials paid in full the principal amount of \$714,196.04 owed to Rutherford County. A portion of the original note included legal fees due to Cope, Hudson, Reed & McCreary. Mrs. Nolen requested approval of the following budget amendment, which reduces the amount budgeted for interest for the rest of the fiscal year and provides an appropriation to return the legal fees:

Decrease Revenue:	119-44110 – Investment Income -	\$ 26,298
Increase Revenue:	119-44540 – Sale of Property -	\$747,130
Increase Expend.:	119-58120-331 – Legal Services -	\$ 21,516
Increase:	119-34745 – Assigned for Other Operations -	\$699,316

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment for the Industrial/Economic Development Fund as requested recognizing the revenue received for the pay-off of the Wherry Housing Property and an appropriation for Legal Services reducing Revenue Account 119-44110, Investment Income, by \$26,298; increasing Revenue Account 119-44540, Sale of Property, by \$747,130; increasing Expenditure Account 119-58120-331, Legal Services, by \$21,516; with an increase to Account 119-34745, Assigned for Other Operations, of \$699,316.

The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND BUDGET AMENDMENTS:

The Finance Director advised that as a result of open enrollment on the employee insurance plan, new elections have been put in place. She requested approval of the following budget amendment to provide adequate funding for the Employee Insurance Accounts in the Solid Waste Fund for the remainder of the fiscal year reflecting where the actual insurance costs will be paid:

From:	116-34730 – Assigned for Public Health & Welfare -	\$10,620
To:	116-55720-205 – Litter Pickup/Employee Insurance -	\$ 1,780
	116-55732-205 – Convenience Centers/Employee Insurance -	2,240
	116-55754-205 – Landfill/Employee Insurance -	6,600

Comm. Jernigan moved, seconded by Comm. Shafer to approve the budget amendment for the Solid Waste/Sanitation Fund as requested to amend the employee insurance accounts as a result of open enrollment with \$10,620 from Account 116-34730, Assigned for Public Health & Welfare; and \$1,780 to Account 116-55720-205, Litter Pickup Employee Insurance; \$2,240 to Account 116-55732-205, Convenience Centers Employee Insurance; and \$6,600 to Account 116-55754-205, Landfill Employee Insurance.

The motion passed unanimously by roll call vote.

The Finance Director requested approval of the following budget amendment for the Solid Waste/Sanitation Fund to provide additional funding to transfer to the Self-Insurance Fund for the payment of liability claims:

From:	116-34730 – Assigned for Public Health & Welfare -	\$10,000
To:	116-58900-505 – Judgments -	\$10,000

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment for the Solid Waste/Sanitation Fund as requested to provide funding to transfer to the Self-Insurance for the

payment of liability claims with \$10,000 from Account 116-34730, Assigned for Public Health & Welfare, and \$10,000 to Account 116-58900-505, Judgments.

The motion passed unanimously by roll call vote.

HIGHWAY FUND:

The Finance Director requested approval of the following budget amendment for the Highway Fund to provide additional funding for the Unemployment Compensation Account due to the increase in terminated employees:

From: 131-68000-714 – Highway Equipment -	\$10,000
To: 131-66000-210 – Unemployment Compensation -	\$10,000

Comm. Peay moved, seconded by Comm. Sandlin to approve the budget amendment for the Highway Fund as requested transferring \$10,000 from Account 131-68000-714, Highway Equipment, to Account 131-66000-210, Unemployment Compensation.

The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval of General Purpose School Fund budget amendments reallocating \$25,867 in already budgeted classified pay and benefits with \$9,860 in Account 141-72510-119 covering the transfer of the federal projects accounting clerk entirely back to the General Purpose School Fund budget. She has been partially paid by Title I Consolidated Administration funds, but with the cuts in the Title I allocation, it is necessary for the position to be moved back to the GPS budget.

Mr. Sandvig also requested approval of an amendment budgeting an additional \$202,148 in state funds to reimburse the system for some of the costs incurred relative to high-cost special education students. These funds must be budgeted for special education expenditures and are being budgeted in staff and benefit line items for the high-cost students.

Following review Comm. Sandlin moved, seconded by Comm. Jernigan to approve the General Purpose School Fund budget amendments as requested amending \$25,867 in already budgeted classified pay and benefits; and amending \$202,148 in IDEA revenue for high-cost students and the related staff expenditures.

The motion passed unanimously by roll call vote.

AGREEMENT WITH TENNESSEE DEPARTMENT OF HEALTH FOR THE SUPPORT OF THE RUTHERFORD COUNTY HEALTH DEPARTMENT:

Mrs. Dana Garrett, Health Department Director, requested approval of an annual Agreement with the Tennessee Department of Health for the support of the Rutherford County Health Department for the period of July 1, 2011 through June 30, 2012. The Agreement requires Rutherford County to appropriate a total of \$651,682 with \$523,307 in direct local funds for which Rutherford County shall not be billed; and \$128,375 of appropriations for which Rutherford County shall be billed.

Mrs. Garrett advised that the contract was the same contract as approved in previous years. The funds are already in the current budget, and Rutherford County was already complying with the Agreement.

Comm. Sandlin moved, seconded by Comm. Jernigan to authorize the County Mayor to execute the Agreement with the Tennessee Department of Health for the support of the Rutherford County Health Department for the period of July 1, 2011 through June 30, 2012 with Rutherford County appropriating a total of \$651,682 with \$523,307 in direct local funds for which Rutherford County shall not be billed; and \$128,375 of appropriations for which Rutherford County shall be billed.

The motion passed unanimously by roll call vote.

GRANT CONTRACT WITH TENNESSEE EMERGENCY MANAGEMENT AGENCY FOR 2011 HOMELAND SECURITY GRANT:

Mr. Roger Allen, Emergency Management Director, requested approval of a Grant Contract with the Tennessee Department of Military, Tennessee Emergency Management Agency in the amount of \$305,454 for the 2011 Homeland Security Grant Program, which is 100% federally funded. The effective date of the grant begins October 1, 2011 and ends on June 30, 2014. The grant proceeds will be used to fund training, exercises, and planning and equipment purchases allowable under the FY 2011 Homeland Security Grant Program.

Mr. Allen requested that the County Mayor be authorized to execute the grant and that the grant proceeds be placed in his budget.

Comm. Jordan moved, seconded by Comm. Shafer to authorize the County Mayor to execute the Grant Contract with the Tennessee Department of Military, Tennessee Emergency Management Agency for the FY 2011 Homeland Security Grant in the amount of \$305,454, which is 100% federally funded.

The motion passed unanimously by roll call vote.

REQUEST FROM FIRE CHIEF FOR PERMISSION TO SUBMIT GRANT APPLICATIONS:

Mr. Larry Farley, County Fire Chief, requested approval to apply for a Staffing Grant under the Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program, which provides 100% funding for two years to hire four full-time firefighters 24/7 at a pay grade five with the salary level to be between \$31,140 and \$33,430. FEMA will pay 100% of the actual salary and benefits for the SAFER-funded firefighters for the two-year commitment. The County is not required to commit beyond the two-year contract.

Comm. Jordan stated that he would hope that the county would continue to fund the positions after two years. He stated that he would also hope that Mr. Farley would hire individuals with the understanding that these were grant-funded positions and could possibly go away.

Mr. Farley stated that if he was fortunate enough to receive the grant, he would tell the individuals up front that the positions were funded with a two-year grant.

Comm. Sandlin asked if the positions could be filled with current volunteer fire fighters who already had all of the necessary certifications.

Chief Farley stated that he would definitely hire within the county. He explained that all of the volunteer fire fighters were receiving training to be certified.

Comm. Peay asked if the positions would be open to all of the volunteer firefighters within the county.

Mayor Burgess advised that the positions would be posted for anyone to apply.

Chief Farley stated that he would give preference to firefighters who were already volunteering within the county before he would hire someone outside of the county.

Mayor Burgess stated that it might be a year before the county would know if the grant was awarded.

If the grant is received the firefighters would not be hired until 2013.

Chief Farley advised that he was also requesting approval to apply for a Recruitment and Retention Grant to fund a recruitment and retention coordinator. The pay grade would be the same pay grade

as the firefighters. The coordinator would help recruit and retain the county's volunteer force. If received, funding would be provided for periods of up to four years. Chief Farley explained that the grant proceeds would also be used to purchase long-term disability and life insurance for all of the volunteer firefighters. This grant is also 100% federally funded.

Following discussion, Comm. Peay moved, seconded by Comm. Jernigan to authorize the County Mayor and any other county officials to execute grant applications through the Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program for the two-year Staffing Grant to hire four full-time firefighters and the four-year Recruitment and Retention Grant to fund a recruitment and retention coordinator with both grants being 100% federally funded.

The motion passed unanimously by acclamation.

FORM CT-0253, REPORT ON DEBT OBLIGATION:

Chairman Ealy advised that Form CT-0253, Report on Debt Obligation was being provided for the use and information of the committee providing information on the latest bond issue. She reported that the State was requiring that the form be submitted to the governing body, but that no action was required.

The Finance Director advised that the Form CT-0253 was not new and had been used for many years to report any time when the county had incurred debt. Previously, the form had been two pages. The form has been revised, and anyone issuing debt after January must submit the new Form CT-0253. The form is now four pages and includes essay questions and attachments.

Mrs. Nolen pointed out that the true interest cost for the new bond issue was 2.424500%. The face amount of the debt obligation was \$69,280,000 with a premium received of \$4,556,832. She explained that the County Commission had authorized a debt issue of \$71,750,000, which included \$21,000,000 to refund the General Obligation Capital Outlay Note, and \$50,750,000 of new money. She explained that when planning for the amount to be borrowed, she had included half the cost for the Joe B. Jackson Parkway. Because a premium was received, the full cost of the road would be funded.

Mrs. Nolen advised that she had estimated that the Underwriter's Discount would be approximately \$505,000; however, the actual Underwriter's Discount was \$323,538. The total of all fees was \$503,538.

Mrs. Nolen advised that in ten years 64.8% of the current outstanding principal would be paid.

Mrs. Nolen advised that the entire document was an effort to make sure that commissioners were aware of the details of the bond sale.

DIRECT DEPOSIT POLICY:

Chairman Ealy advised that the Finance Director would be presenting a Direct Deposit Policy for information only, and that the policy would be placed on the Budget Committee agenda again next month for action.

Comm. Peay asked if direct deposit would be offered for county commissioners, as well.

The Finance Director advised that she would like to include County Commissioners, as well.

Comm. Jordan asked what percent of employees participated in direct deposit.

The Finance Director advised that the vast majority of employees participated in direct deposit. She stated that there were approximately 175 employees in the General Fund who did not participate in direct deposit, and the School Board had approximately 500 employees who did not participate.

Mrs. Nolen explained the reason direct deposit had not been made mandatory in the past, was because there had been feedback that some employees could not get bank accounts.

Mrs. Nolen explained that the payroll account was at SunTrust Bank, and SunTrust had presented a proposal that would not cost the county anything and it would provide for a pay card. Instead of issuing employees who were not on direct deposit a paycheck, the county would be issuing them a pay card. A bank account would exist behind the pay card. The Finance Department would be able to direct deposit the employees pay to a pay card, and employees who currently did not have bank accounts would now have a bank account.

In some situations, for instance the convenience center attendants, payroll checks are currently mailed. The School Board also mails actual checks to their employees who are not on direct deposit. The pay card will save on postage, and for employees who receive a pay card, it will be just like the employees who are currently on direct deposit. Their pay will be in the bank account and on their pay card on pay day. If the employee is on vacation, their pay will be on their pay card, and they will not have to worry about the pay check sitting in the mailbox.

Mrs. Nolen advised that she was under the impression that there were some employees who could not get a bank account. She explained that she had spoken with Mark King at Community Care, and he advised that all of their employees were required to have direct deposit for their pay. He stated that Community Care worked with two credit unions.

Mrs. Nolen advised that Rutherford County employees and School Board employees can join Ascend Federal Credit Union and Cornerstone Credit Union. She stated that a relationship with these two credit unions had already been established. She stated that for five dollars an employee could join Ascend, and all they had to do was maintain five dollars in their account.

Comm. Jernigan stated if an employee received a pay card on pay day, the employee would have to go to the bank to receive the cash.

Mrs. Nolen stated that would be the same thing the employee would have to do if they received a check.

Mrs. Nolen advised that the pay card would be issued through Net Spend at Sky Financial. The card would have a VISA logo on it, and it could be used like a debit card.

Mrs. Nolen advised that the only cost to Rutherford County would be the shipping and handling on a packet of cards.

Mrs. Nolen advised that she was proposing that beginning April 1 all new employees would be required to have their pay direct deposited either to their own personal bank account or to the pay card. All other employees who were not currently on direct deposit would be required to have their pay direct deposited either to their current personal bank account or to the pay card by January 1, 2013.

Mr. Sandvig advised that he and Mrs. Nolen had met with a vendor about something similar a few years ago, and this was the first proposal that he had seen whereby the employee, unless they lost their card, could avoid paying any fees.

Mrs. Nolen advised that the employee would be able to take the card inside the bank and withdraw all of the money on the card, and it would not cost anything. If the employee used an ATM on the outside of the bank, it would cost the employee \$1.75. However, there is a network of ATM machines that does not charge any fees.

This item will be presented again next month for action by the committee.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:00 P.M.

Elaine Short, Secretary