

BUDGET, FINANCE & INVESTMENT COMMITTEE

June 18, 2012

7:00 P.M.

Courthouse

PUBLIC HEARING MINUTES:

Members Present:

Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay, Jr.
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Comm. Jeff Jordan
Comm. Chantho Sourinho
Comm. Carol Cook
Comm. Adam Coggin
Lisa Nolen
Heather Dawbarn

Others Present:

Don Odom
Jeff Sandvig
David Simmons
Andrew Anderson
Scott Broden
Elaine Short

The Budget, Finance & Investment Committee conducted a Public Hearing on the 2012-13 budget proposal. Chairman Ealy presided and began the Public Hearing at 7:00 P.M.

Chairman Ealy introduced County Mayor Ernest Burgess, Finance Director Lisa Nolen, and Deputy Finance Director Elaine Short, members of the Budget, Finance & Investment Committee, as well as other commissioners in attendance.

Chairman Ealy advised that the County Mayor made recommendations on the budgets for the County General Fund, Solid Waste/Sanitation Fund, Ambulance Service Fund, Special Purpose Fund, Drug Control Fund, and the Industrial Development Fund. The County Mayor does not make recommendations on the budgets for the Debt Service Fund, Highway Fund, General Purpose School Fund, Central Cafeteria Fund, or the Education Capital Projects Fund.

Chairman Ealy stated that the Budget & Finance Committee had reviewed the 2012-13 budget, made additional changes, and recommended the budget proposal to the public. All meetings have been televised on Channel 19. The budget was published in the newspaper on June 10.

2012-13 BUDGET PRESENTATION:

The Finance Director presented the 2012-13 budget to the public as recommended by the Budget & Finance Committee, advising that the proposed property tax rate being recommended was the same as last year at \$2.4652 per \$100 of assessed value. A graph was provided showing the percentage of the property tax rate allocation that was being recommended for each fund.

The Finance Director advised that the recommended property tax rate would generate \$150,485,199 before calculating a 4.5% reserve for delinquency. After allocating \$10,410,055 to the Murfreesboro City School System, the net property tax revenue available for Rutherford County was \$133,781,682.

The Finance Director advised that one cent of the property tax rate was worth \$584,909 for the general government, and \$497,290 for schools. The property tax revenue provides 32% of the total projected revenue with State Revenue providing 41% of the projected revenue. The total projected revenue for all funds for 2012-13 was \$424,405,842.

The Finance Director advised that the recommended appropriations for all funds for 2012-13 totaled \$442,496,751. The General Purpose School Fund, Central Cafeteria Fund, Education Capital Projects Fund and the education portion of the Debt Service Fund comprised 75.7% of the total recommended appropriations.

In the General Fund, the public safety departments consisting of the Sheriff's Department, Jail, Juvenile Detention, Correctional Work Center, Building Codes, Emergency Management, and Fire and Rescue comprised 54% of the total General Fund appropriations.

The Finance Director explained that the significant items in the General Fund budget consisted of a revamped pay table consisting of 20 steps to be awarded on an annual basis instead of a bi-annual basis but with no increases to the base salaries; a re-evaluation of all employee's work

history in order to ensure that each employee was placed in the correct pay grade and step; four new full time employees and four new part time employees; and the elimination of two positions.

The total recommended appropriations for the school funds were \$300,093,998 with the General Purpose School Fund comprising 4.7% of the total. Significant items in the General Purpose School Fund, which reflected a 4.7% increase over the prior fiscal year, included 57.3 new positions, 2.077% overall increase in salaries, and the matching share of employees' health insurance premiums. The budget also reflected a \$3.15 million increase in the education sales tax revenue, a \$5.8 million increase in state revenue, and the use of \$9.1 million from the Unassigned Fund Balance which equated to 18 cents on the property tax rate.

The Education Capital Projects Fund, as recommended, would provide funding for roofing projects for Lascassas Elementary, Smyrna Middle School, and Smyrna Primary School; paving projects for Wilson Elementary School, the Central Office, Blackman High School, and Central Magnet School; window replacement project for Holloway School; and a sewer project for Lascassas Elementary School.

The recommended appropriations for the General Debt Service Fund totaled \$41,651,683. The outstanding debt as of July 1, 2011 was \$354,180,000. In fiscal year 2011-12 \$48,280,000 in new debt was issued with \$23,115,000 in debt being retired. The outstanding debt as of June 30, 2012 was \$379,345,000. The 2012-13 budget included principal payments totaling \$24,640,000. The estimated outstanding debt as of June 30, 2013 was \$354,705,000.

The recommended appropriations for the Highway Fund totaled \$9,378,799. The Highway Fund also included the expanded pay table, with the County Human Resource Department also evaluating each employee.

The Finance Director presented a proposed Statement of Operations for the fiscal year ending June 30, 2013, which reflected using a total of \$18,090,909 of the fund balances for all funds to balance the 2012-13 budgets. The estimated beginning fund balances at July 1, 2012 were \$86,813,012, and the estimated ending fund balances at June 30, 2013 were \$68,742,550.

PUBLIC COMMENTS:

Chairman Ealy asked for public comments regarding the recommended 2012-13 budget. There being no one to come forward to comment, Chairman Ealy closed the public hearing.

ADJOURNMENT:

The Budget & Finance Committee will meet on Tuesday, June 19 at 5:30 P.M. to discuss the public hearing and to continue their deliberations on the 2012-13 budget. The committee will meet again on Wednesday, June 27 at 5:30 P.M. to finalize their recommendation to the County Commission.

The County Commission is scheduled to meet on Friday, June 29 at 9:00 A.M. to adopt the 2012-13 budget.

There being no further business to be presented at this time, Chairman Ealy declared the public hearing adjourned at 7:20 P.M.

Elaine Short, Secretary