

BUDGET, FINANCE & INVESTMENT COMMITTEE

September 6, 2012

5:30 P.M.

Courthouse

MINUTES:

Members Present:

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

Others Present:

Ernest Burgess
Lisa Crowell
Laura Bohling
Robert Arnold
Lisa Nolen
Melissa Stinson
Nicole Lester

Others Present:

Bernard Salandy
Dana Garrett
Larry Farley
Joe Russell
Mike Bailey
Darlene Spence
Jeff Sandvig

Others Present:

Wilkie Buchanan
Lynn Duke
Michael Gregory
Bryan Lawrence
Heather Dawbarn
Scott Broden
David Jones
Elaine Short

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

APPROVE MINUTES:

The minutes of the August 9 Budget and Finance Committee meeting 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:

The monthly Investment Report was provided for the information of the committee. Chairman Ealy advised that there were no investment transactions during the month. The LGIP interest rate for the month was .14%.

FUND CONDITION REPORT:

The Finance Director presented the Fund Condition Report for the month ending August 31, 2012 for the use and information of the committee advising that the Development Tax collections for the month were \$162,000 with the year-to-date collections being \$278,250. This compared to August of the prior year when the monthly collections were \$81,750, and the year-to-date collections were \$194,250.

The committee reviewed the fund cash balances, which totaled \$162,501,250, with operating funds totaling \$131,167,369 and borrowed funds being \$31,333,981. This compared to the same period in the prior year when the total cash balances were \$128,850,765 with operating funds being \$112,098,242 and borrowed funds being \$16,752,523.

Comm. Jordan questioned why the operating funds were so much more this August compared to August of the prior year.

The Finance Director advised that the General Debt Service cash balance increased from \$19,333,598 to \$34,536,325 due to the internal borrowing of \$15 million being paid back to the Debt Service Fund.

The committee discussed the cash balances in the Jail Remediation, Fire and Rescue, and Hazard Mitigation projects. The Finance Director advised that a request would be made later in the meeting to transfer funds from the Jail Remediation and the Fire Station Projects to the Midland-Fosterville Fire Station Project.

The Finance Director reviewed the revenue collections to date advising that with two months of collections being received, the Ambulance Service Fund revenue collections were favorable as well as the revenue collections for the Solid Waste/Sanitation Fund and the Drug Control Fund.

The Finance Director reviewed the Statement of Operations, explaining that last Fiscal Year funding was approved for the Sheriff's Department Dispatch Center. The county advanced funding of \$215,000 for the project with a commitment from the E-911 Board to reimburse the county upon receiving copies of the invoices. The E-911 Board did donate \$215,000 for the dispatch project with the money being deposited into the General Fund. When the books were closed, the \$215,000 donation was not closed into the Restricted for Capital Projects Account, and that has now been corrected. Mrs. Nolen advised that she had initially reported that the Development Tax had closed with a balance of \$1.5 million, but the correct beginning balance for the Development Tax was \$1.7 million.

The estimated ending Unassigned Fund Balance at June 30, 2013 was \$13,957,062, with the required ending Unassigned Fund Balance being \$11,483,333.

Comm. Jordan moved, seconded by Comm. Jernigan to approve the Fund Condition Report for the month ending August 31, 2012 as presented.

The motion passed unanimously by acclamation.

RISK MANAGEMENT:

Mrs. Melissa Stinson presented the monthly Risk Management Financial Report advising that the Employee Insurance Fund performance for medical, dental and vision reflected a cost per employee of \$960.34 compared to \$1,087.04 for August of the prior year with a year-to-date average of \$791.32. When including the on-site medical clinics, the cost per employee per month was \$989.02 compared to \$1,118.35 for the prior year. The current trend was 22.9% over the prior year. Mrs. Stinson advised that new health plan and dental plan options would be offered beginning January 1, and some of those changes should help to control costs.

Mrs. Stinson reviewed the monthly performance for the Work Injury Fund advising that the year-to-date costs totaled \$195,123.89 compared to \$98,509.94 for the prior year. The increase was due to a \$70,000 claim being paid for one lifetime medical claim.

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

The motion passed unanimously by acclamation.

PUBLIC OFFICIAL BOND FOR PROPERTY ASSESSOR:

The Risk Management Director advised that last month the Budget Committee and the County Commission approved the Public Official Bond for the Property Assessor for \$10,000. Subsequently, the County Mayor received a letter from the State of Tennessee, Comptroller of the Treasury, dated August 28 advising that Public Chapter 974, Acts of 2012 amended the statutes relative to surety bonds for assessors of property and highway officials to provide that such surety bonds are to be transmitted to the County Clerk for safekeeping. The Act deleted the provisions that surety bonds for these officials be transmitted to the Comptroller of the Treasury. The signature of the Comptroller of the Treasury will no longer be necessary. The Act further changed the threshold for the surety bond for assessors to \$50,000.

Mrs. Stinson advised that the change does not require a new application, and that she was requesting that the amount of the Public Official Bond for the Property Assessor be increased to \$50,000.

Comm. Sandlin moved, seconded by Comm. Jernigan to authorize the threshold for the surety bond for the Property Assessor be increased from \$10,000 to \$50,000 as required by Public Chapter 974, Acts of 2012.

The motion passed unanimously by acclamation.

EMPLOYER GROUP WAIVER PLAN FOR RETIREES:

Mrs. Stinson advised that Rutherford County currently participated in the retiree drug subsidy program, and when a retiree reached a certain expense threshold Rutherford County received a reimbursement from the Federal Government for the amount the retiree spent toward pharmaceutical costs. The Employer Group Waiver Plan (EGWP) would fill the gap in coverage. Instead of waiting for the threshold to be obtained, the EGWP would start at the time the medication was received, a manufacturer's rebate would begin immediately, and it would result in Rutherford County receiving the rebates quicker, which would lower the overall spend rate. It would also lower the out-of-pocket costs for retirees.

Mrs. Stinson explained that the EGWP provided a wrap coverage, which was intended to lower the overall costs for both the employee or the retiree and the employer. Long-term, the plan would have an impact on premium costs charged for retiree coverage. Based upon the activity in Rutherford County's plan and a cost-savings analysis conducted by CIGNA, Rutherford County should realize a projected savings of \$349,736 by changing to the EGWP Plan.

Mrs. Stinson advised that there would be no additional costs to Rutherford County, Currently, CIGNA provides all of the retiree claims processing, and the costs will stay the same. CIGNA proposed a three-year rate guarantee for the program.

Mrs. Stinson advised that there would be some impact for retirees, such as they would have to carry a separate card for the pharmacy coverage. There would be no change in the co-pay amount; however, drug formularies are invoked both on the active employee population and the retiree population, and typically those change once a year. Through the EGWP, there would be a change in formularies, and there were approximately 70 retirees who would be impacted due to the fact that a medication that was now covered would not be covered under the plan. She advised that those individuals would receive a letter notifying them of the change and advising them that their medication should be reviewed to reduce their out-of-pocket costs. If the retiree chooses not to change their medication, their out-of-pocket cost would be more.

Mrs. Stinson provided a list of municipalities who had either already implemented the EGWP or who would be implementing it as of January 1, 2013. She proposed that Rutherford County implement the EGWP effective January 1, 2013, because it was more fiscally responsible.

Following discussion, Comm. Sandlin moved, seconded by Comm. Shafer to implement the Employer Group Waiver Plan as proposed by CIGNA with a three-year rate guarantee effective January 1, 2013.

The motion passed unanimously by acclamation.

GENERAL FUND BUDGET AMENDMENTSELECTION COMMISSION:

Mrs. Nicole Lester, Election Administrator, was present to request approval of the following budget transfer to provide sufficient funding for legal notices:

From: 101-51500-709 – Data Processing Equipment -	\$1,500
To: 101-51500-332 – Legal Notices -	\$1,500

Mrs. Lester advised that there had been additional publication costs because there were several elections this year and also due to redistricting. She explained that not only were there additional costs, but the rates had increased. Under the Election Code there was only one publication in the county that qualified as a newspaper of general circulation. She stated that the Election Code contained very specific criteria for the definition of a newspaper of general circulation.

Comm. Peay moved, seconded by Comm. Jordan to approve the budget transfer for the Election Commission as requested transferring \$1,500 from Account 101-51500-709, Data Processing Equipment, to Account 101-51500-332, Legal Notices.

The motion passed unanimously by roll call vote.

COUNTY CLERK:

Mrs. Lisa Duke Crowell, County Clerk, advised that all of the computers in her office were old, and that she was purchasing 14 replacement computers this year with the other 14 computers to be replaced next year. The software vendor, Business Information Systems, would be charging \$100 per computer to download the software to the new computers, and as a result she was requesting approval of the following budget amendment to provide funding from the Restricted for Finance Account to provide funding to download the software to the new computers:

From: 101-34515 – Restricted for Finance -	\$1,500
To: 101-52500-709 – Data Processing Equipment -	\$1,500

Comm. Peay moved, seconded by Comm. Baum to approve the budget amendment as requested by the County Clerk to amend \$1,500, from Account 101-34515, Restricted for Finance, to Account 101-52500-709, Data Processing Equipment.

The motion passed unanimously by roll call vote.

CORRECTIONAL WORK CENTER:

Superintendent Bernard Salandy, Correctional Work Center, requested approval of the following budget transfer to provide funding to purchase two laptop computers for the medical system for inmates:

From: 101-54220-499 – Other Supplies & Materials -	\$2,475
To: 101-54220-709 – Data Processing Equipment -	\$2,475

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfer for the Correctional Work Center as requested transferring \$2,475 from Account 101-54220-499, Other Supplies and Materials, to Account 101-54220-709, Data Processing Equipment.

The motion passed unanimously by roll call vote.

HEALTH DEPARTMENT:

Mrs. Dana Garrett, Health Department Director, advised that she had received a donation of \$1,165 from the Rutherford County and Stones River Medical Alliance, and she requested approval of the following budget amendment to appropriate the donation for travel and training:

Increase Revenue: 101-44570 – Contributions & Gifts -	\$1,165
Increase Expend.: 101-55110-355 – Travel -	\$1,165

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment as requested by the Health Department increasing Revenue Account 101-44570, Contributions & Gifts, by \$1,165; and increasing Expenditure Account 101-55110-355, Travel, by \$1,165.

The motion passed unanimously by roll call vote.

FIRE & RESCUE:

Fire Chief Larry Farley explained that after the article appeared in the newspaper about the water hydrants in the Rockvale, Christiana and Fosterville area not having sufficient water flow, Solid Waste Director Mac Nolen contacted him about donating two out-of-service trucks from his fleet

for the purpose of hauling water. Chief Farley advised that he had approached the Public Safety Committee to request \$55,000 to provide funding for two 2,500 gallon water tanks to install on the donated trucks. He requested approval of the following budget amendment:

From: 101-39000 – Unassigned Fund Balance -	\$55,000
To: 101-54320-790 – Other Equipment -	\$55,000

Mayor Burgess explained that Comm. Young stated that the NFPA Code required automatic transmissions to be installed on the trucks. The trucks do not have automatic transmissions. Secondly, Comm. Young asked the County Attorney for a legal opinion, and if the NFPA required automatic transmissions, would that be putting the county in a liability situation.

Mayor Burgess advised that the County Attorney's Office has said that their answer was yes, if the NFPA required automatic transmissions, it could expose the county to additional liability, because the NFPA was the standard that a person who might file a lawsuit would choose.

Mayor Burgess advised that Chapter 19.01 of the NFPA provided requirements for automotive fire apparatus. Chapter 19.01 was the only chapter he could find that addressed this issue with the trucks. He stated that he could only find two sentences that dealt with the issue of the automatic transmissions. Mayor Burgess read the following sentences: "**12.3.3.** Let the record reflect under the word transmission and NFPA 19.01. **12.3.3.1.** The transmission shall be ready for heavy-duty service and shall be designed to match engine torque and speed to the load demand. **12.3.3.2.** The transmission shall provide the driver with a selection of individual gears or ranges of gears necessary to meet the performance requirements of this standard."

Mayor Burgess advised that in the annex of the NFPA there were a series of pages of specifications for equipment, which asked the question "Is an automatic or manual transmission required?" He stated that it appeared to him that it was a choice of the person purchasing the equipment. Mayor Burgess stated that he would leave it up to the Budget Committee and the County Commission as to what should be done.

Comm. Peay stated that the county had purchased fire engines for all of the districts several years ago, and all of those fire trucks had manual transmissions. He stated that he believed that all of those trucks were still in service. He stated that if there was any liability because of manual transmissions, the county already had the liability.

Chief Farley advised that the NFPA (National Fire Protection Association) provided recommendations for everything. He stated that neither the fire departments of Dallas/Fort Worth, Phoenix, nor New York City were NFPA compliant completely. He stated that there was no way that any city or municipality could be fully NFPA compliant, because it would bankrupt the nation. The NFPA standards provided recommendations. With that said, if an entity was sued for anything, the person filing the suit would use the NFPA standards to justify their case.

Comm. Jordan stated that it was his understanding that the trucks would not be emergency vehicles with sirens and flashing lights. He stated that there was a group of fire engines that had sirens and flashing lights that were already in service that had manual transmissions.

Chief Farley advised that the NFPA also stated that the water tanks had to be baffled, and the bid specifications would require that the tanks must be baffled. He stated that if the trucks were on the scene, they would have flashing lights while pulled over on the side of the road looking for a hydrant, but they would not respond in an emergency fashion in traffic basically because of the weight limit. He stated that a new tanker would cost between \$225,000 and \$250,000. He stated that this was not a permanent fix, and the trucks had high mileage, but the water tanks would have a lifetime guarantee and could be removed from the solid waste trucks and mounted on a new chassis.

Following discussion, Comm. Peay moved, seconded by Comm. Shafer to approve the budget amendment for the Fire & Rescue Department as requested amending \$55,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-54320-790, Other Equipment, to provide

funding for two 2,500 gallon water tanks for two trucks being donated by the Solid Waste Department.

Comm. Baum asked Chief Farley if there was a line item in his budget that a portion of the money could be taken from instead of using the Unassigned Fund Balance.

Comm. Peay asked the Finance Director if the money could be taken from the Development Tax.

The Finance Director advised the Development Tax was a possibility. She stated that the balance in the Restricted Account was \$1.7 million. The current budget reflected \$1,000,000 in revenue with \$500,000 being in the General Fund.

Comm. Peay changed his motion, with Comm. Shafer concurring, to reflect that the funding for the water tanks be appropriated from the Restricted for Capital Account (Development Tax) as follows:

From: 101-34585 – Restricted for Capital Projects -	\$55,000
To: 101-54320-790 – Other Equipment -	\$55,000

The motion passed unanimously.

The County Mayor requested approval of the following budget amendment for the Fire & Rescue Department to provide funding from the Other Charges Account in the County Mayor's budget to the Fire & Rescue budget for WIFI for the fire station and to purchase equipment (Res-Q-Jak) to aid in providing extrication services:

From: 101-51300-599 – County Mayor/Other Charges -	\$ 9,810
To: 101-54320-709 – Data Processing Equipment -	\$ 5,110
101-54320-790 – Other Equipment -	4,700

Chief Farley explained that the Res-Q-Jak would provide safety for the rescuers when providing extrication services and would stabilize the vehicle. He stated that the equipment would be county equipment, but he wanted to provide it for use by the rescuers.

Comm. Sandlin questioned the amount of \$5,110 for WIFI.

Comm. Jernigan moved, seconded by Comm. Peay to approve the budget amendment as requested amending \$9,810 from the County Mayor's budget Account 101-51300-599, Other Charges, to the Fire and Rescue budget with \$5,110 to Account 101-54320-709, Data Processing Equipment; and \$4,700 to Account 101-54320-790, Other Equipment.

The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Sheriff Robert Arnold and Chief Deputy Joe Russell were present to discuss proposed funding to replace two chillers at \$268,365 and two hot water converter/storage tanks at \$124,980. Sheriff Arnold advised that he was withdrawing the request of \$268,365 for the chillers. He advised that he was working with Doug Bodary, with CTAS, on a TVA Energy Grant Application. He advised that the grant application would be due in January, and he was requesting permission to apply for a \$500,000 TVA Energy Grant, which would require a local match of 10% for the purchase of the chillers.

Comm. Sandlin moved, seconded by Comm. Peay to authorize the County Mayor to submit a TVA Energy Grant application in the amount of \$500,000 and requiring local matching funds of 10% to provide funding to purchase two chillers for the Sheriff's Department.

Comm. Baum stated that the amount to replace the chillers was quoted at \$268,365. He asked Sheriff Arnold what would be done with the remainder of the money if the full amount of the grant was received.

Sheriff Arnold advised that the building also needed a new roof, and that a five-year plan was being developed. He advised that he would like to have a joint meeting of the Public Safety Committee and the Budget Committee to discuss the capital plan for the Sheriff's Department.

Sheriff Arnold stated that the hot water heaters could not be delayed. He stated that he wished he could wait until January to replace the hot water heaters, but he could not. He stated with the kitchen coming back on line October 1, the hot water heaters would be needed. He stated that there were four hot water heaters and two of them were leaking. He stated if the hot water heaters failed, it would be catastrophic. Once the hot water heaters were ordered, it would take 12 weeks to receive them and three weeks to install them.

Following discussion, the motion to authorize the County Mayor to submit a TVA Energy Grant application in the amount of \$500,000 requiring local matching funds of 10% to provide funding to purchase two chillers for the Sheriff's Department passed unanimously by acclamation.

Comm. Sandlin stated he would like to see a list of the items to be funded through the grant.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment to purchase two hot water converter/storage tanks for the Sheriff's Department amending \$124,980 from Account 101-39000, Unassigned Fund Balance, to Account 101-54210-707, Jail Building Improvements.

Mr. Mike Bailey explained how the tanks were configured and what it would take to get the old tanks out and the new tanks installed.

Comm. Peay asked the Finance Director how much money was available in the Sheriff's Department budget that could be used to replace the hot water tanks.

The Finance Director advised that in Account 101-54210-335, Jail Maintenance & Repair Buildings, \$250,000 was appropriated, \$19,467 had actually been spent, \$93,546 had been encumbered, and the available balance was \$136,986. In Account 101-54210-707, Jail Building Improvements, \$160,000 was appropriated, \$6,453 had actually been spent, \$10,604 had been encumbered, and the available balance was \$142,942.

Comm. Peay stated that amounted to a approximately \$279,000 that would be available.

Sheriff Arnold stated that the money was planned for other projects.

Comm. Jernigan stated if the available cash balance was used for the hot water heaters, there would not be money available to do anything else.

Sheriff Arnold stated it would cost approximately \$45,000 to \$60,000 to replace the intercom system, \$40,000 to replace cameras, \$15,000 for audio/video camera licenses, and \$26,000 would be transferred to Account 317, Data Processing Services, for software.

Comm. Peay stated it appeared that there would still be money available to replace the hot water heaters.

Comm. Shafer asked if the committee recommended \$100,000, if the Sheriff's Department could provide \$24,980.

Mayor Burgess stated that the budgets for the Sheriff's Department and Jail had been increased substantially for the last two years.

Comm. Peay stated that if money was available in the budgets, he would rather use that money for the hot water heaters, and if the Sheriff's Department needed money later on, they could come back to the committee at that time.

Sheriff Arnold advised that the Service of Process would generate approximately \$500,000 per year. The telephone system would generate approximately \$300,000 per year through commissions.

Mayor Burgess asked if the Sheriff's Department had started collecting the money on the telephone commissions.

Mr. Russell stated that he expected to collect \$25,000 to \$30,000 per month on the telephone system.

Sheriff Arnold also advised that since the reimbursement from the state had been increased from \$35 per day per inmate to \$37 per day, that should generate an additional \$182,000.

The Finance Director interjected that in the current year budget, the total estimated revenue in the General Fund was \$3.8 million below the estimated appropriations. She also stated that some of the additional revenue the sheriff mentioned was already included in the budget.

Comm. Shafer suggested that if the committee approved \$100,000 from the Development Tax, the Sheriff's Department should be able to provide the remaining \$24,980.

Comm. Peay moved to amend the motion, seconded by Comm. Jordan to provide \$100,000 from Accounts 101-54210-335, Maintenance and Repair Buildings, and 101-54210-707, Building Improvements.

The Finance Director stated that since the expense would be paid from the Building Improvements Account \$50,000 could be transferred from Account 101-54210-335, Maintenance and Repair of Buildings; \$24,980 from Account 101-39000, Unassigned Fund Balance; with a total of \$74,980 to Account 101-54210-707, Building Improvements. The total expense of \$124,980 would come from Account 101-54210-707, Jail Building Improvements.

Comm. Jordan asked when the tanks would be paid for.

Mr. Russell stated that they probably would not be paid for until January or February.

The Finance Director stated the purchase order could be issued now even though the payment would not occur until January or February.

Comm. Baum stated that he appreciated the Sheriff applying for the grant for the chillers. He also stated that he remembered that during the budget process the Sheriff advised of the problems with the chillers and the hot water heaters. However, he stated that he would be voting for Comm. Peay's motion, because commissioners wanted to get out of the habit of always going to the Unassigned Fund Balance as a first recourse. He stated that he knew he was depleting a large portion of the maintenance budget, and that the committee should be sympathetic if the Sheriff's Department needed to request additional money later.

Following discussion, the following amendment to the original motion to provide funding to replace two hot water heaters passed unanimously by roll call vote:

From: 101-54210-335 – Jail Maint./Repair Buildings -	\$50,000
101-39000 – Unassigned Fund Balance -	24,980
To: 101-54210-707 – Building Improvements -	\$74,980

The original motion to provide funding of \$124,980 to replace two hot water heaters at the Jail passed unanimously by roll call vote.

SPECIAL PURPOSE FUND BUDGET AMENDMENT:

Mr. Russell requested approval of the following budget amendment to recognize revenue received from Asset Forfeitures and to appropriate the revenue for In-Service Training and Confidential Enforcement:

Increase Revenue:	121-47700 – Asset Forfeiture Funds -	\$15,902
Increase Expend.:	121-54110-196 – In-Service Training -	\$10,000
	121-54110-319 – Confidential Enforcement -	5,902

Comm. Peay moved, seconded by Comm. Jernigan to approve the Special Purpose Fund budget amendment as requested increasing Revenue Account 121-47700, Asset Forfeiture Funds, by \$15,902 and increasing Expenditure Accounts 121-54110-196, In-Service Training, by \$10,000 and 121-54110-319, Confidential Enforcement, by \$5,902.

The motion passed unanimously by roll call vote.

ACCEPTANCE OF CHRISTY-HOUSTON FOUNDATION GRANT AND RELATED BUDGET AMENDMENT:

Mayor Burgess provided a letter dated August 15, 2012 from the Christy-Houston Foundation advising that the Directors of the Christy-Houston Foundation approved a grant request from Rutherford County in the amount of \$389,000 with \$264,000 to replace 12 cardiac monitors for 12 frontline ambulances and \$125,000 to help build a fire station for the Midland-Fosterville area.

Approval of the following budget amendment for the Ambulance Service Fund was requested to provide funding for the 12 cardiac monitors:

Increase Revenue:	118-48130 – Contributions -	\$264,000
Increase Expend.:	118-55130-735 – Health Equipment -	\$264,000

The Finance Director advised that the remaining \$125,000 for the Midland-Fosterville Fire Station would be deposited directly into the project in the General Capital Projects Fund.

Comm. Jordan moved, seconded by Comm. Peay to authorize the County Mayor to accept the Christy-Houston Foundation grant in the amount of \$389,000; to amend the Ambulance Service Fund Budget increasing Revenue Account 118-48130, Contributions, by \$264,000 and increasing Expenditure Account 118-55130-735, Health Equipment, by \$264,000; and to deposit the remaining \$125,000 directly into the Midland-Fosterville Fire Station Project in the General Capital Projects Fund.

The motion passed unanimously by roll call vote.

Comm. Shafer suggested that a letter be sent to the Christy-Houston Foundation on behalf of the County Mayor and the County Commission thanking them for all of their support to the county.

Mayor Burgess stated that he would think about the best way to handle that.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Jeff Sandvig, Assistant Superintendent for Budget and Finance, requested approval of the following General Purpose School fund budget amendments advising that on July 19, 2012, the School Board approved a General Purpose School Fund budget amendment in order to fund the purchase of Schoolstation's Evaluate software in order to support principals and better facilitate

the teacher evaluation process and costs \$799 per school. The program will be linked to Rutherford County School's teacher in-service opportunities for prescriptive purposes. The amendment is within major function and transfers \$35,955 from the Equipment line, Account 72410-701, to Account 72410-399, Other Contracted Services, in order to fund the first year costs of Schoolstation Evaluate Software.

Mr. Sandvig requested approval of the following budget amendment covering \$98,816 in insurance recovery revenue from last October's hail storm and provides \$20,000 to complete the roof repairs and increases the budget for building and contents insurance and vehicle insurance by \$78,816. The \$78,816 will be used to replenish the School Board's portion of the county's self-insurance fund.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the General Purpose School Fund budget amendments as requested transferring \$35,955 from Office of the Principal Account 141-72410-701, Administration Equipment, to Account 141-72410-399, Other Contracted Services; and amending \$98,816 in insurance recovery revenue Account 141-49700 and increasing Accounts 141-72620-335, Maintenance & Repair Buildings by \$20,000, 141-72610-502, Building and Contents Insurance, by \$39,116, 141-72710-511, Vehicle Insurance, by \$39,700.

The motion passed unanimously by roll call vote.

AUTHORIZE FUNDING FOR CIRCUIT COURT COMPUTER SYSTEM:

At the August 9, 2012 Budget Committee meeting Mrs. Laura Bohling, Circuit Court Clerk, and Mr. Wilkie Buchanan, OIT Project Manager, addressed the committee proposing a new Circuit Court Clerk Case Management System. Mrs. Bohling requested approval of the New Dawn Technologies System, who was the lowest vendor at a cost of \$868,037.65.

Options for purchasing the system were presented, with one option being that the county would purchase the system out right. Capital lease options were also presented with one option being four annual payments with an interest rate of 3.9% including a \$40,000 discount. The second capital lease option would finance the New Dawn system with five annual payments of 3.9% interest including a \$50,000 discount.

The Budget Committee voted unanimously to approve the concept of purchasing the New Dawn Technologies Case Management System for the Circuit Court Clerk with the item to be placed on the September Budget Committee agenda with Mrs. Bohling to present firm costs along with the funding mechanism.

Mrs. Bohling and Mr. Buchanan were present to provide additional information. Mrs. Bohling advised that Mr. Buchanan had worked with the vendor, and the total cost had been reduced to \$737,786.04, which included some money for conversion costs. She reminded the committee that her original request had included some contingency for conversion costs; however, instead of including the contingency in the capital request that had been removed in hopes that the conversion would not cost as much as she had anticipated. She explained that the Data Processing Services Account within her operating budget was appropriated at \$176,000. She advised that she was requesting to transfer \$60,000 from that account to Data Processing Equipment to purchase multiple servers to house the new software. She also advised that there should be some additional funds available in the Data Processing Services Account to assist in the conversion process, if needed.

Mrs. Bohling explained that for the funding method, she had looked at both a non-finance option and the finance options. Both she and Mr. Buchanan have had several conversations with the Finance Director and the Mayor regarding the funding options. Mrs. Bohling advised that she would prefer to finance the New Dawn System with the non-finance option. The non-finance option would require a down payment of \$282,317.04 which would cover the software and the first year maintenance, and would be due upon signing the contract, with monthly payments estimated at \$25,303.83 for 18 months. If the process goes well, the county would continue the

monthly payments. If the process does not go well, there could be discussions about not making the monthly payments. Mrs. Bohling advised that if the computer system was financed, the company would receive the entire payment up front. She stated that she did not anticipate that there would be any issues with the relationship with the vendor.

Comm. Jordan stated that he would not consider any option that would pay the entire amount up front if it was going to take 18 months to complete the project.

Mrs. Bohling advised that if the project was completed ahead of time, the balance of the project would be paid early.

The Finance Director advised that the entire project would probably not be completed this fiscal year. Mrs. Nolen recommended that the project be fully appropriated, because Mrs. Bohling would be issuing purchase orders for the full amount and requested approval of the following budget amendment:

From: 101-39000 – Unassigned Fund Balance -	\$300,000
101-34585 – Restricted for Capital (Development Tax) -	437,800
To: 101-53100-709 – Data Processing Equipment -	\$737,800
From: 101-53100-317 – Data Processing Services -	\$ 60,000
To: 101-53100-709 – Data Processing Equipment -	\$ 60,000

The Finance Director also advised that the estimated revenue from the Circuit Court Excess Fees in the 2012-13 budget was \$1.3 million. It was recommended that if the Circuit Court Clerk turned in more than \$1.3 million in Excess Fees, that the excess be used to assist in funding the project. Mrs. Nolen explained that initially \$300,000 would come from Unassigned Fund Balance. Secondly, the Circuit Court Excess Fees would be reviewed to determine if more than \$1.3 million had been turned in, and if so, that excess money would go toward the project. Thirdly, the Development Tax would be used, if necessary.

Mayor Burgess noted that if Mrs. Bohling did not turn in more than \$1.3 million in excess fees this year, the entire \$437,800 from the Development Tax would not all be spent this fiscal year.

Mrs. Bohling advised that she was very conservative in budgeting; however, the case load had increased by approximately 10% with an increase of approximately 6% in the receipts.

Mrs. Bohling advised that there was a time constraint with the current vendor. The contract ends in December, 2014; however, the vendor requires one year and 90 days' notice to end the contract. She stated that her office would need to be confident with the process with the new vendor and comfortable with the process prior to that before notifying the current vendor that the contract would be dissolved.

Mayor Burgess stated that the current court computer system was very antiquated, and he recommended that the budget amendment be approved to purchase the New Dawn Technologies System for the Circuit Court Clerk.

Following discussion, Comm. Jernigan moved, seconded by Comm. Baum to authorize the County Mayor and the Circuit Court Clerk to enter into a contract with New Dawn Technologies, subject to the review and approval of the County Attorney, for the provision of acquiring a Court Case Management Computer System for the Circuit Court Clerk at a cost of \$737,786.04 with an initial payment of \$282,317.04 for the software and the first year maintenance upon signing the contract, monthly payments of \$25,303.83 for a period of 18 months; and annual maintenance fees of \$58,605.04 after signing the contract. Additionally, the approval of a budget amendment to provide the funding for the computer system amending \$300,000 from Account 101-39000, Unassigned Fund Balance; \$437,800 from Account 101-34585, Restricted for Capital; with a total of \$737,800 to Account 101-53100-709, Data Processing Equipment; \$60,000 from

Account 101-53100-317, Data Processing Services, to Account 101-53100-709, Data Processing Equipment.

The motion passed unanimously by roll call vote.

AUTHORIZE FUNDING FOR MIDLAND-FOSTERVILLE FIRE DEPARTMENT:

Chairman Ealy advised that the Property Management Committee voted unanimously to transfer \$65,648 from the Rutherford County Fire Department Building Project and \$19,787 from the Jail Remediation Project from the Development Tax to the Midland-Fosterville Volunteer Fire Department Project.

Mayor Burgess also advised that the Christy-Houston Foundation was contributing \$125,000 for the Midland-Fosterville Fire Department building.

Comm. Jordan moved, seconded by Comm. Jernigan to authorize the transfer of \$65,648 from the Rutherford County Fire Department Building Project and \$19,787 from the Jail Remediation Project from the Development Tax to the Midland-Fosterville Volunteer Fire Department Project.

The motion passed unanimously by roll call vote.

APPROVE GRANT CONTRACTS WITH TENNESSEE DEPARTMENT OF CHILDREN'S SERVICES:

Chairman Ealy advised of two proposed annual contracts with the Tennessee Department of Children's Services for the Juvenile Court. The Grant Contracts do not require any local matching funds. The first contract was for the provision of Community Intervention Services (Teen Trax) for the period beginning July 1, 2012 and ending on June 30, 2013 in an amount not to exceed \$46,448. The second contract was for the provision of Custody Prevention Services (Teen Learning) for the period of July 1, 2012 and ending on June 30, 2013 in an amount not to exceed \$417,696.

The Finance Director advised that both the revenue and expenditures for the grants were already included in the 2012-13 budget.

Comm. Sandlin moved, seconded by Comm. Jordan to authorize the County Mayor to execute two annual Grant Contracts with the Tennessee Department of Children's Services requiring no local matching funds with the first contract being for the provision of Community Intervention Services (Teen Trax) for the period beginning July 1, 2012 and ending on June 30, 2013 in an amount not to exceed \$46,448; and the second contract being for the provision of Custody Prevention Services (Teen Learning) for the period of July 1, 2012 and ending on June 30, 2013 in an amount not to exceed \$417,696.

The motion passed unanimously by roll call vote.

AUTHORIZE SAFER GRANT APPLICATION FOR FIRE & RESCUE DEPARTMENT:

Fire Chief Larry Farley requested approval to submit a SAFER grant application for a 100% federally funded two-year staffing grant for the purpose of hiring four full-time firefighters, 24 hours per day, seven days per week with the county not being required to commit to keeping the positions beyond the two-year contract.

Secondly, Chief Farley requested approval to submit a SAFER grant application for a 100% federally funded four-year recruitment and retention grant for the purpose of hiring a Recruitment and Retention Coordinator to help recruit and retain Rutherford County's volunteer force. Additionally, if awarded, the grant proceeds would also be used to provide four-year long-term disability and life insurance policies for all volunteer firefighters.

Chief Farley advised that permission was given last fiscal year to apply for the grant, but it was not awarded. He explained that last year the grant targeted laid-off firefighters, but, if awarded this year, 15% of the grant would go toward volunteers and 15% would go toward new hires. He advised that he was requesting to reapply for the grant.

Following discussion, Comm. Jordan moved, seconded by Comm. Jernigan to authorize the County Mayor to execute grant applications for a two-year Staffing Grant for the purpose of hiring four full-time firefighters and a four-year Recruitment and Retention Grant for the purpose of hiring a Recruitment and Retention Coordinator; and to provide four-year long-term disability and life insurance policies for all volunteer firefighters through the Staffing for Adequate Fire and Emergency Response Grant Program with no local matching funds being required for either grant. Additionally, to authorize the County Mayor to accept the grants subject to them being awarded.

The motion passed unanimously by roll call vote.

REQUEST FROM JUVENILE DETENTION TO SUBMIT FEDERAL GRANT APPLICATION:

Mrs. Lynn Duke, Juvenile Detention Center Director, requested approval to submit a grant application for a Title I, Neglected and Delinquent Program grant for the Rutherford County Juvenile Detention School. The grant does not require any local matching funds. The grant would be for approximately \$100,000 and comes through the Tennessee Alliance for Children and Families. If awarded, the grant funds would be used for educational programming, drug and alcohol counseling, career counseling, specialized curriculum, assessments, and supplies and materials. The grant funds could also be used for additional educational personnel.

Comm. Jernigan moved, seconded by Comm. Peay to authorize the County Mayor to execute a grant application for a Title I, Neglected and Delinquent Program grant for the Rutherford County Juvenile Detention School in the amount of \$100,000 requiring no local matching funds through the Tennessee Alliance for Children and Families. Additionally, to authorize the County Mayor to accept the grant subject to it being awarded.

The motion passed unanimously by acclamation.

REQUEST FROM PET ADOPTION & WELFARE SERVICES DIRECTOR TO SUBMIT A PETSMAART CHARITIES GRANT APPLICATION:

Mr. Michael Gregory, PAWS Director, requested approval to submit a PetSmart Charities Grant in the amount of \$70,260 requiring no local matching funds for a spay and neuter grant. Mr. Gregory advised that one out of every five dogs, or nearly 700, that enter Rutherford County PAWS was a pit or pit type. To help curb the number of intakes into the shelter, PITSNIP (Paws Initiative to Spay and Neuter Intact Pits) was being proposed. The program will utilize the existing surgery area and will be open to any Rutherford County resident regardless of income, etc.

Included in the grant was the cost of surgeries, additional packs of surgical instruments, a temporary part-time assistant, microchips and marketing. Each animal that is spayed or neutered with PITSNIP will receive a current rabies vaccination and tag as well as a microchip.

Comm. Shafer moved, seconded by Comm. Peay to authorize the County Mayor to execute a PetSmart Grant Application and to accept the grant, subject to it being awarded, in the amount of \$70,260 requiring no local matching funds to be used to spay and neuter pit or pit-type dogs for any Rutherford County resident regardless of income.

The motion passed unanimously by acclamation.

RESOLUTIONS FOR FACSIMILE SIGNATURE FOR RUTHERFORD COUNTY PAYROLL ACCOUNT AND RUTHERFORD COUNTY TRUSTEE WARRANT ACCOUNT:

Chairman Ealy requested approval two Facsimile Signature Resolutions with one being for the Rutherford County Payroll Account at SunTrust Bank, and the second Resolution being for the Rutherford County Trustee Warrant Account at First Tennessee Bank replacing the signature of Mark Byrnes, Chairman of the Board, with Terry L. Hodge, Chairman of the Board and to forward both Resolutions to the County Commission.

Comm. Sandlin moved, seconded by Comm. Peay to approve the Resolutions for Facsimile Signature Resolutions for the Rutherford County Payroll Account at SunTrust Bank and the Rutherford County Trustee Warrant Account at First Tennessee Bank removing the name of Mark Byrnes, Chairman of the Board, and replacing it with Terry L. Hodge, Chairman of the Board and to forward both Resolutions to the County Commission.

The motion passed unanimously by acclamation.

OTHER BUSINESS

LEASE PURCHASE AGREEMENT & DEBT MANAGEMENT POLICY AMENDMENT

The Finance Director advised that she had several items to present relative to the approval by the Board of Commissioners authorizing the Board of Education to enter into a capital lease with Crews and Associates for the purchase of energy efficient water fixtures from Excel Energy Group.

It has been brought to her attention that the County Commission did not have the authority to delegate entering into debt to the School Board. She requested approval to revise the Lease Purchase Agreement with Crews and Associates to authorize Rutherford County to enter into the Agreement instead of the Rutherford County Board of Education.

The Finance Director also advised that when the Debt Management Policy was developed, it was not foreseen that the county would be entering into capital leases. Therefore, she requested approval of an amendment to the Debt Management Policy to add the following under Types of Debt:

D. Contracts, Leases and Lease Purchase Agreements

Pursuant to Sections 7-51-901 et seq., the County may enter into, with any contracting party or parties, contracts, leases or lease-purchase agreements with respect to capital improvement property for terms not to exceed thirty (30) years or the useful life of the subject capital improvement property, whichever is less. Payments made under such contracts, leases or lease-purchase agreements shall be subject to annual appropriation by the County.

She advised that the state would not approve the CT-0253 Capital Lease Report if it was not included in the county's Debt Management Policy.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to amend the Debt Management Policy to include Item D. Contracts, Leases and Lease Purchase Agreements under Types of Debt; and to authorize the County Mayor to execute a Lease Purchase Agreement with Crews and Associates for the payment of energy efficient water fixtures from the Excel Energy Group for the Rutherford County Board of Education.

The motion passed unanimously by roll call vote.

A copy of Form CT-0253 pertaining to the Capital Lease was provided for the use and information of the committee.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:40 P.M.

Elaine Short, Secretary