

BUDGET, FINANCE & INVESTMENT COMMITTEE

February 7, 2013

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	Melissa Stinson	Barry Hendrixson
Comm. Joe Frank Jernigan	Teb Batey	Dana Garrett	Jacoby O’Gwynn
Comm. Will Jordan	Rob Mitchell	Mac Nolen	Steve Spence
Comm. Robert Peay, Jr.	Laura Bohling	Jeff Sandvig	Todd Sparks
Comm. Steve Sandlin	Robert Arnold	Lynn Duke	Virgil Gammon
Comm. Doug Shafer	Comm. Jack Black	Tim Hooker	Jeff Davidson
Comm. Joyce Ealy, Chr.	Lisa Nolen	Joe Russell	Cindy Wells

Brad Rayls, Gerald Brawner, Melinda Brown-Black, Steve Schroeder, Wayne Wood, Randy Fann, TaySean Lyons, Heather Leslie, Scott Broden, Elaine Short.

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

Chairman Ealy advised if some of those in the audience were in attendance to hear about that Lascassas Convenience Center issue, there was not anything on the Budget Committee Agenda dealing with that proposal. The motion from the Public Works Committee was to forward the recommendation of Mayor Burgess and also the recommendation of Commissioner Jack Black to the full commission to determine which plan the county would proceed with. That motion passed unanimously by the Public Works Committee. Chairman Ealy advised that the Budget Committee would not be taking any action at this meeting and would wait until the County Commission made a decision. She told those in attendance they were welcomed to stay, and if they wished to speak at the County Commission meeting they should talk to their commissioner, to find out how to sign up.

APPROVE MINUTES:

The minutes of the January 10, 2013 Budget 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:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that there was one investment bid during the month. The LGIP interest rate for the month was .14%. The bids received quoted an interest rate of .05% for 90 days and .10% for one year. The LGIP rate was better than the bids, so the money was moved to LGIP.

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

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

The Finance Director presented the monthly Fund Condition Report for the period ending January 31, 2013 advising that the Development Tax collections for the month were \$177,750, which included 53 apartments in Murfreesboro. The year-to-date collections totaled \$1,035,750. This compared to the same period last year when the monthly collections were \$95,250, and the year-to-date collections were \$508,500.

The committee reviewed the fund cash balances, which totaled \$188,389,297, with \$169,124,944 being operating funds and \$19,264,353 being borrowed funds. This compared to the same period last year when the total cash balances were \$168,099,674 with \$152,755,633 being operating funds, and \$15,344,041 being borrowed funds.

The Finance Director directed the committee's attention to the cash balance in the Employee Insurance Fund, which totaled \$24,034,177 compared to \$27,599,573 for the prior year. She advised that Mrs. Stinson would be speaking about this during her presentation.

Mrs. Nolen advised that at the end of January, the General Fund was 60% spent compared to 60.64% for the same period last year; and 58.24% for the same period in 2011. At the end of the fiscal year 2012, the General Fund was 96% spent. At the end of January, the General Purpose School Fund was 49.75% spent compared to 50% for the same period in 2012, and 50.51% in 2011.

The Finance Director reviewed the revenue collections advising that the revenue in the General Fund was 58.45% collected, which exceeded the previous five years. The Ambulance Fund revenue collections were at 57.41% collected. The revenue collections for all funds were higher than the previous year. She stated that the revenue collections appeared to be better than the projections, and that hopefully, all of the expenditures would not be spent. Currently, the estimated expenditures exceeded the projected revenue by almost \$5.4 million.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the Fund condition Report as presented.

The motion passed unanimously by acclamation.

INSURANCE FINANCIAL REPORT:

Mrs. Melissa Stinson, Risk Management Director, presented the monthly Insurance Financial Report for the use and information of the committee advising that the Employee Insurance Fund performance for medical, dental, and vision reflected a cost per employee per month of \$785.08 compared to \$928.63 for the prior year. When including the on-site medical clinics, the cost per employee per month was \$835.57 compared to \$965.26 for the prior year. The year-to-date average cost per employee was \$888.05 compared to \$871.56 for the prior year for a 1.9% increase.

Mrs. Stinson provided a two-year comparison of revenue and expenditures by month for the Employee Insurance Fund. She explained that the Employee Insurance Fund financials were reviewed on a monthly basis from a fiscal year perspective. However, when the revenue is set, it is done on an annual basis. Because of the budgetary process, the revenue is set four or five months earlier than what typically would be done. When premium rates were set for 2012, the actual experience used was from February, 2010 through January, 2011. For calendar year 2011, the Employee Insurance Fund had a good balance of revenues compared to expenses. Calendar year 2012 was not as favorable, and expenses exceeded the revenue for the year by \$3,848,698. That trend is continuing for January, 2013. She stated that this would be important to understand as premium rates will be looked at in the coming months. She stated that there would be additional expenses as a result of Healthcare Reform in addition to the ongoing trend that is occurring due to increased cost inside of the plan. The combination of Healthcare Reform statutes and the projections completed by Deloitte in 2011 will likely result in an increase to the plan of approximately \$2.1 million in 2014. Approximately \$1 million of that will be carved out and will hit individual accounts for the transitional re-insurance fee, but still there would be a potential impact to the plan of over \$1 million. In addition, the county approved a reduction to the county contribution of one percent year over year. Mrs. Stinson explained that there would be increases in 2014 due to the change in the pre-existing laws such as continued ongoing expenses related dependent care to age 26; an auto enrollment provision that will begin in 2014 whereby the employee will be required to either elect or decline the insurance, and if the employee does not do this, the county will have to enroll them in the insurance program; there

will be changes for employees who work over an average of 30 hours or more per week; and a one dollar research fee per member will be required.

Comm. Jordan clarified that Mrs. Stinson was not requesting any action at this time, and that this was for information only and would require some action at some point.

Mrs. Stinson stated that was correct.

Comm. Shafer asked if there was a way to tell what the impact was for covering children up to the age of 26 who were under their parents' health insurance plan.

Mrs. Stinson stated that she did not have actual numbers, but the projected impact cost for 2014 was \$711,000. She stated that there were a lot of employees taking advantage of that provision.

Mrs. Stinson reviewed the performance for Fund 266, Work Injury Fund, advising that the year-to-date claims were \$519,486 compared to \$459,792, which was a 13% increase. She advised that there were still 19 open workers' compensation claims.

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

The motion passed unanimously by acclamation.

REQUEST TO AMEND DENTAL PLAN:

Mrs. Stinson advised that CIGNA completed a review of the insurance plan as of June 30, 2012, which revealed that the dental plan was experiencing a negative trend of 3.4%. She stated that she had discussed with CIGNA some ways that the plan could be improved. One of the things that was brought to light were fillings. Currently, the dental plan does not cover composite fillings on posterior teeth. If a tooth in the back of the mouth is filled, it is done with a silver filling. She stated that a lot of dentist's do not use the silver fillings anymore, so when an individual receives a filling, the dentist automatically does the composite filling. When the claim is filed, CIGNA will only pay the cost of the silver filling, and the employees must pay the balance. Sometimes this procedure is unknown to the employee at the time of service.

Mrs. Stinson asked that the dental plan be amended to make composite fillings available for all fillings, which would cost approximately \$42,000 to the dental plan. She advised that the request to the Insurance Committee was that this amendment to the plan be retroactive to January 1, 2013.

Comm. Jordan moved, seconded by Comm. Sandlin to amend the Rutherford County Employee Dental Plan that composite fillings be allowed for all fillings effective January 1, 2013 at a cost of approximately \$42,000 to the plan.

The motion passed unanimously by roll call vote.

AGREEMENT WITH TENNESSEE DEPARTMENT OF HEALTH:

Mrs. Dana Garrett, Health Department Director, requested approval of an annual Agreement with the Tennessee Department of Health. Rutherford County agrees to appropriate a total of \$659,131 for the support of the Rutherford County Health Department of which \$530,756 is direct local funds for which Rutherford County shall not be billed; and \$128,375 of appropriations for which Rutherford County shall be billed. She advised that the funds for the Agreement were already included in the 2012-13 budget, and this was the official contract, which covered the term of July 1, 2012 through June 30, 2013.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the annual Agreement with the Tennessee Department of Health appropriating \$659,131 for the support of the Rutherford County Health Department, which includes \$530,756 of direct local fund for

which Rutherford County shall not be billed, and \$128,375 of appropriations for which Rutherford County shall be billed for the term of July 1, 2012 through June 30, 2013.

The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND BUDGET AMENDMENT:

Mr. Mac Nolen, Solid Waste Director, requested approval of the following budget amendment to provide sufficient funding for the Gasoline Account for the Litter Program, Communications for the Rutherford County Recycle Center, and Towing Service for the Convenience Center trucks:

From: 116-55732-402 – Convenience Centers/Asphalt -	\$7,360
To: 116-55720-425 – Litter Program/Gasoline -	\$6,000
116-55732-307 – Convenience Centers/Communications -	360
116-55732-353 – Convenience Centers/Towing Service -	1,000

Comm. Jernigan moved, seconded by Comm. Peay to approve the budget amendment as requested transferring \$7,360 from Account 116-55732-402, Convenience Centers Asphalt; with \$6,000 to Account 116-55720-425, Litter Program Gasoline; \$360 to Account 116-55732-307, Convenience Centers Communication; and \$1,000 to Account 116-55732-353, Convenience Centers Towing Service.

The motion passed unanimously by roll call vote.

ANNUAL CONTRACT IN LIEU OF PERFORMANCE BOND FOR RUTHERFORD COUNTY LANDFILL:

Mr. Nolen, requested approval of the annual inflation adjustment for the financial assurance for the Rutherford County Sanitary Landfill, Permit No. SNL 75-0103 as required by the regulations of the Division of Solid Waste Management, Tennessee Department of Environment and Conservation. The adjustment reduces the amount of financial assurance for Rutherford County from \$3,368,578 to \$3,241,882.

Comm. Jordan moved, seconded by Comm. Shafer to approve the annual inflation adjustment for the financial assurance for the Rutherford County Sanitary Landfill, Permit No. SNL 75-0103 reducing the amount of financial assurance for Rutherford County from \$3,368,578 to \$3,241,882; and to forward an Amendment of Contract in Lieu of Performance Bond to the Rutherford County Commission stating the same.

The motion passed unanimously by roll call vote.

EDUCATION CAPITAL PROJECTS FUND BUDGET AMENDMENT:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval of the following Education Capital Projects Fund budget amendment to amend \$125,000 from Committed for Educational Capital Projects to Other Contracted Services to provide funding to make the changes needed at the La Vergne and Smyrna High stadiums for seating for disabled people in accordance with the Americans with Disabilities Act:

From: 177-34685 – Committed for Capital Projects -	\$125,000
To: 177-91300-399 – Other Contracted Services -	\$125,000

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Education Capital Projects Fund budget amendment as requested amending \$125,000 from Account 177-34685, Committed for Capital Projects, to Account 177-91300-399, Other Contracted Services.

The motion passed unanimously by roll call vote.

GENERAL FUND BUDGET AMENDMENTS**JUVENILE DETENTION:**

Mrs. Lynn Duke, Juvenile Detention Center Director, requested approval of the following budget amendment to reclassify \$437 of the Title 1 Grant from the Tennessee Alliance for Children and Families from Maintenance & Repair of Equipment to Other Supplies and Materials. Due to new equipment being under warranty and not requiring as much service costs, she requested that she be allowed to utilize these funds to purchase an additional computer and printer to manage the Title 1 program. Secondly, Mrs. Duke advised that an additional \$1,001 will be received from the Title 1 Grant, and she requested approval to recognize the additional revenue and to appropriate it for Other Supplies and Materials:

From:	101-54240-336 – Maint./Repair Equipment -	\$ 437
To:	101-54240-499 – Other Supplies/Materials -	\$ 437
Increase Revenue:	101-47141 – Title 1 Grants to Local Education -	\$1,001
Increase Expend.:	101-54240-499 – Other Supplies/Materials -	\$1,001

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendments for the Juvenile Detention Center as requested transferring \$437 from Account 101-54240-336, Maint./Repair Equipment, to Account 101-54240-499, Other Supplies & Materials; and increasing Revenue Account 101-47141, Title 1 Grants to Local Education, by \$1,001 and increasing Expenditure Account 101-54240-499, Other Supplies & Materials, by \$1,001.

The motion passed unanimously by roll call vote.

2012 HOMELAND SECURITY GRANT:

Mr. Tim Hooker, Interim Emergency Management Director, was present to request approval of a Grant Contract with the Department of Military, Tennessee Emergency Management Agency in the amount of \$66,000 for the Federal Fiscal Year (FFY) 2012 Homeland Security Grant Program and the related budget amendment as follows. The Grant Contract shall be effective for the period beginning September 1, 2012 and ending on May 31, 2014:

Increase Revenue:	101-47235 – Homeland Security Grants -	\$66,000
Increase Expend.:	101-54430-790 – Other Equipment -	\$66,000

Mr. Hooker next requested approval of a Grant Contract with the Department of Military, Tennessee Emergency Management Agency in the amount of \$6,500 to provide pass-through funding from the United States Department of Transportation for the 2013 Hazardous Materials Emergency Planning Grant. The Grant Contract will be effective for the period beginning October 1, 2012 and ending on September 30, 2013 and requires a 20% match. The grant will provide funds for 51 individuals to receive the hazmat training. Mr. Hooker also requested approval of the related budget amendment to recognize the revenue to be received from the grant and to appropriate the grant proceeds for In-Service Training; and to transfer \$625 from Instructional Supplies and Materials to In-Service Training to provide a portion of the local match:

Increase Revenue:	101-47590 – Other Federal Through State -	\$6,500
From:	101-54430-429 – Instructional Supplies & Materials -	\$ 625
To:	101-54430-196 – In-Service Training -	\$7,125

Following review, Comm. Peay moved, seconded by Comm. Shafer to authorize the County Mayor and any other officials of Rutherford County to execute the Grant Contracts with the Department of Military, Tennessee Emergency Management Agency for the FFY 2012 Homeland Security Grant in the amount of \$66,000 and the 2013 Hazardous Materials

Emergency Planning Grant in the amount of \$6,500 requiring a local match of \$1,625, and additionally, to approve the related budget amendments increasing Revenue Account 101-47235, Homeland Security Grants, by \$66,000, increasing Expenditure Account 101-54430-790, Other Equipment, by \$66,000; increasing Revenue Account 101-47590, Other Federal Through State, by \$6,500, transferring \$625 from Account 101-54430-429, Instructional Supplies and Materials; with a total of \$7,125 to Account 101-54430-196, In-Service Training.

The motion passed unanimously by roll call vote.

EMPLOYEE INSURANCE (VARIOUS DEPARTMENTS):

The Finance Director requested approval of the following budget amendment to provide additional funding for the Employee and Dependent Insurance Accounts for various departments as a result of open enrollment and the changes to coverage and new elections being in place. This amendment provides adequate funding for the Employee Insurance Accounts for various departments in the General Fund reflecting where the actual insurance costs will be paid. The source of funding is the pooled account in the Employee Benefits category:

From: 101-58600-205 – Employee Benefits/Employee Insurance -	\$49,666
To: 101-55110-205 – Health Dept./ Employee Insurance -	\$ 150
101-51600-205 – Register of Deeds/Employee Insurance -	11,791
101-53930-205 – Domestic Violence/Employee Insurance -	730
101-54110-205 – Sheriff’s Department/Employee Insurance -	34,520
101-57100-205 – Agriculture Extension/Employee Insurance -	2,475

Comm. Jernigan moved, seconded by Comm. Peay to approve the budget amendment to adjust the Employee and Dependent Insurance Accounts for various departments as a result of open enrollment transferring \$49,666 from Account 101-58600-205, Employee Benefits Employee Insurance, with \$150 to Account 101-55110-205, Health Department Employee Insurance, \$11,791 to Account 101-51600-205, Register of Deeds Employee Insurance, \$730 to Account 101-53930-205, Domestic Violence Employee Insurance, \$34,520 to Account 101-54110-205, Sheriff’s Department Employee Insurance, and \$2,475 to Account 101-57100-205, Agriculture Extension Employee Insurance.

The motion passed unanimously by roll call vote.

TRANSFERS OUT (ELAM ROAD FIRE HALL):

The Finance Director requested approval of the following budget amendment to provide sufficient funds to reconstruct the 5500 Elam Road Fire Hall as a result of a fire. The source of funding is the Judgments Account, which is used to fund liability claims for the General Fund, and to transfer the funds to the General Capital Projects Fund:

From: 101-58900-505 – Miscellaneous/Judgments -	\$151,300
To: 101-99100-590 – Transfers to Other Funds -	\$151,300

Comm. Jernigan asked what the funding would consist of if it was decided to completely tear the fire hall down and rebuild the fire hall like the one at Fosterville.

Mayor Burgess advised that the cost at the Fosterville Fire Station on the building, itself, was a little under \$350,000. He said that it would probably cost between \$340,000 to \$350,000 plus engineering costs and demolition costs.

Comm. Jernigan stated that the Elam Road Fire Hall was not worth reconstructing. He stated that to spend \$151,300 on reconstructing it would be a waste of money.

Comm. Jernigan moved, seconded by Comm. Peay to use the bids for the Fosterville Fire Hall to replace the Elam Road Fire Hall.

Comm. Jordan stated that he would be interested to know what action the Property Management Committee and the Public Safety Committee took.

Comm. Peay and Comm. Shafer stated that the funding to reconstruct the Elam Road Fire Hall did not go through the Public Safety Committee.

Mayor Burgess advised that the Elam Road Fire Hall did not go through the Public Safety Committee, but the Property Management Committee had discussed it. However, authority was received to execute the Architect and Engineering Agreement, which would have gone through the County Commission, in order for the plans to be drawn.

Comm. Jordan stated that it sounded like the process was well underway.

Mayor Burgess stated that bids had already been taken to reconstruct the Elam Road Fire Hall.

Comm. Jernigan stated that bids were taken to reconstruct the damaged portion, but it was not discussed as to whether or not to completely rebuild a new station.

Mayor Burgess advised that he followed the recommendation to reconstruct the damaged portion to bring it up to the condition it was before, and in addition included correcting some compliance issues, which was discussed. He stated that was when the cost of \$17,000 for the architect and engineering was approved. He stated there had to be an agreement with an engineer to define the work that needed to be done. He stated that completely rebuilding the Elam Road Fire Hall had not been discussed previously.

Comm. Peay stated that Comm. Jernigan had been to the site and had seen the condition. Comm. Peay stated that he would have liked to have seen costs for both reconstructing the damaged portion and completely rebuilding the fire hall.

Comm. Jernigan stated that before he spent the money to reconstruct the Elam Road Fire Hall, he would rather it go back through the committee process to determine if the fire station should be completely rebuilt.

Mayor Burgess stated if the Fosterville plans were used, and there were engineering costs and demolition costs, he estimated it would cost approximately \$340,000.

Comm. Sandlin stated that he would not want to spend \$151,300 and then the fire hall not be up to the standard that it should be.

Comm. Baum stated that at a minimum, Chief Farley should be asked if he would rather spend the additional money on the structure or on equipment.

Comm. Peay stated that this fire station had been taken over by Rutherford County, and it was a county building and not a volunteer fire station.

Comm. Jordan stated that he was not comfortable with the motion, or the way it was worded. He said that commissioners talk a lot about the committee process. He stated he would rather send the Elam Road Fire Hall back to either Property Management or Public Safety and let them start over with the process. He stated that this was the Budget Committee and not the Property Management Committee, and he did not think the Budget Committee should make the decision to demolish the fire hall and rebuild it. He stated he would be more comfortable to defer it back to the appropriate committee and let it come back through properly.

Comm. Jernigan stated he would be satisfied to send it back to the committee.

Following discussion, Comm. Jernigan withdrew his motion, and Comm. Peay agreed to withdraw the second to the motion.

Comm. Jernigan moved, seconded by Comm. Peay to send the Elam Road Fire Hall back to Property Management to look at replacing it with a new building.

The motion passed unanimously by roll call vote.

TRANSFERS OUT (PUBLIC SAFETY BUILDING):

The Finance Director requested approval of the following budget amendment related to the remodeling of the public safety building located at 964 New Salem Road advising that the bids had been received. It was requested to amend \$110,000 from the Unassigned Fund Balance to provide a transfer to the General Capital Projects Fund to complete the project based on the estimate provided by the architect. The contractor has estimated three months to complete the project:

From: 101-39000 – Unassigned Fund Balance -	\$110,000
To: 101-99100-590 – Transfers Out -	\$110,000

Comm. Sandlin stated that the original estimate to purchase and remodel the building was \$1 million, and now the cost was at \$1.1 million.

Mayor Burgess advised that the building was purchased for \$750,000, which left \$250,000 for the renovations. With the architect and engineering fees, survey, fiber optics for data and cameras, and a \$15,000 contingency, the total cost for the renovations is \$352,400.

Comm. Sandlin stated that the original estimate of \$1 million was to be for a turn-key project. He asked if it could be re-bid.

Mayor Burgess stated that the accepted bid was substantially lower than the other bids, and he did not believe that a lower bid would be received. The second lowest bid was \$294,000, and the bids went up from that point. He stated that eight bids were received.

Comm. Sandlin stated there were a lot of people looking for work and a lot of contractors who were trying to keep their crews busy.

Comm. Peay stated that the Sheriff's Department was paying quite a bit in rental fees, and the purchase of the building would save that money.

Sheriff Arnold stated that the building was purchased, because the county was looking at a \$9 million expansion. He stated that the department needed some relief from cramped office space.

Comm. Sandlin stated he understood why the building was purchased, but the point was to purchase the building and remodel it for \$1 million.

Sheriff Arnold stated that inmate labor would be used to perform part of the work.

Mayor Burgess stated that inmate labor would not be used for any of the work. He stated that the maintenance employees had more to do in the current building than they could oversee.

Mayor Burgess stated that even though the bid was more than anticipated, he recommended that the funds be appropriated to complete the project.

Following discussion, Comm. Peay moved, seconded by Comm. Shafer to approve the budget amendment as requested to provide funds to complete the renovations of the Public Safety Building located at 964 New Salem Road amending \$110,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-99100-590, Transfers Out, to provide a transfer to the General Capital Projects Fund.

The motion passed by roll call vote with Commissioners Baum, Jernigan, Jordan, Peay, Shafer, and Ealy voting "yes"; and Commissioner Sandlin voting "no".

SHERIFF'S DEPARTMENT & JAIL:

Sheriff Robert Arnold and Chief Deputy Joe Russell requested approval of the following budget amendments and transfers for the Sheriff's Department and Jail to recognize revenue from Insurance Recovery to be appropriated for new vehicles; to transfer within the Detention budget to provide funds for maintenance and repair of the building; to transfer from the Sheriff's Department budget and the Detention budget to provide funds for food preparation supplies; to transfer within the Sheriff's Department budget to provide funds for vehicle parts; to transfer funds from the Restricted for Capital Account (Development Tax) to building improvements for the purchase of the chillers; to recognize revenue from the Board of Education for the payment of security at school events to be appropriated for Overtime Pay and the related benefits:

Increase Revenue:	101-49700 – Insurance Recovery -	\$12,000
Increase Expend.:	101-54110-718 – Sheriff/Motor Vehicles -	\$12,000
From:	101-54210-399 – Jail/Other Contracted Services -	\$ 6,800
To:	101-54210-335 – Jail/Maint./Repair Building -	\$ 6,800
From:	101-54110-336 – Sheriff/Maint./Repair Equipment -	\$15,000
	101-54210-441 – Jail/Prisoner Clothing -	\$10,000
To:	101-54210-421 – Jail/Food Preparation Supplies -	\$25,000
From:	101-54110-338 – Sheriff/Maint./Repair Vehicles -	\$20,000
To:	101-54110-453 – Sheriff/Vehicle Parts -	\$20,000
From:	101-34585 – Restricted for Capital Projects -	\$268,000
To:	101-54210-707 – Jail/Building Improvements -	\$268,000
Increase Revenue:	101-43541 – Contract for Administrative Services/LEA's	\$ 56,570
Increase Expend.:	101-54110-187 – Sheriff/Overtime Pay -	\$ 47,000
	101-54110-201 – Sheriff/Social Security -	2,915
	101-54110-204 – Sheriff/State Retirement -	5,970
	101-54110-212 – Sheriff/Employer Medicare -	685

Following review, Comm. Jordan moved, seconded by Comm. Baum to approve the budget amendments and transfers for the Sheriff's Department and Jail as requested increasing Revenue Account 101-49700, Insurance Recovery, by \$12,000 and increasing Account 101-54110-718, Sheriff's Department Motor Vehicles, by \$12,000; transferring \$6,800 from Account 101-54210-399, Jail Other Contracted Services, to Account 101-54210-335, Jail Maintenance and Repair Building; transferring \$15,000 from Account 101-54110-336, Sheriff's Department Maintenance and Repair Equipment, and \$10,000 from Account 101-54210-441, Jail Prisoner Clothing, with a total of \$25,000 to Account 101-54210-421, Jail Food Preparation Supplies; transferring \$20,000 from Account 101-54110-338, Sheriff's Department Maintenance and Repair Vehicles, to Account 101-54110-453, Sheriff's Department Vehicle Parts; amending \$268,000 from Account 101-34585, Restricted for Capital Projects, to be appropriated to Account 101-54210-707, Jail Building Improvements; increasing Revenue Account 101-43541, Contract for Administrative Services/LEA's, by \$56,570; and increasing Expenditure Accounts 101-54110-187, Sheriff's Department Overtime Pay, by \$47,000, 101-54110-201, Sheriff's Department Social Security, by \$2,915, 101-54110-204, Sheriff's Department State Retirement, by \$5,970, and 101-54110-212, Sheriff's Department Employer Medicare, by \$685.

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE (DEA) FUND BUDGET AMENDMENT:

Chief Deputy Russell next requested approval of a Special Purpose (DEA) Fund budget amendment to recognize revenue received from Asset Forfeitures to be appropriated for Confidential Enforcement:

Increase Revenue:	121-47700 – Asset Forfeiture Funds -	\$2,825
Increase Expend.:	121-54110-319 – Confidential Enforcement -	\$2,825

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment for the Special Purpose (DEA) Fund as requested increasing Revenue Account 121-47700, Asset Forfeiture Funds, by \$2,825; and increasing Expenditure Account 121-54110-319, Confidential Enforcement, by \$2,825.

The motion passed unanimously by roll call vote.

RECOMMENDATION FROM PUBLIC SAFETY COMMITTEE TO HIRE ADDITIONAL SCHOOL RESOURCE OFFICERS:

Major Jacoby O’Gwynn and Capt. Barry Hendrixson along with Sheriff Arnold presented information for the use of the committee regarding the hiring of 11 additional School Resource Officers (SRO’s) in order to supply every elementary school with a full time SRO. The information presented illustrated the cost if the 11 officers were hired March 1, 2013, April 1, May 1, June 1 or July 1.

With a start date of March 1, the salary and benefits for 11 SRO’s at a pay grade 6 and an average of five years of experience would be \$194,342. The one-time expenses for the vehicles, equipment and training would cost an additional \$689,722 for a total of \$884,064.

With a start date of April 1, the total cost is reduced to \$835,479. With a start date of May 1, the total cost is reduced to \$786,893. With a start date of June 1, the total cost is reduced to \$738,306. With a start date of July 1, which included 2 SRO’s for the new Stewarts Creek High School, the cost for the entire fiscal year was estimated at \$1,503,016.

Major O’Gwynn advised that the totals were not exact, because the exact people to fill the positions were not known, and it would depend on the years of experience of the officers hired.

The request included 11 new vehicles, \$7,870 for equipment for each deputy, and \$3,000 for training for each deputy.

Major O’Gwynn advised that the Request for Proposals for the new vehicles were turned in to the mayor’s office today, and that the Sheriff’s Office was going to begin the interview process.

Comm. Jordan asked if it was realistic that people could be in the positions by March 1. Comm. Jordan stated that he could support the request if it was brought through the budget process and the SRO’s could start at the beginning of the school year.

Sheriff Arnold stated that the reason the cost was broken out by month beginning with March 1 was because of the training that would be needed. He stated that everyone might not be hired from the Sheriff’s Office, and some of the officers hired might be from outside the department. For instance if someone was hired from the City of Murfreesboro, there would be 15 weeks of patrol training needed and then they would need the SRO training. He stated it would work better if they could hire the officers as soon as possible, so they could begin their training and would be ready to go to work at the beginning of the new school year. If the officers are not hired until July 1, they would not be ready to be in the schools until January. Some of the officers hired from within the Sheriff’s Office would only need the SRO training.

Comm. Jordan noted that if the request was approved with a start date of July 1, SRO’s hired from within the Sheriff’s Office could be on the job by the beginning of school. He stated he

was concerned about how to fund the request, and that it could be done much better if it was addressed during the budget process and when the property tax rate was set.

Comm. Baum asked if it would be possible to commit to the personnel portion of the request, but wait until the budget process before purchasing the vehicles.

Mayor Burgess asked everyone to look at the big picture. He stated that it was pretty clear that revenues would not increase during the coming fiscal year. Even though the Development Tax is improving, there was not enough money in the reserve or in the new Development Tax collections to purchase 25 new vehicles, much less any other new equipment that might be needed across the county. He stated that the total outcome had to be looked at, and the committee would need to be ready to take whatever steps necessary if the request was approved. He stated that there were probably other positions that would be requested as a part of the five-year plan that were probably equal to or exceeded the SRO costs. He stated that the budget process had not started, yet. He stated that it would be two or three months before there would be enough good information to know how much increase it was going to take in the property tax rate to fund the budget.

Comm. Shafer noted that the \$1.5 million that would be needed for a start date of July 1 equated to approximately three cents on the property tax rate. A three-cent increase to the property tax rate would result in an increase of \$15 on the property tax bill for a homeowner with a \$200,000 house.

Comm. Jordan stated that was easier to say than to pass. He stated if the SRO plan was passed, a determination had to be made as to how to pay for it, and that the two should be done at the same time. He stated that it was a great feel-good measure, and he supported it, but the money had to be found to pay for it.

Comm. Baum stated that was why he wanted to know if it would be appropriate to commit to the personnel portion but wait until the budget process in May to determine the funding for the vehicles.

Major O'Gwynn stated that it would take approximately 45-60 days to get the bids for the vehicles, to order them and equip them. He stated there would be some SRO's that would have to drive their personal vehicles to school. For a temporary time period, that might be alright, but if there was an incident at school, and an SRO had to place someone under arrest they would have to have a vehicle to transport them in. If the proposal was approved, the money for the vehicles would be needed in order to get the vehicles ordered as soon as possible.

Comm. Peay stated that if no new SRO's were hired, the Sheriff's Department would still probably need to purchase some new vehicles. He stated that funds for new vehicles would be in the budget process whether new SRO's were hired or not. He stated he was more concerned about what it was going to cost annually to fund the additional SRO's.

Comm. Peay stated that he had read where there was going to be some legislation proposed to provide some funding to hire SRO's.

Sheriff Arnold stated that there were three different bills that were being proposed. One proposal would provide money from the state to pay for the SRO's. He stated that bill was probably not going to go anywhere. The Federal Government has said that they are going to provide money for every state that could be used for counselors in schools and also SRO's. He explained that it might end up where each state gets funding for one or two SRO's in the entire state.

Comm. Sandlin stated that the SRO program did not have to be sold, and the Sheriff's Department had done a fine job with the SRO program. He stated that citizens and parents taking their children to school felt safe. He stated that there were SRO's in all schools, and they were not without an SRO. He stated that some of the elementary schools were sharing the SRO's. He stated that the county had not dropped the ball, and approving the proposal would complete the program. He stated that it was a great program, and the taxpayers would have to

pay for it. He stated that he was in favor of the request, but that it needed to go through the budget process.

Sheriff Arnold stated that if the program was approved, there would be a domino effect at the Sheriff's Department. If some of the SRO's are pulled from patrol, then there would be fewer patrol officers patrolling the streets. Detention Officers would then apply to re-fill patrol officer positions. He stated if it was all approved as of July 1, there would be a huge effect at the Sheriff's Office.

Comm. Jordan stated that the worse-case scenario would be that if some of the SRO's had to be hired slowly, some of the schools might have to continue to share a SRO for a time. He stated that Rutherford County was ahead of every county in the state regarding the SRO program.

Sheriff Arnold stated that the state would have problems getting all of the officers from all across the state trained.

Mayor Burgess stated that there were a lot of retired certified officers. Would it be possible to hire some of those retired officers even if they were part time?

Sheriff Arnold stated that the retired officers would not stay P.O.S.T. certified, because they were not full time officers. He stated that retirement requirements do not allow the officers to work more than 120 days, and there were 180 school days. He stated that law needed to be changed.

Comm. Jordan stated that he had been asked if the SRO program could be privatized.

Capt. Hendrixson stated that each SRO in the schools had to be able to react to law enforcement matters. Private Security has the ability to call the Sheriff's Department if they need assistance, but by that time, it might be too late.

Comm. Shafer stated that most of the schools were set up so that an individual could only get into the school one way. He stated that he had heard about a particular lock whereby the teacher could lock the door from the inside, but the door could not be unlocked from the outside.

Major O'Gwynn stated the problem with that was that most schools had a lot of glass, and all someone had to do was break the glass.

Comm. Sandlin asked if it would be possible to include the proposal in the budgetary process.

Sheriff Arnold stated that the proposal would be included in the budget.

Comm. Jordan suggested that a motion be made endorsing the proposal and sending it to the County Commission to see if the Commission endorsed the concept. He stated that he believed that all commissioners wanted to hire the additional SRO's, but needed to determine how it was going to be paid for.

Comm. Sandlin stated that if it was included in the budget process that in a couple of months the committee would have a better idea of what they were looking at.

Mayor Burgess stated that it would be the April commission meeting before there would be any real numbers. He stated that he was not meeting with the Sheriff on his budget request until April.

Comm. Peay stated that if there was ever a shooting in a school that did not have a SRO, the county would wish that they had done something.

Following discussion, Comm. Peay moved, seconded by Comm. Shafer to approve the Sheriff's Department proposal to hire 11 SRO's in order to supply a SRO for each elementary school with an additional 2 SRO's to be hired for the Stewarts Creek High School effective July 1.

Comm. Peay stated that he would like to go ahead and hire at least one or two SRO's who were already certified. He stated that the maximum it would cost was three cents on the property tax rate, and he was willing to go with the three cent increase on the property tax rate to pay for it if that is what it took.

Comm. Baum stated he was wondering if there was a way to reduce the cost in order to enhance the chances of it passing. He stated that when there were two or three schools located close together, would it be possible, at least temporarily, to get by without purchasing all of the vehicles at one time.

Sheriff Arnold stated that they had to have vehicles to do their job.

Mayor Burgess advised that vehicles were typically funded from capital dollars and not with property tax dollars. He stated that he thought that part of the funding could be managed. The recurring costs, in addition to all of the other recurring costs, were the things that had to be addressed. He stated that the School Board has focused on things that were happening inside the schools. The schools have been improved and security to get into the schools has been enhanced immensely. He stated that there were a lot of children that were not inside the buildings, and that they were either on the playground or practice fields. He stated that hiring additional SRO's was not going to solve all of the problems.

Comm. Peay stated that no one thought that it would solve all of the problems, but the SRO program needed to be expanded in all of the schools.

Comm. Shafer stated that expanding the SRO program was the easiest deterrent that the county could do. He stated that he would like for the proposal to be presented to the commission and a roll call vote be taken on it.

Comm. Baum asked what the implication was for delaying the proposal until the budgetary process. He asked how much that would delay getting the SRO's into the schools.

Major O'Gwynn stated that approximately 31 individuals had signed up to be considered for the new SRO positions. He stated of those only three retired individuals had submitted an application. One of those was not certified, so they would be interviewing two of those individuals. If they choose individuals who are already certified, they could be in the schools within three weeks. If the individuals come from outside the department, it would take approximately 22 weeks to have them ready to go into the schools. After the Sheriff's Office decides which 13 people are going to be hired, they would take the people who required the most training and hire them first.

Mayor Burgess asked for clarification regarding the motion. He asked what it meant to be effective July 1 and if that meant that the hiring needed to start now. If that was the case, a budget amendment would be needed to provide funding to begin phasing in the SRO's.

Comm. Peay stated that his intention was to state that the additional SRO's to be hired would begin at the end of the budget cycle and that the money would be available to do it.

Comm. Jordan asked if the commission could endorse the concept, and to include it in the budget process. He stated that he believed that everyone wanted to do this, but he was not going to commit to spending that money until the property tax rate was set. He stated that the budget process would start in a month, and it should be done correctly.

Comm. Sandlin stated that he would not vote for the proposal now, but he would vote for a motion to send the concept to the county commission stating that it would be included in the budget process. A favorable vote would mean that the commission would be voting for the proposal, and it would also mean that, at this point in time, they would be voting for a three-cent property tax rate to fund it.

Following discussion, the motion to approve the Sheriff's Department proposal to hire 11 SRO's in order to supply a SRO for each elementary school with an additional two SRO's to be hired for Stewarts Creek High School effective July 1, 2013 failed by roll call vote with Commissioners Peay and Shafer voting "yes"; and Commissioners, Baum, Jernigan, Jordan, Sandlin, and Ealy voting "no".

Comm. Peay moved, seconded by Comm. Jordan to forward a Resolution to the County Commission endorsing the concept of hiring 11 SRO's in order to supply a SRO for each elementary school and an additional two SRO's for the new Stewarts Creek High School for a total of 13 SRO's with a full disclosure as to the total cost of the proposal to be included in the 2013-14 budget process.

The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 7:27 P.M.

Elaine Short, Secretary