

BUDGET, FINANCE & INVESTMENT COMMITTEE

October 10, 2013

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, Chr.

Others Present:

Ernest Burgess
Teb Batey
Comm. Jack Black
Lisa Nolen
Philip Griffin
Larry Farley
Eric Hill

Others Present:

Rosemary Faulk
Lisa Marchesoni
Elaine Short

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

APPROVE MINUTES:

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes of the September 5, 2013 Budget Committee meeting as mailed

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 bid during the month, which was awarded to Pinnacle Bank at a rate of .31% for one year. The LGIP interest rate for the month was .10%.

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

The motion passed unanimously by acclamation.

REQUEST APPROVAL OF AN AGREEMENT FOR BENEFITS REDEMPTION WITH FIS GOVERNMENT SOLUTIONS FOR RUTHERFORD COUNTY TRUSTEE:

Mr. Batey advised that FIS Government Solutions processed debit, credit and Supplemental Nutrition Assistance Program (SNAP) cards. The SNAP card was formerly known as the food stamp program. The farmers' market at the Lane Agri-Park currently accepts the SNAP card through a grant with M.T.S.U. The grant is expiring, and the Trustee proposed that the county take over the processing of the SNAP cards. Mr. Batey requested approval of an Agreement with FIS Government Solutions to provide the ability for the farmers' market at the Lane Agri-Park to accept credit, debit and SNAP card transactions.

Comm. Peay asked what would be the cost to the county.

Mr. Batey advised that the SNAP was funded by the state and covered most of the costs. There is a 45 cent charge on the debit card and a percentage fee on the credit card. Those costs are being charged back to the users and the vendors, but there would be no cost to the county.

Following discussion, Comm. Jordan moved, seconded by Comm. Peay to authorize all appropriate officials of Rutherford County to execute an Agreement for Benefits Redemption with FIS Government Solutions to allow the farmers' market at the Lane Agri-Park to accept debit, credit, and SNAP card transactions.

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

The Finance Director presented the monthly Fund Condition Report for the use and information of the committee advising that the Development Tax collections for the month of September totaled \$297,750 with the year-to-date collections being \$885,000. This compared to the previous year when the monthly Development Tax collections were \$107,250, and the year-to-date collections were \$387,750.

The committee reviewed the fund cash balances totaling \$135,311,401 with operating funds being \$131,284,615 and borrowed funds being \$4,026,786. This compared to the same period last year when the total cash balances were \$152,501,108 with operating funds being \$121,711,603 and borrowed funds being \$30,789,505.

Regarding the Blackman Middle Annex project which reflected a negative balance of (\$261,164.91), the Finance Director reminded the committee that an interfund loan had previously been approved, and the \$7.4 million note had been issued, which will be reflected next month on the October report.

The Finance Director advised that an amendment would be requested later in the meeting to close the Twelve Corners Subdivision road project.

The Finance Director reviewed the revenue collections advising that for the first three months of the fiscal year, the General Fund revenue was up quite a bit due to the Nissan payment-in-lieu of taxes. The first PILOT Agreement increased slightly, but the majority of the increase was the result of the second PILOT Agreement on the paint and battery plant that became effective this year.

The sales tax collections for the Solid Waste Fund and the Highway Fund were up by approximately 30% after two months of reporting.

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

The motion passed unanimously by acclamation.

RISK MANAGEMENT FINANCIAL REPORT:

The Finance Director presented the monthly Risk Management Financial Report for the use and information of the committee advising that the cost per employee per month for the medical, dental and vision program was \$929.51 compared to \$688.83 for the prior year. The average cost per month was \$870.41 compared to \$856.00 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$909.25 compared to \$885 for the prior year for a trend of 2.7%.

For the Work Injury Fund performance, the year-to-date claims totaled \$127,341.19 compared to \$243,485.27 for the prior year or 52% of last year's claims.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the Risk Management Financial Report as presented.

The motion passed unanimously by acclamation.

AMBULANCE SERVICE FUND BUDGET AMENDMENT:

The Finance Director requested approval of the following Ambulance Service Fund budget amendment to recognize a donation from the Christy Houston Foundation in the amount of \$55,000 for the SORT to purchase a rescue boat, and to appropriate the funds into Other Equipment:

Increase Revenue:	118-48130 – Contributions -	\$ 55,000
Increase Expend.:	118-55130-790 – Other Equipment -	\$ 55,000

Comm. Shafer moved, seconded by Comm. Jernigan to approve the budget amendment for the Ambulance Service Fund as requested increasing Revenue Account 118-48130, Contributions, by \$55,000 and increasing Expenditure Account 118-55130-790, Other Equipment, by \$55,000.

The motion passed unanimously by roll call vote.

GENERAL FUND BUDGET AMENDMENTS

ELECTION COMMISSION:

The Finance Director requested approval of a budget amendment for the Election Commission recognizing revenue to be received from a grant through the State Division of Elections in the amount of \$1,540, and to appropriate it for Data Processing Equipment to purchase a new state computer:

Increase Revenue:	101-46980 – Other State Grants -	\$ 1,540
Increase Expend.:	101-51500-709 – Data Processing Equipment -	\$ 1,540

At the June 13 County Commission meeting, a Resolution was adopted authorizing the County Mayor and the Election Registrar to submit a grant application to the State Division of Elections for a new state computer and to acquire/upgrade new voting equipment. The Resolution also authorized the County Mayor to accept the grant if awarded.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendment for the Election Commission as requested increasing Revenue Account 101-46980, Other State Grants, by \$1,540 and increasing Expenditure Account 101-51500-709, Election Commission Data Processing Equipment by \$1,540.

The motion passed unanimously by roll call vote.

COUNTY BUILDINGS:

The Finance Director requested approval of a budget transfer for the County Buildings Department to provide sufficient funding to pay the per diem and travel accommodations to a conference in Austin, Texas related to Maintenance Management Software:

From:	101-51800-335 – Maint./Repair Buildings -	\$ 1,500
To:	101-51800-355 – Travel -	\$ 1,500

Comm. Jernigan moved, seconded by Comm. Baum to approve the budget transfer for the County Buildings Department as requested transferring \$1,500 from Account 101-51800-335, Maintenance and Repair of Buildings, to Account 101-51800-355, Travel.

The motion passed unanimously by roll call vote.

FIRE & RESCUE:

County Fire Chief Larry Farley requested approval of the following budget amendment recognizing revenue for a donation from the Christy Houston Foundation in the amount of \$155,000 and appropriating it for motor vehicles to purchase a rescue truck:

Increase Revenue:	101-48130 – Contributions -	\$155,000
Increase Expend.:	101-54320-718 – Motor Vehicles -	\$155,000

Comm. Shafer moved, seconded by Comm. Peay to approve the budget amendment for the Fire & Rescue Department as requested increasing Revenue Account 101-48130, Contributions, by \$155,000 and increasing Expenditure Account 101-54320-718, Motor Vehicles, by \$155,000.

The motion passed unanimously by roll call vote.

STORM WATER MANAGEMENT:

Mr. Eric Hill, County Engineer, requested approval of the following budget transfer to provide sufficient funding for the Data Processing Account to purchase a computer for the new engineering inspector.

From: 101-57800-499 – Other Supplies/Materials -	\$2,500
To: 101-57800-709 – Data Processing Equipment -	\$2,500

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget transfer for the Storm Water Management Department as requested transferring \$2,500 from Account 101-57800-499, Other Supplies & Materials, to Account 101-57800-709, Data Processing Equipment.

The motion passed unanimously by roll call vote.

PAYMENT-IN-LIEU- OF TAXES:

The Finance Director requested approval of the following budget amendment increasing the revenue from the Payment-in-Lieu of Taxes – Other as a result of the ten cent increase in the property tax rate when the 2013-14 budget was adopted, an increase in Nissan's payment on the original PILOT, and recognizing revenue from General Mills that was expected to end in 2012 but expires in 2014. The amendment also covered an increase to the Town of Smyrna as a result of the increase on the original Nissan PILOT Agreement with a net increase to the Unassigned Fund Balance of \$282,815:

Increase Revenue:	101-40163 – Payment-in-Lieu of Taxes-Other -	\$413,000
Increase Expend.:	101-58700-309 – Contracts with Gov't Agencies -	\$130,185
Increase Unassigned Fund Balance:	101-39000 -	\$282,815

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment for the Payment-in-Lieu of Taxes as requested increasing Revenue Account 101-40163, Payment-in-Lieu of Taxes Other, by \$413,000, increasing Expenditure Account 101-58700-309, Contracts with Government Agencies, by \$130,185, and increasing Account 101-39000, Unassigned Fund Balance, by \$282,815.

The motion passed unanimously by roll call vote

OPERATING TRANSFERS:

The next budget amendment presented dealt with the Federal Assistance to Firefighters Grant from Homeland Security for the Communication Project. Chairman Ealy asked the Finance Director to give a brief explanation as to how the Federal Government shutdown was impacting Rutherford County.

The Finance Director advised that the Federal Government shutdown was affecting Rutherford County because of the federal grants being received. Some of the federal money goes to the State of Tennessee first and is then distributed to Rutherford County. The School Federal Projects Fund has received federal money via the State of Tennessee since October 1, but this money could have already been disbursed to the state before October 1. There are some positions funded with federal grants, but the grants are reimbursable, and Rutherford County has

the funds available to pay the salaries until the federal money is received. However, the Finance Director requested approval of the following budget amendment regarding the Communications Grant, which is a \$400,000 grant to install microwave equipment on several towers. The county purchased equipment from Motorola, the payment is due, but the reimbursement from the Federal Government is being delayed because of the shutdown. The request for reimbursement was submitted in August, and in September, the status of the reimbursement was pending. The invoice from Motorola was due at the end of September, and an extension was requested pending payment from the Federal Government. Motorola is working with the county:

Increase Revenue:	101-49800 – Operating Transfers -	\$280,000
Increase Expend.:	101-99100-590 – Transfers Out -	\$280,000

The Finance Director advised that the funds would be transferred out first to the General Capital Projects Fund in order to pay the invoice. When the funds are received from the Federal Government, it will be receipted to the project and transferred back to the General Fund.

The Finance Director also advised that the reimbursement for the STOP Grant at the Sheriff's Department was being held. The Domestic Violence Department also receives a STOP Grant. Another large amount of federal money that might be impacted would be from the USDA for the Cafeteria Fund.

Following discussion, Comm. Shafer moved, seconded by Comm. Jordan to approve the budget amendment as requested increasing Revenue Account 101-49800, Operating Transfers, by \$280,000 and increasing Expenditure Account 101-99100-590, Transfers Out, by \$280,000 to provide funding to make a transfer to the General Capital Projects Fund for the Communications Project until the federal funds are received.

The motion passed unanimously by roll call vote.

Comm. Jordan suggested that in the future, a clause be added to contracts stating that in the event of a government shutdown, the contractors would be paid when the county received the money.

OPERATING TRANSFERS/RESTRICTED FOR CAPITAL PROJECTS:

The Finance Director advised that the Twelve Corners Subdivision Road Project was complete. She requested approval of the following budget amendment to close the project and transfer the remaining balance of \$560 back to the Restricted for Capital Projects Account (Development Tax) in the General Fund:

Increase Revenue:	101-49800 – Transfers In -	\$ 560
Increase Account:	101-34585 – Restricted for Capital Projects -	\$ 560

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment as requested transferring the remaining balance of the Twelve Corners Subdivision Road Project back to the Development Tax Restricted for Capital Projects Account in the General Fund increasing Revenue Account 101-49800, Transfers In, by \$560 and increasing Account 101-34585, Restricted for Capital Projects, by \$560.

The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Mrs. Rosemary Faulk and Lisa Marchesoni were present to request approval of the following budget amendments to recognize revenue from donations for the K-9's and appropriate it for Animal Food and Supplies:

Increase Revenue:	101-44570 – Contributions & Gifts -	\$2,750
Increase Expend.:	101-54110-401 – Animal Food/Supplies -	\$2,750

Mrs. Faulk next requested approval of the following budget amendment recognizing revenue received from the 2013 JAG and appropriating it for Law Enforcement Equipment and Law Enforcement Supplies:

Increase Revenue:	101-47250 – Law Enforcement Grants -	\$30,821
Increase Expend.:	101-54110-716 – Law Enforcement Equipment -	\$27,468
	101-54110-431 – Law Enforcement Supplies -	3,353

The third amendment requested approval of a Grant Contract with the Tennessee Department of Transportation in the amount of \$27,026.92 for the Teen Driver Safety Grant, which required no matching funds for the period of October 1, 2013 through September 30, 2014; and to recognize the revenue to be received from the grant and appropriate it for Law Enforcement Equipment and Law Enforcement Supplies:

Increase Revenue:	101-47590 – Other Federal Through State -	\$ 27,027
Increase Expend.:	101-54110-716 – Law Enforcement Equipment -	\$ 23,969
	101-54110-431 – Law Enforcement Supplies -	3,058

The next amendment recognized revenue to be received from the Governor's Highway Safety Office for the Alcohol Management Grant in the amount of \$110,887 and to appropriate it for Law Enforcement Equipment, Law Enforcement Supplies, Overtime Pay, and the related benefits:

Increase Revenue:	101-47590 – Other Federal Through State -	\$110,887
Increase Expend.:	101-54110-716 – Law Enforcement Equipment -	\$ 37,349
	101-54110-431 – Law Enforcement Supplies -	4,132
	101-54110-187 – Overtime Pay -	57,675
	101-54110-201 – Social Security -	3,576
	101-54110-204 – State Retirement -	7,319
	101-54110-212 – Employer Medicare -	836

Comm. Jernigan moved, seconded by Comm. Baum to approve the budget amendments for the Sheriff's Department as requested increasing Revenue Account 101-44570, Contributions & Gifts, by \$2,750 and increasing Expenditure Account 101-54110-401, Animal Food & Supplies, by \$2,750; increasing Revenue Account 101-47250, Law Enforcement Grants, by \$30,821 and increasing Expenditure Accounts 101-54110-716, Law Enforcement Equipment, by \$27,468 and 101-54110-431, Law Enforcement Supplies, by \$3,353; increasing Revenue Account 101-47590, Other Federal Through State, by \$27,027; and increasing Expenditure Accounts 101-54110-716, Law Enforcement Equipment, by \$23,969 and 101-54110-431, Law Enforcement Supplies, by \$3,058; increasing Revenue Account 101-47590, Other Federal Through State, by \$110,887; and increasing Expenditure Accounts 101-54110-716, Law Enforcement Equipment, by \$37,349, 101-54110-431, Law Enforcement Supplies, by \$4,132, 101-54110-187, Overtime Pay, by \$57,675, 101-54110-201, Social Security, by \$3,576, 101-54110-204, State Retirement, by \$7,319, and 101-54110-212, Employer Medicare, by \$836. Additionally, to authorize the County Mayor and all other appropriate officials of Rutherford County to execute the Grant Contract with the Tennessee Department of Transportation for the Teen Driver Safety Grant in the amount of \$27,027 requiring no matching funds.

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE (DEA) FUND BUDGET AMENDMENT:

Mrs. Faulk requested approval of the following budget amendment recognizing revenue in the amount of \$9,290 received from Asset Forfeitures and appropriating it for Other Equipment and Motor Vehicles:

Increase Revenue:	121-47700 – Asset Forfeitures -	\$9,290
Increase Expend.:	121-54110-790 – Other Equipment -	\$4,645
	121-54110-718 – Motor Vehicles -	\$4,645

Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget amendment for the Special Purpose (DEA) Fund as requested increasing Revenue Account 121-47700, Asset Forfeitures, by \$9,290, and increasing Expenditure Accounts 121-54110-790, Other Equipment, by \$4,645 and 121-54110-718, Motor Vehicles, by \$4,645.

The motion passed unanimously by roll call vote.

HIGHWAY FUND BUDGET AMENDMENT:

The Finance Director requested approval of the following budget amendment to correct the salary for the County Road Superintendent per the County Officials Salary Schedule for FY 2013-14 advising that the salary did not get revised in the budget process:

From:	131-34750 – Assigned for Highway/Public Works -	\$6,400
To:	131-61000-101 – County Official/Administrative -	\$5,310
	131-61000-201 – Social Security -	329
	131-61000-204 – State Retirement -	674
	131-61000-212 – Employer Medicare -	77
	131-61000-209 – Long Term Disability -	10

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment as requested correcting the salary and related benefits for the County Road Superintendent amending \$6,400 from Account 131-34750, Assigned for Highway/Public Works, with \$5,310 to Account 131-61000-101, County Official/Administrative, \$329 to Account 131-61000-201, Social Security, \$674 to Account 131-61000-204, State Retirement, \$77 to Account 131-61000-212, Employer Medicare, and \$10 to Account 131-61000-209, Long Term Disability.

The motion passed unanimously by roll call vote.

RECOMMENDATION REGARDING THE LITTER REMOVAL SUPERVISION FEE FOR FIRST TIME DUI OFFENDERS:

The Public Safety Committee approved a motion unanimously by roll call vote to set the DUI offender fee at \$44 per day and forward the same to the Budget Committee.

A Resolution was adopted by the County Commission on December 13, 2012 setting the litter removal supervision fee for first time DUI offenders at \$30 per day.

Mayor Burgess recommended that the effective date be set at January 1, 2014 because individuals have already been booked.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the recommendation of the Public Safety Committee to set the litter removal supervision fee for first time DUI offenders at \$44 per day effective January 1, 2014.

The motion passed unanimously by roll call vote.

SITE LEASE AGREEMENT WITH MIDDLE TENNESSEE ELECTRIC MEMBERSHIP CORPORATION:

Mayor Burgess noted that the previous amendment that was approved regarding the payment to Motorola for communications equipment for several towers included the tower and building owned by Middle Tennessee Electric Membership Corporation, Inc. and located at 2419 Rock

Springs Road, Smyrna, TN 37167. He requested approval of a Site Lease Agreement with Middle Tennessee Electric Membership Corporation, Inc. in the amount of \$2,200 per year to place the equipment on a tower, as well as the base station and related equipment inside an existing building/shelter. Mayor Burgess stated that this was very important. He advised that the lease had not been through the Property Management Committee, but it was imperative that the equipment be installed before November 25. The County Attorney's Office has reviewed the lease.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the Site Lease Agreement with Middle Tennessee Electric Membership Corporation, Inc. in the amount of \$2,200 annually for tower space and building space located at 2419 Rock Springs Road, Smyrna, TN 37167.

Comm. Jordan stated that he would be abstaining as he was associated with Middle Tennessee Electric Membership Corporation.

The motion passed by roll call vote with Commissioners Baum, Jernigan, Sandlin, Shafer, and Ealy voting "yes"; and Commissioners Jordan and Peay voting "pass".

ADJOURNMENT:

There being no further business to be presented, Chairman Ealy declared the meeting adjourned at 6:12 P.M.

Elaine Short, Secretary