

BUDGET, FINANCE & INVESTMENT COMMITTEE

June 25, 2014

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, Chair

Others Present:

Ernest Burgess
Lisa Nolen
Jeff Davidson
Mark Tucker
Jeff Sandvig
Michael Gregory
Dana Garrett

Randy Garrett
Virgil Gammon
Susan Allen

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 June 17, 2014 and June 19, 2014 Budget Committee meetings as presented.

The motion passed unanimously by acclamation.

DISCUSSION OF THE SHERIFF'S DEPARTMENT BUDGET:

Chief Deputy Randy Garrett and Deputy Chief Virgil Gammon were present to answer questions related to dry cleaning and uniforms costs in the Sheriff's Department budget that was brought up during the budget public hearing. Mr. Garrett explained that one class A formal dress uniform is issued to command personnel, Captains and above-11 personnel, which costs \$519.25 each. He also explained that a civil suit had been filed against the department in the past due to the fact that an individual could not determine that personnel were Sheriff Deputies due to the inconsistency of the uniforms. He further explained that the current green uniforms will be the standard uniform due to them being more serviceable and costs less than the previous blue uniform.

The department began offering dry cleaning in the 2011-12 budget year. The department believes dry cleaning extends the life of the uniform, keeps it from fading and presents a more professional appearance to the public.

Comm. Jordan made note that the budget for dry cleaning is \$34,000 and when divided out by the over 300 employees that have uniforms, it appears to be a justifiable number.

Comm. Peay stated that he was concerned with the number of changes in uniforms that have taken place over the last few years.

Mr. Gammon stated that the green uniforms are more light weight, have more pockets, fit more comfortably and are more durable.

Comm. Sandlin asked Mr. Garrett to summarize the uniforms going forward. Mr. Garrett stated that all Deputies will be in green uniforms and the blue uniforms will be eliminated. The honor guard will be in black dress uniforms, which is made up of about 10 employees. The command staff will be in green and tan uniforms. This plan will decrease the uniform cost from previous years.

No action was taken on this item.

GENERAL FUND BUDGET AMENDMENTS**MAINTENANCE:**

The Finance Director presented the following budget transfer and budget amendment for approval:

To reallocate funds to the maintenance equipment line item.		
Increase Expend.:	101-51800-717 – Maint. Equipment	\$3,204
Decrease Expend.:	101-51800-355 – Travel	\$755
	101-51800-709 – Data Proc. Equip.	\$2,449

To fund the cost of a replacement fire alarm panel for the County Clerk office and provide sufficient funds for awarded bids.

Increase Expend.:	101-51800-335 – M & R-Buildings	\$5,000
	101-51800-707 – Building Improve.	\$600
Decrease:	101-39000 – Unassign. Fund Bal.	\$5,600

Comm. Jordan moved, seconded by Comm. Peay to approve the budget transfer and budget amendment as presented.

The motion passed unanimously by roll call vote.

ELECTION COMMISSION:

The Finance Director presented the following budget transfers for approval:

To move the funding to the correct account number.		
Increase Expend.:	101-51500-711 – Furniture	\$4,000
Decrease Expend.:	101-51500-719 – Office Equipment	\$4,000

To correct the benefit line items after the elections occurred.

Increase Expend.:	101-51500-192 – Election Comm.	\$2,000
	101-51500-210 – Social Security	\$1,400
	101-51500-212 – Employer Medicare	\$350
Decrease Expend.:	101-51500-193 – Election Workers	\$3,750

To pay for additional office supplies.

Increase Expend.:	101-51500-435 – Office Supplies	\$2,000
Decrease Expend.:	101-51500-355 – Travel	\$2,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget transfers as presented.

The motion passed unanimously by roll call vote.

COUNTY MAYOR:

The Finance Director presented the following budget transfer and budget amendment for approval:

To fund the cost of autopsies for the remainder of the fiscal year.		
Increase Expend.:	101-55900-399 – Oth. Contract. Serv.	\$30,000
Decrease:	101-39000 – Unassign. Fund Bal.	\$30,000

To fund expense that may come in at year end that are infrequent and unusual.

Increase Expend.:	101-51300-599 – Other Charges	\$3,000
Decrease Expend.:	101-51300-349 – Print., Sta. & Forms	\$3,000

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget transfer and budget amendment as presented.

The motion passed unanimously by roll call vote.

PROPERTY ASSESSOR:

The Finance Director presented the following budget amendment for approval to move funds from the Reappraisal department to the Assessor department for personal property audits:

Increase Expend.:	101-52300-399 – Oth. Contract. Serv.	\$30,000
Decrease Expend.:	101-52310-399 – Oth. Contract. Serv.	\$30,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

UNEMPLOYMENT CLAIMS:

The Finance Director presented the following budget amendment for approval to apply the cost of unemployment to the correct function:

Increase Expend.:	101-51500-210 – Unempl. Compen.	\$100
	101-51800-210 – Unempl. Compen.	\$4,000
	101-54220-210 – Unempl. Compen.	\$7,000
	101-54240-210 – Unempl. Compen.	\$900
Decrease Expend.:	101-58600-210 – Unempl. Compen.	\$12,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

CLAIMS AND JUDGMENTS:

The Finance Director presented the following budget amendment for approval to provide sufficient funds for the reserve established by the third party administrator for property and casualty claims:

Increase Expend.:	101-58900-505 – Judgements	\$500,000
Decrease:	101-39000 – Unassign. Fund Bal.	\$500,000

Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

PAWS:

Michael Gregory, PAWS Director, presented two budget transfers for approval:

To fund overtime for the remainder of the fiscal year.		
Increase Expend.:	101-55120-187 – Overtime	\$4,000
Decrease Expend.:	101-55120-164 – Attendants	\$4,000
To provide funds for gasoline for the remainder of the year.		
Decrease Expend.:	101-55120-413 – Drugs & Med. Supp.	\$1,000
Increase Expend.:	101-55120-425 – Gasoline	\$1,000

Director Gregory also presented a grant contract with the Tennessee Department of Health for the provision of low-cost spay and neuter procedures. The grant contract provides \$3,900 to the County for these services with no matching funds required. The grant is for the period of July 1, 2014 to June 30, 2015.

Comm. Peay moved, seconded by Comm. Shafer to approve the budget transfer and the grant contract with the Tennessee Department of Health as presented.

The motion passed unanimously by roll call vote.

HEALTH:

Dana Garrett, Health Department Director, presented a budget transfer to provide sufficient funds for travel for two employees who attended State required training:

Increase Expend.:	101-55190-355 – Travel	\$1,000
Decrease Expend.:	101-55190-499 – Other Mat. & Supp.	\$1,000

Director Garrett also presented an amendment to a grant contract with the Tennessee Department of Health to move \$2,000 between line items in the grant. The grant amendment moves funds from the supplies line to the travel line.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget transfer and to acknowledge the grant contract amendment with the Tennessee Department of Health as presented.

The motion passed unanimously by roll call vote.

CORRECTIONAL WORKHOUSE:

Director Nolen presented a budget transfer to provide funds to purchase a replacement stove:

Increase Expend.:	101-54220-790 – Other Equipment	\$4,870
Decrease Expend.:	101-54220-336 – M & R-Equipment	\$4,870

Comm. Peay moved, seconded by Comm. Shafer to approve the budget transfer as presented.

The motion passed unanimously by roll call vote.

Director Nolen next presented a contract with the Tennessee Department of Transportation for the workhouse to receive payment for removing litter from the right of ways of roads. The contract is for \$33,785 for the period of July 1, 2014 through June 30, 2015.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the contract with the Tennessee Department of Transportation as presented.

The motion passed unanimously by roll call vote.

APPROVAL OF THE SMYRNA/RUTHERFORD COUNTY AIRPORT AUTHORITY BUDGET:

Director Nolen presented the budget of the Smyrna/Rutherford County Airport Authority for approval by the committee. Approval is required due to changes in audit standards requiring the review of joint ventures.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget of the Airport Authority as presented.

The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Jeff Sandvig, Assistant Superintendent of Finance, presented three amendments and a transfer to the committee.

The first item is an amendment that reallocates \$40,500 in already budgeted staff funds and \$5,864 in related benefits to the line items affected by staff changes. These changes cover the

nursing position that had to added mid-year, training time for the new attendance coordinator and a high school principal, and summer clerical help for Human Resources.

The second item is a transfer that is a routine cleanup that re-allocates budgeted non-labor expenditures within the major functions. It totals \$1,332,700. The largest functions being affected are:

- \$498,500 Plant Operations – primarily utilities
- \$171,062 Maintenance – various repairs and replacements
- \$145,000 Technology – computers and networking
- \$118,077 Transportation – special education transportation
- \$103,556 Vocational Education – to record expenditures in proper line items
- \$ 97,870 Substitute teachers reallocated between certified and non-certified subs.

The third item is an amendment that changes the coding for two expenditures. \$750,000 in State PARCC funds are being moved from 72810-709, Data Processing Equipment, to 71100-722, Instruction Equipment. When the PARCC Funds were approved, the thought was that more of the expenditures would address system-wide issues. Also, \$25,000 for student handbooks is being moved to the Superintendent's budget from 72810-399.

The fourth item is an amendment that adds a net \$2,642,229 in revenues to the 2013/14 GPS Budget, adds \$537,923 in expenditures, and increases fund balance by \$2,104,306. Most of the revenue adjustments are for local revenues and are in line with the increases seen across the county. \$32,096 is for donations and the related expenditures, and \$70,621 is for Trustee's Commission. The other increases in expenditures are \$350,000 for Utilities, \$32,000 for boiler replacement, an additional \$32,355 for diesel fuel price adjustments for the bus owner/operators per our contract, and \$20,851 in Safe Schools Grant expenditures. The additional utility funds are to make certain that the major function, Plant Operations, does not get overdrawn.

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendments and transfer as presented.

The motion passed unanimously by roll call vote.

CENTRAL CAFETERIA FUND BUDGET AMENDMENT:

Mr. Sandvig next presented an amendment for the Cafeteria Fund budget. The amendment reduces budgeted revenue by \$1,037,441 and reduces budgeted expenditures by the same amount. When the 2013-14 budget was approved last year, final federal reimbursement rates were not available.

Comm. Sandlin moved, seconded by Comm. Baum to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

FINAL REVIEW OF 2014-2015 BUDGET:

The Finance Director explained that an updated property assessment roll was received from the Assessor and because of the significance of the increase she is recommending changes to the funds that receive a portion of the property tax. The General Fund change was \$631,328, along with a change of \$3,900 for both revenue and expense for the previously approved PAWS grant. The Ambulance Fund change was \$54,603. The Highway Fund change was \$12,199. The General Purpose School Fund change was \$964,123. The Debt Service Fund change was \$552,424. The Education Capital Projects Fund change was \$36,449.

Comm. Jordan moved, seconded by Comm. Peay to approve the changes to the 2014-2015 budget as presented.

The motion passed unanimously by roll call vote.

APPROVAL OF 2014-2015 TAX LEVY RESOLUTION:

Chairman Ealy presented a Resolution authorizing the tax levy in Rutherford County, Tennessee for the fiscal year beginning July 1, 2014 for a total of \$2.4968 per \$100 of taxable property to be allocated as follows:

County General Fund -	\$.6521
Ambulance Service Fund -	.0564
Highway Fund -	.0126
General Purpose School Fund -	1.1612
Education Capital Projects Fund -	.0439
Debt Service Fund -	<u>.5706</u>
Total -	\$2.4968

Chairman Ealy also advised that the other sections of the Resolution addressed other local revenues for business tax, sales tax, wheel tax, development tax, and interest earnings and how they would be distributed among the funds. There were no changes in the distributions from the prior fiscal year.

Comm. Sandlin moved, seconded by Comm. Shafer to approve the Resolution authorizing the tax levy in Rutherford County, Tennessee as presented.

The motion passed unanimously by roll call vote.

APPROVAL OF 2014-2015 APPROPRIATIONS RESOLUTION:

Chairman Ealy presented the Resolution making appropriations for the various funds, departments, institutions, offices and agencies of Rutherford County, Tennessee for the fiscal year beginning July 1, 2014 and ending on June 30, 2015 as follows:

General Fund -	\$ 85,135,900
Industrial/Economic Development Fund -	309,907
Solid Waste/Sanitation Fund -	4,527,208
Ambulance Service Fund -	11,869,875
Special Purpose Fund -	5,000
Drug Control Fund -	348,160
Highway Fund -	9,249,064
General Purpose School Fund -	306,688,721
Central Cafeteria Fund -	18,333,292
Education Capital Projects Fund -	2,400,425
Debt Service Fund -	<u>41,842,468</u>
Total -	\$480,710,020

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the Resolution making appropriations for the various departments, institutions, offices and agencies of Rutherford County, Tennessee as presented.

The motion passed unanimously by roll call vote.

INDUSTRIAL DEVELOPMENT FUND BUDGET AMENDMENT:

Director Nolen presented a budget amendment to recognize the revenue from the recent bond issue related to the Airport Authority loan:

Increase Revenue	119-49100	– Bond Proceeds	\$2,500,000
Increase :	119-34580	– Res. for Debt Ser.	\$2,500,000

Comm. Jordan moved, seconded by Comm. Peay to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

DEBT SERVICE FUND BUDGET AMENDMENT:

Director Nolen presented a budget amendment to adjust line items related to the recent bond issue:

Increase Revenue	151-49100	– Bond Proceeds	\$9,602,318
Increase Expend.:	151-82110-602	– Prin. on Notes	\$1,395,000
	151-82130-602	– Prin. on Notes	\$7,905,000
	151-82310-605	– Underwriters Disc.	\$55,424
	151-82310-606	– Other Debt Iss. Chg.	\$68,055
	151-82330-605	– Underwriters Disc.	\$69,441
	151-82330-606	– Other Debt Iss. Chg.	\$109,398

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

APPROVAL OF LISA NOLEN TO USE COUNTY COMPUTER FOR ROTARY BOOKKEEPING:

Director Nolen advised that with her involvement with Rotary International she has been elected treasurer for the upcoming year and seeks approval to install QuickBooks software on the County's laptop computer to maintain the records for her local Rotary club. This will not be a commingling of funds nor will the duties be performed on County time.

Comm. Jordan moved, seconded by Comm. Baum to allow Director Nolen to use the County computer as discussed.

The motion passed unanimously by acclamation.

ADJOURNMENT:

There being no further business to be presented, Chairman Ealy declared the meeting adjourned at 6:42 P.M.

Mark Tucker, Secretary