

## BUDGET, FINANCE & INVESTMENT COMMITTEE

August 6, 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  
Mark Tucker  
Jeff Sandvig  
Lynn Duke  
Joe Russell  
Jeff Davidson  
Rob Mitchell  
Melissa Street  
Eric Hill  
Jock Rucker  
Elizabeth Baum

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

#### APPROVE MINUTES:

Comm. Peay moved, seconded by Comm. Jernigan to approve the minutes of the June 25, 2014 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

#### INVESTMENT REPORT:

Comm. Ealy presented the committee the monthly Investment Report noting that there were no CD bids this month. The LGIP interest rate for the month remained at .07%.

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

The motion passed unanimously by acclamation.

#### FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the Fund Condition Reports for the months ending June 30, 2014 and July 31, 2014.

For the month of June the Development Tax collections were \$162,750, with the year-to-date collections being \$3,720,000. This compared to June, 2013 when the monthly collections were \$104,250 and the year-to-date collections were \$3,210,000.

At the end of June, the fund cash balances totaled \$186,278,245 with operating funds being \$165,838,442 and borrowed funds being \$20,439,803. This compared to June, 2013 when the total cash balances were \$164,897,471 with operating funds being \$158,696,669 and borrowed funds being \$6,200,802.

Director Nolen next reviewed the unaudited revenue and expense reports for the General and General Purpose School Funds for the year ending June 30, 2014. The General Fund received \$1.3 million more revenue than the amount budgeted and spent \$4.5 million less than the amount budgeted. The General Purpose School Fund received \$2.8 million more revenue than the amount budgeted and spent \$8.6 million less than the amount budgeted.

The Finance Director reviewed the Statement of Operations for the month of June. After closing the books, the estimated Unassigned Fund Balance for the General Fund as June 30, 2014 was \$19,433,949, which was 23.3% of the estimated appropriations. The Unassigned Fund Balance for the General Purpose School Fund for June 30, 2014 was projected at \$15,185,752, which was 5.1% of the estimated appropriations.

The Finance Director provided an analysis of the revenue collections for the year ending June 30, 2014.

For the month of July, the Development Tax collections were \$154,500. This compared to July, 2013 when the Development Tax collections were \$407,250.

The Finance Director advised that at the end of July the fund cash balances totaled \$167,631,314 with operating funds being \$147,224,635 and borrowed funds being \$20,406,679. This compared to July, 2013 when the total cash balances were \$150,210,208 with operating funds being \$144,310,506 and borrowed funds being \$5,899,702.

The revenue reports were provided for the use and information of the committee, but the Finance Director advised that there was very little activity to report for the month of July.

Following review, Comm. Jordan moved, seconded by Comm. Shafer to approve the Fund Condition Reports for the months ending June 30, 2014 and July 31, 2014.

The motion passed unanimously by acclamation.

#### RISK MANAGEMENT REPORT:

Mrs. Melissa Street, Risk Management Director, presented the monthly Insurance Financial Reports for the months ending June 30, 2014 and July 31, 2014.

For the medical, dental and vision plan for the month of June, the monthly cost per employee was \$1,064.74 compared \$641.79 for the same time in the prior year. The year-to-date average cost for June 30, 2014 was \$874.52 compared to \$803.65 for the prior year. When combined with the onsite medical experience, the cost per month was \$1,140.58 compared to \$680.48 for the prior year. The average cost per employee per month for the year was \$913.74 compared to \$839.07 for the prior year.

For the month of July for the medical, dental and vision plan, the cost per employee was \$848.02 compared to \$885.03 for the prior year. When combined with the onsite medical experience, the cost per employee was \$853.15 compared to \$890.75 for the prior year.

For the Work Injury Performance for the month of June, the year-to-date claims totaled \$2,045,738 compared to \$767,386 for the prior year. Mrs. Street advised that at June 30, there were 14 open workers' compensation claims. For the month of July, the Work Injury claims totaled \$90,940 compared to \$44,509 for the prior year.

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

The motion passed unanimously by acclamation.

#### BOND AMOUNTS FOR COUNTY OFFICIALS:

Mrs. Street presented the following schedule of bond amounts for various County officials which will be effective September 1, 2014.

Chairman of Purchasing	\$100,000
Circuit Court Clerk	\$100,000
County Clerk	\$100,000
County Coroner	\$2,500
County Engineer	\$10,000
County Mayor	\$100,000
Finance Director	\$100,000
Register of Deeds	\$100,000
Sheriff	\$100,000
Trustee	\$11,761,641

Comm. Sandlin moved, seconded by Comm. Jordan to approve the bond amounts for County officials as presented effective September 1, 2014.

The motion passed unanimously by roll call vote.

TENNESSEE CLEAN ENERGY GRANT ACCEPTANCE AND RELATED BUDGET AMENDMENT:

Rob Mitchell, Property Assessor, presented the Clean Energy Grant for acceptance. The grant, in the amount of \$23,400, is to purchase hybrid/electric vehicles and requires a County match of \$28,600. The budget will need to be amended to recognize the revenue from the grant and appropriate funds for the purchase of the vehicles. The following budget amendment was presented:

Increase Revenue:	101-46190	Oth. Gen. Gov. Grants	\$23,400
Increase Expend.:	101-52310-718	Motor Vehicles	\$52,000
Decrease:	101-39000	Unassign. Fund Bal.	\$28,600

Comm. Jordan moved, seconded by Comm. Sandlin to accept the Tennessee Clean Energy Grant and approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

BUDGET AMENDMENT ELECTION COMMISSION:

Director Nolen presented a budget amendment to increase the Legal Notices line item for the cost of advertising the November elections:

Decrease:	101-39000	Unassign. Fund Bal.	\$17,000
Increase Expend.:	101-51500-332	Legal Notices	\$17,000

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

The motion passed unanimously by roll call vote.

PREA AUDIT CONTRACT FOR JUVENILE DETENTION:

Lynn Duke, Juvenile Detention Director, presented an audit contract with Ronaldo Myers to perform the federally mandated PREA audit at a cost of \$3,000.

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

The motion passed unanimously by roll call vote.

BUDGET AMENDMENT SHERIFF'S DEPARTMENT:

Joe Russell presented a budget amendment to recognize funds remaining on the GHSO grant that were not expended in the prior year budget:

Increase Revenue:	101-47590	Other Fed./State	\$95,393
Increase Expend.:	101-54110-187	Law Enforce. Equip.	\$79,747
	101-54110-201	Social Security	\$4,944
	101-54110-204	State Retirement	\$9,546
	101-54110-212	Employer Medicare	\$1,156

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

The motion passed by roll call vote, with Comm. Sandlin voting "no."

BUDGET AMENDMENT SPECIAL PURPOSE FUND:

Joe Russell presented an amendment to appropriate the ending fund balance of the Special Purpose Fund from 2013-14 into current year expense accounts:

Decrease:	121-34525	Res. for Pub. Safety	\$46,889
Increase Expend.:	121-54110-319	Conf. Drug Enforce.	\$26,256
	121-54110-335	R/M Bldg.	\$5,000
	121-54110-338	R/M Vehicles	\$2,500
	121-54110-429	Inst. Supp. & Mat.	\$2,133
	121-54110-431	Law Enforce. Supp.	\$2,500
	121-54110-451	Uniforms	\$1,500
	121-54110-499	Other Supp. & Mat.	\$2,500
	121-54110-709	Data Process. Equip.	\$2,500
	121-54110-790	Other Equip.	\$2,000

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

The motion passed unanimously by roll call vote.

BUDGET AMENDMENT HEALTH DEPARTMENT:

Director Nolen presented an amendment to appropriate the smoking cessation program expenses for the current year budget:

Decrease:	101-34530-	TBCO Res. for Health	\$103,668
Increase Expend.:	101-55170-310	Cont. w/Oth. Pub. Ag.	\$33,902
	101-55170-355	Travel	\$4,000
	101-55170-499	Other Supp. & Mat.	\$41,900
	101-55170-599	Other Charges	\$23,866

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

The motion passed unanimously by roll call vote.

BUDGET AMENDMENT DOMESTIC VIOLENCE:

Director Nolen presented an amendment to purchase a license and support for access to the Circuit Court Clerk's new software:

Decrease:	101-34520-	-VAA Res. for Victim Assistance	\$2,700
Increase Expend.:	101-53930-317	Data Proc. Services	\$2,700

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

The motion passed unanimously by roll call vote.

BUDGET AMENDMENT ENGINEERING:

Eric Hill, County Engineer, presented details about the need to fund the repair and completion of roads in two subdivisions. Roads in Rockvale Meadow, Section VI, are estimated to cost \$125,000 for repair and completion. Roads in Muirwood, Section I, are estimated to cost \$226,415 for repair and completion. The County called the bond on the Muirwood subdivision roads and the bond was not paid and has been in litigation since 2012. Jock Rucker, the County attorney for this lawsuit, provided an update and a timeline of events for this litigation. He is recommending the County repair and complete the roads to avoid additional deterioration and to establish the actual cost. The following budget amendment was presented:

Decrease:	101-39000	Unassign. Fund Bal.	\$351,415
Increase Expend.:	101-99100-590	Trans. to Other Funds	\$351,415

Mr. Hill also noted that roads in the Rose Garden subdivision need to be completed. He requested that funds remaining in the Poplar Cove (\$5,455) and Rachel's Place (\$24,589) subdivision projects be transferred to Rose Garden.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the budget amendment as presented and transfer funds remaining from the Rachel's Place and Poplar Cove projects to the Rose Garden project.

The motion passed unanimously by roll call vote.

RESOLUTION ESTABLISHING PETTY CASH ACCOUNTS FOR FEE OFFICES:

The Finance Director presented a resolution to establish petty cash accounts for fee offices (Circuit Court Clerk, County Clerk, Register of Deeds and Trustee) to provide funds to begin operations of the office in the event of a change in elected official. The account would be established in an amount not to exceed \$750 for each office.

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

The motion passed unanimously by roll call vote.

ACCEPTANCE OF THE HOME GRANT:

Director Nolen presented the HOME grant from the Tennessee Housing Development Agency for acceptance. The grant is for \$120,000, with no matching funds required.

Comm. Sandlin moved, seconded by Comm. Peay to accept the HOME grant.

The motion passed unanimously by roll call vote.

TAX LEVY RESOLUTION AND REPEAL OF TAX LEVY RESOLUTION ADOPTED JUNE 27, 2014:

Director Nolen presented a resolution authorizing the tax levy in Rutherford County for fiscal year beginning July 1, 2014. The resolution enacts the certified rate from the State and repeals the tax resolution adopted on June 27, 2014. Director Nolen stated that the State notified the County in the first week of July that the certified rate had not been approved and subsequently approved the rate of \$2.4867 on July 17, 2014 and will be allocated as follows:

County General Fund -	\$ .6495
Ambulance Service Fund -	.0561
Highway Fund -	.0126
General Purpose School Fund -	1.1565
Education Capital Projects Fund -	.0437
Debt Service Fund -	<u>.5683</u>
Total -	\$2.4867

Director Nolen described the effects of lowering the tax rate on the estimated revenue projections for the 2014-15 budget. Based on the ending 2013-14 fund balance coming in better than expected and the Assessor continuing to add property to the tax rolls, it was not recommended to amend the budget at this time.

Director Nolen also detailed the addition of a new section to the resolution that allows all tax collections for prior years to be allocated based on the current year tax allocation. This change will help the Trustee's office more efficiently allocate the tax without the need for manual calculations.

Comm. Shafer moved, seconded by Comm. Jordan to approve the tax levy resolution as presented.

The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented, Chairman Ealy declared the meeting adjourned at 6:39 P.M.

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Mark Tucker, Secretary