

BUDGET, FINANCE & INVESTMENT COMMITTEE

November 6, 2014

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Rhonda Allen
Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Shawn Kaplan
Comm. Robert Peay
Comm. Doug Shafer
Comm. Will Jordan, Chair

Others Present:

Ernest Burgess
Lisa Nolen
Melissa Street
Joe Russell
Juli Bratcher
Larry Farley
Jeff Sandvig

Mark Tucker
Sumner Bouldin
Robert Arnold
Anthony Tuggle
Michael Gregory
Melissa Harrell
Sonya Stephenson

Chairman Jordan presided and called the meeting to order at 5:32 P.M. with all members being present.

Chairman Jordan acknowledged the death of local attorney Matt Murfree.

APPROVE MINUTES:

Comm. Jernigan moved, seconded by Comm. Allen to approve the minutes of the October 9, 2014 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

APPROVAL OF ISSUANCE OF \$4,275,000 REVENUE BONDS BY THE HEALTH AND EDUCATIONAL FACILITIES BOARD:

Sumner Bouldin, attorney for the Health and Educational Facilities Board, and Sean McGuire presented a resolution approved by the board in October 2014 to authorize the issuance of \$4,275,000 in revenue bonds for Green Meadow TN, LP for the rehab of a 112 unit multifamily housing facility. He explained that the bonds do not present any liability to the County, nor does it offer any tax abatement.

Comm. Shafer moved, seconded by Comm. Kaplan to approve the County being the conduit to issue the bonds.

The motion passed unanimously by roll call vote.

APPROVAL OF ISSUANCE OF \$3,795,000 REVENUE BONDS BY THE HEALTH AND EDUCATIONAL FACILITIES BOARD:

Mr. Bouldin and Mr. McGuire next presented a resolution approved by the board in October 2014 to authorize the issuance of \$3,795,000 in revenue bonds for Rutherford Woodlands TN, LP for the rehab of a 96 unit multifamily housing facility. He explained that the bonds do not present any liability to the County, nor does it offer any tax abatement.

Comm. Peay moved, seconded by Comm. Jernigan to approve the County being the conduit to issue the bonds.

The motion passed unanimously by roll call vote.

FINANCE:

Lisa Nolen, Finance Director, presented a budget amendment to increase the pay for sergeants in the Sheriff, Jail, Correctional Workhouse and Juvenile Detention departments by one sub-grade.

Decrease:	101-39000	Unassn. Fund Balance	\$97,932
Increase Expend.:			
Sheriff	101-54110-115	Sergeants	\$52,420
	101-54110-121	Data Proc. Personnel	\$1,200
	101-54110-201	Social Security	\$3,325
	101-54110-204	State Retirement	\$6,420
	101-54110-209	Disability Ins	\$100
	101-54110-212	Employer Medicare	\$780
Jail			
	101-54210-115	Sergeants	\$12,900
	101-54210-201	Social Security	\$800
	101-54210-204	State Retirement	\$1,550
	101-54210-209	Disability Ins	\$25
	101-54210-212	Employer Medicare	\$190
Workhouse			
	101-54220-115	Sergeants	\$8,150
	101-54220-201	Social Security	\$505
	101-54220-204	State Retirement	\$975
	101-54220-209	Disability Ins	\$15
	101-54220-212	Employer Medicare	\$120
Juv. Detention			
	101-54240-115	Sergeants	\$7,055
	101-54240-201	Social Security	\$440
	101-54240-204	State Retirement	\$845
	101-54240-209	Disability Ins	\$15
	101-54240-212	Employer Medicare	\$102

Sonya Stephenson, Human Resource Director, explained that this change was needed due to the placement of the sergeant and corporal positions, as recommended by the salary survey data in the pay plan, being too close to each other. When a corporal is promoted to sergeant, the increase in pay is minimal compared to the additional responsibilities of the job. The changes would affect 56 positions.

Comm. Baum asked if this situation exists for other positions in the pay table. Ms. Stephenson explained that this situation has not occurred in any other positions.

Mayor Burgess noted that this is a technical correction to the pay table and had this been realized at the onset of the pay table the corrections would have been made then.

Comm. Peay asked if the change has gone through the Public Safety Committee and could the departments find the funds in their existing budget. Mayor Burgess explained that it would be likely that the funds would be available in the budget at the end of the year, but due to fact that we are only four months into the budget, Ms. Nolen would like to take it out of fund balance.

Comm. Shafer asked if the departments were satisfied with moving one sub-grade to solve the discrepancy. Sheriff Arnold explained that they had discussed this with all the sergeants and they were satisfied with the change.

Comm. Baum moved, seconded by Comm. Shafer to approve the budget amendment as presented and reclassify the sergeant pay grade from 25 to 26.

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

INVESTMENT REPORT:

Juli Bratcher presented the monthly Investment Report noting that there was one CD bid for October at a rate of 0.50%. The LGIP interest rate for the month was .07%.

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

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Lisa Nolen, 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 October totaled \$493,500 with the year-to-date collections being \$1,122,750. This compared to the previous year when the monthly Development Tax collections were \$505,500, and the year-to-date collections were \$1,392,750.

The committee reviewed the fund cash balances totaling \$146,440,132 with operating funds being \$131,626,588 and borrowed funds being \$14,813,544. This compared to the same period last year when the total cash balances were \$135,418,277 with operating funds being \$123,783,001 and borrowed funds being \$11,635,276. She noted that the Whitworth Buchanan line shows a deficit amount and the School Board will be bringing an amendment later in the year to correct that.

Comm. Shafer asked about the Unallocated line item on the cash report. Director Nolen explained that it was the premium paid on the last bond issue and that those funds will be needed in the future to pay for the Joe B. Jackson Parkway project.

Comm. Kaplan noted a large difference in the Employee Insurance line item between the two years. Director Nolen explained it was due to a rate increase put in place in 2014.

The Finance Director reviewed the revenue collections advising that sales tax for all governments is up 9.4% and for the rural area is up 13.2% compared to prior year.

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

The motion passed unanimously by acclamation.

RISK MANAGEMENT:

Melissa Street, Risk Management 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 \$847.48 compared to \$746.18 for the prior year. The average cost per month was \$895.32 compared to \$839.35 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$925.54 compared to \$869.23 for the prior year for a trend of 6.5%.

For the Work Injury Fund performance, the year-to-date claims totaled \$243,510.23 compared to \$162,280.99 for the prior year. She noted that there were still 14 work comp claims open.

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

The motion passed unanimously by acclamation.

AGRICULTURE EXTENSION:

Anthony Tuggle presented the following budget transfer to change the full-time administrative support position to part-time:

Increase Expend.:	101-57100-169 Part-Time Personnel	\$19,000
Decrease Expend.:	101-57100-161 Secretary(s)	\$19,000

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

The motion passed unanimously by roll call vote.

FIRE & RESCUE:

Larry Farley, Fire Chief, presented a resolution requesting authorization for Fire & Rescue to apply for the Assistance to Firefighters Grant to purchase 45-minute air packs to upgrade the volunteer departments. They will be seeking approximately \$500,000 with at least a 10% match required. He explained that the departments are currently using 30-minute air packs and the service life is ending on those air packs.

Comm. Jernigan moved, seconded by Comm. Kaplan to approve the resolution authorizing Fire & Rescue to apply for the Assistance to Firefighters Grant as presented.

The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Joe Russell presented a budget amendment to recognize revenue from the 2014 JAG grant into Law Enforcement Equipment:

Increase Revenue:	101-47250	Law Enforce. Grants	\$33,545
Increase Expend.:	101-54110-716	Law Enforce. Equip.	\$33,545

Mr. Russell next presented a Teen Driving Highway Safety Grant, for overtime and the related benefits and other supplies & materials, for acceptance. The term of the grant is October 1, 2014 to September 30, 2015. Related to the grant is the following budget amendment:

Increase Revenue:	101-47590	Oth. Fed. to State	\$24,962
Increase Expend.:	101-54110-187	Overtime Pay	\$4,545
	101-54110-201	Social Security	\$282
	101-54110-204	State Retirement	\$544
	101-54110-212	Employer Medicare	\$66
	101-54110-499	Oth. Supplies & Mat.	\$19,525

Comm. Shafer moved, seconded by Comm. Peay to accept the grant and approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

The Sheriff's Department next presented a budget amendment for the Special Purpose Fund to recognize funds from the Federal government into the confidential drug enforcement line item:

Increase Revenue:	121-47700	Asset Forfeit. Funds	\$27,363
Increase Expend.:	121-54110-319	Conf. Drug Enforce.	\$15,000
	121-54110-790	Other Equipment	\$12,363

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

The motion passed unanimously by roll call vote.

PAWS:

Michael Gregory presented a budget amendment to purchase additional laptop computers for new officers and laptop mounts for vehicles:

Increase Expend.:	101-55120-499	Other Supp. & Mat.	\$2,500
	101-55120-709	Data Process. Equip.	\$4,000
Decrease:	101-34630-	-PAWS Committed for Health & Welfare	\$6,500

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

The motion passed unanimously by roll call vote.

ELECTION COMMISSION:

Director Nolen presented a budget transfer to replace office furniture in the main office area and purchase a storage rack for the ECO server:

Increase Expend.:	101-51500-711 Furniture & Fixtures	\$5,000
Decrease Expend.:	101-51500-719 Office Equipment	\$5,000

Comm. Jernigan moved, seconded by Comm. Allen to approve the budget transfer as presented.

The motion passed unanimously by roll call vote.

HEALTH DEPARTMENT:

Director Nolen presented a resolution requesting approval of an extension to the contract with MTSU for administration of the SMART Moms smoking cessation program. The original contract is due to expire December 31, 2014, but due to a delay in the County receiving the funding from the State and securing the contract with MTSU, the contract will be extended to December 31, 2016. No other terms of the agreement will change.

Comm. Allen moved, seconded by Comm. Kaplan to approve the resolution as presented.

The motion passed unanimously by roll call vote.

ROAD & BRIDGE FUND:

The Finance Director presented a budget amendment to fund liability claims and replenish the reserve for future Highway liability claims:

Increase Expend.:	131-61000-506 Liability Insurance	\$30,000
Decrease Expend.:	131-62000-409 Crushed Stone	\$30,000

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

The motion passed unanimously by roll call vote.

COUNTY ARCHIVES:

The Finance Director presented a resolution requesting authorization for County Archives to apply for a TN State Library and Archives Grant in the amount of \$2,500 to employ part-time staff to work on a microfilm project of old tax and deed books.

Comm. Jernigan moved, seconded by Comm. Peay to approve the resolution authorizing County Archives to apply for a TN State Library and Archives Grant as presented.

The motion passed unanimously by roll call vote.

CIRCUIT COURT CLERK:

Melissa Harrell, Circuit Court Clerk, presented a budget amendment to extend the maintenance contract with GSA software until June 30, 2015:

Increase Expend.:	101-53100-317 Data Proc. Services	\$15,000
Decrease:	101-39000 Unasn. Fund Balance	\$15,000

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

The motion passed unanimously by roll call vote.

Comm. Shafer asked about the status of the new computer system in the Court Clerk's office. Ms. Harrell stated that it was a large conversion and will take some time to complete. Mayor Burgess stated that the system is not performing up to expectations and that in 2-4 weeks Ms. Harrell will need to make a rational and reasonable decision as to the direction to go on the new system.

Comm. Allen asked if there were any performance guarantees in the contract. Mayor Burgess stated that the County Attorney is reviewing the contract to determine the options.

Comm. Kaplan stated that there should be some timelines put in place so that we know what to expect.

Comm. Shafer asked that the Finance Department bring a report to the next meeting showing how much had been taken from Unassigned Fund Balance during the current fiscal year.

ADJOURNMENT:

There being no further business to be presented, Chairman Jordan declared the meeting adjourned at 6:30 P.M.

Mark Tucker, Secretary