

BUDGET, FINANCE & INVESTMENT COMMITTEE

December 4, 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
Mark Tucker
Joe Russell
Robert Arnold
Jeff Davidson
Jeff Sandvig

Dana Garrett

Chairman Jordan presided and called the meeting to order at 5:30 P.M. with all members present, except Comm. Jernigan at that time.

Chairman Jordan acknowledged the death of Teb Batey's son, Paul Thomas Batey.

APPROVE MINUTES:

Comm. Shafer moved, seconded by Comm. Peay to approve the minutes of the November 6, 2014 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Chairman Jordan presented the monthly Investment Report noting that there were no CD bids for November. The LGIP interest rate for the month increased from .07% to .08%.

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

The motion passed unanimously by acclamation.

Comm. Jernigan arrived at this point in the meeting.

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 November totaled \$128,250 with the year-to-date collections being \$1,251,000. This compared to the previous year when the monthly Development Tax collections were \$596,250, and the year-to-date collections were \$1,989,000. She noted that we have collected 51% of the budget through five months or 42% of the year.

The committee reviewed the fund cash balances totaling \$145,267,207 with operating funds being \$131,662,667 and borrowed funds being \$13,604,540. This compared to the same period last year when the total cash balances were \$135,801,659 with operating funds being \$124,268,060 and borrowed funds being \$11,533,599. She noted that the increase in the Employee Insurance Fund cash balance, as compared to the previous year, was partially due to payments received from the other funds for the Transitional Reinsurance Fee that will be paid in December 2014.

The Finance Director reviewed the revenue collections advising that forfeited deposits were recognized in the current year for a one time increase to the Other Local Revenues line item. She also noted that fines and forfeitures are down due to the Circuit Court Clerk not having closed out previous months. She noted that sales tax for all governments is up 9.0% and for the rural area is up 12.8% compared to prior year.

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

The motion passed unanimously by acclamation.

Director Nolen asked that three General Capital Projects Fund projects be closed and the funds be moved into the City/County Road project. The three projects to be closed are Elam Road Fire Station, Hazard Mitigation and the Unallocated amount from the recent bond issue.

Comm. Jernigan moved, seconded by Comm. Allen to close the three projects and move the funds into the City/County Road project.

The motion passed by roll call vote, with Comm. Shafer abstaining.

RISK MANAGEMENT:

Lisa Nolen 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 \$810.18 compared to \$763.37 for the prior year. The average cost per month was \$878.29 compared to \$824.15 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$910.28 compared to \$856.02 for the prior year for a trend of 6.3%.

For the Work Injury Fund performance, the year-to-date claims totaled \$313,131.30 compared to \$218,918.91 for the prior year.

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

The motion passed unanimously by acclamation.

SHERIFF'S DEPARTMENT:

Joe Russell presented a budget amendment for the Special Purpose Fund to recognize funds from the Federal government for July and November into the instructional supplies & materials, law enforcement equipment, and other equipment line items:

Increase Revenue:	121-47700	Asset Forfeit. Funds	\$17,574
Increase Expend.:	121-54110-429	Instruct. Supp. & Mat.	\$3,506
	121-54110-716	Law Enforce. Equip.	\$10,563
	121-54110-790	Other Equipment	\$3,505

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

The motion passed unanimously by roll call vote.

SCHOOL BUILDING PROGRAM FUND:

Jeff Sandvig, Assistant Superintendent of Finance, presented two School Building Program Fund budget amendments. The amendments will be (1) to move \$69,639 in line item expenditures for the Stewarts Creek High project to an unnamed future high school project and (2) to move \$324,612 from the Blackman Middle Annex project to the Whitworth Buchanan land acquisition, \$4,534, and to a future middle school project, \$320,078:

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

The motion passed unanimously by roll call vote.

HEALTH DEPARTMENT:

Dana Garrett presented the annual Agreement with the Tennessee Department of Health. Rutherford County agrees to appropriate a total of \$706,056 for the support of the Rutherford County Health Department of which \$577,681 is direct local funds for which Rutherford County shall not be billed; and \$128,375 is appropriations for which Rutherford County shall be billed. She advised that the funds for the Agreement were already included in the 2014-15 budget, and this was the official contract, which covers the term of July 1, 2014 through June 30, 2015.

Comm. Peay moved, seconded by Comm. Jernigan to approve the annual Agreement with the Tennessee Department of Health and to authorize the Mayor and all other required officials of Rutherford County to sign the annual Agreement.

The motion passed unanimously by roll call vote.

The Health Department Director next presented two employee services agreements with the Tennessee Department of Health for the term of November 1, 2014 through June 30, 2015, which allows the Tennessee Department of Health to use a portion of the county funds it receives to supplement the salary of the director at an annual amount of \$9,176.00 and the physician at an annual amount of \$9,032.00. The director's agreement supersedes an agreement that was previously approved in May 2014.

Comm. Allen moved, seconded by Comm. Kaplan to approve the employee services agreements with the Tennessee Department of Health.

The motion passed unanimously by roll call vote.

FINANCIAL ASSURANCE IN LIEU OF BOND:

Lisa Nolen presented the annual Financial Assurance in Lieu of Performance Bond document from the State of Tennessee on the landfill. The amount required is \$2,948,394 down from \$3,096,951 due to the landfill aging.

Comm. Jernigan moved, seconded by Comm. Peay to approve the document.

The motion passed unanimously by roll call vote.

2015-2016 BUDGET CALENDAR AND SCHEDULE:

The proposed 2015-16 Budget Calendar and Schedule were presented for approval. The calendar calls for the budget forms to be distributed to the departments by January 12, 2015. The calendar calls for the regular Health & Education Committee meeting on May 26, 2015 to be a joint meeting with the Budget Committee to review the School Board budgets. The Budget Committee will meet on May 27, 2015 to review the School Board budgets with a proposal on the entire budget for publication being made at a meeting on June 9, 2015. The proposed recommended budget would be published in the newspaper on Monday, June 15, 2015. The public hearing on the budget is scheduled for June 16, 2015. The County Commission meeting to adopt the budget is scheduled for June 26, 2015 at 9:00 A.M.

The schedule calls for the committee to meet with individual departments on May 12, May 19 and May 21, 2015.

Comm. Kaplan made the committee aware that he would not be able to attend the public hearing on June 16, 2015, due to another commitment.

Following review, Comm. Allen moved, seconded by Comm. Shafer to approve the proposed 2015-16 budget calendar and schedule as presented.

The motion passed unanimously by acclamation.

ADJOURNMENT:

There being no further business to be presented, Chairman Jordan declared the meeting adjourned at 6:00 P.M.

Mark Tucker, Secretary