

## BUDGET, FINANCE & INVESTMENT COMMITTEE

January 8, 2015

5:30 P.M.

Courthouse

### MINUTES:

#### Members Present:

Comm. Charlie Baum  
Comm. Joe Frank Jernigan  
Comm. Shawn Kaplan  
Comm. Doug Shafer  
Comm. Will Jordan, Chair

#### Others Present:

Ernest Burgess  
Lisa Nolen  
Mark Tucker  
Joe Russell  
Robert Arnold  
Jeff Davidson  
Teb Batey  
Melissa Street  
Don Odom  
Heather Dawbarn  
Sumner Bouldin

Chairman Jordan presided and called the meeting to order at 5:30 P.M. with all members present, except Comm. Rhonda Allen and Comm. Robert Peay.

#### APPROVE MINUTES:

Comm. Jernigan moved, seconded by Comm. Shafer to approve the minutes of the December 4, 2014 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

#### IDB REVENUE NOTES

Sumner Bouldin presented a resolution approved by the Rutherford County Industrial Development Board at their December 17, 2014 meeting. The resolution authorizes the issuance of a \$40,000,000 revenue note for the acquisition, construction and equipping of the Cosmolab, Inc. manufacturing facility. Mr. Bouldin noted that this is not a new transaction with Cosmolab, but an amendment to the previous lease that already exists. He also reminded the committee that this note does not obligate the County for any debt and the term of the note is equal to the term of the lease, or 10 years.

Comm. Shafer moved, seconded by Comm. Baum to authorize the issuance of the \$40,000,000 note.

The motion passed unanimously by roll call vote.

#### INVESTMENT REPORT:

Teb Batey, Trustee, presented the monthly Investment Report noting that there were no CD bids for December. The LGIP interest rate for the month increased from .08% to .09%.

Comm. Baum moved, seconded by Comm. Shafer to approve the Investment Report as presented.

The motion passed unanimously by acclamation.

Mr. Batey next gave a report on the collection of property taxes. He noted that the 2013 taxes are coming in well and the 2014 taxes are about \$2,000,000 behind were we have been in prior years. He noted that the utility taxes could be the reason we are behind in collections due to the fact they were billed in late December.

#### 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 December totaled \$561,750 with the year-to-date collections being \$1,809,000. This compared to the previous year when the monthly Development Tax collections were \$123,000, and the year-to-date collections were \$2,112,000. She noted that the development tax is slightly behind the collections for the same period last year.

The committee reviewed the fund cash balances totaling \$191,441,917 with operating funds being \$178,573,074 and borrowed funds being \$12,868,843. This compared to the same period last year when the total cash balances were \$183,672,390 with operating funds being \$172,734,883 and borrowed funds being \$10,937,507.

The Finance Director next reviewed the revenue collections advising that sales tax for all governments is up 9.2% and for the rural area is up 18.2% compared to prior year. She also noted that fines and forfeitures continue to be down due to the Circuit Court Clerk not having closed out previous months. She reported that the State BEP, for 4 months reported, is up 3.1% over prior year.

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

The motion passed unanimously by acclamation.

#### RISK MANAGEMENT:

Melissa Street 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 \$1,030.83 compared to \$1,028.21 for the prior year. The average cost per month was \$903.71 compared to \$858.16 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$935.19 compared to \$891.38 for the prior year for a trend of 4.9%. Mrs. Street noted that the national average for annual increase in health insurance cost is 8-10%.

For the Work Injury Fund performance, the year-to-date claims totaled \$333,836.74 compared to \$246,719.72 for the prior year.

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

The motion passed unanimously by acclamation.

#### REGISTER OF DEEDS:

Heather Dawbarn presented a budget transfer to fund security alerts for her office:

Increase Expend.:	101-51600-499 Other Supp. & Mat.	\$2,900
Decrease Expend.:	101-51600-348 Postage	\$2,400
	101-51600-435 Office Supplies	\$500

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

The motion passed unanimously by roll call vote.

#### SHERIFF'S DEPARTMENT:

Joe Russell presented a General Fund budget amendment to recognize revenue from donations for Shop with the Sheriff into Other Contracted Services:

Increase Revenue:	101-44570 Contributions & Gifts	\$10,200
Increase Expend.:	101-54110-399 Other Contract. Serv.	\$10,200

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

The motion passed unanimously by roll call vote.

Joe Russell next presented a budget amendment for the Special Purpose Fund to recognize funds from the Federal government for December into the Other Equipment line item:

Increase Revenue:	121-47700	Asset Forfeit. Funds	\$21,250
Increase Expend.:	121-54110-790	Other Equipment	\$21,250

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

The motion passed unanimously by roll call vote.

EMERGENCY MANAGEMENT:

Lisa Nolen presented the Emergency Management Performance Grant with the Tennessee Emergency Management Agency for training, exercises, planning, management & administration and equipment. The grant is for the period of October 1, 2013 to June 30, 2015. The grant is for \$69,350 and requires a match of \$69,350. The funds have already been included in the 2014-15 budget.

Comm. Jernigan moved, seconded by Comm. Kaplan to approve the grant contract as presented.

The motion passed unanimously by roll call vote.

JUVENILE COURT:

Lisa Nolen presented a General Fund budget amendment for Juvenile Court to purchase a replacement copier and to provide funds to access court records through the GSA contract:

Increase Expend.:	101-53500-317	Data Proc. Services	\$2,520
	101-53500-719	Office Equipment	\$5,000
Decrease:	101-39000	Unassign. Fund Bal.	\$7,520

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

The motion passed unanimously by roll call vote.

OTHER BUSINESS:

The Finance Director announced that the financial markets are favorable to consider refunding the 2007 bond issue. With a potential savings of approximately \$750,000-\$1,000,000, the resolution documents may be presented at the February meeting to begin the process, if favorable conditions continue.

ADJOURNMENT:

There being no further business to be presented, Chairman Jordan declared the meeting adjourned at 5:56 P.M.

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Mark Tucker, Secretary