

BUDGET, FINANCE & INVESTMENT COMMITTEE

March 5, 2015

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
Mike Allen

Chairman Jordan presided and called the meeting to order at 5:30 P.M. with all members present.

APPROVE MINUTES:

Comm. Allen moved, seconded by Comm. Shafer to approve the minutes of the February 5, 2015 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Comm. Jordan presented the monthly Investment Report noting that there were no CD bids for February. The LGIP interest rate for the month increased from .10% to .11%.

Comm. Allen moved, seconded by Comm. Peay 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 February totaled \$325,500 with the year-to-date collections being \$2,288,250. This compared to the previous year when the monthly Development Tax collections were \$488,250, and the year-to-date collections were \$2,756,250. She noted that 96% of the budget for development tax has been collected through 67% of the year.

The committee reviewed the fund cash balances totaling \$239,821,913 with operating funds being \$228,584,427 and borrowed funds being \$11,237,486. This compared to the same period last year when the total cash balances were \$223,357,796 with operating funds being \$213,135,854 and borrowed funds being \$10,221,942.

The Finance Director next reviewed the revenue collections advising that sales tax for all governments is up 9.8% compared to prior year. She also noted that property tax collections through 5 months reported is 2% higher than last year. She reported that building related permits are 91% collected.

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

The motion passed unanimously by acclamation.

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 \$788.82 compared to \$788.74 for the prior year. The average cost per month was \$875.29 compared to \$853.36 for the prior year. When including the on-site medical clinics, the average cost per employee per month was \$908.50 compared to \$888.06 for the prior year for a trend of 2.3%.

For the Work Injury Fund performance, the year-to-date claims totaled \$445,613.69 compared to \$1,126,881.21 for the prior year.

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

The motion passed unanimously by acclamation.

She next presented the following budget amendment and transfer for Risk Management:

To reflect the increase in the wellness amount that Cigna will reimburse the County for wellness initiatives, supplies and promotional items:

Increase Revenue:	101-44570	Gifts & Contributions	\$10,000
Increase Expend.:	101-51920-599	Other Charges	\$10,000

To provide funds to purchase a replacement printer:

Increase Expend.:	101-51920-709	Data Process. Equip.	\$1,500
Decrease Expend.:	101-51920-334	Maint. Agreements	\$1,000
	101-51920-348	Postal Charges	\$500

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

The motion passed unanimously by roll call vote.

REVIEW OF ON-SITE HEALTH CLINIC BIDS:

Mayor Burgess provided information on the results of the bids for administration of on-site health clinics. There were two bids, Premise Health and Care Here, which provided a three year comparison of the operational expenses. The bids were presented for approval to the Purchasing Committee on February 10, 2015. Based on their review, the Purchasing Committee approved Premise Health for the next three years.

No action was taken on the item.

SHERIFF'S DEPARTMENT:

Joe Russell presented a General Fund budget amendment to recognize insurance proceeds from a totaled vehicle into Motor Vehicles:

Increase Revenue:	101-49700	Insurance Recovery	\$10,261
Increase Expend.:	101-54110-718	Motor Vehicles	\$10,261

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

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE FUND:

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

Increase Revenue:	121-47700	Asset Forfeit. Funds	\$6,983
Increase Expend.:	121-54110-319	Confidential	\$6,983

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

The motion passed unanimously by roll call vote.

VENDOR AGREEMENTS WITH TN DEPARTMENT OF MENTAL HEALTH:

Lisa Nolen presented two vendor agreements from the Tennessee Department of Mental Health for alcohol and drug addiction treatment for indigent offenders. The two agreements, which help offset the cost of the Drug Court, are for supervised probation offenders treatment for \$20,000 and for driving under the influence offenders for \$5,000. The period covered by the agreements is July 1, 2014 through June 30, 2015.

Comm. Allen moved, seconded by Comm. Jernigan to approve the vendor agreements with the Tennessee Department of Mental Health.

The motion passed unanimously by roll call vote.

DOMESTIC VIOLENCE:

Lisa Nolen presented a resolution authorizing the application and acceptance of a new three year STOP grant for Domestic Violence. The current grant expires on June 30, 2015 and the County is eligible for an additional three year grant. The grant is to improve the criminal justice system's response to violence against women. This grant requires a 25% cash or in-kind match and is for the period of July 1, 2015 through June 30, 2018.

Comm. Peay moved, seconded by Comm. Shafer to approve the resolution authorizing the County to apply for the grant, and if awarded, to accept the grant.

The motion passed unanimously by roll call vote.

PAWS:

Lisa Nolen presented a General Fund budget transfer to replace the flooring in the hallway:

Increase Expend.:	101-55120-335 M & R-Buildings	\$6,500
Decrease Expend.:	101-55120-334 Maint. Agreements	\$2,000
	101-55120-399 Other Contract. Serv.	\$1,000
	101-55120-413 Drugs & Med. Supp.	\$3,500

She also presented a General Fund budget amendment for PAWS to purchase additional caging and kennels:

Increase Expend.:	101-55120-790 Other Equipment	\$13,000
Decrease:	101-34630- -PAWS Comm.for Pub. Health	\$13,000

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

The motion passed unanimously by roll call vote.

EMERGENCY MANAGEMENT:

Lisa Nolen presented a General Fund budget transfer for Emergency Management to increase funds for maintenance and repair of equipment and vehicles:

Increase Expend.:	101-54430-336 M & R-Equipment	\$500
	101-54430-338 M & R-Vehicles	\$2,500
Decrease Expend.:	101-54430-709 Data Process. Equip.	\$3,000

She also presented a General Fund budget amendment to recognize the revenue and expenditures for the 2014 Homeland Security Grant:

Increase Revenue:	101-47235	Homeland Sec. Grant	\$68,168
Increase Expend.:	101-54430-790	Other Equipment	\$68,168

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

The motion passed unanimously by roll call vote.

BUILDING CODES:

Lisa Nolen presented a General Fund budget transfer for Building Codes to purchase notebook computers for county vehicles:

Increase Expend.:	101-54510-709	Data Process. Equip.	\$3,000
Decrease Expend.:	101-54510-399	Other Contract. Serv.	\$3,000

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

The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND:

Lisa Nolen presented the following General Purpose School Fund budget amendments:

To adjust the principal and interest accounts for the capital lease for water and plumbing improvements.

Increase Expend.:	141-82230-611	Int. on Cap. Lease	\$7,379
Decrease Expend.:	141-82130-610	Prin. on Cap. Lease	\$7,379

To move funds that is the remainder of a donation from the Jennings Jones Foundation from unassigned fund balance to spectrum staff development.

Increase Expend.:	141-72210-524	In Serv./Staff Develop	\$16,172
Decrease:	141-39000	Unassign. Fund Bal.	\$16,172

To recognize grants and donations for the coordinated school health program for walking tracks and for the charity fund for school clothes.

Increase Revenue:	141-44570	Contributions & Gifts	\$41,626
Increase Expend.:	141-72120-735	Health Equipment	\$32,900
	141-73300-599	Other Charges	\$8,726

Comm. Jordan acknowledged the generous donations that have been made in the past by the Jennings Jones Foundation.

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

The motion passed unanimously by roll call vote.

STORM WATER:

Lisa Nolen presented a General Fund budget transfer for Storm Water to move funds to part-time personnel from contracts with private agencies to hire a Project WET Coordinator to facilitate the program due to the private vendor terminating the agreement:

Increase Expend.:	101-57800-169	Part-time Personnel	\$3,715
	101-57800-201	Social Security	\$231
	101-57800-212	Employer Medicare	\$54
Decrease Expend.:	101-57800-312	Cont. w/ Pri. Agencies	\$4,000

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

The motion passed unanimously by roll call vote.

CHANCERY COURT:

Lisa Nolen presented a General Fund budget transfer for Chancery Court to move funds to data processing equipment from data processing services to purchase five judicial center docket monitors to display court related information:

Increase Expend.:	101-53400-709 Data Proc. Equip.	\$10,000
Decrease Expend.:	101-53400-317 Data Proc. Services	\$10,000

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

The motion passed unanimously by roll call vote.

GRANT AMENDMENT WITH TN DEPARTMENT OF HUMAN SERVICES FOR CHILD SUPPORT SERVICES:

Lisa Nolen presented an amendment to state grant contract 35981 with the Tennessee Department of Human Services for child support services. This amendment extends the contract for one year from July 1, 2015 until June 30, 2016, increases the maximum liability to the State by \$27,107 and requires additional matching funds of \$13,965 from the County.

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

The motion passed unanimously by roll call vote.

HOME GRANT PROGRAM:

Lisa Nolen presented a resolution requesting authorization to accept additional funds in the amount of \$210,000 for the HOME grant program. These funds were made available to the County, through the Tennessee Housing Development Agency, by another governmental agency that will not be able to use them. These grant funds are effective for the period beginning July 1, 2014 through June 30, 2017.

Comm. Peay moved, seconded by Comm. Kaplan to approve the resolution to accept the additional grant funds as presented.

The motion passed unanimously by roll call vote.

ISSUANCE OF INTERFUND CAPITAL OUTLAY NOTES:

Lisa Nolen presented a resolution authorizing the issuance of not to exceed \$5,000,000 interfund capital outlay notes on behalf of the Other Capital Projects Fund-189 to be paid for with monies from the General Debt Service Fund-151. The proceeds will be used for the acquisition of property and the construction, renovation and equipping of schools. The notes will have a maturity of no more than three years and will be repaid from a future bond issue.

Comm. Allen moved, seconded by Comm. Peay to approve the resolution authorizing the issuance of interfund capital outlay notes as presented.

The motion passed unanimously by roll call vote.

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS:

Lisa Nolen presented an initial resolution authorizing the issuance of not to exceed \$35,000,000 general obligation bonds for the acquisition of property and the construction, renovation and equipping of schools and various county projects including professional services fees and the

cost of bond issuance. She stated that this resolution will be advertised to the citizens of the County to make them aware of the proposed bond issue and there will be a 20 day waiting period for anyone to protest the bond issue.

She provided the committee with a list of county and school projects that have been discussed or approved to demonstrate how she arrived at the amount of the bond issue.

Comm. Peay reminded the committee that the County had committed, in a previous lease agreement, to construct the new ambulance station on East Burton Street, which is one of the projects on the list.

Comm. Kaplan asked questions about the amount of funding being requested when not all the county projects have been approved by the Commission.

Director Nolen explained that there were many requests arising from departmental budget meetings that far exceed the \$2,000,000 being requested for county projects in the bond issue. Amounts available in development tax will be insufficient to fund all the capital needs requested for the 2015-16 fiscal year.

Director Nolen added that the refunding bond issue that was approved last month will be layered with this issue to save issuance cost.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the initial resolution authorizing the issuance of general obligation bonds as presented.

The motion passed unanimously by roll call vote.

ADJOURNMENT:

There being no further business to be presented, Chairman Jordan declared the meeting adjourned at 6:21 P.M.

Mark Tucker, Secretary