

BUDGET, FINANCE & INVESTMENT COMMITTEE

February 9, 2023

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Craig Harris
Comm. Trey Gooch
Comm. Wayne Irvin
Comm. Paul Johnson
Comm. Steve Percy
Comm. Chantho Sourinho
Comm. Robert Peay, Chair

Others Present:

Joe Carr
Michael Smith
Mark Tucker
Ed Elam
Greg Brooks
Michael Gregory
Comm. Jeff Phillips

Larry Farley
Teb Batey
Bishop Wagener
Steve Spence
Brian Runion
James Sullivan
Rob Mitchell

Chairman Peay presided and called the meeting to order at 5:30 P.M. with all members present in the courtroom of the Historic Courthouse.

APPROVE MINUTES:

Comm. Johnson moved, seconded by Comm. Sourinho to approve the minutes of the January 5, 2023 Budget Committee meeting as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Teb Batey presented the monthly Investment Report for January noting that there were no investments made since the last report. The LGIP interest rate for January was 4.25%. The bank interest rate for January was 3.825%.

Mr. Batey reminded citizens that the deadline for property tax payments is February 28.

Comm. Percy moved, seconded by Comm. Harris to approve the Investment Report as presented.

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Michael Smith presented the monthly Fund Condition Report for January, 2023 for the use and information of the committee.

He reviewed the fund cash balances for January totaling \$507,373,622 with operating funds being \$471,993,751 and borrowed funds being \$35,379,871. This compared to the same period last year when the total cash balances were \$470,232,718 with operating funds being \$418,711,275 and borrowed funds being \$51,521,443.

The Finance Director next reviewed revenue collections for January. He stated that sales tax was up 9.64% over the prior year but the growth in the most recent month was less than in the prior months of the fiscal year. Hotel/motel tax was up 18.62% over the prior year and interest income continues to exceed the budget amount. He noted that property tax collections through the month were 60.17% of the tax roll.

He reviewed the fund balance as a percent of appropriations for the General Fund which is currently at 27.64%. The goal is to keep the fund balance at or above 30%.

Mayor Carr asked what revenues or appropriations could change to raise the fund balance to 30%. Mr. Smith stated that if revenues continue to come in strong the recognition of those revenues at the end of the year would increase the percentage.

Comm. Irvin asked what the fund balance projection is for the General Fund for end of the fiscal year. Mr. Smith stated that the current projection as the fund is budgeted is how the fund will finish. There will be adjustments to revenue in June to reflect any unexpected or over budgeted amounts.

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

The motion passed unanimously by acclamation.

RISK MANAGEMENT REPORT:

Ed Elam presented the monthly Risk Management Financial Report for January.

For fund 264, he stated the revenue for January was \$1,767,108 and the expense for the month was \$5,748,547. The fiscal year-to-date revenue was \$40,051,949 and the fiscal year-to-date expense was \$46,786,735. This compared to the prior year fiscal year-to-date revenue of \$45,065,020 and the prior year fiscal year-to-date expense of \$50,763,224. He reminded the committee that the school system is now on the state insurance plan, and we are no longer receiving revenue, but claims that were incurred prior to January 1, 2023, are still being paid from the fund.

For the Work Injury Fund performance, he stated the fiscal year-to-date claims through January totaled \$1,674,507 compared to \$326,275 for the prior year. Note that the current year total includes the final settlement of a work comp claim in August 2022 of about \$1,345,000.

For the Self-insured Insurance Fund, County Attorney fees paid from the fund for January totaled \$27,510.93. This compared to the prior year same month of \$27,480.29.

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

The motion passed unanimously by acclamation.

Mr. Elam stated that a letter was recently mailed from Cigna concerning the lack of a contract renewal with Middle Tennessee Emergency Physicians and Ascension. Mr. Elam stated that due to the No Surprise Act law, claims for emergency room visits utilizing Middle Tennessee Emergency Physicians will be covered as an in-network claim.

HIGHWAY FUND:

Greg Brooks presented a Highway Fund budget amendment to provide additional funding for asphalt, striping, diesel fuel and guardrails:

Decrease:	131-34750	Assigned Fund Bal.	\$2,400,000
Increase Expend.:	131-62000-399	Other Contract. Serv.	\$200,000
	131-62000-402	Asphalt	\$2,000,000
	131-63100-412	Diesel Fuel	\$100,000
	131-68000-705	Bridge Construction	\$100,000

Comm. Johnson moved, seconded by Comm. Sourinho to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

Comm. Harris asked Mr. Brooks if he had been presented information about the property the Board of Education is considering for the next school addition. Mr. Brooks said he has had conversations with Trey Lee and Mr. Brooks considers the roads in the area to be in good condition.

COUNTY CLERK:

Michael Smith presented a General Fund budget amendment for County Clerk to provide additional funding for communications:

Increase Expend.:	101-52500-307 Communications	\$12,500
Decrease:	101-39000 Unassigned Fund Bal.	\$12,500

Comm. Johnson moved, seconded by Comm. Irvin to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

SHERIFF'S OFFICE:

Steve Spence presented a General Fund budget amendment to recognize vehicle fees from extra duty jobs and insurance proceeds and appropriate the funds for vehicle repair with a reduction of communication equipment:

Increase Revenue:	101-43990 Other Charges For Service	\$4,314
	101-49700- -RCSO Insurance Recov.	\$9,488
Decrease Expend.:	101-54110-708 Comm. Equipment	\$10,000
Increase Expend.:	101-54110-338 M&R-Vehicles	\$23,802

Comm. Sourinho moved, seconded by Comm. Percy to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

Mr. Spence next requested to apply for the Tennessee Health Department Confinement Facilities Grant in the amount of \$300,000. The grant does not have a match requirement. The funding would be used to purchase a body scanner, a vacuum sealing system for property bags, and inmate uniforms and mattresses.

Comm. Percy moved, seconded by Comm. Irvin to authorize the grant application as presented.

The motion passed unanimously by roll call vote.

SHERIFF'S OFFICE AND HUMAN RESOURCES:

Michael Smith presented a General Fund budget amendment to move data processing services appropriations from the Sheriff's Office to evaluation and testing appropriations in the Human Resources Department to provide services for Sheriff's Office employees:

Increase Expend.:	101-51310-322 Evaluation and Test.	\$9,125
Decrease Expend.:	101-54110-317 Data Process. Services	\$9,125

Comm. Johnson moved, seconded by Comm. Percy to approve the budget amendment as presented

The motion passed unanimously by roll call vote.

PAWS:

Michael Gregory requested to reclassify the veterinarian position from grade 44 to grade 47. There will be no budget change for the proposed reclassification due to the position being vacant since the beginning of the calendar year.

Comm. Peay asked why it was being reclassified in the middle of the budget year. Mr. Gregory stated that the applicant that has applied has skills that are beyond the salary that is currently being offered.

Comm. Gooch moved, seconded by Comm. Johnson to approve the position reclassification as presented

The motion passed unanimously by roll call vote.

FIRE RESCUE:

Larry Farley requested to apply for the FY 2022 Assistance to Firefighters Grant Program from the US Department of Homeland Security. The request will be in the amount of \$450,000 and will require a 10% county match. The grant period is 24 months. If the grant is awarded, the Fire Rescue Department intends to purchase turnout gear for 82 individuals for \$315,900 and three heart monitors for \$134,100.

Comm. Johnson moved, seconded by Comm. Percy to authorize the application for the grant as presented.

The motion passed unanimously by acclamation.

Comm. Percy acknowledged the services of and thanked the Ambulance Service and Fire Rescue for a recent call he had for a family member.

SOLID WASTE FUND:

Bishop Wagener presented a Solid Waste Fund budget amendment to provide additional funding for diesel fuel:

Increase Expend.:	116-55732-412 Diesel Fuel	\$120,000
Decrease Expend.:	116-55739-732 Building Purchases	\$120,000

Comm. Percy moved, seconded by Comm. Gooch to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

Mr. Wagener next presented change orders for the Leanna and Rockvale convenience center improvements. The change order amounts are \$8,888.76 for Leanna and \$10,977.12 for Rockvale. The change orders are a result of defects in the design. The amount will be funded from Assigned Fund Balance of the Solid Waste Fund and transferred to the General Capital Projects Fund with the following budget amendment:

Increase Expend.:	116-99100-590 Transfers to Other Funds	\$19,866
Decrease:	116-34730 Assigned Fund Bal.	\$19,866

Comm. Phillips stated the Public Works Committee recommended follow-up with the architect firm for an explanation of the design defect.

Comm. Percy moved, seconded by Comm. Johnson to approve the change orders and budget amendment as presented and follow-up with the architect firm for explanation of the design defect.

The motion passed unanimously by roll call vote.

RECOVERY COURT DUI EXPANSION GRANT BUDGET AMENDMENT:

Michael Smith presented a General Fund budget amendment for the Recovery Court DUI Expansion Grant to align the fiscal year budget with the grant budget and utilize remaining year 1 funds for the remainder of year 2:

Decrease:	101-39000 Unassign. Fund Bal.	\$20,137
Increase Revenue:	101-47990- -DUIEP Other Direct Federal Revenue	\$60,410

Increase Expend.:	101-53330-189-DUIEP Other Sal. & Wages	\$30,050
	101-53330-201- DUIEP Social Security	\$1,865
	101-53330-204-DUIEP Pensions	\$14,458
	101-53330-209-DUIEP Disab. Ins.	\$30
	101-53330-212-DUIEP Medicare	\$440
	101-53330-333-DUIEP Licenses	\$300
	101-53330-355-DUIEP Travel	\$5,000
	101-53330-399-DUIEP Other Contracted Services	\$31,200
	101-53330-499-DUIEP Other Supp. and Materials	\$12,000
	101-53330-719-DUIEP Office Supp.	\$5,300
Decrease Expend.:	101-53330-205-DUIEP Emp. & Dep. Insurance	\$4,500
	101-53330-335-DUIEP M&R-Build.	\$3,500
	101-53330-413-DUIEP Drugs & Medical Supplies	\$12,096

Comm. Harris moved, seconded by Comm. Johnson to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

SUBRECIPIENT AGREEMENT FOR REENTRY CAREER TRAINING GRANT:

Michael Smith presented a subrecipient agreement with MTSU for the Reentry Career Training Grant. The agreement provides for MTSU to provide a job market analysis to inform the county about gaps in established partnerships and allow the team to seek skills, training, and opportunities specific to the needs of the community. The analysis will also provide data to support the development of partnerships with potential employers and vocational training programs. MTSU will also provide data collection to evaluate the success of the program.

Comm. Gooch moved, seconded by Comm. Sourinho to approve the agreement as presented.

The motion passed unanimously by roll call vote.

SUBRECIPIENT AGREEMENT FOR CDB GRANT:

This item was deferred until March 2023.

APPLICATION FOR CHILD SUPPORT ENFORCEMENT GRANT:

Michael Smith presented a resolution to apply for the recurring Tennessee Department of Human Services grant to fund child support enforcement pursuant to title IV-D of the Social Security Act. The grant funds a portion of the Juvenile Court Magistrates salary. The request will be in the amount of \$59,118 with a county match required of \$30,455.

Comm. Percy moved, seconded by Comm. Sourinho to approve the resolution and request to apply for the grant as presented.

The motion passed unanimously by acclamation.

CITY/COUNTY GARAGE AND CIVIC PLAZA BUDGET AMENDMENT:

Michael Smith presented a General Fund budget amendment to provide additional funding for the city/county garage and civic plaza maintenance and improvements. The amendment is needed due to the cost of the fire sprinkler system renovation in the garage. The county is responsible for 31.5% of the costs.

Increase Expend.:	101-51800-309 Contracts w/Govern.	\$238,361
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	Agency		
Decrease:	101-39000	Unassign. Fund Bal.	\$238,361

He noted that the City of Murfreesboro does not make the county aware of the future costs until incurred. He stated that a Joint Parking Authority was created with the City of Murfreesboro in 1989, but members were never appointed.

Comm. Gooch asked about the composition of the Joint Parking Authority. Mr. Smith stated there were seven members with three members chosen by each governing body and one member agreed upon by the mayors of each entity.

Comm. Gooch moved, seconded by Comm. Percy to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND:

Brian Runion presented a General Purpose School Fund budget amendment to recognize the additional awarded amount for the FY 2022-2023 Voluntary Pre-K grant in the amount of \$88,983. This additional award will support opening a 22nd VPK classroom in the school system at Plainview Elementary School.

Comm. Gooch moved, seconded by Comm. Sourinho to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

Mr. Runion next presented a General Purpose School Fund budget amendment to clean up expenditure line items at mid-year. It includes an increase in revenue of \$375,000 for disproportionality funds from the Federal Projects Fund, and increases expenditures by \$4,631,957 and decreases expenditures by \$4,256,957 for various line items. The expenditure items reflect the higher cost and demand of custodial supplies, school maintenance supplies and parts, & instructional/support supplies and materials. The adjustments to salary lines includes additional approved positions not originally budgeted or transferring salaries to correct account numbers.

Comm. Irvin asked what new positions will be added. Mr. Runion stated there are seven ESL teaching positions to meet a state mandate and one grant writer.

Comm. Gooch moved, seconded by Comm. Johnson to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

CENTRALIZED CAFETERIA FUND:

Brian Runion presented a Centralized Cafeteria Fund budget amendment to increase equipment and supply line items in the amount of \$850,000. The amendment is funded by a reduction in fund balance.

Comm. Gooch moved, seconded by Comm. Johnson to approve the budget amendment as presented.

The motion passed unanimously by roll call vote.

OTHER BUSINESS:

Comm. Peay stressed the importance of items being heard by the proper Standing Committee and getting the items on the agenda in a timely manner so the committee members are aware of the forthcoming items.

PROPERTY ASSESSOR:

Rob Mitchell requested an allocation of \$30,000 for consultants to prepare for an assessment appeal by some of the big box stores in the county. Comm. Peay suggested Mr. Mitchell schedule a meeting with the county mayor and county attorney to review the need.

No action was taken on this item.

OPIOID ABATEMENT FUND DISBURSEMENT AGREEMENT:

Comm. Harris stated that the county recently received a letter of agreement from the Tennessee Department of Mental Health & Substance Abuse Services related to the opioid abatement fund. The letter of agreement stipulates how the funds from the opioid abatement fund can be spent as determined by the Opioid Abatement Council. The letter of agreement states Rutherford County has been allocated \$1,513,354.86 by the Opioid Abatement Council subject to the county accepting the restrictions on the funds and spending the funds within a four-year period.

Michael Smith reviewed some of the restrictions of the program.

Mayor Carr asked if the funds could be used by non-profit organizations in the community that are already doing some work with opioid abatement.

Comm. Harris stated he would like to work with entities in Rutherford County.

Comm. Harris moved, seconded by Comm. Johnson to accept the agreement and funding and forward to the Opioid Committee.

The motion passed unanimously by roll call vote.

BOARD OF EDUCATION:

James Sullivan stated the Board of Education approved the five-year building plan to request funding for three high school additions and one new elementary school at their meeting this night.

No action was taken. This information will be presented at the next Health and Education Committee meeting and at the March Budget Committee meeting.

ADJOURNMENT:

There being no further business to be presented, Chairman Peay declared the meeting adjourned at 7:32 P.M.

Mark Tucker, Secretary