



County Executive's Newsletter to the Commission

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Always Learn

In May 2006, while working with the County Technical Assistance Service at the University of Tennessee, consultant Ben Rodgers and I were sent to Lubbock, Texas to the Texas Tech University Southwest School of Governmental Finance. What could be considered more boring than a week in Lubbock, Texas or a week of governmental accounting, and here we were at and doing both? During our several days in Lubbock we met many colleagues from across the nation, listened to one of Tennessee's own professors, "Smitty" of MTSU, and came up with the concept of writing a manual for county government on capital planning and budgeting. We also heard a professor that put local government budget policy into a very simple prospective.

We all have often wondered what benefits, if any, are ever gained from meetings and conferences. Why fly to Lubbock, Texas on the taxpayers' dime or corporate expense account to study government operations or any corporate policy? It reminds me of an episode of Donald Trump's "The Apprentice" where a team tried to conduct business over the phone and not face-to-face with the client. Well, Donald Trump made it quite clear that much business must be "face to face". If you have ever travelled, you can see at the airport and on the planes that there is a lot of business that is conducted outside of one's home base of operations. We have said before we must look at a balanced approach of business and governmental management which includes not only emails and phone calls but often face-to-face meetings. There are many tools that we must use to manage.

Back to three things that were learned or accomplished in Lubbock, Texas.

First, Ben and I, with help from other University of Tennessee staffers, set out to create, publish, and then teach a state-wide class on capital asset management. Roane County is now managing based on these capital management tools and principles. From a thought, a small seed blossomed into a county government capital budgeting and management class which was taught across Tennessee.

Second, a budget policy debate held by one of the professor stated his views on the struggles of local government leaders as they deal with financial operations. He asked this question of the group "Why do some of your city councils and commissions want to discuss and debate your \$500 to \$2,500 travel budgets?" The professor went on to discuss that hours will often be spent on \$1,000 items such as travel, then with little discussion or debate entire budgets will be passed or issuances of multi-million dollar debts will be approved. The professor's opinion was that our leaders understand travel and little budget items and are often overwhelmed by the global macro budgets, and either the government does not have, or if they have, do not understand their governing policies, objectives, or goals.

Third, no matter where you are in a different location attending a conference or meeting you will have an opportunity to learn something. **Learn Something.** The learning is never finished and we must continue our learning path.

In summary as we govern we must not get so-called "Lost in the Weeds". We must develop our budgets based on discussions of the macro budget approach of what we are trying to accomplish and should not spend all our time and energy on the many small items of the budgets, at least until we have an understanding of our mission, goals, and objectives and the big budget picture.

Folks it's budget time!

Roane County is Always Learning

Financial Management Act of 2013 Update

by Kaley Walker

Roane County has been in contact with the Comptroller's office regarding the schedule of the Financial Management Act of 2013 bill. The Director of the Division of Local Government Audit has stated that the revised bill was presented to both the House and Senate sponsors in early January. It is the hope of the Comptroller's office that the bill will be introduced early in the session.

This act will not have a great effect on the operations of Roane County and the Roane County School System. Some of the largest changes will be inclusion of the Director of Schools and Highway Superintendent on a finance committee that is responsible for the overall financial management of the county. Also a school board member will be appointed to the finance committee and the budget committee. This will give the schools a much greater understanding and voice in the entire budget process for the county operations as well as for the school system.

Senator Ken Yager and Representative Bob Ramsey are the sponsors of this bill for the Comptroller. We look forward to watching the progress of this bill through the legislative process and will work to keep everyone informed as information becomes available.

CRYSTAL COVE

Submitted by the Roane County Highway Department

Dennis Ferguson and the Roane County Highway are pleased to announce that phase 1 of the Crystal Cove project has been completed. Roane County Road Superintendent Dennis Ferguson stated, "When I took office this is a project that needed to be completed to ensure safety for the residents of Crystal Cove and with the help of the Roane County Commission, County Executive Ron Woody, and the residents of Crystal Cove we can now say that phase 1 is complete." The Roane County Highway Department has fixed the sliding of the slope at the entrance of Crystal Cove. By completing this, the Roane County Highway Department has ensured the safety of all the residents and their guests entering and leaving the Crystal Cove subdivision. The Roane County Highway Department will continue the progress until all phases of the Crystal Cove project are completed.

Policies and Procedures Involved in the Opening of New Hospital

by Scott Stout, Risk Manager

The Roane County Office of Emergency Services facilitated a discussion-based exercise at Roane Medical Center on December 19th to assess the policies and procedures of the evacuation plan for the move in February 2013 to the new hospital. Over forty administrative and leadership personnel participated in this discussion-based exercise. The exercise revealed few deficiencies in the overall plan. The transfer and the opening of the new hospital occur on February 17, 2013.

ECA Conference in New Orleans

by Scott Stout

County Executive Ron Woody and Scott Stout attended the Intergovernmental Meeting with the U.S. Department of Energy in New Orleans on December 12-14.

Some of the presenters and topics were:

- David Huizenga, Senior Advisor for Environmental Management
U.S. Department of Energy Update on the DOE Environmental Management Program
- Terry Tyborowski, Deputy Assistant Secretary for Program Planning and Budget DOE-EM
Presentation and Discussion: The EM Budget
- Mark Gilbertson, Deputy Assistant Secretary for Site Restoration, DOE-EM
Presentation and Discussion: Groundwater Cleanup Across the Complex
- Neile Miller, Principal Deputy Administrator, National Nuclear Security Administration
The Intersection of EM and NNSA
- Frank Marcinoski, Deputy Assistant Secretary for Waste Management, DOE EM

Presentation and Discussion: Waste Management

This meeting was important to have open discussion with the Department of Energy as the Oak Ridge Reservation moves forward in the coming years with environmental management. There are several more years of cleanup on the Oak Ridge Reservation and federal funds continue to be less for these efforts.

Vermicomposting

the second article on Composting by Grant Palmer

Another type of composting is something that I have just started doing. It's called Vermicomposting!! This is using Night Crawlers or Red Wiggler worms to eat up the compost and redeposit it as worm castings (yes, worm manure!). A pound of worms (approximately 1000 worms) will consume three pounds of organic material (grass, weeds, egg shells, kitchen scraps) in a week. This can be done in a commercial worm composting bin or even in a Rubbermaid container. I currently have several thousand worms that are eating most of the scrap paper and food scraps from our office. These worm castings can be used for gardening projects that we do through the year!

If you would like more information about composting or another aspect of agriculture please contact **Grant Palmer, UT Extension Roane County at 865-376-5558 or gpalmer@utk.edu**.



“Breslin Hayman Walker”

Arrived on schedule - Monday, January 14, 2013
at 8:00 a.m., weighing in at 7 lbs. 3 oz.

Congratulations to the Walker family!

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Affordable Care Act – What Does it Mean to Roane County Government and our Employees?

The Affordable Care Act was adopted March 23, 2010 and is to be implemented over a number of years with major provisions in 2014, the remaining by 2020. Now, in 2013 we must begin to more closely study, monitor and implement the impacts to both the Roane County Government as a whole and employees of Roane County Government. We will try over the next several months to address what we perceive as impacts to us.

It is our understanding that a Net Investment Income Tax goes into effect starting in 2013. The tax is 3.8 percent which applies to individuals.

A new additional Medicare tax also goes into effect starting in 2013. The Medicare tax is an additional .09 percent paid by Roane County based on an individual's wages. Currently 1.45% plus the additional new .09 percent equals a new Medicare tax of 1.54%.

Health Flexible Spending Arrangement (Accounts that allow individuals to set aside estimated out-of-pocket medical expenses from income tax) will have some limitation of what costs are reimbursable from the account.

Roane County will begin reporting our health care cost for each individual on your W-2.

More to come as we learn.

FYI – *The Oak Ridger* recently published a County Executive article titled “Roane County's Industrial Effort”. *The Oak Ridger* noted the article as part 1. On the county website one can find the entire article: www.roanegov.org under “County Executive”, “Published Articles/Speeches”, “Roane County's Industrial Effort”. Check it out!

Volunteers Honored

Roane County Volunteer Firefighters of the Year were recognized at the December 10th County Commission meeting:

Lucas Neal, First District VFD (Midtown)

Jeff Lawson, Second District VFD (Blair)

David Thompson, Third District VFD (East Roane County)

Jerry Goodman, Fourth District VFD (South Roane County)

Ray Butler, Fifty District VFD (West Roane County)

2012 Deputy of the Year for the Roane County Sheriff's Office receives plaque based on duty performance, knowledge, skills, leadership and service to the citizens of Roane County:

Mitch Grigsby

CONGRATULATIONS!

Roane County is Volunteering.

Severe Weather Awareness Week

Submitted by Howie Rose and Scott Stout

Severe Weather Awareness Week is **February 18-22** for Tennessee. This is a time to education the residents on potential dangers of severe spring type weather events. The schools will be conducting tornado drill during the week; also the Office of Emergency Services will be sponsoring a damage assessment class for the County's damage assessment team.

Do you know the difference between a **WATCH** and a **WARNING**? A **WATCH** means conditions are right for dangerous weather. In other words, a "watch" means watch out for what the weather could do, be ready to act. A **WARNING** means that the dangerous weather is threatening the area. A **weather radio** is one of the best ways to stay tuned-in to dangerous weather. These radios receive broadcasts from the National Weather Service.

Commissioner Completes Leadership Program

Roane County Commissioner Ron Berry successfully completed the Local Government Leadership Program hosted by the University of Tennessee Institute for Public Service’s Naifeh Center for Effective Leadership.

In this program elected and appointed government officials are given the opportunity to examine the best practices in leadership and to learn from their colleagues and counterparts across the state.

Congratulations Commissioner Berry!

February Meetings and Events:

Check www.roanegov.org for more info

Feb. 4	Budget Committee Sheriff’s Liaison Committee	CH	6:00pm 6:30pm
Feb. 7	Tourism Committee Environmental Review Board	RA CH	5:00pm 6:00pm
Feb. 11	County Commission	CH	7:00pm
Feb. 12	Beer Board (if needed) Fire Board	CH CH	5:30pm 6:00pm
Feb. 20	Board of Zoning Appeals Planning Commission	CH CH	6:00pm 7:00pm
Feb. 28	County Board of Public Utilities	CH	5:30pm

Park Director Hired

Mike Beard has been hired as Roane County Park Director, working part-time. He currently works part-time with the Roane County School System. He will assist us in the planning stages of the Swan Pond Sports Complex. We look forward to working with Mike.

The Roane County Codes Enforcement Office is scheduling classes on 2012 Residential Code changes. If anyone is interested in attending a class call the Codes Enforcement Office at **(865) 717-4230**.

Understanding the BEP

By Melanie Townsend

As was discussed in a previous newsletter article (www.roanegov.org, December 2012), the Basic Education Program (BEP) funding formula is the method which the State of Tennessee uses to determine state and local funding levels for school systems. The BEP is an earning formula; it is not a spending formula. In other words, the state determines how much money would be required to operate a school system in a perfect situation and how much should be contributed by state and local governments.

The BEP is primarily allocated based on Average Daily Membership (ADM) for each school system. ADM is used to determine the cost of providing a basic level of education for public school students. Once schooling costs are determined, an equalization formula known as the Fiscal Capacity Index is used to identify the respective funding contribution of the state and local school districts.

The Fiscal Capacity Index is an external formula that feeds into the BEP formula. Fiscal capacity is the potential ability of local governments to fund education from their own taxable resources relative to other similar governments. Fiscal capacity is figured on each individual county in the state of Tennessee. Currently, two different methods are being used to determine fiscal capacity.

The first method is called the TACIR Model. The TACIR Model was developed by the Tennessee Advisory Commission on Intergovernmental Relations and was initially used starting with the Education Improvement Act of 1992. The TACIR Model is driven primarily by county income levels and sales tax collections but also includes local property tax, ratio of residential & farm to total property assessment and the ratio of ADM to total population.

The second method is called the CBER Model. The CBER or Fox Model was developed in 2008 by the University of Tennessee’s Center for Business and Economic Research under the direction of William F. Fox, Director. The CBER Model is driven primarily by a county’s property tax base and sales tax base.

Currently, Tennessee is in the process of phasing in what is known as BEP 2.0 and is using a 50/50 split between the Fiscal Capacity Indices achieved by TACIR and CBER. Due to the very different methodological approaches of the models, the Fiscal Capacity Index of a particular county can vary widely between the two models. Currently, the CBER index is capped at a 30% increase over the TACIR index.

In 2009-2010, Roane County’s fiscal capacity index as computed by TACIR was .65% while the CBER index for Roane County was .78%. In 2012-2013, TACIR computed Roane County’s index at .72% while CBER resulted in .85%. It would appear that Roane County’s BEP funding has been reduced by the shift to the CBER Index as the index reflects that Roane County has a greater capacity to pay as compared to the TACIR Index. In layman’s terms, according to the CBER computation, Roane County is richer than is shown by the TACIR results.

Watch for future articles that will explain in more depth the calculations that go into each of the models.

If you have an item of interest related to our county, please submit to Sheila or me. Deadline for submission is the 20TH of the month. Ron Woody