

County Executive's Newsletter to the County Commission

Roane County Government



Budget Theory– The Bucket Approach: The Right Amount of Money By Ron Woody, County Executive

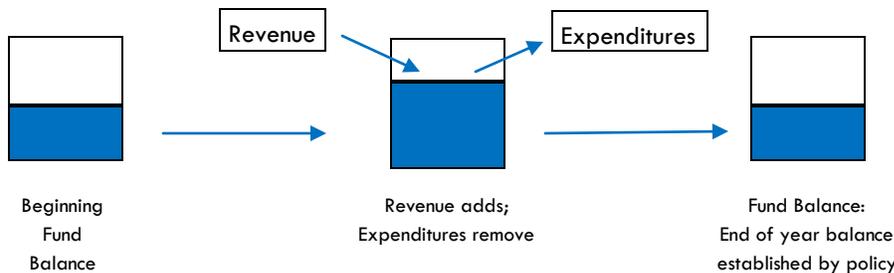
Volume 5, Issue 6

June 2014



In simple terms, the county budgets can be explained in terms of buckets with each bucket having various rules and regulations concerning the money that can be put into it (revenue) and what can be taken out of it (expenditures). For clarification, county funds will be considered buckets and within funds/ budgets there are departmental budgets.

For example, the Highway Fund bucket has various highway departments, such as, administration, highway and bridge maintenance, traffic control and others. Each year the bucket begins with money which we call fund balance. The county has a policy for how much money should be in each fund's bucket. Money (revenue) is added to the bucket and taken from the bucket in the form of expenditures during the year. The county commission manages the finances around what is in the bucket at the end of the year. The department or elected official manages what goes into and comes out of the bucket during the year.



The county manages approximately 25 buckets (funds) and money, only in limited specific cases, can be transferred from one bucket to another. Here are some of the buckets:

- General Fund: courthouse operations, sheriff (jail), general government, courts
- Highway Fund
- School Fund
- Debt Funds: repayment of principle and interest on loans
- Special Funds: ambulance, solid waste

For financial stability, the county's Fund Balance Policy regulates how much money should be in the bucket at the end of each year. This policy allows the county to plan and manage resources for the beginning of the following year. At the end of the

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Roane County Park

The Splashpad
is now Open!
Check out all the fun
things happening at
Roane County Park.
Make your reservations
for shelters at
882-2640

Employee Consideration

Be a yardstick of quality. Some people aren't used to an environment where excellence is expected.

~Steve Jobs

Lakeshore Park Grand Opening May 30th

This is a beautiful park and a great resource for Roane County and the Swan Pond community. The park opened to the public on Saturday, May 24th in time for the Memorial Day weekend.

The recreation and restoration features include:

- 2 miles of paved walking trails
- 3 fishing piers
- 2 courtesy docks for non-motorized craft
- Restroom facilities
- Picnic area
- Boat ramp and dock
- Paved parking lot
- Pedestrian bridge
- ~1600 trees planted
- 5 acres of reforestation
- Fish attractors

How Much Will I Need? by Jennifer Bolling (717-4109)

Hopefully all of us are doing something to prepare for our retirement. In my last article, I laid out several steps that we all need to take as we start thinking about life after our careers are over. Saving money, participating in TCRS contributing to a 401 (k) and having a plan to pay off debt are all important in terms of preparing for a secure financial future later in life. You may be putting money back and at least planning on steps that you can take, but there is a big question left to ask. How much money will I need to successfully retire?

We know that our incomes will be less once we stop working. If we've been smart in managing our debt, then hopefully our expenses will go down as well. However, there are expenses that we'll have whether we are retired or not, and some, like health care costs, that could actually go up later in life. If we wait until we get to that point to determine how much we're going to need, we'll be way behind the proverbial 8 ball.

Assuming that you're in a position to retire at 65, it's completely realistic to plan for 20-25 years of life beyond work. Lifestyles vary

greatly, as does the amount it takes to maintain them. Some people chose to live a comfortable but modest lifestyle. These types of people often scrutinize spending, save more and, naturally, have fewer bills. Others prefer to live life on a much grander scale. They may want the nicest home on the block, to travel extensively or to always drive an expensive car. To support this way of life they have to work hard, and depend on a high level of income to keep up their standard of living.

Lifestyle is a very personal thing, and everyone's desires are different. One is no better than the other, and neither is for everybody. At the end of the day, it's up to you to determine how you want to live, and how you're going to pay for it. That applies to your retirement as well.

If you've paid off your mortgage, carry very little to no revolving debt, are in good health and plan on just living comfortably, the general rule is that you should be able to live on 70% of your current income. If you know that you'll be carrying a large amount of debt in to your

retirement years or maybe plan on buying that beach house that you've always wanted, or traveling the world emptying your bucket list, you could need 100% or more of your current income. Another way to look at it is if you want to retire at 60, you will need about 15 times the amount you have calculated for your annual after-tax retirement expenses. So if you estimate \$60,000 per year then you will need \$900,000. By working later in life, say till the age of 63 one only needs 13 times expenses or \$680,000.

A good practice is to look at your bills right now. How much are you spending on the basics such as food, clothing, shelter, and health care? What other expenses do you have? Maybe you like to play golf every weekend or go shopping on regular basis? To quickly see what your situation would look like when you retire, take 70% off your current income and see how far off you are. If your income is still higher than your expenses then pat yourself on the back because you're doing great! It's more likelycontinued on pg 6

Did You Know About . . . Roane County's Only Toll Bridge?

By Robert Bailey, Roane County Historian

The bridge on Highway 58 crossing the Tennessee River which was torn down in 2004, was Roane County's only toll bridge in its history. It was built between 1928 and 1931 for a cost of \$306,683.96 as part of Federal funding for toll bridges. A private ferry had operated at that location. The bridge had been named after Calvin John Ward, from Morristown, who was the most decorated WW I veteran with twelve awards (one of which was the Congressional Medal of Honor). Nearby was the toll collector's house. The bridge was

advertised as being open 24 hours a day and the cost to cross the bridge was \$0.50. In 1939, the toll was removed and it became a free bridge. In preparation for Watts Bar Dam, the bridge was raised and lengthened. The toll collector's house was relocated. It is currently located across from Bethel Presbyterian Church in Kingston and until recently was the home of the late Bobby Allen. According to Tennessee Department of Transportation (TDOT), it is only one of two known toll collector's houses still standing in Tennessee.

Success or failure depends more upon attitude than upon capacity. Successful men act as though they have accomplished or are enjoying something. Soon it becomes a reality. Act, look, feel successful, conduct yourself accordingly, and you will be amazed at the positive results.

~William James

Budget Theory- The Bucket Approach: The Right Amount (continued from page 1)

year, it is not the budgeted revenues and expenditures that matter, but the actual

money (revenue) put into the bucket and actual money taken out of the bucket (expenditures).

Financial stability is based on managing the amount of money in the bucket. The Fund Balance Policy addresses how to maintain the right amount of money in the bucket.

The county's basic goals related to budgeting are to have:

The right amount of money in each bucket to begin the year.

Sufficient money coming into the bucket to match what is going out of the bucket.

Only operational costs, or recurring, day-to-day expenses, in the operating buckets.

A plan for capital asset replacement and capital bucket to pay for capital asset replacements.

A strategy of what to do if the bucket does not have enough money.

If revenues and expenditures balance one year and then the next year there are increased costs or a reduction in revenue, then something else must be adjusted. The goal is to have revenue and expenditures balancing and all services desired included; however, if another service is demanded then the commission must adjust revenue and generally the only revenue available is property tax. The commission then can vote on the new service and tax together.

A problem develops when costs are not controlled or revenue declines (which has occurred in recent years). This is where budgets are impacted by reduction in programs, staff or foregoing raises for employees. The ultimate goal is to have revenue balancing expenditures with growth in property tax (new revenue) assessed due to new construction which can then fund raises for employees and other inflationary costs. In the absence of growth in property tax revenue or improved efficiency in offices, the county struggles in meeting the needs to provide services to their citizens and raises to their employees.

Article 1 of 2— see page 6 for Budget Theory— The Bucket Approach: Not the Right Amount

If you have any items of interest for the newsletter, please submit to Melanie at mtownsend@roanegov.org by the 20th of the month.

~Ron



The Little Things by Mike Beard, Park & Recreation Director

Working together, nature and tradition have given us a wonderful park to enjoy. Families use the park, make memories and then hand down the tradition to their young ones. There are many stories that start out “when I was just a kid, we used to come down here and.....” or “my parents used to bring us here to fish and swim. One time my brother.....” or “I’ve been coming here for forty years. Now back in the good ole days, me and my friends used to.....”

These memories are usually triggered by seeing some of the “little things” the park has to offer. Wild flowers, flags,

children squealing while they play in the water, the smell of cooking fires, a family gathering and a thousand other things take us back to pleasant memories of Roane County Park when we were younger.

The park has some new “little things”:

A freshly painted street sign with bright Spring flowers.

A freshly painted flag pole with a crisp, colorful, larger flag.

More water toys at the Splash Pad.

The signs in the park accurately point the way to the various

shelters.

The inclusive playground and color coordinated new Shelter 1 are a beautiful new destination for memory making.

Additional staff during big events to insure the park’s appearance and our service is first rate.

A comfortable, landscaped memorial bench at the lake shore near Shelter 4.

If there are other “little things” you miss that we can include in your park we want to hear about it. Feel free to contact me at 865-805-0141.

Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time

~Thomas Edison

Roane County Veterans’ Service Office Update

Brian Dunn, Roane County Veterans Service Officer, has been accredited by the U.S. Department of Veterans Affairs as a representative of the Tennessee Department of Veterans Affairs for the preparation, presentation and prosecution of claims before the Department of Veterans Affairs.

Brian has been working through the Community Based Outpatient (VA) Clinic located in Harriman. He has already interacted with many veterans from Roane County.

Brian can be reached at
865-717-4169 (CH office)
865-882-4015 (clinic office)

Basic Facts About Workers’ Compensation by Arlene Daugherty, Workers’ Compensation Claims Representative

Roane County Government’s most valuable asset is its employees. What should a supervisor and/or employee do if an injury occurs at work?

- ◆ **An employee should report a work-related injury to his/her supervisor upon an injury occurring. TCA§50-6-21** Proper forms must be filled out to ensure the employee gets the medical care he/she may need if necessary. If the injury is life-threatening, please go the nearest Hospital Emergency Room for treatment.
- ◆ **All required forms should be completed by the employee’s supervisor.** Form C20, Tennessee Department of Labor and Work-

force Development’s Employee’s First Report of Injury, should be filled out completely. A list of treating physicians will be offered to the employee. Appointments for treatment should be made by the Claims Representative.

- ◆ **If the injury requires treatment from a specialist,** a C42 “Choice of Physician” form will be presented to the claimant. Appointment by a specialist will be made by the Claims Representative. The treatment is at no cost to the employee.
- ◆ **Required forms are provided to the supervisors** by Arlene Daugherty, Workers’ Compensation

Claims Representative.

- ◆ **An injury should be submitted to the Workers’ Compensation Claims Representative** within 24 hours of injury; unless the injury occurs during non-business working hours. All claims must be reported within 30 days of the injury for a claim to be accepted.
- ◆ **Staying in touch with the Claims Representative** is very beneficial to you as a claimant and to the employer in order to provide the proper care needed that will enable a claimant to return to work as quickly as possible.

Arlene’s number is 717-4102

Basic Economic Development

During the last of April and the first of May, Alliance CEO Wade Creswell and County Executive Ron Woody attended a rigorous four day University of Tennessee Basic Economic Development course held in Nashville. Approximately 45 participants from around the state, along with attendees from Florida, West Virginia and North Dakota heard from experts within the field of economic development discuss the new economic development model.

Most of all the presenting experts discussed the need for workforce development, training and education as the number one focus for our economic development goals. Manufacturing is the old economy. Also, counties have little need for new industrial buildings or industrial parks. Any existing industrial parks must be ready for use. Another focus for economic development efforts should be working with the existing businesses and industries to understand their respective

needs, recognizing that one of these needs will often be to improve their current or future workforce.

The main focus of economic development must be business retention and expansion. Most job increases are from existing businesses, and 100% of job losses are from existing businesses. Jobs exist but there is not a skilled workforce to meet the demand.

Economic development should also consider a target market. A weakness has been trying to market to everyone. Most marketing campaigns say the same things, "Great quality of life, a great workforce, etc." and have a picture of water, a dock, and mountains or meadows; however, you must differentiate yourself. What do we have that others do not? The largest energy and materials national laboratory in the country that is focused on being a resource to the local marketplace!

Five Star Management Update

Industrial Economic Development (22) has been added to the 5 focus points. This focus addresses the county's effort to refocus, rebrand and remarket Roane County for a new economy.

Five focus points are:

- 1-Recreation/Tourism (8)
- 2-Solidwaste/Recycling (17)
- 3-2014 Capital Plan (19)
- 4-2015 Operating Budget (21)
- 5-Industrial Economic Development (22)

See www.roanecountytn.gov for more information.

The two words 'information' and 'communication' are often used interchangeably, but they signify quite different things. Information is giving out; communication is getting through.

~Sydney J Harris

Budget Theory– Bucket Approach: Not the Right Amount

In a previous article, we discussed that the county manages our finances around having the right amount of money in the bucket (fund) at the end and beginning of the fiscal year. The question then becomes, "What happens if the bucket has more or less than needed?"

First, the operating bucket has the day to day operating cost of the county government which includes many salaries and benefits; however, costs of the underlying buildings and equipment are often not included in the operating budget. Many of these underlying costs are capital in nature; meaning the cost may be a large expense that only has to be taken out of the bucket every few years. This is where the county's Capital Policy comes into play.

Instead of the operating bucket having large amounts of money taken out of it when capital needs occur, Roane County established a second bucket called the Capital Projects Fund for large ticket items. These large expenditure items are often planned years in advance and, if any excess money accumulates to the general fund bucket, then transfers can be made to the capital bucket .

The county General Fund bucket has a related Capital Fund bucket along with the Highway Fund bucket having a Highway Capital Fund bucket. The use of the capital buckets in conjunction with the operational buckets helps the county manage their financials for the long term.

What if an operating bucket does not have enough money at the end of the fiscal year? The county Fund Balance Policy addresses this situation; however, the options are limited and generally not desired. The solution is as simple as it is financially sound but hard to accomplish: (1) increase revenue (actual money) which could be property tax or (2) decrease expenditures which is most often personnel and services.

Roane County Government

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Check out more information on our website:

www.roanecountytn.gov

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Roane County Government

UPCOMING MEETINGS AND EVENTS

Date	Meeting	Location	Time
June 2nd	Sheriff's Liaison Committee	QCR	6:30 pm
June 5th	Environmental Review Brd	TVA Kingston	5:30 pm
June 9th	County Commission	QCR	7:00 pm
June 10th	Beer Board	QCR	5:30 pm
June 10th	Fire Board	QCR	6:00 pm
June 11th	Budget Committee	Conference Room	8:30 am
June 12th	Budget Committee	Conference Room	8:30 am
June 18th	Board of Zoning Appeals	QCR	6:00 pm
June 18th	Planning Commission	QCR	7:00 pm
June 24th	Public Utility Board	Waste Water Plant	5:30 pm
June 30th	Budget Public Hearing	QCR	6:00 pm

2nd Annual Community Picnic June 26th, 2014



Roane County Highway Department
11:30 to 1:30

Free Lunch. Free Concert with Outta the Blue

flyer@gratuit.fr

Also performing Bree Davis from Morgan County

How Much Do I Need? (continued from page 2)

though that the results probably shocked you. If so, how are you going to “get in the black”? Can you realistically cut enough to get ahead while still taking care of your needs and at least some of your wants? If you can't, then how much more income will you need? What steps do you need to be taking right now to make sure you get there?

A reverse mortgage maybe a viable option for you to consider. A reverse mortgage means you turn your all or part of the equity in your home into cash. While this may sound like the perfect decision if you are coming up short on retirement funds, be sure and consider all the angles. You are still responsible for property taxes, insurance, and upkeep. Many retirees have gone down this road only to end up with their homes being foreclosed due to unforeseen medical expense or other large unexpected obligations. Last year 1 in 10 reverse mortgages were in default. (AARP)

In all of these articles, I hope that I've been able to stress the importance of planning ahead. We may have different lifestyles and different views of what we'll need to be happy down the road, but nobody dreams of a miserable retirement. The good news is that we don't have to live that way. We can all get where we need to be, but the time to start is now!