

Budget Committee Minutes May 14th 9:00 AM

Members Present: Ron Woody, Chairman; Ron Berry; Bobby Collier; Steve Kelley; Randy Ellis

Members Absent: none

Additional: Kaley Walker, Director of Accounts and Budgets; John Griffin, Animal Control Director; Glen Cofer, Building Inspector; Robert Bailey, County Historian; Carolyn Granger, Commissioner; Gary Aytes, Director of Schools; Eric Harbin, School Business Manager; Gene McClure, Wastewater Director; Stan Malone, PUB Chairman; David Morgan, Property Assessor; Damon Lawrence, Roane County News.

Meeting Convened: Meeting called to order by Chairman Woody @ 9:00 AM

51750 – Codes Compliance

Motion to recommend the appropriation of 261,227: Collier

2nd: Kelley

On a **voice vote** motion **passed**.

Codes Compliance: 261,227

51720 –Planning

Motion to recommend the appropriation of 80,550: Kelley

2nd: Collier

On a **voice vote** motion **passed**.

Planning: 80,550

A handout was passed out showing the cost related to combining the GIS and planning departments. This would include hiring and training a planner, along with possible contracting with the cities to do their planning activities. This will eliminate the need for the \$25,000 contract with the development district and if the cities want to contract with us to do their planning services that would add about \$30,000 of revenue which would fully fund the position (between the savings and the additional revenue).

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Motion to recommend the combination of GIS and Planning and the new appropriation of 218,842: Collier

2nd: Ellis

On a **voice vote** motion **passed**. This budget trumps the previous planning budget.

51910 – Preservation of Records

Motion to recommend the appropriation of 116,853: Ellis

2nd: Kelley

On a **voice vote** motion **passed**.

Preservation of Records: 116,853

Fund 121 – Special Purpose Fund:

Animal Control – The Animal Shelter collects fees and provides temporary housing for unclaimed domestic animals.

Motion to recommend the appropriation of 308,034: Kelley

2nd: Collier

On a **voice vote** motion **passed**.

Revenues – This fund receives revenues from rural property tax (\$140,000), fees generated by the Animal Shelter and Rural Local Option Sales Tax.

Motion to recommend revenue of \$676,100 and appropriation of 834,505: Ellis

2nd: Collier

On a **voice vote** motion **passed**.

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Total Revenues: 676,100

Total Appropriation (Fire and Animal): 834,505

Beginning Fund Balance	\$439,652	In compliance with:
Revenues	\$ 676,100	Fund Balance Policy ----- Yes
Appropriation	\$834,505	
Budget Ending Fund Balance	\$281,247	
Effect on Fund Balance	(\$158,405)	

101 General Fund

56700 – Parks and Fair Boards

Park part time help cost is up due to the needed additional mowing time at Swan Pond Sports Complex. There is no real understanding of the maintenance costs or utility costs associated with the complex so those are estimated and or not adjusted at this time. Additional adjustments will need to be made pending further understanding.

Motion to recommend the appropriation of \$393,676: Collier

2nd: Kelley

On a voice vote motion passed.

51900 - Other General Administration

The additional money in this budget will be the first thing to be cut if the general fund is found to be out of balance at the end.

Motion to recommend the appropriation of \$338,350: Ellis

2nd: Collier

On a voice vote motion passed.

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171 Capital Fund:

Motion to use \$35,000 already appropriated in the Courthouse and Jail Maintenance Sub Fund (CHJ) to purchase voting system/recorder for Commission: Ellis

2nd: Collier

On a **voice vote** motion **passed**.

General Budget Comments

Executive Woody told the committee that he had a meeting with Patriot (the Property Assessor's Software Company) and was told that the reappraisal is almost complete. He was provided with data that shows a 6% reduction in property values. Takes the countywide penny from a \$120,000 to \$116,000 penny.

The property assessment for UT – Battelle in Oak Ridge/Roane County was adjusted due to a new building on the property. The value went from in the \$70M range to the high \$90M range. UT – Battelle is disputing the change.

Education Funds:

141 General Purpose School Fund:

Mr. Harbin and Mr. Aytes spoke on their belief that sales tax in Oak Ridge would increase in the coming months/years. Woody had spoken to people in Oak Ridge who echoed that sentiment.

Woody also stated that DOE may consolidate procurement for the UPF project which may result in additional sales tax revenue for Roane County.

Mr. Aytes laid out the cuts available that are being suggested by management but have not been approved by the board yet.

- \$200,000 cut in textbooks
- High School Math books – the teachers are willing to come in to create own math books
- \$142,000 reduction in ADA (library books)

Total cuts are around \$500,000

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Mr. Aytes requested that 2 cents of the proposed property tax allocated to Capital Fund 177 be shifted to the operations in 141. Additionally, he requested 2 new property tax pennies be allocated to the 141.

Asking for	22 pennies in 141	2 pennies in 177	for total of 24 pennies
Prior recommendation	16 pennies in 141	4 pennies in 177	for total of 20 pennies

The increase in BEP must be used for salaries (\$500,000)

Teachers are receiving a bonus instead of an across the board raise. However there is additional expense associated with the teacher salary table and the additional years that have been added.

Teachers will receive additional salary of about \$500,000 from these two things.

Schools are ending their post retirement benefit and they will review the 401(k) dollar vs. % match contribution.

Mr. Aytes stated that if the additional 6 pennies were not received then programs would have to be cut.

For the future of the county the schools look to train industrial engineers and skilled trades to fill jobs in the area.

Motion to recommend 20 pennies in 141 and 2 pennies in 177 and appropriation increase of \$456,000 in 141 and decrease of \$228,000 in 177: Ellis

2nd: Collier

Berry – No. On a **voice vote** motion **passed**.

Berry suggested that the school board have alternative plans for lesser tax increases ready.

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204 Wastewater Enterprise Fund:

204 Fund:

This fund supports the operations of the wastewater facility. It is overseen by the Public Utility Board. The budget must be approved by the County Commission, and debt issuances must be approved by the County Commission and signed for by the County Executive.

This fund is supported by user fees for wastewater services as well as sewer tap hook ups. User charges account for \$1,000,000. There is one grant a State Revolving Loan Fund which is \$600,000.

Revenue: \$1,650,000

Expenditures under operations include salaries, benefits and materials for operations.

The State Revolving Loan Fund will be used for capital improvements including building upgrades, line extensions and equipment upgrades. A revenue and expenditure budget of \$600,000 is related to this loan/grant. The SRF loan/grant work will not be completed in 2016.

Expenditures: \$1,519,738

Motion to recommend the revenue of 1,650,000 and appropriation of 1,519,738: Berry

2nd: Ellis

On a **voice vote** motion **passed**.

Beginning Fund Balance	\$1,279,483	In compliance with:
Revenues	\$1,650,000	Fund Balance Policy ----- Yes
Appropriation	\$1,519,738	
Ending Fund Balance	\$1,409,745	
Effect on Fund Balance	\$130,262	

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101 General Fund

52300 – Property Assessor

This function has 9 positions including the Property Assessor. State law maintenance of effort says that the property assessor needs to have at a minimum 8.4 employees including the reappraisal staff and the elected official.

Motion to approve removing hiring freeze in Property Assessor office: Berry

2nd: Ellis

On a **voice vote**, motion **passed**.

Motion to recommend the appropriation of \$585,863: Berry

2nd: Kelley

On a **voice vote** motion **passed**.

52310 – Reappraisal

GIS positions (2) and related expenditures will be pulled out and put with the planning budget. There are two positions remaining in this function.

Motion to recommend the appropriation of \$119,592: Berry

2nd: Collier

On a **voice vote** motion **passed**.

Woody asked Mr. Morgan what the reappraisal looked like its results would be. Morgan said he didn't want to give any numbers that weren't set. Woody recounted that he had met with Patriot and they said it appeared to be 6% drop in property values. Morgan agreed that 6% sounded correct. Committee asked what influenced the change from 30% reduction to 20% to now 6% and Morgan stated that the market has been improving.

101 General Fund

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General Fund Revenue

The committee reviewed all revenues which are very similar to the prior year revenues. The property tax rate is the same. Potential changes in revenues in the future include a reduction of the TVA impact money received for counties where construction has occurred in the prior two (2) years, payments from the utilities in the Industrial Park on contract and Hall Income Tax. With the current revenues and expenditures the general fund is out of balance \$1.9M. A balanced budget needs to have \$500,000 of either additional revenues or expenditures cuts.

Berry questioned the need for a 2nd General Sessions Judge. The 2nd judge was created by private act.

The committee suggested that the Recreation Committee review the fee structure for fess at the roane county park.

118 Ambulance Fund:

Motion to adjust director line \$10,000: Collier

2nd: Kelley

On a voice vote motion passed.

101 General Fund

Motion to adjust deputy line in Election Commission (5,713): Ellis

2nd: Collier

On a voice vote motion passed.

Motion to increase property tax in the General Fund 101 by 5 pennies: Kelley

2nd:

Motion fails for lack of a second.

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Motion to increase property tax in the General Fund 101 by 4 pennies: Kelley

2nd: Collier

Motion fails for lack of majority.

Motion to combine the Solid Waste and Recycling Funds into one Solid Waste Fund: Kelley

2nd: Collier

On a **voice vote** motion **passed**. Berry and Ellis voted No, Woody broke the tie vote.

Motion to add a \$50 a wheel, wheel tax: Kelley

2nd: Collier

Motion fails for lack of majority.

Motion to increase property tax in the General Fund 101 by 3 pennies and reduce employee raises to 1.5%: Kelley

2nd: Collier

On a **voice vote** motion **passed**. Berry and Ellis voted No, Woody broke the tie vote.

Motion to adjourn @ 4:15pm: Collier

2nd: Ellis

On a voice vote motion passed.

Minutes submitted by Director Walker