

2018 Budget – Budget Committee Minutes

May 30, 2017 6:00PM

Members Present: Ron Woody, Chairman; Commissioners: Darryl Meadows; Junior Hendrickson; Steve Kelley; Carolyn Granger

Members Absent: n/a

Additional: Connie Aytes, Director of Accounts and Budgets, guests Wade Creswell from the Roane Alliance

Meeting Convened: Meeting called to order by Chairman Woody @ 6:00 PM

Budget 2018

Items Revisited:

Changes in the Operational Statement:

Co. Executive Woody presented to the committee the current changes that have been made to the operational statement. No action was taken on this report due to some additional changes that were going to have to be made if the budget committee approved the request that will be presented as the meeting continues.

Changes in the Appropriation Resolution:

The Appropriation Resolution was presented by Co. Executive Woody. He informed the committee that the resolution will be reviewed a few more times before the public hearing with us making the necessary changes to the fund appropriations as well as the narrative sections of the resolution.

Tax Levy Resolution:

The Tax Levy Resolution was also presented by Co. Executive Woody and this resolution will also see some changes once we have the school's budget and we make the final changes to the funds with the additional increases if approved by the committee.

Changes to the General Fund 101:

Presented as an attachment to these minutes is a list of changes that the General Fund has seen since the 2017 budget. Co. Executive Woody explained to the committee each change and how some of the changes were going to affect future budget years. **(SEE ATTACHMENT A)**

General Fund 101 - Magistrate:

1. Discussion was made on the salary changes for one of the Magistrates in the General Sessions Judges office. This person performs two duties, one as the secretary and as the magistrate for the Judge. A letter was to be presented to the DoAB before the

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General Fund 101 – Magistrate (cont.):

meeting but since no letter was received the committee approved the following motion:

Motion by Meadows 2nd by Granger to recommend the request that a stipend be awarded to Freda on contingent that a letter is received by the DoAB from the General Sessions Judge and that Co. Executive Woody approves of the amount requested.

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

General Fund 101 – Transfer to fund 171

2. Executive Woody presented to the committee the need for an additional transfer of \$50,000 to the General Capital Project Fund 171 (CHJ) in order to balance the request of appropriations requested. The motion will be reflected at the time we visit the General Capital Fund (171) for its approval.

General Fund 101 – Contribution Reduction of TCRS:

3. One of the changes made to the General fund as well as all the other funds that contain salary benefits was the reduction of the TCRS contribution from 7% to 6% with the state requiring a 4.08% contribution. During the formulation of the salary and benefits, the DoAB used a 9% rate so the reduction in the state retirement reflected a reduction in expenditures of approximately \$172,000. This savings will be used to fund item 4 of the General Fund Changes.

Motion by Kelley 2nd by Granger to approve the reduction in TCRS contribution and to also reflect this approval to the resolution that will be presented under the **2017 Budget Resolutions**.

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

General Fund 101 – 2% Salary Increase for ALL employees:

4. With the savings from Item 3 (TCRS Contribution) and a sound fund balance, Executive Woody recommended to the committee that they approve a 2% salary increase to all employees.

Motion by Kelley 2nd by Granger to recommend the 2% salary increase to all employees.

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

General Fund 101 - Industrial Development Budget 58120

5. At the March 12th budget committee, there was a question on an increase of the Industrial Board's request in Tourism Funding so it was necessary to have Wade Creswell presented to discuss this matter. It appears that there was an error in the reading of the request and the

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2018 budget request from the Board has no changes from the 2017 budget therefore a motion is necessary to approve the 101-58120 department budget.

Motion by Hendrickson 2nd by Kelley to recommend the 58120 budget of \$614,110.

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

General Fund 101 as it reflects the above approvals Less the change in code 58120 and the changes to workman's comp and the insurance:

2017 Tax Rate:	<u>0.695</u>	2018 Tax Rate:	<u>0.705</u>
7/1/2017 Beginning Fund Balanc	7,553,267	Value of a Penny:	<u>119,000</u>
Estimated Revenues	17,070,779	Property Tax:	<u>8,389,500</u>
Estimated Expenditures	<u>(18,484,737)</u>		
Transfer to Capital	<u>(450,000)</u>		
Total Expenditures	<u>(18,934,737)</u>		
6/30/2018 Budget ending fund bal	<u>5,689,309</u>	Budget effect on fund balance	<u>(1,863,958)</u>
Fall Out (8%)	<u>1,478,779</u>		
6/30/2018 Est. ending fund balanc	<u>7,168,088</u>	Est. effect on fund balance	<u>(385,179)</u>
FB % of expenditures	44%	includes cash flow money in other funds	
FB Policy 35%-45%+:	Compliance		

General Capital Project Fund 171:

Presented to the Committee was the General Capital Project Fund and its subfunds that are presented below for their approval:

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7/1/2017	BAL
Beginning Fund Balance	<u>30,571</u>
Revenues	
Local Taxes	<u>55,000</u>
Total Revenue	<u>55,000</u>
Total Available Funds	<u>85,571</u>
Transfer Out (sub to sub)	
Appropriations	<u>(73,000)</u>
Ending fund balance	<u><u>12,571</u></u>
Trustee Commission	15,000
System Upgrade - Accting.	30,000
Copier - Accting	8,000
Juvenile Server	20,000

Motion by Granger 2nd by Hendrickson to recommend for approval the BAL subfund.
 On a **voice vote** motion **passed**.

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7/1/2017	CHJ
Beginning Fund Balance	<u>146,651</u>
Revenues	
Transfers In	<u>200,000</u>
Total Revenue	<u>200,000</u>
Total Available Funds	<u>346,651</u>
Transfer Out (sub to sub)	
Appropriations	<u>(321,000)</u>
Ending fund balance	<u><u>25,651</u></u>
Jail - Kitchen equipment	10,000
Jail Radios	45,000
Jail Led Lighting	40,000
Jail Water softener	5,000
Jail Seal Parking	10,000
Jail A/C unit	15,000
Sheriff Radios	35,000
CH Cameras	20,000
CH Lighting	45,000
CH Repair sidewalk	14,000
Co Clerk Windows	7,000
Prior Year	
Boametric	65,000
Roll Call System	1,000

Motion by Meadows 2nd by Kelley to recommend for approval the CHJ subfund.

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

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7/1/2017	CIF
Beginning Fund Balance	-
Revenues	
Local Taxes	<u>60,000</u>
Total Revenue	<u>60,000</u>
Total Available Funds	<u>60,000</u>
Transfer Out (sub to sub)	
Appropriations	<u>(60,000)</u>
Ending fund balance	<u>-</u>
Old CH repairs	50,000
Carmichael Park	10,000

Motion by Hendrickson 2nd by Meadows to recommend for approval the CIF subfund.

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

7/1/2017	JEX
Beginning Fund Balance	-
Revenues	
Local Taxes	<u>100,000</u>
Total Revenue	<u>100,000</u>
Total Available Funds	<u>100,000</u>
Transfer Out (sub to sub)	
Appropriations	<u>100,000</u>
Ending fund balance	<u>200,000</u>
Maintenance on	
Jail Extension	100,000

Motion by Hendrickson 2nd by Meadows to recommend for the approval the JEX subfund.

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

7/1/2017	OFI
Beginning Fund Balance	<u>96,042</u>
Revenues	
Local Taxes	<u>-</u>
Total Revenue	<u>-</u>
Total Available Funds	<u>96,042</u>
Transfer Out (sub to sub)	
Appropriations	<u>(49,000)</u>
Ending fund balance	<u><u>47,042</u></u>
Kennel Doors	2,500
Animal Shelter Water damage repair	2,500
Health Dept. Sprinkler System	9,000
Health Dept. Storm Drain	5,000
Health Dept. Remove sign	2,000
Health Dept. Lighting	7,000
PY - Animal Shelter Roof	12,000

Motion by Kelley 2nd by Hendrickson to recommend for approval the OFI subfund.

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

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7/1/2017	REC
Beginning Fund Balance	<u>210,919</u>
Revenues	
Fees	60,000
Transfer In - SPC subfund	<u>107,000</u>
Total Revenue	<u>167,000</u>
Total Available Funds	<u>377,919</u>
Transfer Out (sub to sub)	
Appropriations	<u>(370,000)</u>
Ending fund balance	<u><u>7,919</u></u>
Cottage	10,000
Park Truck	15,000
Bridge	300,000
Splash Pad/ Walking Trails	45,000

Motion by Meadows 2nd by Kelley to recommend for approval the REC subfund.

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

7/1/2017	SPC
Beginning Fund Balance	<u>209,116</u>
Total Available Funds	<u>209,116</u>
Transfer Out (sub to sub)	(107,000)
Appropriations	<u>(75,000)</u>
Ending fund balance	<u><u>27,116</u></u>
Festival Field Improvement was approved by the committee of \$75,000 Practice Field and or the Soccer Field Improvements	

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Motion by Kelley 2nd by Granger to recommend for approval the SPC subfund.

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

7/1/2017	VEH
Beginning Fund Balance	<u>79,405</u>
Revenues	
Local Taxes	280,000
Total Revenue	<u>280,000</u>
Total Available Funds	<u>359,405</u>
Transfer Out (sub to sub)	-
Appropriations	<u>(343,200)</u>
Ending fund balance	<u><u>16,205</u></u>
Sheriff	217,200
Jail	36,000
Property Assessor	25,000
Codes	35,000
Juvenile	30,000

Motion by Kelley 2nd by Meadows to recommend for approval the VEH subfund.

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

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Fund 116 Solid Waste/Sanitation

	2017 Tax Rate:	<u>0.0</u>	Proposed 2018 Tax Rate:	<u>-</u>
7/1/2017	Beginning Fund Balance	461,644		
	Estimated Revenues	972,800	Property Tax:	<u>-</u>
	Estimated Expenditures	<u>(1,024,560)</u>	Sales Tax: 86% of Rural	<u>772,800</u>
	Transfer to Capital	<u>(130,000)</u>		
6/30/2018	Budget ending fund balance	<u>279,884</u>	Budget effect on fund balance	<u>(181,760)</u>
	Fall Out (10%)	<u>102,456</u>		
6/30/2018	Est. ending fund balance	<u>382,340</u>	Estimated effect on fund balance	<u>(79,304)</u>
			Add back Transfer (one time money)	<u>130,000</u>
	FB % of expenditures	37%	Operation effect (less Transfers)	<u>50,696</u>
	FB Policy 10% -100%+:	Compliant		

Motion by Kelley 2nd by Meadows to recommend the approval of the Solid Waste Sanitation Fund 116

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

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Fund 118 EMS:

2017 Tax Rate:	<u>0.02</u>	2018 Tax Rate:	<u>0.01</u>
7/1/2017 Beginning Fund Balance	533,788	Penny Value:	<u>119,000</u>
Estimated Revenues	2,944,628	Property Tax Collections	<u>119,000</u>
Estimated Expenditures	<u>(2,689,470)</u>		
6/30/2018 Budget Ending fund bala	<u>788,946</u>	Budget Effect on Fund Balance:	<u>255,158</u>
Fall Out (5%)	134,474		
6/30/2018 Estimated Ending Fund E	<u>923,420</u>	Estimated Effect on Fund Balance	<u>389,632</u>
FB % of expenditures	34%	6/2018 Est. Fund Balance	923,420
		Less \$400,000 Seed Money in Reser	<u>(400,000)</u>
FB Policy 10%-100%+: Compliant		Operational Fund Balance	<u>523,420</u>

Motion by Kelley 2nd by Meadows to recommend the approval of the EMS Fund 118.

Let it also be mentioned that there was an increase of \$350,000 to the Medicare/Medicaid revenue but there is a possibility that all the funds will not be received. Therefore, there may have to be a resolution in the future months to reduce their revenue for Medicare/Medicaid.

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

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Special Revenue Fund 121:

2017 Tax Rate:	<u>0.06</u>	Proposed 2018 Tax Rate:	<u>0.06</u>
7/1/2017 Beginning Fund Balanc	<u>401,123</u>	Penny Value:	<u>71,000</u>
Estimated Revenues	741,400	Property Tax:	<u>426,000</u>
Estimated Expenditures	<u>(884,527)</u>	Sales Tax:	<u>147,200</u>
6/30/2018 Budget Ending Fund Bε	<u><u>257,996</u></u>	Budget Effect on Fund Balance	<u>(143,127)</u>
Fall Out (7%)	61,917	One time reserve on Hydrants	<u>82,822</u>
6/30/2018 Estimated Ending Fund	319,913	Operational effect	<u><u>(60,305)</u></u>
FB % of expenditures	36%	Est. Effect on Fund Balance	<u>(81,210)</u>
		One time reserve on Hydrants	<u>82,822</u>
		Operational effect	<u><u>1,612</u></u>
FB Policy 10%-100%+: Compliant			
* If we were to take out the one time reserve spend down from the previous years of unspent funding then our true effect on fund balance would be a net loss of \$60,305			

Motion by Kelley 2nd by Granger to recommend the approval of the Special Revenue Fund 121.

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

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Recycling/Landfill Fund 128:

Tax Rate:	<u>0.03</u>	Proposed 2018 Tax Rate:	<u>0.03</u>
7/1/2017 Beginning Fund Balanc	373,372		
Estimated Revenues	777,700	Penny Value:	<u>119,000</u>
Estimated Expenditures	(830,391)	Property Tax:	<u>357,000</u>
Transfer to 171	(50,000)		
6/30/2018 Budget Ending Fund Balance	<u>270,681</u>	Budget Effect on Fund Balance:	<u>(102,691)</u>
Fall Out (5%)	41,520		
6/30/2018 Estimated Ending Fund	<u>312,201</u>	Estimated Effect on Fund Balance	(61,171)
		Add back Transfer (One Time Money)	<u>50,000</u>
		Operational Effect (Less Transfers)	<u>(11,171)</u>
FB % of expenditures	38%		
FB Policy 10%-100%+: Compliant			

Motion by Granger 2nd by Kelley to recommend the approval of the Recycling/Landfill Fund 128.

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

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Highway/Public Works Fund 131:

2017 Tax Rate:	<u>0.10</u>	Proposed 2018 Tax Rate:	<u>0.10</u>
7/1/2017 Beginning Fund Balanc	1,187,837	Penny Value:	<u>119,000</u>
Estimated Revenues	3,556,400	Property Tax:	<u>1,190,000</u>
Estimated Expenditures	(3,790,012)		
Transfers	<u>(516,894)</u>		
Total Estimated Expend	<u>(4,306,906)</u>		
6/30/2018 Budget ending fund bal	<u>437,331</u>	Budget effect on Fund Balance:	<u>(750,506)</u>
Fall Out (3%)	<u>129,207</u>		
6/30/2018 Est. Ending Fund Balan	<u>566,538</u>	Est. effect on Fund Balance	<u>(621,299)</u>
Est. FB% of expenditure	13%	Est. Ending Fund Balance	
FB Policy 7%-15%:	Compliant		

Motion by Granger 2nd by Meadows to recommend the approval of the Highway/Public Works Fund 131

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

Debt Service Funds 151, 152, and 156:

Presented to the committee were the Debt Service Funds to be approved for the changes made to the Property Tax only. Originally the value of a penny's assessment was posted to the funds instead of using the rounded dollar value of what a penny is worth that the committee approved in the beginning of the budget process.

Motion by Kelley 2nd by Granger to recommend the approval of the changes made to the revenue in the three Debt Service Funds.

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

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New Items:

Fund 266 Workman's Comp:

Co. Executive Woody presented the issues dealing with the workman's comp fund and how the claims exceed the revenue in this fund.

Co. Executive Woody recommended to the committee that a 20% increase to each fund that is contributing would be sufficient at this time and that we will revisit this issue again in the 2019 budget process.

Motion by Kelley 2nd by Meadows to recommend the approval of the 20% increase in the contributions to the Workman's Comp Fund 266 from the funds that are currently contributing.

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

Property/Liability Insurance:

Co. Executive Woody discussed with the committee that our property and liability insurance figures have not yet been determined. Once those figures are received, the Committee will review to see if changes are needed in the budget.

Other Items:

Public Hearing and School Budget Date(s)

At this point the committee has approved all of the county budgets except Education. It was presented to the committee by Co. Executive Woody that the committee go ahead and set the date for the public hearing so that we may fulfil the requirement of posting the date of meeting in the local paper 10 day prior to the meeting.

The dates that have been chosen are as follows:

School Budget to be reviewed by the committee – June 15th at 6:00

Public Hearing will be – June 22nd at 6:00. After the public hearing then the Committee will go into a formal meeting to finalize all resolutions of tax levy and appropriations that will be presented to the full commission for its approval. After the budget committee meeting, the commission will open their workshop meeting for their discussion of the 2018 budget.

Fund 156 School Building Project:

Based on the School Board vote to accelerate the building program, Woody entertained a motion to recommend a 28cent tax increase for Fund 156. No one made a motion.

2017 BUDGET

Resolutions:

Video Arraignment equipment for Jail

RESOLUTION XX-XX-XX to approve the redistribution of funds between major line items in the General Capital Projects Fund 171.

Motion by Hendrickson 2nd by Meadows to recommend the resolution appropriating funds in the Capital Project Fund 171(CHJ)

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

Midtown First Fire District – Hydrants:

RESOLUTION XX-XX-XX to appropriate funding from the Restricted Reserve – MID in the Special Revenue Fund 121 - Fire

Motion by Kelley 2nd by Hendrickson to recommend the resolution appropriating funds in the Special Revenue Fund 121-FIRE

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

Sidewalk Grant additional costs:

RESOLUTION XX-XX-XX to appropriate funding in the General Capital Project Fund 171 (REC) through a transfer from the General Fund 101.

Motion by Kelley 2nd by Granger to recommend the resolution appropriating funds in the General Fund and General Capital Project Fund 171.

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

TCRS contribution rate 6%:

RESOLUTION XX-XX-XX to approve the new contribution rate of 6% to the TCRS fund with the state.

Motion by Kelley 2nd by Granger to approve the reduction in TCRS contribution.

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

Other Items:

Co. Executive Woody brought to the committee's attention that there is a problem with the purchasing of the Dollar General Store. It appears that that county is unable to obtain Title Insurance due to some issues with the names on the Title.

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Adjournment

Motion by Hendrickson 2nd by Granger to adjourn the meeting at 7:49pm

Minutes submitted by Director Aytes