

Budget Committee Minutes

March 16, 2017 6:00PM

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

Members Absent: None

Additional: Connie Aytes, Director of Accounts and Budgets, guest Jennifer Suter

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

Resolutions:

Tobacco Grant:

RESOLUTION 03-17-06 Tobacco Grant

Motion by Hendrickson 2nd by Meadows to recommend the resolution to adopt the Tobacco Grant

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

Microclinic International (MCI) Grant

RESOLUTION 03-17-07

Motion by Granger 2nd by Hendrickson to recommend the resolution for the Health Department Grant (MCI)

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

Highway Capital Project Fund

RESOLUTION 03-17-08 Highway Capital Project Fund

Motion by Granger 2nd by Meadows to recommend the resolution to amend the appropriations for the two bridges (Buckner and Laurel Bluff)

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

TVA - Grant

RESOLUTION 03-17-09 General Capital Projects sub fund TEQ – TVA Grant

Motion by Kelley 2nd by Hendrickson to recommend the resolution to approve receiving the TVA Grant into the General Capital Projects Fund 171-TEQ

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

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Reclassification of Fund 123 into the 128 Other Special Revenue Fund

RESOLUTION 03-17-10 Fund 123 - Recycling/Landfill will be known as Fund 128 - Other Special Revenue -Recycling/Landfill

Motion by Meadows 2nd by Granger to recommend the reclassification of Fund 123 into Fund 128

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

RESOLUTION 03-17-11 Red Diamond project

Motion by Kelley 2nd by Hendrickson to recommend the amendment that would complete the Red Diamond project with LCUB.

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

RESOLUTION 03-17-12 General Fund Clean Up

There was no action taken on this resolution – item was pulled by Chairman Ron Woody

RESOLUTION 03-17-13 Refinancing of the 2008 Jail and the Plateau Park Partnership agreement loan

Motion by Meadows 2nd by Kelley to recommend the resolution allowing the County Executive to refinance two of the county's debt.

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

Approval Letters from the director of State and Local Finance for refinancing

Chairman Woody presented to the committee the two letters from the Director of State and Local Finance and state she has given us her permission to proceed with the process of refinancing two of our debts (2008 Jail and Plateau Park Partnership agreement loan). These letters are a part of **RESOLUTION 03-17-13** as an attachment. **No Action Taken**

Preliminary Official Statement

Chairman Woody presented to the committee the document that we would be receiving once the bonds have been purchased and we have completed the refinancing. **No Action Taken**

New Resolutions that will have to go into April's Meeting:

RESOLUTION 04-17-__ - Governor's Highway Safety Officer Grant

Motion by Kelley 2nd by Henrickson to recommend the amendment for our Governor's Highway Safety Officer Grant

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

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Transfers not requiring Commission's Approval:

Chairman Ron Woody presented two transfers from the General Capital Project Funds 171 that are requesting funds to be transferred from on project to another:

1. Funds needed to purchase a compactor at the Pumphouse Convenience Center:

| <u>Increase Code:</u> | <u>Description</u> | <u>App. Budget</u> | <u>Amend</u> | <u>Amd. Budget</u> |
|-----------------------|--------------------|--------------------|--------------|--------------------|
| 171-91140-790-CCC | Other Equipment | \$ 20,000 | \$24,500 | \$ 44,500 |

| <u>Decrease Code:</u> | | | | |
|-----------------------|------------------|----------|----------|----------|
| 171-91140-724-CCC | Site Development | \$30,000 | (24,500) | \$ 5,500 |

2. Funds needed to continue the phases of the restructuring of the Loading Dock at the Recycling Center.

| <u>Increase Code:</u> | <u>Description</u> | <u>App. Budget</u> | <u>Amend</u> | <u>Amd. Budget</u> |
|-----------------------|--------------------|--------------------|--------------|--------------------|
| 171-91140-707 -RCY | Bldg. Improvements | \$ 0 | \$50,000 | \$ 50,000 |

| <u>Decrease Code:</u> | | | | |
|-----------------------|------------------|----------|------------|------|
| 171-91140-724-PAV-RCY | Site Development | \$30,000 | (\$30,000) | \$ 0 |
| 171-91140-790 | Other Equipment | 20,000 | (20,000) | 0 |

At this time the committee proceeds to discuss the 2018 Budget.

The Miscellaneous 2018 Schedules:

Chairman Ron Woody presented to the committee their 2018 budget books and explained how the process would be working and what they would be expecting to see in their notebooks.

Operational Statement 2018

The first item Chairman Woody discussed on the agenda for the 2018 Budget was the Operation Statement Report of 2018. He mentioned that this would be a work in progress and as the committee approved the funds that this worksheet would reflect those approved by noting the approved appropriations and tax rates.

Appropriation Resolution 2018

The second item Chairman Woody discussed was the Appropriation Resolution and how this too was a work in progress. As the process goes along the necessary changes will be made to the appropriation totals and some additional information about the funds and how they originated will be updated.

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Value of a Penny 2018

The third item Chairman Woody discussed was the Value of a Penny. The value of the penny is derived from the calculation of the property assessments obtained in the Property Assessor's office. The assessment records are changing every day and so will the calculations of the property tax that will be assessed to the individual funds. Chairman Woody explained that as the assessments change we will monitor those changes and if the values are material enough that the value of the penny changes, that committee would have another opportunity to vote on what the value of a penny is.

Chairman Woody entertained a motion to approve the following values of a penny:

Countywide Tax: \$119,000 **Education Debt:** \$104,500 **Rural School Debt:** \$94,000

Rural: \$71,000

Motion by Meadows 2nd by Henrickson to approve the above values of a penny as presented:

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

Fund Balance Summary Sheet

The fourth item Chairman Woody discussed on the note book was the Fund Balance Summary Sheet. He explained to the committee that the summary sheet will be the document that they will be voting on when review and approving the budget. From that worksheet, the information will then be transferred to the operational statement that was mentioned earlier.

FUNDS

Debt Funds

The three Debt Service Funds are being recommended in compliance with the County's Debt Service and Fund Balance Policies.

General Debt Service Fund 151

Chairman Woody presented to the Committee the General Debt Service Fund (151) for their review and approval. He mentioned to the committee that the expenditures are an estimate based on the 2008 Jail and Plateau Park Partnership refinancing and that this fund will have to be revisited once the refinancing has been approved.

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| | | | | | |
|-----------|------------------------|--|--------------------|---------------------|-----------|
| | | | | Proposed | |
| | 2017 Tax Rate: | | 0.145 | 2018 Tax Rate: | 0.145 |
| 7/1/2017 | Beginning fund balance | | 2,209,530 | | |
| | Estimated Revenues | | 3,048,549 | Penny Value: | 119,000 |
| | Estimated Expenditures | | <u>(3,440,789)</u> | Property Tax: | 1,731,914 |
| 6/30/2018 | Ending fund balance | | <u>1,817,290</u> | effect on FB: | (392,240) |
| | FB % of expenditures | | 53% | FB Policy 50%-150%: | Compliant |

General Debt Service Fund 151 (cont.)

Motion by Kelley 2nd by Meadows to approve the General Debt Service Fund 151 as it is and then to revisit this once the refinancing has been completed:

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

Rural Debt Service Fund 152

Chairman Woody presented to the Committee the Rural Debt Service Fund (152) for their review and approval. The committee was informed that this fund will be fully paid off by the year 2022. After the final payment, has been made then this fund will no longer exist allowing .145 cents of the tax rate be used for other purposes or if the commission desires to decrease the tax rate.

| | | | | | |
|---|------------------------|--|--------------------|---------------------|----------------------------------|
| | | | | Proposed | |
| | 2017 Tax Rate: | | 0.145 | 2018 Tax Rate: | 0.145 |
| 7/1/2017 | Beginning Fund Balance | | 928,767 | | |
| | Estimated Revenues | | 1,486,680 | Penny Value: | 94,000 |
| | Estimated Expenditures | | <u>(1,705,180)</u> | Property Tax: | 1,361,280 |
| 6/30/2018 | Ending fund balance | | <u>710,267</u> | effect on FB: | (218,500) |
| | FB % of expenditures | | 42% | FB Policy 50%-150%: | In Compliance Since Dead Fund |
| Note: This is a dead account. Once the debt is paid off this fund will no longer exist. | | | | | |

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Motion by Meadows 2nd by Kelley to approve the Rural Debt Service Fund 152 as it is presented.

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

Education Debt Service Fund 156

Chairman Woody presented to the Committee the Education Debt Service Fund (156) for their review and approval.

| | | | | |
|-----------|------------------------|------------------|---------------------|-----------------|
| | | | Proposed | |
| | 2017 Tax Rate: | | 2018 Tax Rate: | 0.02 |
| | | 0.02 | | |
| 7/1/2017 | Beginning Fund Balance | 416,695 | Penny Value: | 104,500 |
| | Estimated Revenues | 228,458 | Property Tax: | 209,558 |
| | Estimated Expenditures | <u>(321,770)</u> | effect on FB: | <u>(93,312)</u> |
| 6/30/2018 | Ending fund balance | <u>323,383</u> | | |
| | FB % of expenditures | 101% | FB Policy 50%-150%: | Compliant |

Motion by Granger 2nd by Kelley to approve the Rural Debt Service Fund 152 as it is presented.

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

Other Items:

Probation

Chairman Woody brought to the attention of the Committee the discussion going around about the Sheriff's department wanting to bring in house the Probation Department under the watch and supervision of the County Executive. Discussion was made about how many of the inmates that are currently being housed was due to failure of probation. The opinion of the Sheriff's department is that in house-population would reduce the population of the jail. **NO ACTION TAKEN**

"Safe Injection Zone"

Commissioner Steve Kelly brought to the committee's attention that he would like to see the county set up a "Safe Injection Zone". This designated area would all individuals with additions to have a place to give safe injections to those with additions but that the drugs would have to be brought by the one with the addiction. **NO ACTION TAKEN**

Adjournment

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Motion by Granger 2nd by Kelley to adjourn the meeting at 7:30pm

Minutes submitted by Director Aytes