

FINANCIAL MANAGEMENT COMMITTEE

Minutes for January 22, 2019

Bedford County Business Complex – Suite 110, 4:15 PM

Present – Chairman Stanley Smotherman, Janice Brothers, Don Gallagher, Tony Smith, Don Embry, Linda Yockey, Mayor Chad Graham, and Ex-Officio, Robert Daniel.

Others – Commissioners Sylvia Pinson, Greg Vick; EMS Director Ted Cox; EMS Asst Director Brett Young; Brian Cantrell, Bedford County Fire Department; Sheriff's Dept. Chief Administrator Rick Castelow; County Architect John Davis; HR Director John Boutwell; Solid Waste Director Diane Forbes; Times Gazette Reporter John Carney and Deputy Director of Finance Lori Schuler; Kelley Hall. Also attending, John Werner, Cumberland Securities; a representative from Duncan-Williams, and Mark Clanton.

1. **Call Meeting to Order** – Chairman Stanley Smotherman
2. **Prayer** – Commissioner Tony Smith
3. **Approval of Minutes for December 18, 2018, Financial Management Committee** – Motion made to approve, (Brothers, Gallagher) unanimous.
4. **Old Business** – Commissioner Linda Yockey made a motion to rescind the resolution to increase the adequate facilities tax levied pursuant to the county farmer's relief act of 2006. Motion made to send to commission (Yockey, Gallaher), unanimous.
5. **New Business**
 - A. **Solid Waste** – Director Diane Forbes stated in her December report she has worked on the following:
 - Visited Maury County Solid Waste to see how the troughs were designed to collect the liquids from the compactors.
 - Began process to add troughs to all eight compactors due to a V1 violation (warning) for leakage.
 - Attended the yearly certification training, TDEC's S.U.I.T, and will train all attendants on new or updated procedures for convenience centers.
 - Centers were closed on Monday, January 21 for Martin Luther King Jr. day but reopened on Tuesday, January 22.
 - Quarterly reports included with January Solid Waste report.
 - December landfill charges were 768.78 tons -- \$19,427.07
 - Congratulated Stanley Smotherman on his retirement and invited everyone to a reception on January 31 from 1:00-4:00 in Suite 110.
 - Stanley Smotherman introduced Mark Clanton who will begin on February 1st.
 - B. **Human Resources** – HR Director John Boutwell stated in his December report he has worked on the following: five (5) new hires, seven (7) terminations, five (5) management consultation, three (3) employee relation issues, two (2) FMLA requests. He is waiting on data from Moore County to finish salary survey.
 - C. **Architect - John Davis**
 - Cascade High School – Davis stated the school is about 80% complete. The floors and ceilings are going in now. The offsite water contracts have been finalized with Bell Buckle. The sewage design on site disposal design has been submitted to the state. Commissioner Yockey asked if the school was positioned on the parcel of land to allow for expansions if necessary in the future and Mr. Davis stated yes there would be enough land for expansion. Mayor Graham questioned the traffic study and Davis stated that they needed to work on intersection at Bell Buckle Wartrace Rd. and Fairfield Pike but that would happen once the school opened and they could see what the traffic problems are.
 - **Courthouse Annex** –Countertops and casework are going in on the first floor. In the basement the mechanical, electrical, and plumbing are being worked on. Robert has the contracts for the third floor. When everything is approved they will move forward with that. Mayor Graham asked if the basement

bathrooms were to be completed by the end of the month. Donna Thomas's office is set to move in at the beginning of February. Mr. Davis stated that they may be a little behind but should be caught up by then.

D. Monthly Reports – Compared to same time last year, total collections for:

- Property Tax collections, ahead \$370,375.56
- Prior Year Property Tax Collections, less \$77,447.63
- Circuit Court/Clerk & Master Collections, ahead \$19,080.10
- Sales Tax Collections, ahead \$466,202.40
- Mineral Severance Tax Collections, ahead \$8,158.67
- Juvenile Detention report reflects a projected loss of \$208,516.80
- Traffic School report reflects a projected profit of \$93,020.36
- Analysis report expenditures average for December was 50.00%.

Year to Date Average for: Travel – 47.85%, Utilities – 45.32%, Natural Gas – 36.78%, Food Supplies – 57.98%, Maintenance of Vehicles – 42.69%, Diesel – 36.33%, Gasoline – 47.11%, Legal Services – 47.68%.

E. Other Monthly Reports

EMS Report – Financial report for December states budget is currently at 45.44%. Based on 8.3% per month, they should be at 50%. Fiscal Billing vs. Collections Percentage is 56%. Call service for December was 611; average emergency response times were 5 minutes in the city and 11 in the county. The youth academy is currently going on for high school students. They are preparing for the state audit. They will be meeting with monitor vendors at the end of the month. Motion made to approve all monthly reports (Smith, Yockey) unanimous.

F. Quarterly Reports–Robert pointed out that the revenues are 41% of the budget because we don't start collecting taxes at July 1. The expenditure report is below average which is typical at this point. Robert stated the Quarterly Financial Report would need to go to the commission. Motion made to send to commission, (Brothers, Smith) unanimous.

G. Request from Fire Department (referred by Courthouse and Property Committee) – Brian Cantrell provided three quotes. The lowest quote was from Clint Smotherman for \$12,200.00 plus \$500.00 for tree removal. Mayor Graham expressed concerns about the difference between Smotherman's quote and the D & R siding quote being such a large difference and wanted to be sure they were confident that the work they would be receiving. Brian stated that the other two companies were subcontractors and Clint Smotherman was in business for himself and didn't have the overhead the companies had. Stanley Smotherman asked if everyone was bidding on the same thing to be able to compare the bids. Brian stated that he had met with each one and confirmed they were all pricing the same work. Mayor Graham stated that the funds would have to come from undesignated fund balance since the fire department didn't have the funds to complete the project. Robert stated he could draft a budget amendment to go to commission. Motion made to approve and send to commission (Yockey, Smith), unanimous.

H. EMS Rate Changes –Ted Cox explained these are the standby rates when EMS provides coverage for events at Calsonic. The rates fall in line with the Sheriff's Department. The rate now is \$20 per hour and will increase to \$35 an hour. Commissioner Yockey asked if the rates were comparable to other areas around us and Ted stated that we are still lower than most around us but comparable to the Sheriff's Department. Motion to send to commission (Graham, Brothers), unanimous.

6. Other Business

Robert stated they we had solicited bids for a financial advisor so we can reissue bonds. John Werner from Cumberland Securities was in attendance to speak.

Mr. Werner introduced himself and explained they were a municipal advisory firm in business since 1931. This company served as a dissemination agent for the county already for the 2009 and 2013 issues. They are registered with the Securities and Exchange Commission and also with the MSRB (Municipal Security Rulemaking Board). They will be refunding about 33 million dollars' worth of bonds with a 33.235 million dollar issue. He stated that all of the costs that are attributed to this are included in the amount. The gross savings is 5.7 million dollars. Net present value is 4.5 million dollars, 13.5% net present value savings relative to the bond issue.

Commissioner Vick asked for clarification about the two options listed. Bass, Berry, and Sims is listed at \$37,000 at a \$200 acceptance fee and a \$50 bond call fee and Glankler, Brown is listed at \$19,900. He asked for clarification on the cost differences in the two options. He stated that Glankler, Brown is

significantly cheaper than Bass, Berry and Sims because they want the opportunity to work with the county. Mr. Daniel mentioned that they have in the past met at the Mayor's office to watch the bidding process on the computer, and Mr. Werner said he would love to come down and do that. Commissioner Smith pointed out a math error in Cumberland Securities calculations. Mr. Daniel asked how the county looked as far as the credit rating was concerned. Mr. Werner stated that he would like to look at it and give a better answer, but from a property standpoint it looks good but we do carry a lot of debt. Mr. Daniel passed out the other bids that had come in. He recommended that they look over them and refer any questions or input to him and he would compile it and go from there to make a decision.

Commissioner Smith mentioned that due to Stanley Smotherman's retirement the Finance committee needs to elect a chairperson to replace him. Commissioner Yockey nominated Mayor Graham to be the chairperson, Gallagher seconded the motion to nominate Mayor Graham as chairperson.(Yockey, Brothers), unanimous.

Commissioner Yockey made a motion for vice-chair to remain Commissioner Tony Smith. (Yockey, Graham), unanimous.

7. Adjourned: 5:07 PM (Brothers, Yoes) unanimous.