

FINANCIAL MANAGEMENT COMMITTEE

Minutes for December 18, 2018

Bedford County Courthouse—Third Floor

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

Absent -

Others – Commissioners Sylvia Pinson, Greg Vick, Anita Epperson, Julie Sanders, Brent Smith, Jeff Sweeney and Chasity Gunn; EMS Director Ted Cox; EMS Asst Director Brett Young; Brian Cantrell, Bedford County Fire Department; County Architect John Davis; HR Director John Boutwell; Solid Waste Director Diane Forbes; BCFD Chief Mark Thomas; Zoning and Codes Director Chris White; Times Gazette Reporter John Carney and Deputy Director of Finance Lori Schuler; Kelley Hall and Mark Clanton.

1. **Call Meeting to Order** – 4:15 PM- Stanley Smotherman
2. **Prayer** – Commissioner Tony Smith
3. **Approval of Minutes for November 27, 2018 Financial Management Committee** – Motion made to approve, (Brothers, Yockey) unanimous.
4. **Old Business** –Commissioner Brent Smith inquired about whether there would be a vote on Mr. Daniel’s hiring and compensation package. Mayor Graham explained the process according to TCA code under the ’81 Act. Commissioner Yockey answered explaining that there will be budget hearings and she would like finance to present their budget like the other departments and that is where the individual salaries come in.
5. **New Business**

A. Solid Waste – Director Diane Forbes reported the holiday hours for the convenience centers. She expects to have a state representative from solid waste come in February and give a brief description of what their plans are if the landfills close. Commissioner Yockey mentioned she would like to hear what their back up plans are as well as future goals are. Diane stated that Morrison has a place called WastAway that will take a portion of their garbage and make a fluff material to be used around nurseries and also convert into a pellet that can be burned as fuel. She stated Rutherford County looked into this and it would cost them \$30-\$40 million to get started. Commissioner Yockey said there was talk about an incinerator in Lebanon. Diane stated she had talked to Ashby Barnes with TDEC and they want to stay away from the incinerators because of EPA regulations, and the residue that is left from burning would still have to be disposed of. September landfill charges were 890.33 tons -- \$22,498.64.

B. Human Resources – HR Director John Boutwell stated there were four (4) new hires, one (1) employee who was terminated. Boutwell’s report included the following for the month of November: one (1) management consultations; one (1) employee consultation; two (2) FMLA requests.

-**Salary Survey:** Mr. Boutwell stated he had collected data from Marshall, Lincoln, and Rutherford Counties and plans to get Coffee County in January.

C. Architect - John Davis

- Courthouse annex-Mr. Davis handed out a bid for the 3rd floor. Total project cost would be \$581,137.00. The low bid came from Tenant Building Group. He received three bids one being from a local company as well. Mr. Daniel asked if the architect fee was 5% and Mr. Davis confirmed. Commissioner Yockey asked how long the bid is good for. Mr. Davis explained the bid was good for 60 days however they would like to proceed with it as the lease is up on the building next door. When the notice is given to the company to proceed they have 150 days to finish. Lee Adcock is still working on the 1st floor and basement and still waiting on cabinets.
- Cascade School is about 80%. Commissioner Yockey asked if the water and sewer contract was ready and Mr. Davis stated that the county attorney has been working on finalizing that contract and it is ready to be signed. Commissioner Gallagher asked if they had completed the renovations on Cascade Middle

School. Mr. Embry stated that they have plans to work on the middle school once they move the high school into the new building. He explained that they plan to use their own budget without having to request additional money on items such as replacing theater seating, painting and cleaning up some areas. He explained that some work, such as HVAC and roof, have already been done.

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

- Property Tax collections, ahead \$462,098.32
- Prior Year Property Tax Collections, less \$58,810.15
- Circuit Court/Clerk & Master Collections, ahead \$4,457.13
- Sales Tax Collections, ahead \$335,589.19
- Mineral Severance Tax Collections, ahead \$8,158.67
- Juvenile Detention report reflects a projected loss of \$209,605.84.
- Traffic School report reflects a projected profit of \$86,057.45.
- Analysis report expenditures average for November was 41.67%.

Year to Date Average for: Travel – 42.76%, Utilities – 40.01%, Natural Gas – 31.03%, Food Supplies – 51.15%, Maintenance of Vehicles – 37.35%, Diesel – 34.45%, Gasoline – 43.18%, Legal Services – 45.34%.

E. Other Monthly Reports

EMS Report – Fiscal Billing vs. Collections Percentage for October is 54%. Call service for November was 594; average emergency response times were 5 minutes in the city and 11 in the county.

Motion made to approve the reports, (Brothers/Smith), unanimous.

F. Resolution to Increase the Adequate Facilities Tax Levied Pursuant to the County Powers Relief Act of 2006

Mr. Daniel explained that this was prepared by CTAS and a question had been brought up about raising the impact fee. They say it can be raised to a maximum of \$1.33. The commission would need to approve this resolution. Commissioner Gallagher wanted to clarify that this all goes to the schools. Mr. Daniel stated it goes to debt service to pay debt on schools. Motion made to send to commission, (Yockey, Brothers), unanimous.

G. Capital Outlay Note (Resolution)

Mr. Daniel stated that he and Mayor Graham had been working together on this. He explained that this would be a note to finish the regions bank renovations. The note would need to be sent to the commission and is not to exceed \$1,000,000.00 and is being done over 7 years. He also provided a payment schedule per year, and where the funding will come from to pay the note. The money used to pay this note back will come from savings from rent from US Bank building, and the courthouse jail renovation money. Mayor Graham stated that it isn't going to impact property tax but a cash flow issue. The funds are not coming in at the pace they need to spend to finish this project. Commissioner Yockey asked how much the rent was, and Mr. Daniel stated that it is \$48,000 for the county clerk, the register and property assessor. He also stated that the DA stated that when they move into the justice center they can generate new rent of \$24,000. Mr. Daniel mentioned that we also pay rent with probation and juvenile court and that would be money to be used. Commissioner Sweeney asked if all the money shown in the report would be allocated for this debt and Mr. Daniel stated only what was needed. He did mention that there is a penalty for paying the note off early. Mr. Daniel made mention that the loan pool did have local banks bid it also, and the rate will be 3.98%. He explained that if we borrow less than 10 million in a year it is called bank qualified and you can get a little better interest rate. Commissioner Vick asked if this would be a draw down or borrow the whole amount. Mr. Daniel answered that we would have to take the whole amount but if we don't use it all it can be used on another capital project but would have to be approved by the commission. Commissioner Vick asked if we had a bond council. Mr. Daniel said that we will have a bond council and they are getting ready to bid it and he had been contacted by several companies to bid this which would give us a better rate on fees. Motion made to approve, (Smith, Yockey), unanimous.

H. Board of Education-Budget Ammendment No.2

This amendment is subject to the board approval. The finance meeting occurred before the board meeting so the Board of Education will need to vote on it. The amendment is to use their fund balance to buy furniture for the new Cascade High School based on a quote they received. It is for \$411,000 and engineering fees of \$6,000. Motion made to send to commission subject to the board of education's approval, (Gallagher, Brothers), unanimous.

6. Other Business Chief Mark Thomas stated that Commissioner Yockey asked him to get some estimates on a new roof for Flat Creek fire hall. He also stated there was a tree that was on someone else's property that overhangs onto their building that needs to be removed. They have spoken with that property owner and it was agreed upon that if the tree was removed she would agree but would not agree to only trim the tree. He got estimates by phone of around \$500 to remove tree. Commissioner Yockey asked Chief Thomas to explain the problems with the roof. He said it was age and slope, and leakage. Chairman Smotherman asked him to explain the estimates and asked if all three were bidding on the same thing, and Chief Thomas replied that they were. He had estimates from Clint Smotherman, Preferred Glass and D & R Siding. Mayor Graham asked if it had gone to property committee, and several said it had been mentioned a few months ago. Commissioner Sweeney asked when he needed this done. Chief Thomas stated he didn't think it was going to get any worse than it is. It was suggested that since he wasn't on a timeline to follow chain of command it should go to courthouse and property committee first. Commissioner Sweeney mentioned that there was a change made on the roof of the jail that saved over \$100,000 and the construction company was wanting to put that money back in as overage. He explained that if we did that we would be giving Bell Construction 30% of savings that we had found. He thinks the county attorney needs to look at whether they can do that. Mayor Graham said he planned to discuss that on Thursday and make decisions on utilities. Commissioner Sweeney stated that he couldn't find anywhere in the contract where the savings should go into that bracket. Mayor Graham stated that they needed to find out who the contact is and find out their position on this and take it back to legal if it doesn't align with what we think it should be.

7. Announcements:

8. Adjourned: 4:48 PM (Smith, Yockey) unanimous.