

**COMMITTEE
MEETINGS
MINUTES**

**Finance Committee Minutes
February 20, 2024**

Members present: Meredith Arnold, Joe Brooks, Ronnie Pittman, Whitt Shuford, Mike Campbell, Anthony Rowe and Mitchell Cosby

Others present: Eric Pearson, Jimmy Estep III, and Letha Peters

Meeting called to order at 5:32 pm and all members were present.

Minutes from prior meeting (October 16, 2023) was approved. Motion by Ronnie Pittman, and seconded by Joe Brooks. The motion passed unanimously.

Purchasing Policy and Purchasing Bid Threshold Policy

The Finance Director passed out the Procurement Policy draft for review of the committee. The draft details the purchases exceeding requirements from \$5,000 to \$10,000 and purchases over \$10,000. In addition, it reviews the higher limit of \$25,000 for the Highway Department. Furthermore, it detail the purchasing from Tennessee State Contract Pricing, Cooperative Purchasing Agreements, Emergency Purchases and Conflict of Interest Policy.

Motion by Joe Brooks to approved purchasing policy as presented, seconded by Mike Campbell. The motion passed unanimously.

Credit Card Policy draft discussion

The Finance Director presented a Purchasing Card Policy and Procedures draft for review of the committee. The policy details the purpose and overview of the need of a county credit card. The general policies will give authorization to Department Heads/Elected Officials for use of a credit card for county official business for travel expenses (hotel & registration fees), and for vendors that don't accept business checks or purchase orders. In addition, the policy has usage and storage of credit card, allowable purchases, and the responsible employee duties of card.

The Finance Department will hold a purchasing card transaction log form for employees checking out and checking in the credit card. In addition, they will have a lost receipt form if needed by an employee. The Purchase Order Requisition Form has been modified to include purchasing card needed as requested.

Upon review and discussion, the committee decided more information is needed from Commercial Bank regarding the name on the credit card. Additional information regarding the per diem needed to be included in the policy. Monthly limits will be discussed with Commercial Bank for restrictions of usage to safeguard expenses. The goal is to finalize the credit card policy to have it ready for the upcoming year on July 1, 2024.

Meredith Arnold will present our credit card policy to compare with the Board of Education current policy for credit card usage and travel expenses once completed.

Finance Director Salary

The Finance Director salary was presented to the committee for consideration to be comparable to the County fee officials' salary schedule. After detail discussion and review, the committee decided to table the salary increase for the Finance Director.

Fund balance policy draft

The Finance Director presented informative fund balance policy draft for the committee. The fund balance consists of five categories: **Non-spendable, Restricted, Committed, Assigned, and Unassigned**. Generally, the highest operating deficit occurs during the first four months of the year, before the county property taxes are being collected. Target fund balance amounts would be established as well as a goal of replenishing funds within one to three years. Annual review and determination of fund balance reserve amounts will be reviewed as part of the annual budget adoption. The Committee held discussion until the next meeting.

Other Items for Discussion

The next Finance Committee meeting will be on March 18, 2024 at 5:30 pm in the small courtroom.

Ronnie Pittman wanted to verify that the invoices are being paid out in a timely manner at the Finance Department. He received a Caterpillar bill that shown a last payment in December 2023. It is important to pay our employees on time and to pay our vendors on time as well.

Adjournment

Motion by Anthony Rowe to adjourn at 6:31 pm, seconded by Mike Campbell.

Claiborne County Public Budget Committee Meeting Minutes
Tuesday, March 19, 2024

Members present: Haley Barker, Tim Shrout, Zach Mullins, Mitchell Cosby, Rosemary Barnett, Sherry McCreary, Quinton Rogers, and Dustin Wilson.

Others present: Joe Brooks, James Estep III, Eric Pearson and Letha Peters

Mitchell Cosby called the meeting to order at 6:01 pm.

Motion carried by aye vote to approve the agenda.

Motion made by Dustin Wilson to approve the minutes from March 7, 2024 budget committee meeting, seconded by Rosemary Barnett.

It was noted a correction to the minutes from **Industrial Development** needed to be updated with the corrected amount of **\$120,000** as a draft budget due to clerical error.

Budget Amendments:

Motion made by Dustin Wilson to approve the line item budget amendments for the Other Local Health Services (55190) as requested from March 19, 2024 line item budget amendment draft, seconded by Tim Shrout. Motion carried by aye vote to approve budget amendment.

Review General Fund Functions:

Fund 116 – Solid Waste

A draft budget of \$2,748,317 was presented to the Budget Committee for review.

Eric Pearson noted the primary increases are due from the increased cost of medical insurance, vehicle/equipment insurance, worker's compensation insurance, site development, engineering services and waste disposal cost. MaKenley Barker, Sanitation Foreman, was present to address questions on the budget. He did mention that the landfill has some older equipment that is needs to be replaced. Hopefully, he will be able to obtain three used/new equipment for the landfill in the next two years. He is requesting a replacement of a garbage truck for the FY24-25 budget. Eric Pearson gave potential new debt service (**Fund 151**) cost for the three (3) year capital outlay note of \$421,200 for the purchase of the garbage truck.

The process for closing the current landfill is underway with TDEC for final approval. Furthermore, the new site development for a Class 3 landfill is ongoing, with Hatfield & Allen providing engineering services. An estimated \$150,000 is needed for the closure of the current landfill and \$150,000 to \$200,000 for the opening of the new landfill.

Jimmy Estep addressed a question about whether the landfill could receive grants for equipment to help with upcoming expenses. Historically, no grants have been available for landfill equipment.

The Solid Waste Board recently increased tipping fees for the landfill. It helped reduced the volume of waste brought from outside of Claiborne County.

Motion made by Dustin Wilson to approve as drafted, seconded by Quinton Rogers. A roll call was taken and the motion passed unanimously.

Fund 101

58400-316 – Contributions

Eric Pearson provided the FY 2024 charitable contribution letters per Zach Mullins request to the Budget Committee. It was noted that a few contributions such as Dollywood Imagination Library, Project Graduation (CGHS & CHS), and Local High School Valedictorian Program do not provide a letter of request. Eric Pearson presented the contributions list for non-profit charitable organizations.

Joe Brooks mentioned a discussion in the Election Commission meeting about not using some of the community centers as voting precincts. As a charitable contribution organizations, this would only effect Head of Barren Community Center. No final decision has been made at this time with the Election Commission.

A draft budget of \$79,250 was presented to the Budget Committee for review. Upon, discussion of the Budget Committee they decided to keep the charitable donations the same from last year. Motion made by Zach Mullins to approve as drafted, seconded by Sherry McCreary. A roll call was taken and the motion passed unanimously.

52100 – Accounting and Budgeting

A draft budget of \$489,259 was presented to the Budget Committee for review. This includes the salary of \$95,251 for the Finance Director as recommended by the Financial Management Committee. This will establish the Finance Director's salary at the minimum level in the Fee Official's salary schedule provided by CTAS.

On March 18th, the Financial Management Committee reviewed the Finance Director's salary for the FY 2025 budget. The committee received information on compensation for the Finance Director from other Act 81 Counties. Most of these counties compensate the Finance Director the same or more than the Fee Officials. The minimum salary for the Finance Director based on the Fee Official salary schedule is \$95,251 for FY 2025. After further discussion and review of

the Accounting & Budgeting budget, motion made by Dustin Wilson to approve the budget, seconded by Tim Shrout. A roll call vote was taken with the following votes:

Yes

1. Tim Shrout
2. Mitchell Cosby
3. Dustin Wilson
- 4.
- 5.
- 6.

No

1. Zach Bunch
2. Haley Barker
3. Zach Mullins
4. Rosemary Barnett
5. Sherry McCreary
6. Quinton Rogers

Motion failed with three to six votes to approve this budget.

The Committee was reminded that under State law (section 5-21-106-c, TCA), the Financial Management Committee established the compensation for the Finance Director, subject to the approval of the County Commission. The Budget Committee cannot change the compensation approved by the Financial Management Committee. The Financial Management Committee approved compensation for the Finance Director of \$95,251, equivalent to the minimum salary for Fee Officials, subject to approval of the Commission. The Budget Committee can only approve the other line items for the Accounting & Budgeting department, excluding the salary for the Finance Director.

The Mayor explained that the Financial Management Committee made the recommendation for the Finance Director salary in part due to the positive performance of the Finance Director, including providing detailed financial reports in the county court packets, detailed budget information, and working extra working hours during nights and weekends.

Motion by Dustin Wilson to approve as requested, seconded by Tim Shrout. A roll call was taken with the following votes:

Yes

1. Zach Bunch
2. Haley Barker
3. Tim Shrout
4. Mitchell Cosby
5. Sherry McCreary
6. Quinton Rogers
7. Dustin Wilson

No

1. Zach Mullins
2. Rosemary Barrett

Motion passed with seven to two votes for the \$489,259 budget. The Budget Committee did want to make clear that approval of the Accounting & Budgeting budget did not represent support of all Committee members for the salary increase for the Finance Director.

Fund 171

A draft budget of \$1,000,000 was presented to the Budget Committee for review.

The only project in the budget is \$1 million in funding for ADA compliance projects in County government buildings. As explained at prior meetings, the State Government has mandated ADA compliance and the County has to fund necessary improvements. If this does not occur, the County will lose the ability to receive certain grant funding. This project is mandatory, but the full amount will not be known until an architect completes their study of building improvements needed for ADA compliance. A bond will need to be issued to fund the capital improvements, with the debt service budgeted in Fund 151.

Motion by Quinton Rogers to approve as drafted, seconded by Tim Shrout. A roll call was taken and the motion passed unanimously.

Fund 151

A draft budget of \$3,738,345 for Fund 151 for County and School debt service was presented to the Budget Committee for review. The schedule of outstanding debt and budgeted debt service fiscal year 2025 was also presented for review. The Finance Director distributed information on the debt service payments in the FY 2025 budget, and the outstanding debt service payments in future years. This includes the assumed three year capital outlay note for a new garbage truck for the landfill, and a new bond issue to fund the ADA Compliance projects discussed with Fund 171.

Motion by Zach Bunch to approve the budget as requested, seconded by Dustin Wilson. A roll call was taken and the motion passed unanimously.

Fund 127

Fund 127 is a grant budget that allocates funds for ARP funded projects. A draft budget of \$10,481,554 was presented to the Budget Committee for review.

The Finance Director explained that all ARP funds have been allocated by the Commission to specific projects through various resolutions. The FY 2025 budget reflects the amount of funding currently not yet spent. There are various unfinished projects, including health department building improvements, equipment for sheriff's department, and the waterline extension and related projects.

Motion by Quinton Rogers to approve as drafted, seconded by Zach Bunch. A roll call was taken and the motion passed unanimously.

Fund 101 – Estimated Revenues

The Finance Director presented the estimated revenues for Fund 101 for the budget committee to discuss and review. The Director emphasized that it is important to not overestimate the revenues for the upcoming budget. A conservative approach to revenue estimates is needed to ensure that actual revenue will be at least the amount estimated. Most revenues for the County are driven by the State, which established various taxes and other fees and distributes revenues to County government.

Joe Brooks explained that the Committee may want to look further into the County's options for the local option sales tax (101-40210). This revenue is part of the County's maintenance of effort funding for the School District.

The Finance Director distributed to the Committee updated estimates on property tax rates based on prior Committee actions on the FY 2025 budget.

- **Estimated Property Tax Rates**

The revised estimate for the total tax rate is \$2.385, an increase of \$0.0848 from the FY 2024 adopted tax rate of \$2.30. The increase is about 8.5 pennies. This provided total property tax revenue of \$16,141,965, an increase of \$575,565 from FY 2024. The increases are in Fund 151 of \$113,757, reflecting the new debt service for the borrowing for the Landfill garbage truck and ADA compliance, and in Fund 101 of \$461,808. Information was provided to the Committee on the major increases in Fund 101, which include mandatory budget increases for Ambulance Service (\$365,000), Salary increase for constitutional and fee officials (\$57,588), and estimated insurance increases (\$98,544 for Health insurance \$53,863 for property /equipment insurance; and \$19,972 for Workers Compensation). Mandatory budget increases are larger than the net property tax increase of \$461,808. The discretionary budget increases total about \$197,885, which includes the new maintenance truck, replacement sheriff vehicles, and the maintenance pit for the volunteer fire departments.

The budget committee had some discussion on the revenue and will further discuss the revenue at their next meeting.

Other Items for Discussion

The Finance Director reminded the Committee that the Highway Department, including funds 131 and 176, will be reviewed at the next meeting. It was noted that the Highway Department has no current debt.

No other additional items were presented for discussion.

Motion made by Quinton Rogers to adjourn at 8:09 pm, seconded by Dustin Wilson.