

FINANCIAL MANAGEMENT COMMITTEE

February 4, 2015

8:30 am

APPROVED

PRESENT: Roger Colbaugh, Bobbie Gouge-Dietz, Mayor Leon Humphrey, Ray Lyons, Charles VonCannon, Danny Ward and Dr. Kevin Ward.

The meeting was called to order by Ray Lyons.

Quorum present.

Motion was made by Leon Humphrey with a second by Danny Ward to approve the agenda. Motion carried.

Motion was made by Leon Humphrey with a second by Bobbie Gouge-Dietz to approve the January 7, 2015 minutes. Motion carried with Charles VonCannon abstaining.

Public Comments: Roy Livingston said he thinks the committee is doing a good job.

Old Business

- **Updated Policy and Procedure Manual:** Motion was made by Bobbie Gouge-Dietz, second by Leon Humphrey to approve the Financial Management Policy and Procedure Manual. Motion carried unanimously.

New Business

- **Properties to sell:** Ray Lyons said the committee needs to set a price for County owned properties to be sold prior to auction. Mayor Humphrey stated the properties to be sold were acquired by deed. He said properties acquired by deed do not require a setting of value before sell. Charles VonCannon asked if there is a risk of a previous owner paying back taxes to acquire the property even though the County has sold said property. Mayor Humphrey noted the procedure for sale of County property requires the County to hold land acquired by tax sale for at least one year. After one year the previous owner cannot regain title to the property by paying back taxes and fines.
- **Request for Proposals for Health Insurance Broker:** Ingrid Deloach said the County has an insurance broker who bids out health insurance for the County. Mrs. Deloach said she is not dissatisfied with the services provided by the current broker but feels the services should be bid out periodically to ensure the County is getting the best deal. Mrs. Deloach said she has made the broker aware of the request for proposals. John Lewis asked if there is an increase in insurance costs for next fiscal year. Ingrid Deloach said she always anticipates at least a ten percent increase.

Motion was made by Charles VonCannon, second by Bobbie Gouge-Dietz to put out request for proposals for health insurance brokers. Motion carried.

- **Discussion of History of Lagging of County Payroll:** Ray Lyons said he was requested to address lagging of County payroll by several people. Mr. Lyons stated he has researched the history of lagging payroll. He noted implementing change is a very difficult thing and needs to be done in a positive way. Finance Director Ingrid Deloach said lagging of payroll would impact the County, Highway and Health Department employees because the School Department and Landfill are already lagged. Mrs. Deloach gave a history of lagging payroll and said the most recent recommendation for lagging payroll was to lag payroll one day at a time until it is lagged a week. She also said with the current system there are no

missing funds and employees are not working undocumented hours. Mrs. Deloach said the lagging of payroll impacts employees, and she would like to make it as easy on employees as possible. A major concern with lagging payroll is payments employees already have scheduled to come out of their bank accounts. Ingrid Deloach said she believes banks and courts will be able to honor the pay date changes given plenty of notice. Mrs. Deloach emphasized the importance of giving advanced notice before lagging payroll. Roger Colbaugh said a lag in payroll would be beneficial to the Highway Department. Danny Ward said he is in favor of change, but he would like the opportunity to research the issue before being asked to vote on it. Mrs. Deloach said the concern is not if lagging payroll is a good idea, but rather how to get payroll lagged with the least amount of impact on employees.

Motion was made by Mayor Humphrey with a second by Roger Colbaugh to lag County payroll one day at a time until payroll is lagged one week starting the first payroll in July 2015. Roger Colbaugh said the Highway Department needs a lag in payroll. Danny Ward said he did not think it was proper to vote on items just brought to the committee. A voice roll call was as follows:

Roger Colbaugh	Aye	Charles VonCannon	Aye
Bobbie Gouge-Dietz	Aye	Danny Ward	Aye
Leon Humphrey	Aye	Kevin Ward	Aye
Ray Lyons	Aye		

All ayes, motion carried.

- Recent Bids:** Finance Director Ingrid Deloach reviewed a list of recent bids. Charles VonCannon asked if the company who was awarded the spent oil collection bid is bonded. Mrs. Deloach said State statute and County policy requires a company to have liability insurance but does not require them to be bonded. Mr. VonCannon also voiced concerns about the company's ability to pickup oil in a timely fashion and how the company will be profitable. Danny Ward said it is not the committee's business what the man does with the oil once he collects it.
- County Highway Department Update:** Roger Colbaugh said the Highway Department is working on winter maintenance and drainage.
- County General Update:** Mayor Humphrey said the contract from Tennessee Historical Commission has been signed. The county will receive a \$12,000 grant to restore windows on the third floor as a result of the contract. Mayor Humphrey stated the windows have to be restored instead of replaced because the courthouse falls under the regulations of the Elizabethton Historical Commission. He hopes to put the window restoration out for bids shortly.
- County Schools Department Update:** Dr. Ward said the School Department is working on writing assessments. He stated this year is a trial run on the writing assessment as it is the first year the assessment has been done on computers. Dr. Ward said the telemetric clinic, which allows students and staff to get treatment from a physician's assistant, has been going well. He reminded the committee all K-8 students receive free breakfast and lunch. Dr. Ward said the program ranked in the top 10 percent for participant growth. Dr. Ward noted the School Board will like to present a balanced budget for the next year and detailed various budget cuts previously made. Dr. Ward also clarified that while one million dollars was approved to purchase land in the Valley Forge area, no land was found and that the funds were returned to the bonding agent.

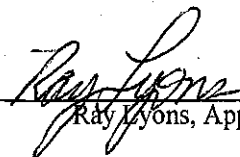
Ray Lyons said he feels Mrs. Deloach is doing a dual role as Finance Director for the County and the School Department. Mr. Lyons asked if the School Department could look at hiring a financial person to lighten the load. Dr. Ward said the Financial Management Act of 1981 created a consolidated Finance Department. Prior to the creation of a Finance Department, the School Department had its own Finance Director. Finance Director Ingrid Deloach said the 1981 Act requires her to be the Finance Director for Schools, County, Health Department, Highway Department, and Landfill. She noted the 1981 Act also provides for a Deputy Director. She told the committee Food Service pays approximately 5% of the Finance Department's budget, School Department pays 35.5%, and the Highway Department pays 8.7%. Mrs. Deloach noted it has been said that the School Department should pay her salary because she does more for them than anyone else. Mrs. Deloach would like to go on record as stating she does not agree with that because she does work for every department. Mayor Humphrey asked if the percentages paid by departments needed to be updated. Mrs. Deloach said she feels the percentages are still accurate. Ray Lyons asked Mrs. Deloach about her workload. She said the past two months have had a tremendous workload due to the software conversion. Ingrid Deloach stated she feels it is worth spending a little bit of time to get the system implemented correctly.

- **Bobbie Gouge-Dietz:** Bobbie Gouge-Dietz said she has studied the Policy and Procedure Manual and realized that Ingrid and her employees have a great responsibility.
- **Ray Lyons:** No report.
- **Charles VonCannon:** Charles VonCannon said infrastructure needs to continue to be addressed. Mr. VonCannon said he has not seen a road list summary since his time in office. He thanked Roger Colbaugh for providing him a summary upon request.
- **Danny Ward:** Danny Ward said he is happy to be a part of positive change, and he is thankful to have Mrs. Deloach as a part of the team.

Motion to adjourn was made by Mayor Humphrey, second by Dr. Kevin Ward. Motion carried.

Respectfully submitted,

Christa Byrd



Ray Lyons, Approved for File