

FINANCIAL MANAGEMENT COMMITTEE

April 2, 2014

8:30 am

APPROVED

PRESENT: Jo Ann Blankenship, Tom Bowers, Shannon Burchett, Pat Hicks, Russell Kyte, Mayor Humphrey and Dr. Kevin Ward.

The meeting was called to order by Jo Ann Blankenship.

Quorum present.

Motion was made by Pat Hicks with a second by Russell Kyte to approve the agenda. Motion carried.

Motion was made by Russell Kyte with a second by Tom Bowers to approve the February 5, 2014 minutes. Motion carried.

New Business

- **Lagging of County Payroll:** Jo Ann Blankenship stated the Financial Management Committee discussed lagging payroll in 2012. At that time Finance Director Ingrid Deloach looked into rumors that Highway Department pay had been lagged in 1979. No documentation was found to substantiate those rumors. In the May, 2012 meeting a motion was approved to recommend lagging County payroll by one week to Commission. Payroll was to be lagged by one day for five consecutive pay periods. This motion was voted down in the May 2012 Commission Meeting.

Health Department Director Caroline Hurt said she would like to give examples of how the current practice of paying employees on the last day of the pay period impacts her office. Ms. Hurt said she has ten direct local employees who are paid through the County Finance Department and a custodian who is actually a County employee. She said the rest of her employees are paid by the State with their pay being held back one pay cycle. Ms. Hurt noted Health Department employees run into issues if they have to take leave without pay after the second Tuesday of the pay period. She added this can also be an issue for part-time employees who do not accrue any paid leave. Ms. Hurt said she is audited by the State at least twice a year and has to explain the time sheet adjustments regularly. Ms. Hurt stated she frequently has to contact the Finance Department about time sheet adjustments. She feels lagging all County pay would help alleviate these issues for all departments. Ms. Hurt said she has another issue to discuss with Budget Committee that would make it impossible for only the Health Department's pay to be lagged.

Mayor Humphrey said no private entity he is aware of pays employees before work is performed. Mayor Humphrey said Mrs. Deloach has presented a structured plan for lagging payroll that should be implemented. Jo Ann Blankenship asked Finance Director Ingrid Deloach to tell the Committee her standpoint on lagging payroll. Mrs. Deloach said she understands there are people who cannot afford to have their pay lagged by a week. She said anytime you mess with a person's paycheck you are messing with their family's livelihood, which is a major concern. Mrs. Deloach noted paying before the pay period is complete is not good accounting or management practices. She feels that pay should be lagged in a way that would not create an unnecessary burden on employees. Mrs. Deloach said County employees are not paid what they are worth and should be considered when lagging pay. Mrs. Deloach said she thinks employees should be given ample notice to get their finances in order before pay is lagged.

Finance Director Ingrid Deloach explained that direct deposit has to be uploaded a full day before payment is made. Currently time sheets for hourly employees are requested to be turned in by 10:00 a.m. the second Tuesday of the pay period so payroll can be processed and ready to upload Thursday. Mrs. Deloach said it is a headache to make adjustments after payroll has been processed. She said the last time there was an issue was when the Courthouse was closed on a payday due to inclement weather. Many hourly employees had documented work hours on that Friday but could not work due to the closing. She explained in those cases an employee will send in an amended time sheet, and the following payroll will be noted as to why their pay was adjusted.

Pat Hicks said he felt lagging payroll was necessary in 2012, and he still feels the same way. Mr. Hicks said he agrees with Mrs. Deloach that lagging payroll should be done in a way that is least harmful to employees. He stated the previous proposal of lagging payroll by one day for five pay periods would achieve the goal. John Lewis asked if a time clock would resolve the issue better than lagging payroll. Caroline Hurt said no, a time clock would not resolve the issue. Finance Director Ingrid Deloach said a time clock cannot be used before payroll is lagged.

Motion was made by Pat Hicks, second by Mayor Humphrey to recommend lagging County payroll to full Commission. Motion carried with Tom Bowers voting in opposition.

Mayor Humphrey asked what the time frame would be for implementation of lagged payroll provided it is approved by Commission. Mrs. Deloach recommended giving employees at least three months notice before payroll is lagged. Meaning if lagging of payroll is approved in the May Commission meeting, the process of lagging pay could start with the first payroll in September. Mrs. Deloach noted the lagging of payroll would only impact County employees as School Department payroll is already lagged. Jo Ann Blankenship said she would like to hear from department heads and office holders on what would work best for their employees. Ms. Blankenship also suggested lagging payroll one day every other month to minimize the impact on employees. Ms. Blankenship said she has a concern that starting to lag pay in fall could create a hardship around the holidays for employees. Finance Director Ingrid Deloach will send out a memo asking office holders what they think would be best for their employees.

- **Recent Bids:** Finance Director Ingrid Deloach reviewed a list of recent bids.
- **County General Update:** Mayor Humphrey stated there will be at least fourteen new Commissioners after the next election. He recommended Financial Management Committee send a representative to the Budget Committee to ask for funds to be put into Commission's 14-15 budget for travel and training. Mayor Humphrey stated the new Commissioners coming in would benefit from the orientation held in Nashville as well as participating in the Certified Public Administrator program offered by CTAS. He suggested budgeting \$3,000 for travel and \$6,000 for training. Mayor Humphrey said we need to embrace new Commissioners as they will have major challenges ahead of them. Tom Bowers said he believes this a matter to be discussed during budget hearings.

Jo Ann Blankenship said she is a firm believer in education and feels that taking travel out of Commission's budget is a discredit to Commissioners. Ms. Blankenship said she plans to attend the budget hearings to voice her opinion. Register of Deeds Jody Bristol said she would like for the

motion to include restoring travel and training funds to all offices. Mrs. Deloach noted each department will complete a budget request and be given the opportunity to address the Budget Committee during budget hearings.

Mayor Humphrey said it would be an injustice not to allow new Commissioners to attend these trainings. Jo Ann Blankenship said from a Commissioner's standpoint networking at these meeting is very helpful. Ms. Blankenship said she feels this issue should be addressed during budget hearings. She added the County is fortunate that CTAS is now providing trainings in Johnson City. Tom Bowers said the Mayor did not mention where the additional travel and training funds were to come from.

Motion was made by Mayor Humphrey, second by Russell Kyte to have a representative from Financial Management Committee approach the Budget Committee with the request of budgeting \$3,000 for travel and \$6,000 for training in Commissions' budget for fiscal year 2014-2015. Motion carried with Tom Bowers voting in opposition.

Ms. Blankenship asked who the committee would like to send as a representative to Budget Committee. Mayor Humphrey said he assumed Ms. Blankenship would be the representative.

- **County Highway Department Update:** No report.
- **County Schools Department Update:** Dr. Kevin Ward said the School Department is reviewing bids for mowing and will be presenting those bids at the next workshop. He also said May 23, 27 and 28 will be added to the calendar as school days to make up for snow days. Jo Ann Blankenship asked if there will be an issue with the security systems at the schools during the election. Dr. Ward said he will have staff at the school that can take care of any issues.
- **Tom Bowers:** Chairman Bowers noted the April Commission Meeting and Budget Meeting have been canceled.
- **Pat Hicks:** Mr. Hicks said he would like to commend Ms. Blankenship for her leadership. He also thanked Mrs. Deloach and the Finance Department for a job well done.
- **Russell Kyte:** Mr. Kyte thanked Dr. Ward & the Highway Department for the work done at Happy Valley.
- **Public Comments:** Roy Livingston asked about the Cloudland Note and the Landfill private act.

Respectfully submitted,

Christa Byrd


Jo Ann Blankenship, Approved for File