

FINANCIAL MANAGEMENT COMMITTEE

June 7, 2017

8:30 am

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

Ray Lyons mentioned that Mr. Danny Ward's wife would be coming out of surgery on the morning of the meeting and he has requested that Ms. Sonja Culler substitute for him during this Financial Management meeting. Mr. Lyons also thanked the committee for their thoughts and prayers during his absence last month.

**Motion** was made by Charles VonCannon, second by Dr. Kevin Ward to allow Commissioner Sonja Culler to substitute for Danny Ward regardless of her being out of his district.

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|--------------------|-----|----------------|-----|
| Ray Lyons          | Aye | Dr. Kevin Ward | Aye |
| Bobbie Gouge Dietz | Aye | Roger Colbaugh | Aye |
| Charles VonCannon  | Aye | Leon Humphrey  | Aye |
| Sonja Culler       | Aye |                |     |

**All Ayes, Motion Carried**

The meeting was called to order by Ray Lyons.

Quorum present.

**Adopt Agenda:** Motion was made by Mayor Leon Humphrey, second by Sonja Culler to approve the agenda. Motion Carried

**Approval of Minutes:** Motion was made by Bobbie Gouge Dietz, second by Roger Colbaugh to approve the May 3, 2017 minutes. Mr. Ray Lyons decided to abstain from this motion to approve minutes due to his absence from the meeting. Motion Carried

**Public Comments:** No Public Comments

**Old Business:** No Old Business to be discussed

**New Business:**

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- **Revenue Option Discussion:** Mr. Ray Lyons mentioned that he requested this agenda item to be added as merely a means to start discussion amongst the committees to look at creative revenue options for the County. Mr. Lyons stated that three local Counties have added the Wheel Tax revenue to their budgets in the past years. According to Mr. Lyons, the Counties that have introduced the Wheel Tax are Green, Hawkins, and Johnson County. Mr. Lyons also mentioned that Virginia has a Vehicle Inspection tax which is a creative revenue stream that will make certain that all vehicle in the County are safe to be driven on County roads. Mr. Lyons mentioned that he does understand that a Vehicle Inspection tax would require state approval. It was mentioned that the Wheel Tax does

require an approval from the majority of the general public on a ballot. Mr. Ray Lyons stated that he is bringing up the Wheel Tax and Vehicle Inspection tax as a method to combat raising property tax in Carter County. Mr. Ray Lyons stated that if the County set the Wheel Tax at \$20 per registration for one time without ever raising the amount with over 55,000 registered vehicles the total revenue that will be collected would be approximately 1.2 to 1.3 million dollars.

Mr. Charles VonCannon mentioned that the County also has the option of a County/State Income Tax which will eliminate the elderly. Mr. Charles VonCannon asked Finance Director, Christa Byrd, if the state had a minimum requirement for County Fund Balance. Mrs. Christa Byrd stated that the state does not set a minimum Fund Balance reserve, but Washington County has recently created a Fund Balance Policy that she would be willing to look at for Carter County. Mrs. Byrd stated that she will email the Committee the new policy put in place by Washington County in regards to Fund Balance.

Ms. Sonja Culler stated that she has done some studies on the Wheel Tax and believes if the County could start \$25 to \$30 it would be sufficient to cover the issues with the County Budget. Ms. Culler stated that if we ever were to implement the Wheel Tax it would be with the agreement that this new tax will offset the Property Tax in turn allowing us to lower Property Tax. Mayor Leon Humphrey stated that he is adamantly opposed to any new taxes on Carter County tax payers. He believes that all County offices should manage within their perspective budgets. Mayor Humphrey also stated that he wants to look at Washington Counties new Fund Balance Policy as soon as possible. He believes a comparable policy will give the County a safety net in regards to Fund Balance.

Dr. Kevin Ward stated that he believes implanting the Wheel Tax for a specific time period to help build the infrastructure to bring new business to Carter County could be a good idea. Mr. Ray Lyons mentioned that there should be a Committee put in place to research any new tax ideas before implementation to make certain that all bases are covered on the front end. Mr. Lyons stated that this Committee should also discuss any changes with the public to make certain people are clear about the workings of a new revenue. Mayor Leon Humphrey commented that if the County is worried about the aging population in regards to Property Tax then the Commission should consider putting a freeze on the Tax for the elderly population and others that qualify. The Mayor also stated that marketing the area will help with some of the situations in the County.

**Motion** was made by Sonja Culler, second by Dr. Kevin Ward to appoint a Committee to do the research on a Wheel Tax and bring their findings back to the Financial Management Committee three months after the Committee is set to entertain more discussion.

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|--------------------|-----|----------------|-----|
| Ray Lyons          | Aye | Dr. Kevin Ward | Aye |
| Bobbie Gouge Dietz | Aye | Roger Colbaugh | Aye |
| Charles VonCannon  | Aye | Leon Humphrey  | No  |
| Sonja Culler       | Aye |                |     |

**Six ayes, Motion Carried**

Ray Lyons mentioned that he believes that a representative from the Finance office, the Assessor's office, the Trustee's office, and some public expertise in the financial world would be the best makeup of the new Wheel Tax Committee.

**Motion** was made by Dr. Kevin Ward, second by Charles VonCannon to appoint Ray Lyons, Christa Byrd, Margaret Moses, a Trustee Office Employee, Dave Whartman, Teresa Arnold, and Jerry McMahan, to the new Wheel Tax Committee for research.

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|--------------------|-----|----------------|-----|
| Ray Lyons          | Aye | Dr. Kevin Ward | Aye |
| Bobbie Gouge Dietz | Aye | Roger Colbaugh | Aye |
| Charles VonCannon  | Aye | Leon Humphrey  | Aye |
| Sonja Culler       | Aye |                |     |

**All Ayes, Motion Carried** – Mayor Leon Humphrey wanted to add the disclaimer that he is still opposed to any new taxes but will vote aye for the benefit of gaining research on this topic.

- **Payroll Policy Discussion:** Finance Director, Christa Byrd, brought to the attention of the committee that she would like the committees support in setting a policy that all payroll checks in the County will only be allowed to be picked up on the day of Payroll to hinder the possibility of someone depositing a check before Payroll had been administered to the bank. Highway Superintendent, Roger Colbaugh, asked Christa Byrd if there was a way to administer a policy to only have direct deposit and rid the County of Paper Payroll checks. Mrs. Byrd stated that the Finance Department policy states that all new hires are only allowed to receive checks via direct deposit but this rule does not extend to employees hired before that policy was implemented.

**Motion** was made by Mayor Leon Humphrey, second by Roger Colbaugh to implement a new payroll policy that requires all Carter County and Carter County School employees to change to Direct Deposit for payroll checks by September 1, 2017.

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|--------------------|-----|----------------|-----|
| Ray Lyons          | Aye | Dr. Kevin Ward | Aye |
| Bobbie Gouge Dietz | Aye | Roger Colbaugh | Aye |
| Charles VonCannon  | Aye | Leon Humphrey  | Aye |
| Sonja Culler       | Aye |                |     |

**All Ayes, Motion Carried**

Finance Director, Christa Byrd, mentioned that in an earlier meeting about Open Records she agreed that the Finance Department will take on the responsibility of adding an Open Records Coordinator to the office. Mrs. Byrd stated that this position should truly be a part time position in regards to work load but it requires a full time employee due to not knowing when someone will make a request. Mrs. Byrd commented that she will be planning to use a full-time employee to take on the responsibilities required for this job and hire a part-time employee to assist the full-time employee complete all their job duties. The committee's proposal at the meeting was to ask for \$15,000 to cover the part-time employee. Mrs. Byrd stated that she will request the amendment after the budget is approved.

- **Recent Bids:** Director of Finance, Christa Byrd, reviewed a list of recent bids.
- **County General Update:** Mayor Leon Humphrey stated that his office just installed time clocks at the Carter County/ Elizabethton animal shelter and at the County Courthouse to integrate with payrolls new TrueTime system. The time clock in the Courthouse can be used by any office that would like to participate in the time clocks. Mayor Humphrey also stated that the mason work on the Courthouse courtyard has begun. Also, the Mayor mentioned that the County Monument has been cleaned and painted in time for the annual Covered Bridge festival. He also brought up the fact that the Health Department addition project has begun. The Mayor stated that he was proud that the County was able to add the designated Veteran parking spots in front of the County building. Mayor stated that his goal is to have the Corporate Attraction video completed by Governors Hall meeting.
- **County Highway Department Update:** Highway Superintendent, Roger Colbaugh, commented that the Highway Department is currently doing paving and grading work around the County. He also stated that the Highway Department is having to work a little overtime at the moment to fix some of the water issues that have occurred from the amount of rain we have received in this past couple of weeks. Roger stated that we currently have 8 mowers running at the moment and is hopeful to have new tractors running soon. The Highway Superintendent mentioned that they just got a new fuel

system that will be getting installed in the near future to update the outdated system we have been running with.

- **County School Department Update:** Unaka High School project has come off of the table and will be reported at the workshop later this week. The Unaka project will be the last summer project for the Carter County School System.
- **Bobbie Gouge-Dietz:** Mrs. Bobbie Gouge-Dietz commented that the Carter County Landfill Director, Benny Lyons, had surgery on his shoulder the day before the meeting. Mrs. Dietz also mentioned that there has been a problem at the landfill that was found by the state inspectors. According to Mrs. Dietz, this problem is going to possibly shorten the lifespan of our landfill.
- **Ray Lyons:** No Comment.
- **Charles VonCannon:** Mr. Charles VonCannon made comments about the State Budget.
- **Danny Ward:** No Present.
- **Adjourn:** Motion made by Sonja Culler, second by Dr. Kevin Ward.

Respectfully submitted,

Michael Kennedy

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Ray Lyons, Approved for File