

FINANCIAL MANAGEMENT COMMITTEE

November 4, 2019

8:30 am



**RECEIVED**  
11-14-19 @ 9:00 AM  
[Signature]

**PRESENT:** Roger Colbaugh, Ginger Holdren, Brad Johnson, Mayor Rusty Barnett, Dr. Kevin Ward, Travis Hill, and Austin Jaynes.

The meeting was called to order by Brad Johnson.

Quorum present.

**Adopt Agenda:** Motion was made by Austin Jaynes, second by Ginger Holdren to approve the agenda. Motion Carried.

**Approval of Minutes:** Motion was made by Ginger Holdren, second by Dr. Kevin Ward to approve the October 7, 2019 minutes. Motion Carried.

**Public Comments:** Mr. Roy Livingston asked the Committee if they could update the public on the accident at the Drive-In Theater. Mr. Livingston was advised that this is not the right Committee to ask. Mr. Livingston then questioned the Committee about the number of inmates in the Carter County Jail. Mr. Brad Johnson again informed Mr. Livingston that this question does not fall under the scope of the Financial Management Committee.

**Old Business:**

1. **Retirees Insurance Qualification Age:** Mr. Brad Johnson explained to the Committee that his reasoning for bringing this previously approved topic back to the floor is to get better clarification and cover any unanswered questions by Committee members. Mr. Johnson also explained to the Committee that he should not have voted on this agenda item last month because of a conflict of interest.

Mr. Johnson then proceeded to ask the Carter County Sheriff, Dexter Lunceford, and the Carter County Chief, James Parrish, if they would like to give any more details regarding the agenda item. Sheriff Lunceford informed the Committee that his belief is that only 1 employee every 10 years will take advantage of changing the retiree's insurance qualification age to 25 years of service and age 52. Mr. Johnson expressed his belief that this will be a beneficial change of policy for the Sheriff Department due to the fact that they can hire in an officer at a lower rate to cover the cost of the 3 years of new insurance cost. Mr. Brad Johnson also stated that the same ability to cover the cost of the insurance cannot be done in other Departments in the County, which will cause an expenditure that will need to be covered by a revenue. Mr. Chief Parrish reiterated the statement made by Mr. Brad Johnson that the new policy will be cost neutral for the Sheriff Department. Mr. Parrish stated that approximately 2 of their employees will take advantage of this new benefit and they will be replaced by lower salaried employees.

Commissioner Austin Jaynes asked the County Attorney, Josh Hardin, if the Sheriff's Department could have their own policy allowing the new retirement age while the other County Departments keep the current policy in place of 20 years of experience and age 55. County Attorney, Josh Hardin, expressed his opinion that the County Departments should not have different policies regarding retirees insurance. Chief James Parrish informed the Committee that the salary increase last year has helped the sheriff Department hire and retain better employees. Mr. Parrish told the Committee that the life expectancy for employees in the Sherriff's Department is around 60 years of age which is a lot shorter than the average life expectancy. Mr. Parrish stated that this policy change will allow his Department's employees to be able to enjoy more of their retirement.

Mr. Johnson said he would like to see a revenue option available that will cover any new cost from this potential policy change. Chief Parrish stated that the revenues from the Jail Commissary and Federal Inmates would be sufficient to cover any cost occurred by implementing this new policy. Mrs. Ginger Holdren expressed her belief that more employees than originally believed will take advantage of this policy. Mrs. Holdren stated that she would prefer the Sheriff's Department to differentiate themselves from the rest of the County when it comes to this policy. Deputy Director of Finance, Michael Kennedy, asked if the Sheriff included the cost of vacation and compensatory payouts when seeing the full cost of replacing these officers in his breakeven calculations. Chief Parrish stated that they have a policy in place to mitigate these payout cost for the County. This policy is that they do not hire a replacement until the payout cost has been recouped. Mr. Hardin reiterated his opinion that he does not like the County having different policies.

Finance Director, Brad Burke, offered the idea that the Sherriff's Department could use the excess revenue from commissary and Federal Inmate Board Bill to cover all County Departments cost of starting this new policy. Sheriff Dexter Lunceford said that he will agree to cover any cost the County Departments incur from the excess revenue of Commissary or Federal Board Bill. Brad Johnson said he would like to see the County reserve about \$5,000 to \$10,000 of these offered revenues on a yearly basis to cover any cost accrued by participants in the new policy. Mr. Lunceford stated that he will be willing to set aside \$15,000 for any cost. Mr. Josh Hardin informed the Committee that he has a resolution already prepared and he will add the funding option to cover the cost to this resolution.

**Motion** was made by Rusty Barnett, second by Austin Jaynes to adopt the new County policy to reduce the age that an employee can qualify for retirees insurance to 52 with 25 years of service and the funding for any cost associated with this new policy will be coming from excess Federal Inmate Board Bill and Commissary.

Travis Hill	Aye	Brad Johnson	Aye
Roger Colbaugh	Aye	Ginger Holdren	Aye
Rusty Barnett	Aye	Austin Jaynes	Aye
Dr. Kevin Ward	Aye		

**All Ayes, Motion Carried**

- Discussion regarding School Employees Hourly Rates:** Brad Johnson asked Dr. Kevin Ward if the School Board will be in compliance with the 10/hr. minimum wage rate that will be presented to the floor. Dr. Ward said that the School Board has already approved the 10/hr. minimum wage rate for the School's Cafeteria fund 143 and the largest portion of paraprofessionals in the school system are currently being evaluated to see the full cost of raising their wages. Dr. Ward stated that after the evaluation of the numbers he will bring this topic to Budget Committee.
- Review the RFP for Salary Study:** Financial Management Chairman, Brad Johnson, informed the committee that 5 proposals were submitted for the County's compensation study. The price of the submitted proposals range from \$26,000 to \$46,875 with Evergreen being the cheapest and McGrath being the most expensive. Mr. Brad Johnson asked the Committee if they would like to take the proposals home to review this month and make a decision regarding the study at next month's Financial Management meeting. Mr. Johnson also added that undesignated fund balance will be the source to cover the cost of completing this Compensation Study. Mr. Hill expressed that he would like to take as long as necessary for the Committee to make a non-rushed decision on which company to use.

**Motion** was made by Rusty Barnett, second by Dr. Kevin Ward for each member to bring their top 2 Compensation Study proposals to the Decembers Financial Management meeting in order for the Committee to choose which 2 companies they will interview in the January Financial Management meeting. .

Travis Hill	Aye	Brad Johnson	Aye
Roger Colbaugh	Aye	Ginger Holdren	Aye
Rusty Barnett	Aye	Austin Jaynes	Aye
Dr. Kevin Ward	Aye		

**All Ayes, Motion Carried**

4. **Policy for County Employee Award Recognition:** Mr. Brad Johnson expressed that he would like to see more Carter County employees given awards of recognition. Mr. Johnson requested that if any member knows of an award system in other state or local governments please bring that information to the floor so that Carter County can look at adopting a similar system. Highway Superintendent, Roger Colbaugh, requested that the County look at years of service awards.
5. **Hotel/Motel Tax Update:** Mr. Josh Hardin informed the Committee that the County's private act covers the hotel/motel tax issue regarding room shares. He stated that the only action that needed to be figured out going forward is how to collect the taxes from these establishments. According to Mr. Hardin, the County can collect these room share hotel/motel taxes through delinquent tax collections. Mr. Hardin also stated that no resolution will be needed on this discussion topic as it is fully covered under the County's private act. Mrs. Ginger Holdren asked the Mayor's office if they would post notification regarding this hotel/motel tax discussion on their website and she also requested that Amber, reporter for the Elizabethton Star, do a story about this discussion topic.

#### **New Business:**

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1. **Recent Bids:** Deputy Director of Finance, Michael Kennedy, reviewed a list of recent bids.
2. **Updates from the Finance Director:** Carter County Finance Director, Brad Burke, told the Committee that the State Comptroller's office has completed its review of the Carter County School system and the auditor sent for the County's review should start in November. Mr. Burke also mentioned that the new Purchasing Clerk started this month. Mr. Burke mentioned that he, Dr. Ward, and the Happy Valley High School principal have agreed to lower the Happy Valley High Schools credit card limit to \$10,000. Finance Director, Brad Burke, also informed the Committee that there are numerous outstanding checks that the County must turn over to the State's Unclaimed Funds program. According to Mr. Burke, these checks go as far back as 2006. Mr. Burke stated that the County will be joining the amnesty program to avoid any penalty for not doing this unclaimed funds on a yearly basis. In order to join the amnesty program the County will have to write an Unclaimed Funds policy to show the State that the County is taking care of the issue. Mr. Burke said he would like the County to look into doing a 401(k) match. Brad Johnson stated that he would like the 401(k) match to be put on next month's agenda.
3. **County General Update:** Carter County Mayor, Rusty Barnett, explained to the Committee that the Carter County Tomorrow Workforce Development takeover will be completed on December 1, 2019. Mr. Barnett mentioned that the Workforce

Development will need one heat pump replaced. Mayor Barnett also informed the Committee that someone is possibly going to donate approximately 2.5 acres of land to the County for a park. Carter County Mayor also wanted to dispel rumors that the resort is not being built. According to Mr. Rusty Barnett, the resort is still being constructed while the condos will be coming soon as well on a different location.

4. **County Highway Department Update:** Highway Superintendent, Roger Colbaugh, informed the committee that approximately 2 weeks ago his department put a base coat of asphalt on the Roan Mountain collection center for the Solid Waste Department and will hopefully finish the project during the week. Mr. Colbaugh also mentioned that his department is ready for any snow and ice.
5. **County School Department Update:** Carter County School Superintendent, Dr. Kevin Ward, thanked the Highway Department for all the work they have completed for the Carter County School Department. Dr. Ward also discussed a school related topic regarding filing an appeal for 17 of the students ACT testing.
6. **Austin Jaynes:** No Comment.
7. **Travis Hill:** Carter County Commissioner, Travis Hill, requested to know the cost of the radio communication system that will be chosen. Chief James Parrish, stated that the County needs to look at designating a communication officer and then work the design out from that point. Mr. Parrish also stated that the option decided on for communication systems must benefit the holistic view.
8. **Ginger Holdren:** Carter County Commissioner, Ginger Holdren, educated the Committee that County Attorney, Josh Hardin, did confirm that the County can contract with County employees for training costs. Chief, James Parrish, stated that this contract for training cost will be in their 2020 personnel policies.
9. **Brad Johnson:** No Comment.

**Adjourn:** Motion made by Austin Jaynes, second by Travis Hill. **Motion Carried.**

Respectfully submitted,

Michael Kennedy

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Brad Johnson, Approved for File