

FINANCIAL MANAGEMENT COMMITTEE

October 5, 2020

8:30 am

PRESENT: Brad Johnson, Austin Jaynes, Mayor Patty Woodby, Ginger Holdren, Roger Colbaugh, Tracy McAbee, and Travis Hill.

The meeting was called to order by Brad Johnson.

Due to the ongoing COVID-19 pandemic this meeting was held electronically for the health and safety of all individuals.

Quorum present.

Adopt Agenda: Motion was made by Ginger Holdren, second by Travis Hill to approve the agenda with the addition of Discussion regarding reactivation of Evergreen wage compensation contract. Motion Carried.

Election of Chair: Mr. Brad Johnson relinquished his position as Financial Management Chairman opening the floor to Vice-Chair, Ginger Holdren for the purpose of making a nomination for the upcoming chair position. Mrs. Holdren opened the floor for nomination of Financial Management Chair. Mr. Brad Johnson nominated the current Vice-Chair Ginger Holdren for the position of Chair, with a second from Roger Colbaugh.

Motion was made by Travis Hill, second by Patty Woodby to cease nominations. All Ayes. Motion Carried.

Mrs. Ginger Holdren thanked Mr. Brad Johnson for his nomination. She stated that she will always think of Mr. Johnson as her Chair.

A vote was held to nominate Mrs. Holdren as chair of the Financial Management Committee. All Ayes.

Election of Vice- Chair: Mrs. Holdren opened the floor for nominations of the Financial Management Vice-Chair position. Mrs. Patty Woodby nominated Travis Hill for the position of Vice-Chair. Mr. Johnson moved to cease nominations and elect by acclamation Commissioner Travis Hill to Vice-Chair of the Financial Management Committee. All Ayes.

Approval of Minutes: Motion was made by Travis Hill, second by Brad Johnson to approve the September 14, 2020 meeting minutes with the changes requested by Mrs. Holdren. The changes include: Item 3 – Change “According to Mrs. Holdren” to “According to November 2019 FMC minutes”, Item 3 – Change “those basis” to “that basis”, Item 12 -- “Make note of his lack of cooperation”, and Item 12 – change sentence to: “He had expressed numerous times over the past two years a problem that this committee tried to resolve”. Mrs. Patty Woodby abstained due to not being in the meeting. 6 Ayes, 1 Abstain Motion carried.

Public Comments: No Comments.

Old Business:

1. **Discuss schedule of Financial Management Policies & Procedures:** Mrs. Holdren stated that over the course of the next year the Committee will be looking over all the Financial Management Policies and Procedures. She stated that this discussion topic will be to develop a schedule of the times for reviewing these policies and procedures over the next year. Mrs. Holdren requested that Finance Director, Brad Burke, inform the Committee on which topics he thinks should be discussed first. Mr. Burke mentioned that in the February 2020 financial management meeting on page 4 there is a schedule that was presented to illustrate the order that the policies should be reviewed. Mr. Burke read the schedule that was presented in the February 2020 meeting below:

1. Ethics Code and Purchasing Policy
2. Debt Management
3. Travel and Use of Telephone Equipment
4. Credit Card and Internet Usage Policy
5. Budget Process
6. Capital Asset Management

Mrs. Holdren questioned Mr. Burke about the Committee already reviewing the Credit Card Policy. Mr. Burke stated that the Committee did approve a Credit Card/ User Agreement policy for anyone that utilizes County credit cards. Mr. Burke stated that no actual formal changes have been made to the Policies and Procedures manual. Mrs. Holdren also recalled that the Committee approved a policy regarding travel that left the decisions up to the department heads discretion for overnight stays. Mr. Burke stated that the change was added to the most recent version posted to the Carter County website. Mrs. Holdren requested that Mr. Burke give an explanation as to why the Budget Process and Capital Asset Management topics are at the bottom of the list given their importance. Mr. Burke agreed that given the budget process coming up soon, the Committee should look at moving the Budget Process item to be covered first.

Mr. Travis Hill asked Mr. Burke, if all County offices are following the current policy that requires them to deposit monies within three days of collecting. Mr. Burke responded that as far as he knows all offices are following this policy. Mr. Hill expressed that he had heard that the landfill was having issues making the three day window on our current policy. Mr. Burke stated that it is his understanding that the landfill is now making daily deposits. Mrs. Holdren suggested, that since the County is looking at the possibility of purchasing property and improving the Workforce development complex would it be a good idea to move the Capital Asset Management item to the top as well. Mr. Burke expressed his opinion that making this move would be a great idea. Mr. Burke suggested that the Debt Management item move to be covered last. Mr. Travis

Hill requested that the Committee review Capital Asset Management first. Mrs. Holdren went over the new revised schedule for the review of the Financial Management Policies and Procedure below:

- 1. Capital Asset Management
- 2. Budget Process
- 3. Ethics Code and Purchasing Policy
- 4. Travel and Use of Telephone Equipment
- 5. Credit Card and Internet Usage Policy
- 6. Debt Management

Motion was made by Roger Colbaugh, second by Tracy McAbee to accept the revised schedule for reviewing the Financial Management Policies and Procedures.

Travis Hill	Aye	Brad Johnson	Aye
Ginger Holdren	Aye	Austin Jaynes	Aye
Patty Woodby	Aye	Roger Colbaugh	Aye
Dr. Tracy McAbee	Aye		

All Ayes. Motion Carried

Mrs. Holdren requested that Mr. Burke bring the current Capital Asset Management policy before the Committee next month. She requested that those polices be emailed a week or so before the meeting.

2. Discussion regarding the creation of an Ethics Committee and an Investigative Committee (Supposed to be reaching out to the Attorney):

Mr. Johnson stated that he discussed this agenda item with the County Attorney. Mr. Johnson informed the Committee, that the County Attorney stated no authority could be given to a created Ethics or Investigative Committee. Mr. Johnson stated that the current policy regarding ethics issues states that any commissioner or employee can bring ethics related matters to the County Attorney for investigation. If the investigation shows probable cause, Mr. Hardin has the authority to go straight to the District Attorney for review and possible prosecution. With that being said, under the 81-act, the Finance Director can have sole investigation rights if it deals with the financials of the County. Mr. Johnson stated that this discussion topic needs to go back to the Commission floor with the recommendation from the Finance Committee that there is no movement on the item due to the lack of authority allowed to be given. Mr. Johnson informed the Committee that the County used to have an investigative and ethics committee. According to Mr. Johnson, the committee caused more issues than they solved. Mr. Johnson stated that without the authority to subpoena individuals you have no ability to get facts.

Motion was made by Roger Colbaugh, second by Patty Woodby to take the recommendation of not creating an Ethics or Investigative Committee and leaving those duties as the 81-Act provides to the Commission floor for approval.

Travis Hill	Aye	Brad Johnson	Aye
Ginger Holdren	Aye	Austin Jaynes	Aye
Patty Woodby	Aye	Roger Colbaugh	Aye
Dr. Tracy McAbee	Aye		

All Ayes. Motion Carried

3. **Discussion of Compensation Time Policy:** Mrs. Holdren requested that Mr. Burke review the current Compensation time policy. Mr. Burke stated that the policy is located on page 16 of the employee handbook. A copy of the current policy for the County was included in the packet. Mr. Burke stated that the Sheriff's Department and Highway department have their own Compensation Time policy. Mr. Burke informed the Committee that the maximum allowable compensation time to be accrued for the County is 100 hours and 480 hours for the Sheriff's department. Mr. Burke stated that the County is currently granting some compensation time and some overtime in certain circumstances. Brad stated that the Sheriff's department has worked their balances down slightly but still hold some sizeable compensation time balance on the books. Mr. Burke stated that employees do sign a compensation time report when they receive their employee handbook. Mr. Burke suggested that the policy needs more clarification. Mr. Johnson stated his opinion that the Compensation time policy needs to be expounded upon. Mr. Johnson expressed his opinion that the office heads should be required to come before the Budget Committee then full Commission to expend any funds to pay compensation time that is above the maximum allowable on the books. Mr. Johnson stated that during the budget process there were line items approved to pay out overtime, which essentially eliminates the maximum allowable compensation time policy overages being forced to come before the Commission or Budget Committee. Mr. Johnson stated that office heads should be required to report any overages before paying because that is a possible management issue. Mr. Burke read the Overtime policy on page 16.

Mr. Burke stated that another issue with the policy is that each elected official has the authority to either follow the County policy or write their own policy. Mr. Burke explained that if an elected official decides to write their own policy it does not have to be approved by the Commission just presented to them for review. Mr. Burke also stated that he will be working with Mr. Hardin to update the employee handbook. Mrs. Holdren recapped the discussion and asked if a Committee member was ready to make a motion on the agenda item. Mrs. Holdren asked if it could be written in the policy that when an employee reaches

half of the maximum allowable compensation time on the books that they be required to start taking time off to head off reaching the maximum level. Mr. Burke stated that as far as the County goes besides the Sheriff's department it looks like it's mainly the EMA director and the Payroll clerk for finance Department that have continued to reach the maximum allowable compensation time. Mr. Burke did mention that the Payroll clerk should not continue having compensation time overages moving forward. Mr. Johnson requested that the Finance Director give a semi-annual look at compensation time to review the amounts being held on the books. Mr. Travis Hill asked, can the County make the policy state that employees can gain as much compensation time as needed but will only get paid out for 100 hours when they leave. Mr. Hill thought that this could potentially allow them to cut down on compensation time since only 100 hours of the time will be paid out. Mr. Burke stated that by law the County must pay employees for anytime they work including accrued compensation time. Mrs. Holdren stated that the policy should be adjusted to state that employees should try to use their compensation time first and then if needed the supervisor can go before budget committee for approval as to why the compensation time cannot be taken. Mr. Johnson stated that some departments like the Sheriff's department has monies budgeted to pay overtime cost. Mr. Burke stated that the Sheriff's department currently budgets approximately \$250,000 in the Jail and Sheriff's budget for payout of overtime. Mr. Burke stated that a portion of those funds come from the excess board bill. Mr. Hill asked Mr. Burke if he could update the Committee on the current compensation time liability being held on the books. Mr. Burke stated that as of June 30, 2020 the compensation time liability being held on the books excluding the Highway Department was \$187,000, which includes social security and retirement. Mrs. Holdren stated that if a motion is not made from the Committee she will move on to the next item.

4. **Discussion regarding the reactivation of Evergreen Wage Compensation**

Contract: Deputy Director of Finance, Michael Kennedy, informed the Committee that before COVID restrictions the County was ready for the JAT (Job Assessment Tool) section of the study. Mr. Kennedy stated that during the JAT section of the study employees would be required to meet in groups. Mr. Kennedy stated that the COVID restrictions put in place caused the meetings to be postponed. Mr. Kennedy also stated that the Interim- Mayor Patty Woodby just extended the mask restrictions for the month of October; therefore, he is not certain which direction to take in regards to the continuation of the study. Mr. Kennedy explained that he did get an email from Mrs. Nancy Berkley, Evergreen Specialist, informing the County that other entities that postponed due to COVID are restarting the study this month. Mr. Kennedy asked the Committee if they would be comfortable getting the study started this month or wait until next month to see if there are changes in the COVID restrictions. Mr. Johnson stated that we are under executive orders regarding the number of participants in meetings, hence the Commission meetings being held online. Mr. Johnson

continued by stating the meetings could potentially be held by zoom or other methods similar. Mrs. Holdren asked if having the group meetings was the only way that Evergreen could handle moving forward. Mr. Kennedy stated that when he spoke with Evergreen the other option would be for Mr. Burke and himself to lead the JAT meetings with each office. Mr. Kennedy stated that he does not believe zoom would be a viable option given the amount of employees who do not utilize or own a computer. Mr. Roger Colbaugh suggested that this topic be put on hold until next month allowing time for changes in COVID restrictions.

Motion was made by Roger Colbaugh, second by Travis Hill to postpone starting the Evergreen Compensation study until the next Financial Management meeting, allowing time for possible orders to be lifted.

Travis Hill	Aye	Brad Johnson	Aye
Ginger Holdren	Aye	Austin Jaynes	Aye
Patty Woodby	Aye	Roger Colbaugh	Aye
Dr. Tracy McAbee	Aye		

All Ayes. Motion Carried

New Business:

1. **Recent Bids:** Deputy Director of Finance, Michael Kennedy, reviewed a list of recent bids.
2. **Introduction of new Finance Department employees- Payroll and Accountant:** Mr. Brad Burke requested that the Committee hold off the introduction of the new employees until the Committee meets in person. Mr. Burke stated that the HR/payroll clerk position was given to Mrs. Rita Watts who started last Monday and the Accountant position was given to Ms. Alex Morris who started this morning. Mr. Burke informed the Committee that the Finance Department is happy to have the new employees on board and stated his appreciation for the support from the Committee. Mrs. Holdren stated that she is excited to meet the new employees and has a piece of mind knowing that more than just Jaclyn can do the payroll.
3. **County Credit Account- Amazon.com Corporate credit line with an \$11,500 limit:** Mr. Kennedy explained that the County has previously had a standard Amazon account that was used for any Amazon purchasing. Mr. Kennedy further explained that the standard Amazon account required each department to research the item they wanted to purchase and then send him a picture with a description of the item for him to find. Mr. Kennedy then explained that this method of online purchasing has come with many difficulties that can be resolved by moving to the Amazon business account that was recently started. Under the new Amazon Business account, each department has access to put items from Amazon into a cart that requires approval by

the Finance Department for purchase. According to Mr. Kennedy, this will make utilizing Amazon much more efficient and reliable. Mr. Kennedy did state that the County currently has an Amazon line of Credit with our standard account and that the County will need to start another line of credit with the new Amazon Business account. Mr. Kennedy requested that the County approve an \$11,500 Amazon Business line of credit. Mrs. Holdren asked if the current Amazon line of credit will be destroyed and not be used. Mr. Kennedy explained that the standard Amazon line of credit should be stopped when the Amazon Business line of credit begins.

Motion was made by Travis Hill, second by Patty Woodby to approve the requested \$11,500 Amazon Business line of credit.

Travis Hill	Aye	Brad Johnson	Aye
Ginger Holdren	Aye	Austin Jaynes	Aye
Patty Woodby	Aye	Roger Colbaugh	Aye
Dr. Tracy McAbee	Aye		

All Ayes. Motion Carried

- 4. Updates from the Finance Director:** Finance Director, Brad Burke, informed the Committee that his department has spent quite a bit of time on the Cares Act funding, which is \$845,000 from the Federal Government through the State. Mr. Burke stated that an overwhelmingly majority of those funds will be spent for hazard pay for the Sheriff's Department employees. Mr. Burke stated that the last estimate of this hazard pay was approximately \$650,000. Mr. Burke also stated that approximately \$90,000 has been spent besides the hazard pay thus far. He also informed the Committee that the cutoff for the final request for funding is November 1, 2020 with the final day for any funds spent being December 30, 2020. Mrs. Patty Woodby informed the Committee that the hazard pay for the Sheriff's department will be on this month's Budget Committee agenda to be discussed. Mr. Travis Hill asked if all COVID related cost have been figured in the numbers given this morning. Mr. Burke stated that several other purchases are still waiting to be made from these funds. Mr. Hill stated that he would like to see all the COVID related purchases be made before utilizing the money on hazard pay.

Mrs. Holdren requested an update regarding the Sequoyah Group total compensation report options. Mr. Burke stated that he did reach out to Sequoyah Group regarding the total compensation report and he is currently working with them to adjust the benefits being added to the report. Mr. Kennedy stated that he reviewed a couple of the total compensation reports and noticed that Sequoyah group is using old payroll data, which will need to be updated. The finance department will continue working with Sequoyah group to update the total compensation reports.

- 5. County General Update:** Interim County Mayor, Patty Woodby, informed the Committee that the County maintenance department will hook up the water and electric at the Elk Mills substation next week pending weather. Mrs. Woodby

informed the Committee that she visited Mr. Arnett's class last week to update the drawings for the Fish Springs Park. She also mentioned that the County will be requesting a donation from the Board for land that meets up with the Fish Springs Park area. According to Mrs. Woodby, Carter County currently has 63 active COVID cases. She updated the Committee on the Boiler. Mrs. Woodby informed the Committee that she was able to locate storage for County offices at the Workforce Development Center. Mr. Travis Hill asked if the available storage at the WDC would be available for Archives Management. Mrs. Woodby said that could be a potential possibility.

6. **County Highway Department Update:** Highway Superintendent, Roger Colbaugh, informed the Committee that the Highway Department is getting ready for paving. They are planning to start the paving in Roan Mountain to potentially avoid weather issues. Roger did request feedback from Commissioner about roads they see that could be paved. Mr. Colbaugh updated the Committee on State Aid Projects and Bridges.
7. **County School Department Update:** School Board Superintendent, Tracy McAbee, updated the Committee regarding students returning to classes. Dr. McAbee thanked the Commissions for their continued support. Mrs. Woodby asked if the Schools have seen a rise in retirements due to COVID. Dr. McAbee stated that he has not heard worries about COVID as a reason for retirement yet.
8. **Austin Jaynes:** Mr. Austin Jaynes stated his appreciation for the Committee. He also congratulated Mrs. Holdren.
9. **Travis Hill:** Mr. Travis Hill asked the Committee and Mr. Burke their opinions on starting an Investment Committee. Mr. Jaynes stated his agreement with an Investment Committee. Mr. Burke agreed that an Investment Committee would be a good idea. Mr. Hill requested that this be an agenda topic next month. Mrs. Holdren agreed to have this as an agenda topic.
10. **Ginger Holdren:** Mrs. Ginger Holdren thanked the Committee for their faith in her and stated her excitement for the Chair of Financial Management.
11. **Brad Johnson:** Mr. Brad Johnson stated that it has been an honor working on this Committee. He stated that the work completed by this Committee has been second to none.

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

Respectfully submitted,

Michael Kennedy

Ginger Holdren, Approved for File