

FINANCIAL MANAGEMENT COMMITTEE

January 3, 2018

8:30 am

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

The meeting was called to order by Danny Ward.

Quorum present.

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

**Approval of Minutes:** Motion was made by Bobbie Gouge-Dietz, second by Mayor Leon Humphrey to approve the December 6, 2017 minutes.

**Public Comments:** Roy Livingston made comments regarding the County budgeting process in the New Year.

**Old Business:**

- **Balanced Budget Resolution:** Mr. Charles VonCannon started the conversation with a couple questions regarding the percentages presented in the resolution. Brad Johnson with the help of Christa Byrd explained the percentages in the resolution. Mayor Leon Humphrey stated his worries that this resolution does not change the current policies followed by the Budget Committee. The Mayor mentioned that he would like to see an addition to the resolution that will keep percentage of unused funds to be put in a reserve for larger scale capital outlay projects. The Mayor stated he would like the percentage to be around 25% of unused funds. County Attorney, Josh Hardin, explained that the number one reason he was asked to write the resolution was to make certain that the Committee will not approve a budget that requires Fund Balance use to balance. Brad Johnson stated that he believes it's pertinent that this resolution gets passed even if it has some alterations added. The Financial Management Committee asked Finance Director, Christa Byrd, her opinion on what percentage of unused funds should be reserved for capital outlay projects. Mrs. Byrd stated that she would be comfortable with recommending reserving 50% of unused funds to be reserved.

**Motion** was made by Mayor Leon Humphrey, second by Charles VonCannon to approve to adopt the Balanced Budget Resolution with an amendment to item number two to establish a reserve of 50% of unused funds to be used for Capital Outlay projects.

Leon Humphrey	Aye	Danny Ward	Aye
Roger Colbaugh	Aye	Bobbie Gouge-Dietz	Aye
Charles VonCannon	Aye	Brad Johnson	Aye
Dr. Kevin Ward	Aye		

**All Ayes, Motion Carried**

- Financial Management Policies Updated:** Finance Director, Christa Byrd, presented her recommended changes for Financial Management Policies. Mrs. Byrd stated that if anyone has any recommended changes during her presentation feel free to speak up. Mr. Charles VonCannon mentioned that he noticed there is more requirements for the Deputy Director of Finance than there is for the Finance Director. Mr. VonCannon stated that he would like to see the requirements for the Director to mirror that of the Deputy. County Attorney Hardin stated that if the person of interest for the job of Director of Finance meets State laws we as a County cannot say you are required to be more qualified than State Laws to work here. Mr. Hardin did say we could make the changes as a preference for hiring of the new Director in the future.

**Motion** was made by Mayor Leon Humphrey, second by Charles VonCannon to initiate correspondence to General Assembly to increase minimum qualifications on the State level for Finance Directors under the 81 Act to mirror the qualification set for the Deputy Director of Finance set by the County.

Leon Humphrey	Aye	Danny Ward	Aye
Roger Colbaugh	Aye	Bobbie Gouge-Dietz	No
Charles VonCannon	Aye	Brad Johnson	Pass
Dr. Kevin Ward	No		

**4 Ayes, Motion Carried**

Mayor Leon Humphrey stated that he would like to see an increase in all minimum qualifications for elected and non-elected positions in Carter County. Mrs. Byrd had technical issues in her presentation; therefore, it was recommend to postpone the rest of this presentation until next month.

**Motion** was made by Mayor Leon Humphrey, second by Dr. Kevin Ward to cease the presentation and pick up on page 30 next month.

Leon Humphrey	Aye	Danny Ward	Aye
Roger Colbaugh	Aye	Bobbie Gouge-Dietz	Aye
Charles VonCannon	Aye	Brad Johnson	Aye
Dr. Kevin Ward	Aye		

**All Ayes, Motion Carried**

- Budget/Finance Workshop:** Mrs. Christa Byrd stated that the workshop will be on Monday, January 8, 2018 at 5 P.M. in the School Board meeting room. The meeting will cover general budgeting, difference in cash vs. fund balance, difference in the Finance Department and Trustee's office, and other financial issues. Randall Lewis will be there as well to discuss the workings of the Trustee's Department.

**New Business:**

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- **Records Retention Policy:** Mrs. Byrd stated that she has placed the current Records Retention Policy in the packet for review and approval. Mrs. Byrd stated that she needed the policy approval for application to certain grants.

**Motion** was made by Bobbie Gouge-Dietz, second by Brad Johnson to accept the presented Records Retention Policy.

Leon Humphrey	Aye	Danny Ward	Aye
Roger Colbaugh	Aye	Bobbie Gouge-Dietz	Aye
Charles VonCannon	Aye	Brad Johnson	Aye
Dr. Kevin Ward	Aye		

**All Ayes, Motion Carried**

- **Committee Member Pay:** Mayor Leon Humphrey stated that this issue is being covered in Rules & By-laws. He stated that they have requested a resolution to be written to adjust the Committee Member pay. County Attorney mentioned that a resolution is currently being written to address the issues with the Animal Shelter Committee and with Commissioner whom have two different board meetings in a day.
- **Recent Bids:** Director of Finance, Christa Byrd, reviewed a list of recent bids.
- **County General Update:** County Mayor explained that the industrial Development Board toured the Borla Exhaust facility to address the extension of their PILOT plan for another 10 years. After the tour was completed the Board approved the 10 year extension of Borla's PILOT plan. The approval of this PILOT program will need to be brought before Commission to take action in the January Commission meeting. . The Folsom has is continuing to receive renovations to the upstairs offices.
- **County Highway Department Update:** Highway Superintendent, Roger Colbaugh, mentioned that the Highway department is looking to get started on the Main Street bridge project in Roan Mountain in the next couple of weeks. Roger also brought up work on other County bridges that needed some work.
- **County School Department Update:** School Superintendent, Dr. Kevin Ward, updated the committee on the progress made by the Essilor eyewar company that helped over a 100 students get prescription glasses before Christmas in the County. Dr. Ward also talked about moving the Carter County School Systems to wireless facilities.

- **Bobbie Gouge-Dietz:** Mrs. Bobbie Gouge-Dietz commented that the survey team that was surveying the Carter County Landfill will take approximately two to three more months to give a result. Landfill Director, Benny Lyons, has been discussing many different options and paths that the County can take after the Landfill is completely full.
- **Brad Johnson:** Mr. Brad Johnson thanked the committee for approving the Balanced Budget Resolution. Mr. Johnson also mentioned that it is great to see the County working together on projects.
- **Charles VonCannon:** Mr. Charles VonCannon touched on the importance of updating the Financial Management Policies manual. He also commented on the importance of the Balanced Budget Resolution.
- **Danny Ward:** Danny Ward stated that a lot of positive projects are being completed in the County.
- **Adjourn:** Motion made by Brad Johnson, second by Bobbie Gouge-Dietz.

Respectfully submitted,

Michael Kennedy

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Danny Ward, Approved for File

BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR CARTER COUNTY, TENNESSEE

REGULAR MEETING, TUESDAY, JANUARY 16, 2018

RESOLUTION NO. \_\_\_\_\_

**"A RESOLUTION TO REQUIRE A "BALANCED BUDGET", RESTRICT THE USE OF UNUSED AND UNENCUMBERED FUNDS TRANSFERRED BACK TO THE GENERAL FUND BALANCE EACH YEAR AND ESTABLISH A RESERVE CAPITAL IMPROVEMENTS FUND"**

WHEREAS, the Board of County Commissioners for Carter County must adopt a budget each fiscal year for the operation of all of the various offices, departments and/or divisions of Carter County, Tennessee; and

WHEREAS, pursuant to Tenn. Code Ann. § 5-21-104(e), the Financial Management Committee is charged with establishing and approving policies and procedures for implementing a sound and efficient financial system for administering the funds of Carter County; and

WHEREAS, pursuant to Tenn. Code Ann. § 5-21-105, the Budget Committee has been designated as the special committee charged with establishing and approving policies and procedures necessary for the preparation of the annual operating and capital improvement budgets of Carter County; and

WHEREAS, both of said committees have studied the policies and procedures relevant to the development and approval of the annual budget for Carter County and have determined that it is in the best interest of the citizens of Carter County to adopt the policies set forth in this Resolution, and have therefore recommended the adoption of this Resolution by the Board of County Commissioners.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners for Carter County, Tennessee, meeting in regular session on this the 16<sup>th</sup> day of January, 2018, with a lawful quorum of said Board being present and with 2/3 of said Board voting in the affirmative as follows:

1. That it shall be the policy of Carter County to develop a "balanced budget" each and every fiscal year, which shall take into account the budgetary needs of each office, department and/or division of Carter County government and fund those budgetary needs only through utilization of existing and/or projected revenues.
2. That it shall be the policy of Carter County to allocate and utilize no more than fifty percent (50%) of the unused and unencumbered funds returned back to the general fund from the budgetary allocations made to the various offices, departments and/or divisions of Carter County government during the previous fiscal year to fund the budget for the upcoming fiscal year. Said unencumbered funds shall be placed into a reserve fund designated for capital improvements.
3. That these policies shall be set forth in the Financial Management manual of policies and procedures for Carter County.
4. That the policies set forth herein, upon adoption of this Resolution by 2/3 vote of the Board of County Commissioners, shall only be repealed, replaced or amended by a proposal or Resolution subsequently adopted by 2/3 vote of the Board of County Commissioners.

BE IT FURTHER RESOLVED that this Resolution shall take effect from and after the date of its approval the welfare of the county demanding.

BE IT FURTHER RESOLVED that any Resolution or part of a Resolution which heretofore has been passed by the Board of County Commissioners which is in conflict with any provision of this Resolution shall be and the same is hereby repealed.

BE IT FURTHER RESOLVED, that if any clause, section or provision of this Resolution is found to be illegal, invalid or unenforceable in any respect, the illegality, invalidity or unenforceability of the remaining clauses, sections, or provisions herein shall not in any way be affected or impaired thereby.

Reviewed and approved by the Financial Management Committee on January 3, 2018.

Danny Ward, Committee Chairperson

Reviewed and approved by the Budget Committee on January 8, 2018.

Sonja Culler, Committee Chairperson

Adopted this 16<sup>th</sup> day of January 2018.

CARTER COUNTY, TENNESSEE  
BOARD OF COUNTY COMMISSIONERS

APPROVED:

By: ROBERT V. ACUFF, CHAIRMAN  
BOARD OF COUNTY COMMISSIONERS

APPROVED:

By: LEON HUMPHREY  
CARTER COUNTY MAYOR

VETOED:

By: LEON HUMPHREY  
CARTER COUNTY MAYOR

Date: \_\_\_\_\_

VETO OVERRIDE VOTE:

\_\_\_\_\_ YES VOTES  
\_\_\_\_\_ NO VOTES  
\_\_\_\_\_ ABSTAIN VOTES

APPROVED WITH SUCCESSFUL  
OVERRIDE VOTE:

By: \_\_\_\_\_  
ROBERT V. ACUFF, CHAIRMAN  
BOARD OF COUNTY COMMISSIONERS

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
MARY GOUGE  
CARTER COUNTY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
JOSHUA A. HARDIN  
CARTER COUNTY ATTORNEY