

FINANCIAL MANAGEMENT COMMITTEE

November 2, 2020

8:30 am

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

The meeting was called to order by Ginger Holdren.

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

Quorum present.

Adopt Agenda: Motion was made by Brad Johnson, second by Travis Hill to approve the agenda. Motion Carried.

Approval of Minutes: Motion was made by Brad Johnson, second by Tracy McAbee to approve the October 5, 2020 meeting minutes.

Public Comments: No Public Comments.

Old Business:

1. **Discuss and update Capital Asset Management Policies and Procedures:**
Carter County Finance Director, Mr. Brad Burke, explained that the current Capital Asset Management Policy was a bit lengthy because it was created when the County started to recognize Capital Assets. Mr. Burke stated that he will be working to trim the updated policies and present those at the next Financial Management meeting. Mr. Burke also mentioned that the County needs to have policies referring to non-capital asset items. He requested that the committee members bring any recommendations to him this month.

Financial Management Chair, Ginger Holdren, reviewed some quick questions with Mr. Burke regarding the threshold changes he will be adjusting in the policies on page 78 and 79 of the current Capital Asset Management policy in the manual. Mrs. Holdren also questioned the Finance Director about page 81, item number 3 regarding "Recording Custody of Each Property Item". Mrs. Holdren asked if each department is currently following item number 3 by sending a copy of each newly completed form to the Finance Department before the last day of the month. Mr. Burke responded by saying that the offices are not following the current policy and that the Finance Department is updating the Capital Asset sheet each fiscal year around June 30, 2020 in excel. Commissioner, Brad Johnson, recommended that this agenda topic be rescheduled to next month, December 2020, to allow for better guidelines and recommendations from the Finance Director.

Mr. Brad Johnson stated that he would like to continue receiving hard copies of the Financial Management agenda's to be placed in the Commissioner's folders.



RECEIVED

11-12-2020

@ 3:40 pm

Deputy Director of Finance, Mr. Michael Kennedy, stated that he did place a hard copy of the agenda in Mr. Johnson's folder. Mr. Kennedy also stated that he did not place a hard copy in any else's box in a bid to save paper considering the size of the packet and the fact that the Commission discussed moving to electronic meetings. Mrs. Holdren agreed that having hard copies will be beneficial for note taking. Mr. Kennedy stated that he will be printing hard copies for all members going forward that request the copies.

Mrs. Holdren brought up another Capital Asset Policy issue on page 82, item b. According to Mrs. Holdren, the County Clerk did not follow the policy exactly as it was stated in our Financial Management handbook. She requested that Mr. Burke distribute this policy out to all parties involved to ensure that the policy is followed exactly how it is stated in the handbook going forward. Mr. Burke agreed that the policy needs to be distributed better to ensure the correct procedures are being followed. Mrs. Holdren had a follow-up question regarding a policy on page 83, item number 3. Mrs. Holdren inquired about the Finance Department getting an updated inventory listing at the time of acquisition for the Workforce Development property. Mr. Burke did confirm that the Finance Department did receive the updated inventory listing from the Workforce Development property.

2. **Discussion of Compensation Time Policy:** Mrs. Holdren opened the discussion on this agenda item by stating that no motion was made regarding the item last month; therefore, if no member has any insights on the item we will move on. Mr. Johnson repeated his comment that the reason for this agenda line item was to discuss the creation of the new budget line for overtime pay when the County has a Compensation Time policy in place that has a maximum of 100 hours before employees are to get paid. Mr. Johnson stated that the current policy is not well described in regards to the procedure that should be in place before employees are paid for their compensation time on the books. Mr. Johnson thinks further clarification to this policy is needed. He mentioned that having a policy stating that employees need to take off time to cover this compensation time build up would be beneficial. Interim County Mayor, Patty Woodby, stated that she has been discussing ways for one of her employees to draw down built up compensation time and to avoid the issue going forward.

Mrs. Holdren stated that she believes the current compensation time policy is written well and the only issue is that the County offices are not following the policy. Mrs. Holdren stated that she inquired with the County Attorney, Josh Hardin, about ways for the County to better enforce this Compensation Time policy. According to Mrs. Holdren, the County Attorney stated that the only way to better enforce the policy is through budget methods. Mr. Johnson stated that a potential solution could be that the Finance Department bring any violations of the policy to Financial Management Committee to seek a resolution with the



Department Heads. Mrs. Holdren requested that Mr. Burke keep the Financial Management and Budget Committees abreast of any possible issues with departments following the Compensation Time policy.

Mrs. Holdren mentioned that under the current Sheriff's Department policy regarding compensation time it looks to be encouraging for employees to reach the maximum of 171 hours because they will start to accrue compensation time at time and a half after those hours are met. Mrs. Holdren stated that this policy is concerning to her, but she believes that the Committee has no authority to address the potential issue. Mr. Johnson stated that the Budget and Financial Management Committees both received copies of these policies before they were approved by the Sheriff's Department. Mrs. Holdren would like an individual from the Sheriff's Department to review their policy and bring it back to the Committee for review.

3. Discussion regarding the possible reactivation of Evergreen

Wage/Compensation Time Policy: Mr. Kennedy stated that he spoke with Evergreen's contact, Mrs. Nancy Berkley, about the next steps required to get the compensation study started back up. According to Mr. Kennedy, the next steps required to start the study again would be to collect all the initial data for the study since the initial data presented to Evergreen is outdated. Mr. Kennedy said that after speaking with Mr. Burke, we are looking at holding off on beginning the collection until in-person meetings can begin at the first of the year. The reason behind this decision is to avoid the data becoming outdated once again in January. Mr. Brad Johnson stated that it may be a good idea to contact our Attorney to review the contract to make certain we are not setting up any liability issues by delaying executing this study due to the COVID pandemic. Mrs. Holdren agreed with Mr. Kennedy that we should wait on gathering the initial data and stated that she will be reaching out to the Attorney to make certain we are within our rights to extend the waiting period on completing this study.

New Business:

1. **Recent Bids:** Deputy Director of Finance, Michael Kennedy, reviewed a list of recent bids.
2. **Sequoyah Group Presentation – Insurance Update:** The County insurance representative, Sequoyah Group, presented the 2020 Post-Renewal review to the Financial Management Committee. The presentation was led by the Sequoyah group representative, Colton Birdwell. The other Sequoyah group members present at the meeting were Kelly Geer and Tim Helton. The presentation that was delivered to the committee is attached to the minutes for review.

Sequoyah group also covered information regarding the Total Compensation reports that were requested by the committee. Mr. Birdwell stated that Sequoyah group is looking at adding a couple more benefit items to this report and then it should be ready to send to employees. An example of the total compensation report is attached to the minutes for review.

3. **Discussion regarding the addition of the Fixed Asset Module on Skyward:** Mr. Kennedy explained that this discussion item is regarding a module that could be added to Skyward to make the Finance Department's accounting for Capital Assets more efficient and accurate. According to Mr. Kennedy, the current process for accounting for Fixed Assets is through a large excel sheet. Mr. Kennedy mentioned that the excel sheet is updated once a year allowing a large room for manual error in inputting data. Mr. Kennedy stated that the use of this module will aid in decreasing potential errors by allowing the items to be input directly into the fixed asset accrual sheet as they are purchased. Mr. Kennedy stated that the module will be an asset for the County to ensure that all records are accurate. Mr. Burke mentioned that having real time data will eliminate the issues with the department updating the records once a year. Mr. Burke went over the Skyward Software Proposal given in the packet to add the module to Skyward. The proposal has an initial investment of \$6,039, with service cost of \$2,895, and full 12- month recurring fees of \$1,647. The total start-up cost for this module is \$10,581, with \$1,647 continuing each year. Mr. Johnson wanted to know which departments have access to this module and Mr. Burke stated that only the Finance Department will have access. Mr. Burke recommended that the fund for this purchase come from the Governors Local Support Grant or the Cares Act funding.

Motion was made by Travis Hill, second by Patty Woodby to send the Fixed Asset Module proposal to budget for consideration with recommendation from Mr. Burke to take the monies coming from the Governors Local Support Grant funds.

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

All Ayes. Motion Carried

4. **Introduction of new Finance Department employees- Payroll and Accountant:** The new Finance Department Payroll Clerk, Mrs. Rita Watts, introduced herself to the committee. The new Finance Department Accounting Clerk, Ms. Alex Morris, introduced herself to the committee.

5. **Discussion regarding an Investment Committee:** Mrs. Holdren started this discussion topic by reading a section from the 1981 Act regarding the Financial Management Committee. The section with the heading Financial Management Committee in this act states, "The county legislative body, by resolution, either may create the following committees or it may authorize the financial management committee to assume functions of any or all of the following special committees: (1) budget committee, (2) investment committee, and (3) purchasing committee. T.C.A 5-21-104 (e) and 5-21-105". Mrs. Holdren stated that this policy allows the Finance Committee to either take on the duties of the Investment Committee or look at creating another committee to govern the investments. Mr. Brad Johnson wanted to know the scope and the duties of an Investment Committee. Mr. Burke said the primary role of this committee would be to find the best options for investing excess cash. Mr. Burke stated that the County cannot invest these monies in any fund that has the ability to lose monies. Mr. Burke explained that the excess cash funds will have to be secured with either FDIC coverage or with collateral pledge by a bank or participation in the State collateral pool. The investing options will mainly be in CD's.

Carter County Trustee, Mr. Randal Lewis, stated that having an Investment Committee is a good idea. Mr. Lewis mentioned that his office has had a great relationship with the local banks. Mr. Lewis mentioned that some institutions locally are not large enough to handle the funds that we hold. Mr. Lewis stated that the County has approximately 22 million in checking and 8 million in CD's. Mr. Lewis stated that his office is always open to the recommendations. Mr. Johnson asked Randal if he believes an Investment Committee would be an asset to his office. Mr. Lewis stated that his office does not have an overload of work and said that if the committee wanted to create the Investment Committee he would be okay with it.

Mrs. Holdren asked if the Trustee's office would have to wait on decisions from the Investment Committee before moving money if the committee was created. Mr. Burke stated that he believes if the committee is created that they will be the ones making the decision on where the monies are invested or deposited. Mrs. Holdren expressed her worries about Mr. Lewis having to wait on direction from the committee on decisions regarding money that became available for investing. Mr. Burke said that the Trustee's office has a list of securities that are maturing, which help the committee know which securities to make decisions on before they mature, possibly avoiding the lag time. Mrs. Holdren mentioned that the committee would not know the interest rates offered for new securities, which could cause more lag time. Mr. Lewis mentioned that the Trustee's office in Greenville has an Investment Committee that they update twice a year regarding their current investments. Mrs. Patty Woodby stated that the Investment Committee seems more like a portal to better inform the Commission on the investments being made by the County Trustee. Mr. Brad Johnson requested that he would like to see the Trustee's office do a quarterly or semi-annual update to the Financial Management Committee to help

solve the situation. Commissioner, Dr. Robert Acuff, mentioned that the Budget Committee has reviewed this in the past and believes that a quarterly report to the Financial Management Committee would be sufficient and does not see any reason for an Investment Committee.

Motion was made by Brad Johnson, second by Patty Woodby to request that the Trustee's office begin providing updates to the Financial Management Committee beginning on February 2021, April 2021, and June 2021 during the budget cycle and continuing every year thereafter.

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

All Ayes. Motion Carried

6. **Updates from the Finance Director:** Mr. Brad Burke informed the committee that the Finance Department has gone back to a telework schedule because of the uptick in local COVID cases.
7. **County General Update:** Mrs. Patty Woodby informed the Committee that the Courtroom Security project has finished up its current punch list and the project should be 100% complete mid-January. Mrs. Woodby also notified the committee that the Finance Department has started utilizing some of the excess storage at the Workforce Development center. Mrs. Woodby stated that the County has seen a rise in COVID-19 cases. She also informed the committee that two kiosks have been ordered to aid the Circuit Court, County Clerk, and Trustee's office. Citizens will be able to utilize these kiosks to pay taxes, renew tags, and pay court costs.
8. **County Highway Department Update:** Not Present.
9. **County School Department Update:** Carter County School Superintendent, Tracy McAbee, updated the committee on the current COVID cases in the School system. Dr. McAbee mentioned a survey that was sent out to Commissioners to address progress updates that can be made by the school system.
10. **Austin Jaynes:** Not Present at this time in the meeting.
11. **Travis Hill:** Mr. Travis Hill mentioned that the County needs to look at incentives to increase preventative care visits. He mentioned that the City incentivizing their employees by allowing them to have the entire day off if they bring in a doctor's note saying they have completed their preventative care visit.

12. **Ginger Holdren:** Mrs. Holdren informed the committee that both the FMC and Health & Welfare committees have looked at incentives to increase preventative care visits. She also asked the committee to please wear a mask when out in public.

13. **Brad Johnson:** Mr. Johnson thanked the committee for their continued work.

Adjourn: Motion made by Travis Hill, second by Tracy McAbee. **Motion Carried.**

Respectfully submitted,

Michael Kennedy

Ginger Holdren, Approved for File