

FINANCIAL MANAGEMENT COMMITTEE

June 8, 2022

8:30 am

PRESENT: Chairman Brad Johnson, Commissioner Ginger Holdren, Commissioner Austin Jaynes, Superintendent Roger Colbaugh, Vice-Chairman Mark Tester, Mayor Patty Woodby and Richard Church for Dr. Tracy McAbee

ABSENT: None

The meeting was called to order by Chairman Johnson at 8:30 a.m. and the roll was called. Quorum present. Chairman Johnson welcomed everyone attending.

ATTENDING: Finance Director Carolyn Watson, Deputy Director Audra Gerty, County Attorney Josh Hardin, Brandon Carpenter, Commissioner Gary Bailey, Carter Co. Rescue Squad/EMS Director Terry Arnold, Commissioner Robert Acuff, City Manager Daniel Estes, and others.

Roll Call: Roll was called. Quorum present.

Addition to Agenda: None

Adopt Agenda: Motion was made to adopt agenda by Mayor Woodby, second by Vice-Chairman Tester. Roll called. Motion carried.

Approval of Minutes: Commissioner Holdren made a motion to approve the minutes. Second by Vice-chairman Tester. Roll called. Motion carried.

Public Comments: Chairman Johnson stated that any elected officials present may ask to speak at any time during the meeting. No other comments.

Old Business:

- a) **Hunter Elementary School Renovation Project** - Richard Church stated that the bid for the project came in at \$29 million dollars. He stated that the school board will use the following funds for the project:
- \$11.9 million from cash on hand
 - \$9.9 million from ESSER approved funds
 - \$1.3 million from the 177 Unassigned Fund Balance.

This would total \$23 million of the \$29 million needed. The estimated amount needed to finish the project including the 35% portion that would go to the City of Elizabethton would be \$8.5 million. After discussion on various ways to fund the balance, Vice-chairman Tester made a motion to have the Finance department to look at options to borrow the \$8.5 million thru bonds or local loans and to get options for 10, 12, and 15 years. Also, asked to check if there would be a penalty if the loan was paid off early and if you could only draw the money as needed. Commissioner Holdren seconded the motion. Roll was called. Motion carried.

- b) **Discussion of Skyward software upgrade** - Finance Director Watson stated that she would like to move forward with the conversion and would like to convert as of January 1, 2023. She wants to coordinate with the school system to see when they would be able to convert their system over. She stated that Skyward said that the conversion will be mandatory in the future for their users. Skyward said we could update in sections and not all at one time. Commissioner Holdren stated that from a former teacher perspective she would like to see the school convert in July 2023 when school is not in session. Chairman Johnson stated

that since there are still many questions concerning this conversion, he asked to defer this until the July meeting.

- c) **Discussion of resolution #688 dated January 2018 regarding allocation of unassigned fund balance -** Finance Director Watson stated that the auditors wanted to see updated language of how funds come from the unassigned fund balance. Committee wants to defer until the state provides wording for this.
- d) **Review and discussion of 2021-22 audit report findings regarding elected officials pay -** Financial Director Watson asked to defer this item. Commission Holdren stated the committee needed to wait until this is the only finding on the audit reports and then deal with the issue because it is already a finding this year and nothing can be done at this time.

New Business:

- a) **Recent Bids:** Deputy Director Gerty went over the bid report. She stated that several of the bids have gone out for annual supplies. There are two items under observation to decide if they need to be posted to bid out again. She stated there were two bid openings this week.

After a short break – Chairman Johnson allowed EMS Director Arnold to speak concerning their request for ambulances since the committees and the commissioners needed answers as to why there were two ambulances requested in the 2022-23 budget.

b) Credit Applications –

EMA - Motion made by Commissioner Holdren to allow EMA to proceed with the credit application for AutoZone. Mayor Woodby seconded the motion. Roll called. Motion carried.

Highway Department and Carter County Government - Motion made by Commissioner Jaynes to allow the Highway Department and the County Government to proceed with the credit applications for Happy Valley Ford, which was formerly Grindstaff Ford. Vice-Chairman Tester seconded the motion. Roll was called. Motion carried.

Carter County Solid Waste – Motion was made by Commissioner Jaynes to allow the Solid Waste Department to proceed with the credit application for Fisher Auto Parts. Superintendent Colbaugh seconded the motion. Roll called. Motion carried. It was noted that these credit applications would be for \$5,000.00.

- c) **Director of Finance Carolyn Watson:** Director Watson gave an update on the budget process. She stated that some of the budgets need adjustments. There is a special called budget meeting set for tonight (June 8) and a Commission Budget Workshop on June 9th with the public budget hearing set for June 20th. The budget hearing will most likely be moved to a later date since budgets cannot be approved until a tax rate is set. The Equalization Board is having meetings now.

There was a discussion of ARPA funds. Director Watson stated that the unencumbered balance is about \$1.5 million dollars and we have not received the second allocation yet. Chairman Johnson asked the committee to take money from the unassigned fund balance to pay the Blevins Bridge and Danner Bridge projects for a total of \$69,110.30 instead of using ARPA funds. Commissioner Holdren made the motion to pay for the two stated projects from the unassigned fund balance. Mayor Woodby seconded the motion. Roll was called. Motion carried. This will be presented to the Budget Committee.

Commissioner Acuff addressed the committee regarding how they prioritized the list of recipients for ARPA funds. Commissioner Bailey addressed the committee regarding funds appropriated for the fire departments and said it would not be right to give Elk Mills both the \$500,000 for the building and truck at then to also give them the extra \$150,000 that the other departments were getting. Commissioner Jaynes suggested taking the Landfill's request for a new transfer station be taken off the ARPA list. It was stated that they could come up with a way to pay for a new station through price increases and/or getting a loan/bond.

Mayor Woodby made a motion to appropriate the employee bonuses and pay them now. Superintendent Colbaugh seconded the motion but to add it would be a one-time payout. Roll was called. Motion failed with 2 votes for and 4 votes against. Those who voted no stated they did so because all of the ARPA funds have not been received yet and they didn't want the balance that is in the account now to be completely liquidated until they know when the balance of the funds will be in and since we have projects started there may be invoices to come in that needs to be paid.

Chairman Johnson asked everyone to look over the priority lists and decide which ones they can fund because there are more requests than monies available. Commissioner Holdren asked to comment on the fire department allocations, she said she would like for all commissioners to consider only giving Elk Mills the \$500,000 and not giving them the extra \$150,000.

- d) **Mayor Woodby Update:** None
- e) **Superintendent of Roads Roger Colbaugh Update:** None
- f) **Richard Church Schools Update:** Stated the school's budget would be presented at tonight's budget meeting.
- g) **Commissioner Ginger Holdren:** Commissioner Holdren thanked the Health and Welfare Committee for all the work they had done on ARPA Funds. She thanked the Highway Department for the roadwork in her district. She also stated that she wanted everyone to know that she is behind employees getting the bonuses.
- h) **Commissioner Austin Jaynes:** Spoke about some changes regarding the counties purchasing and if we had an employee 100% dedicated to purchasing then we could update our purchasing policy to bid out purchases at \$50,000, instead of the \$25,000 threshold. Our current purchasing agent, Marcia Fletcher also handles Public Information Requests according to Deputy Director Gerty. He thanked everyone for their hard work.
- i) **Vice Chairman Mark Tester:** None
Prior to the close of the meeting, Commissioner Acuff asked if each utility be notified of how much funding they could possibly get and have them to respond to the committee whether or not they could fund the balance of their specific project with other funds and if they can't complete the project and funding, they may not be eligible for the funds.
- j) **Chairman Brad Johnson –** Chairman Johnson thanked the everyone for their participation and hard work.
- k) **Motion to adjourn:** Motion to adjourn made by Commissioner Jaynes and seconded by Commissioner Holdren. Motion carried.

Respectfully Submitted to File:

Suzanne Archer, Finance Department

Audra Gerty, Deputy Finance Director

Brad Johnson, Chairman - Approved for File