

Study regarding fairness to City taxpayers - Regarding the concern expressed last month that City taxpayers aren't getting a fair return for their county tax dollars. At the December meeting I agreed to contact the ETSU Bureau of Economic Research or the UT Center for Business and Economic Research and seek to engage them in independently evaluating this question. A couple of days after our meeting I was in Nashville and ran into Lynisse Patrick, Executive Director of TACIR. I explained to her the concerns expressed in the editorial and asked if she had a recommendation of a good resource for this study. Lynisse appeared intrigued by the question and expressed an opinion that the topic has statewide application and therefore would be appropriate for TACIR to study. As a result of the conversation, I have requested the TACIR Board consider approving this study at their January meeting which is Wednesday. I'm not aware of another organization in the state with more qualifications and credibility to study this issue and render an opinion. I'll let you know what decision they make during their meeting scheduled for Wednesday.

Director, Finance and Administration - After an extensive search and consideration of numerous candidates I have selected our first Director of Finance and Administration. And I'm pleased to announce that effective February 9<sup>th</sup> Mitch Meredith will begin employment with Washington County in this capacity. We were very fortunate to have three highly qualified applicants. However the combination of his financial management experience, technical qualifications and capability and a high degree of familiarity and understanding of Washington County governments operations and finances qualified Mitch as the best candidate for this position.

ERP Solution - One of the first responsibilities Mitch will take on is implementation of our new ERP (Enterprise Resource Planning) solution. We received responses to the Financial Management System RFP last week. The next step will be several weeks spent on evaluating the responses. As a part of the evaluation process we have scheduled four vendors to demonstrate their software in February and March. A detailed script has been prepared by our consultant in order to force all vendors to present their software in a consistent format so that we are able to make apples to apples comparisons of the products and features. Each Official and their key employees are being encouraged to attend these demonstrations to gain familiarity and offer input in the evaluation process. You will each receive a copy of the script and the demonstration dates shortly. I encourage you to participate in this phase of the process as much as your schedule will allow.

Court System RFP - The Court System RFP has been completed and will be submitted to vendors this week. We will receive letters of intent to respond on February 4, 2015. Proposals are due on February 27<sup>th</sup> at 3:00 pm. We are scheduled to review proposals, have site visits and software demonstrations by selected vendors during the month of March. Our expectation is to recommend a vendor by the first of April.

Department of Veterans Affairs - Advertising for the Veterans service officer position has been prepared and will start running this week. We expect the interview and selection process to take about four weeks.

Situs-based tax audit - As reported to the Audit Committee earlier this month, we have begun the process to perform a Situs-based tax audit for Washington County. This audit will seek to determine whether the Tennessee Department of Revenue is correctly allocating various sales, use and income taxes to the jurisdictions within Washington County. We will be focusing on local option sales tax, Hall income tax, utility taxes and alcohol taxes. This audit will be self-performed and I expect it to take around 6 months to complete.

Coordinating Committee – Given that our current County-wide Growth Plan is now 15 years old and considering the uncertainty regarding planning, growth and annexation created by actions of the State General Assembly during their last term and in anticipation of further changes this term, I have made the decision to convene the Washington County Coordinating Committee. The 1101 statute establishes the make-up of this committee and I will be contacting each stakeholder during February asking them to make their respective appointments. The coordinating committee will be responsible for reviewing the growth plans, policies and requested amendments for the jurisdictions of Washington County, Johnson City and Jonesborough. The intent of this process will be to amend the current growth plan to reflect changes in demographics, development trends, availability and provision of services, tax revenue implications, annexation procedures and other state and federal regulations. This will be a long term project taking at least 12-18 months to complete.

School facilities – Much progress has been made over the last several weeks in developing a plan to address the long term facility needs of the Washington County school system. At this point in the process, the plan addresses the top priority by replacing the Boones Creek Elementary and Middle School with a new K-8 facility accommodating 1,100 students. The anticipated cost of this facility is \$27,000,000. The second priority was replacement of the Jonesborough Elementary and Middle School facilities with a new K-8 having a potential price tag of another \$27,000,000. As you know, we have limited capacity to borrow and recognizing our responsibility to minimize the demand placed on our property tax payers, it just isn't financially prudent to build new schools in both locations at this time. Therefore given that we aren't dealing with capacity issues, it appears the more feasible solution for Jonesborough is to make renovations and improvements that maintain the functionality of the existing facilities for at least another 10 years, rather than replacing the schools.

Capital Improvement Reserve - One of the benefits of the School Boards long range facilities plan has been to highlight the exorbitant cost of building new schools and therefore the necessity of extending the useful lives of existing school facilities. In order to accomplish this it has become obvious that a long term funding mechanism for capital improvement projects, that eliminates the need to regularly borrow money, be put in place. During the upcoming budget process we will be proposing funding a Capital Improvement Reserve. This will allow the Washington County School Board to systematically plan for improvements to accommodate school facility functionality and improvement needs and defer expensive school replacement projects. In addition we will be able to more effectively manage the debt requirements of the county and provide greater stability in the property tax rate.

Questions.