

I would like to start by asking Mitch Meredith to update you on the status of our Financial Management System RFP process.

Study Regarding Fairness to City Taxpayers – The TACIR Board of Directors has declined to take on the study of sources and uses of Washington County tax revenue. Before contacting the UT Center for Business and Economic Research in regard to performing this study, I have asked our Director of Finance and Administration to pull together a simple report identifying the amount of property tax paid by Johnson City residents and the funding and services provided by County Government for the benefit of those residents. This will not be an in-depth report complete with analysis. However, it will provide you with enough information to determine whether you desire further study be performed. Our intent is to provide this information to the Budget Committee and the full Commission in March.

In the first meeting of this Commission, last September, I reported to you concern regarding our local economy and resulting anemic growth in the property and sales tax bases of Washington County and referenced the need for a plan to stimulate long term growth in the tax base in order to insure adequate revenue to fund the services of county government, and to maintain low, stable tax rates that help to make this community one of the most affordable areas in the country to live.

Specific suggestions for the plan included investments by Washington County that are targeted to generate a return by way of stimulating private investment, with the expected outcome yielding job growth, growth in the tax base and community development. These investments should be part of a comprehensive strategy to improve education, to be more competitive in attracting manufacturing and industrial opportunities, to encourage and facilitate the research and technology initiatives of East Tennessee State University, to stimulate growth in the retail sector of our economy, and to address infrastructure needs, particularly those that will promote economic development and those that will resolve long standing issues or concerns in the community.

Then in my December report I gave you another update on our local economy with my general assessment being that while Washington County's economy continues to experience modest growth, it does appear to be slowing.

I'd like to share with you this evening recently received calendar year 2014 wage and labor data. Unfortunately this information only confirms our need to be concerned about the economic trends of not just Washington County, but all of Northeast Tennessee.

According to the Bureau of Labor Statistics, Washington County ranked 27th of the 95 counties in Tennessee in average weekly wages at \$714 per worker. This is 18% below the state average of \$874 per week and 30% below the national average of \$1,027 per worker.

In regard to the labor picture, Mitch has prepared a Power Point to help us understand the conditions we are encountering.

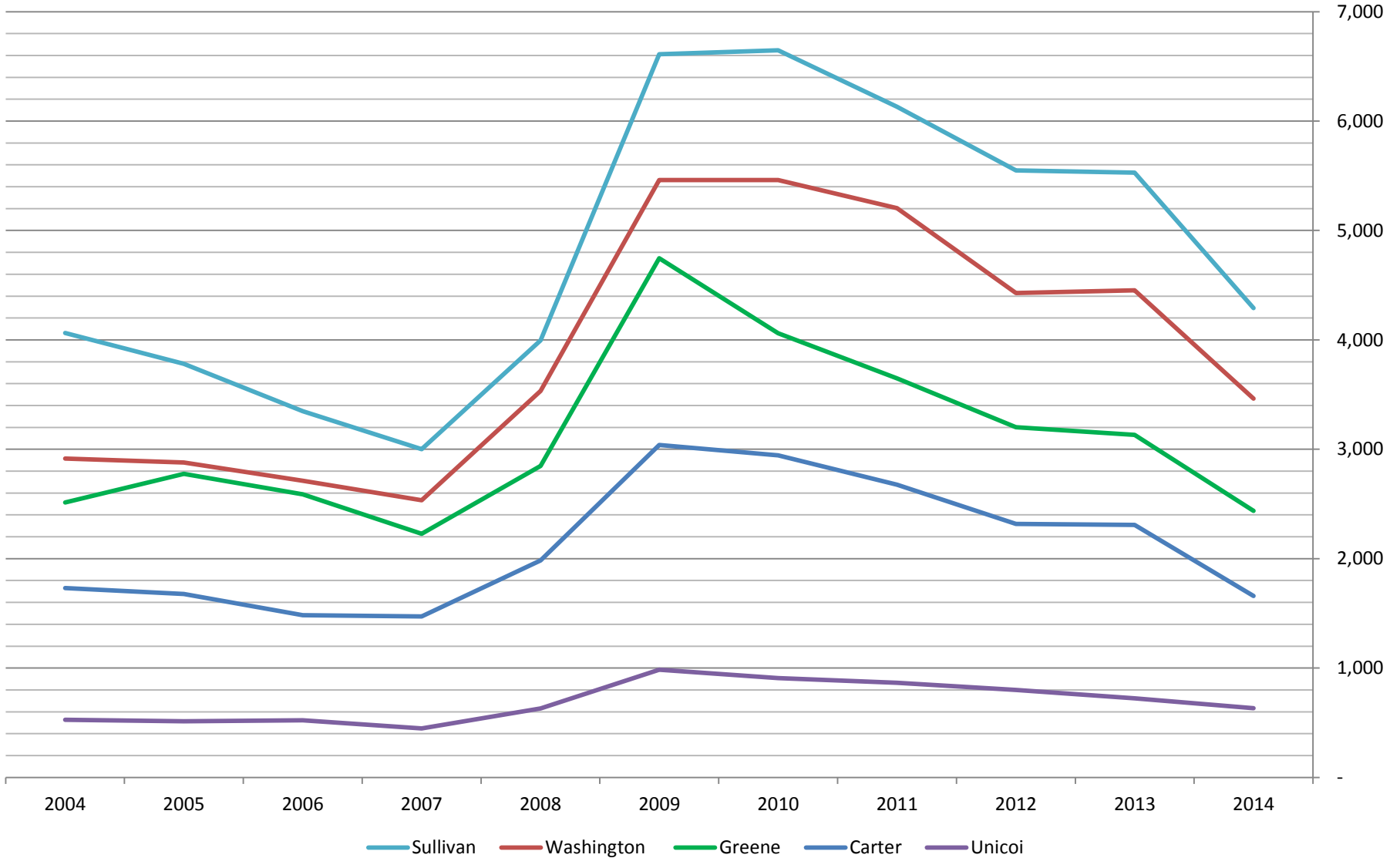
Labor & Workforce Statistics

*Washington, Sullivan, Greene, Carter & Unicoi
Counties*

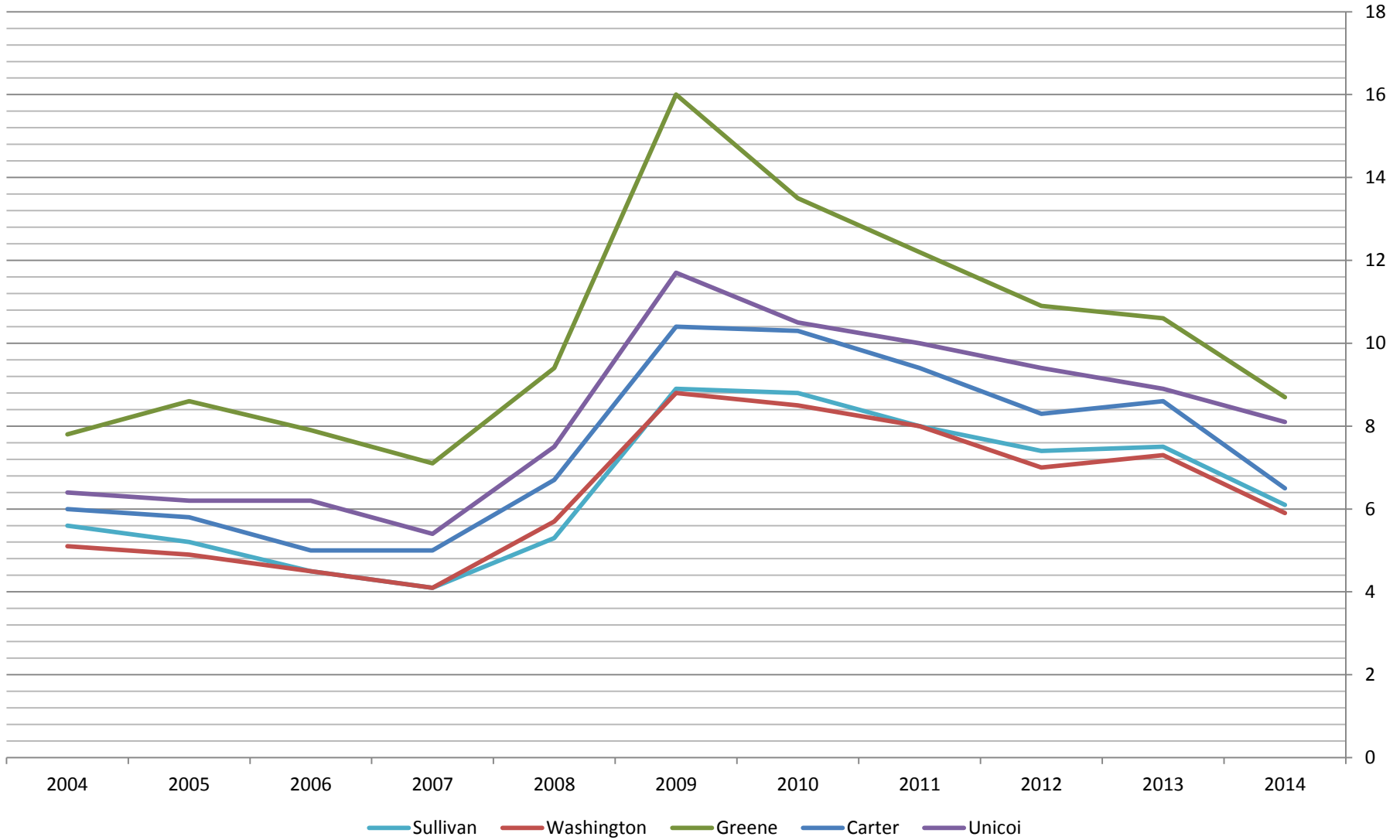
2004 - 2014

Source – Labor Area Unemployment Statistics, Bureau of Labor Statistic, US Department of Labor

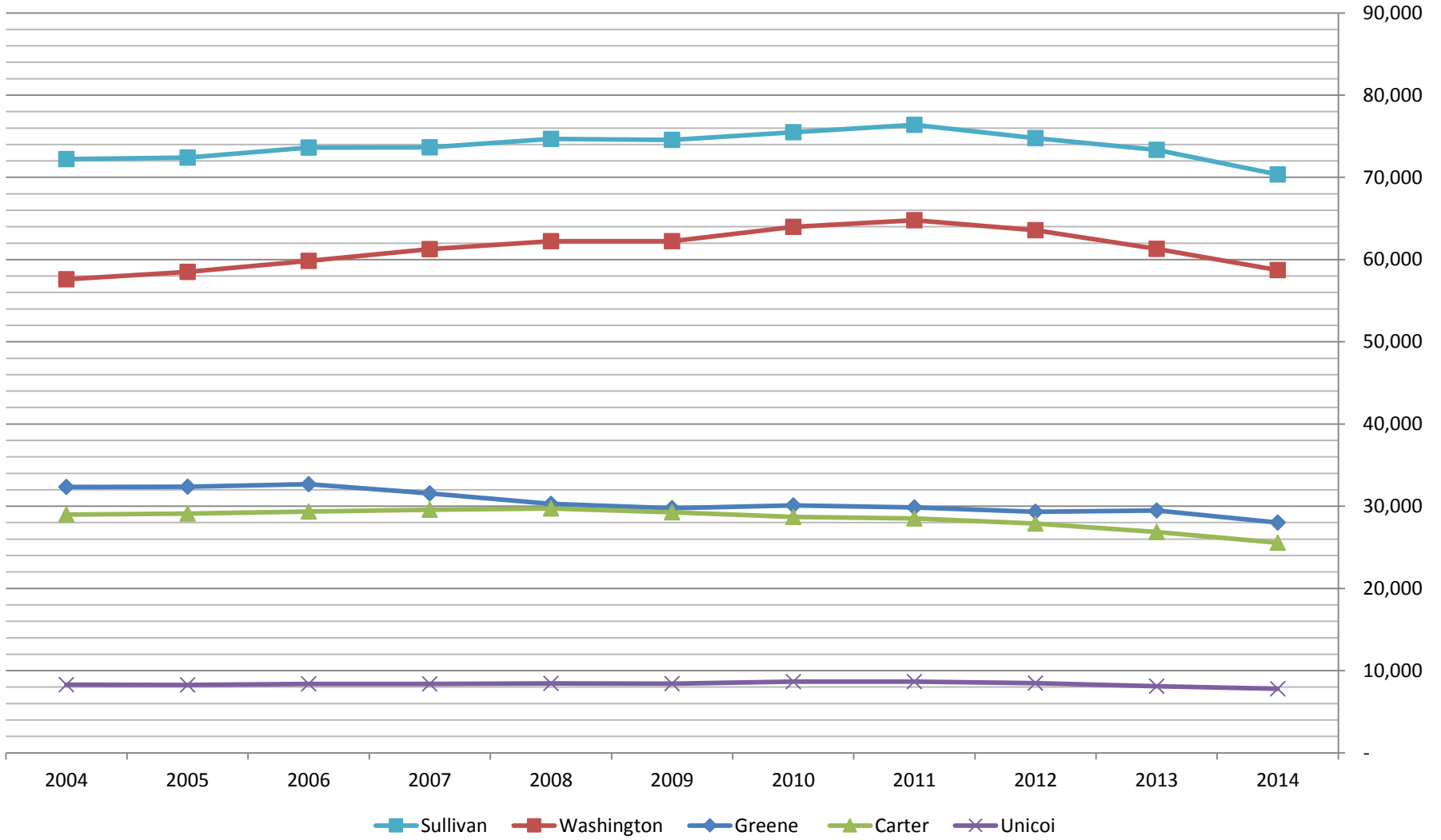
Unemployment Level



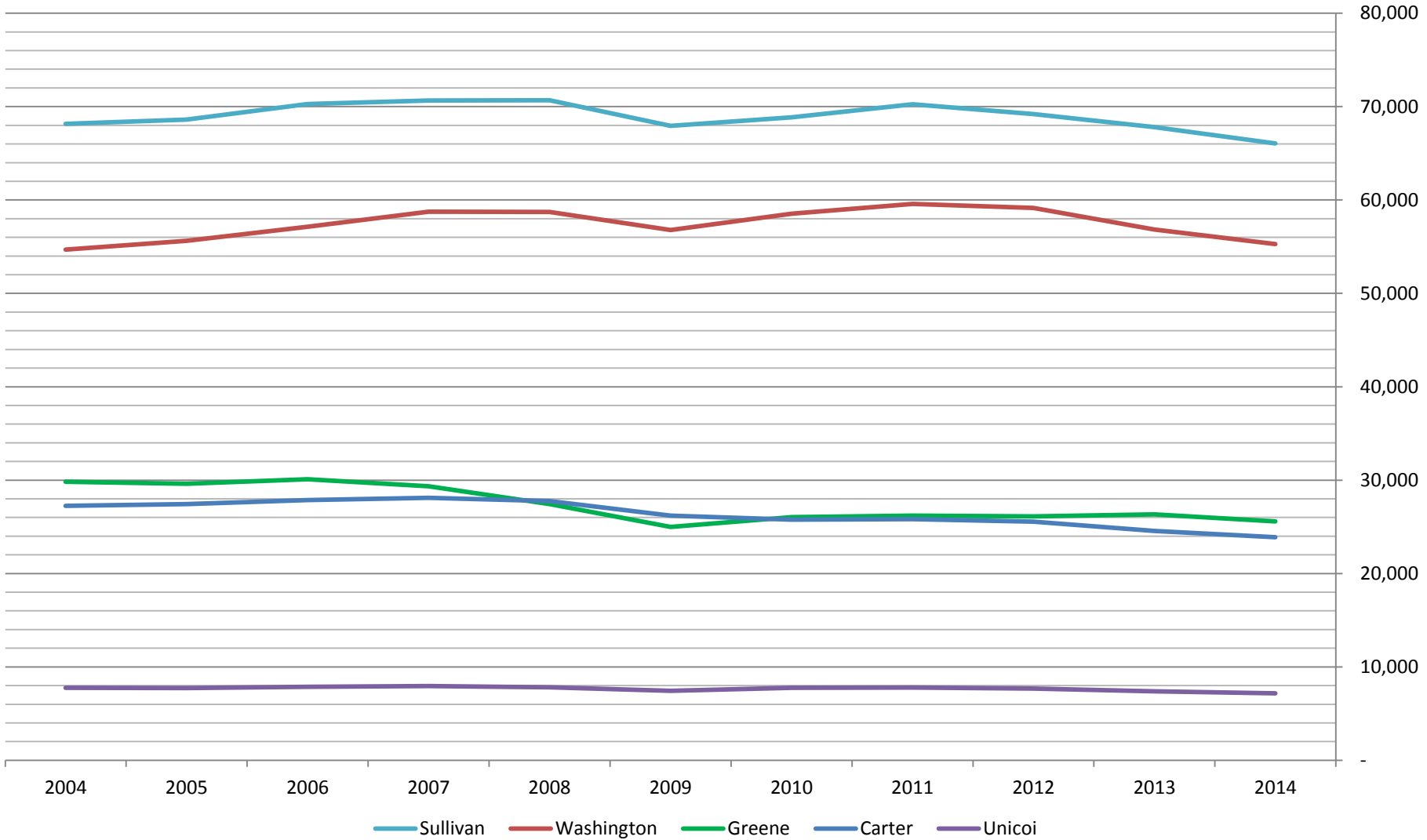
Unemployment Percentage



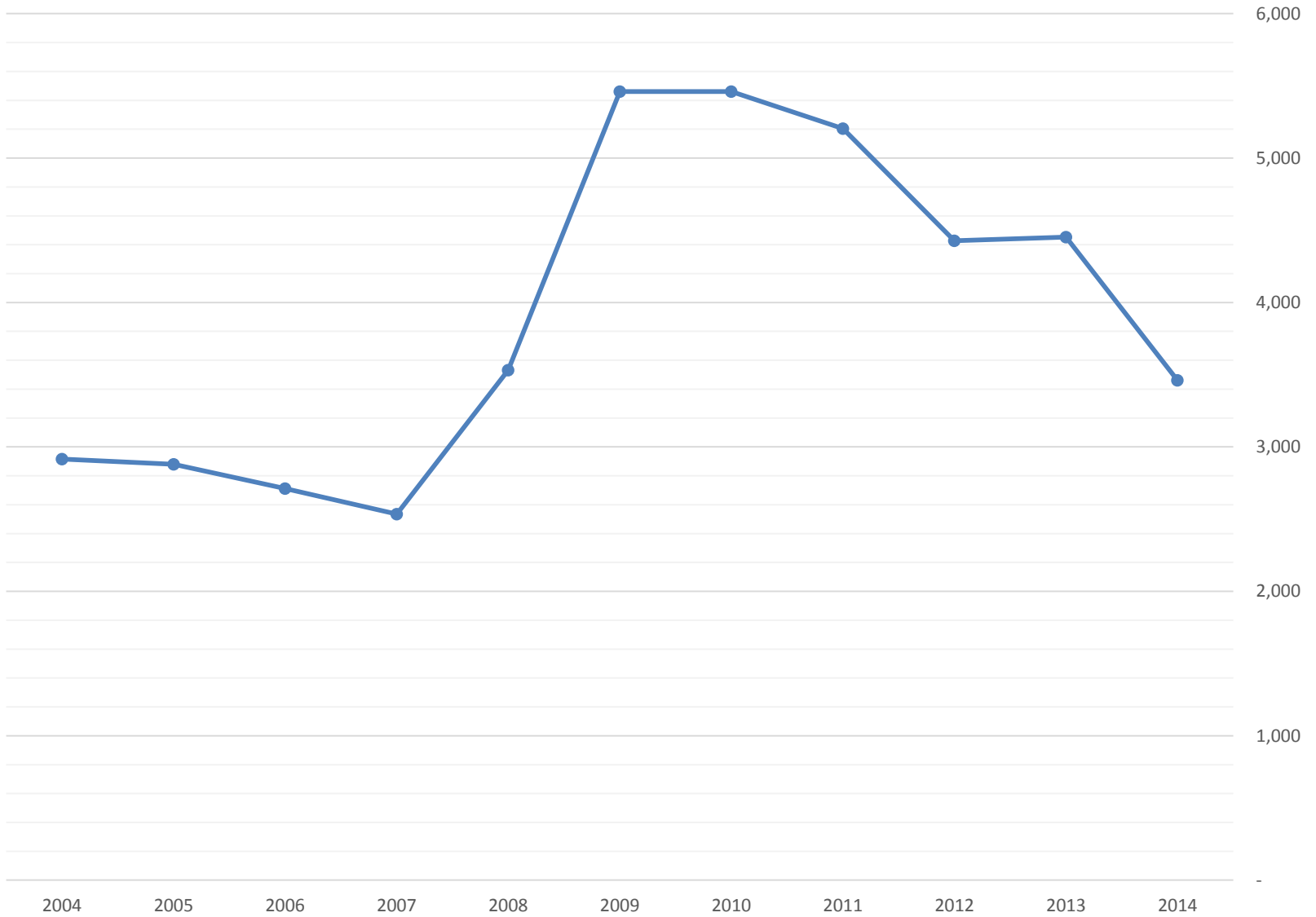
Labor Force



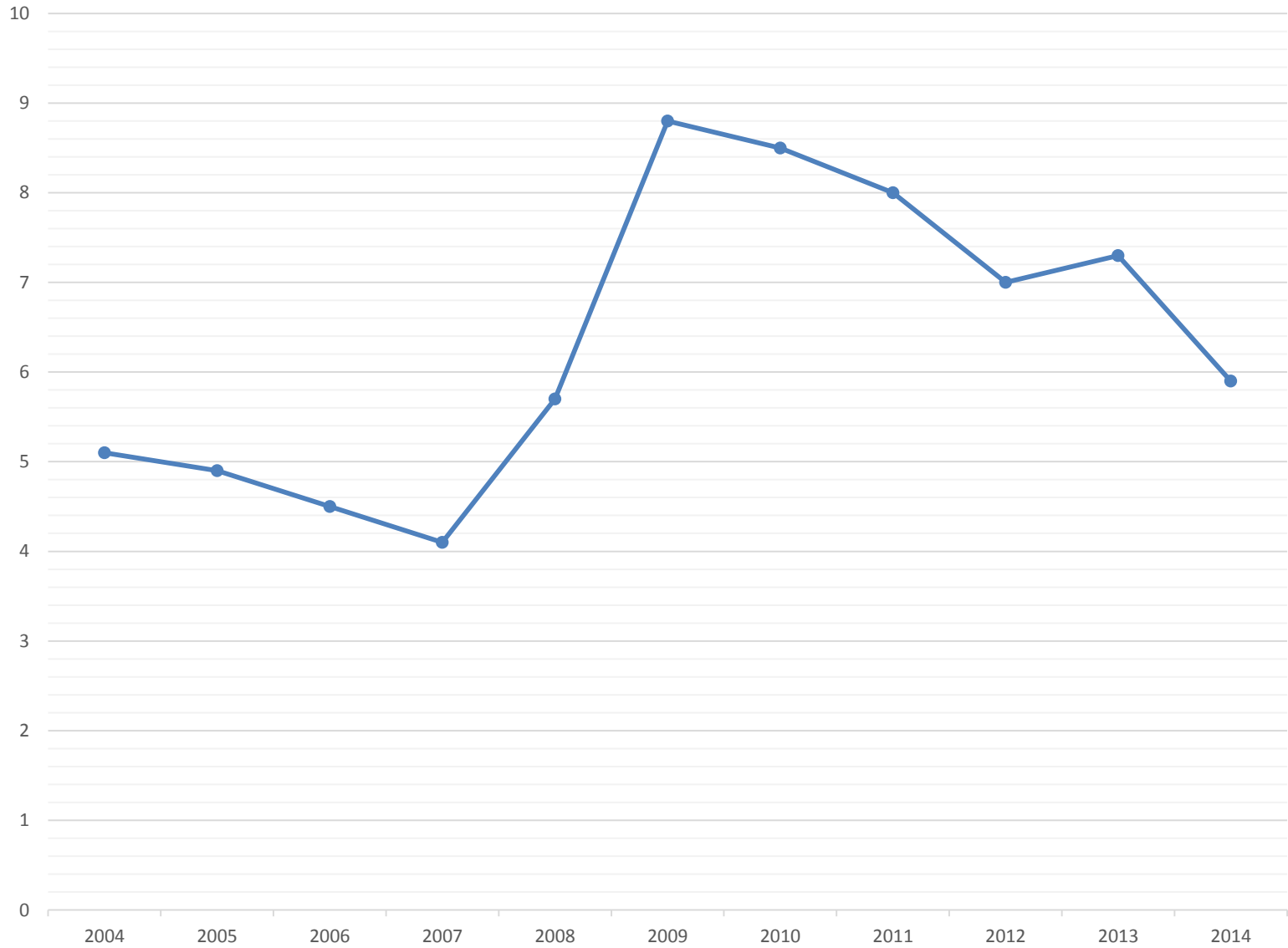
Employed



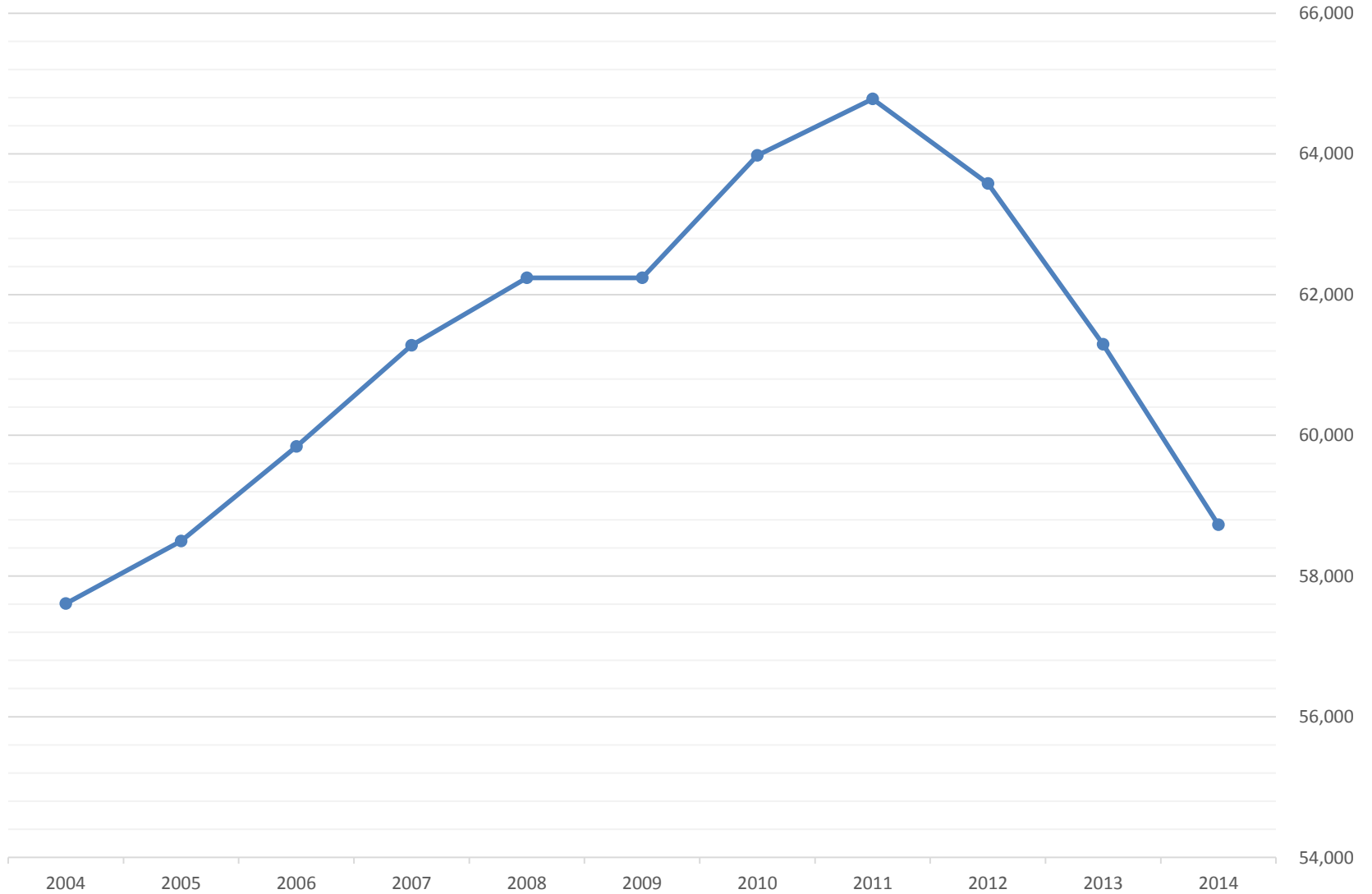
Washington County Unemployed



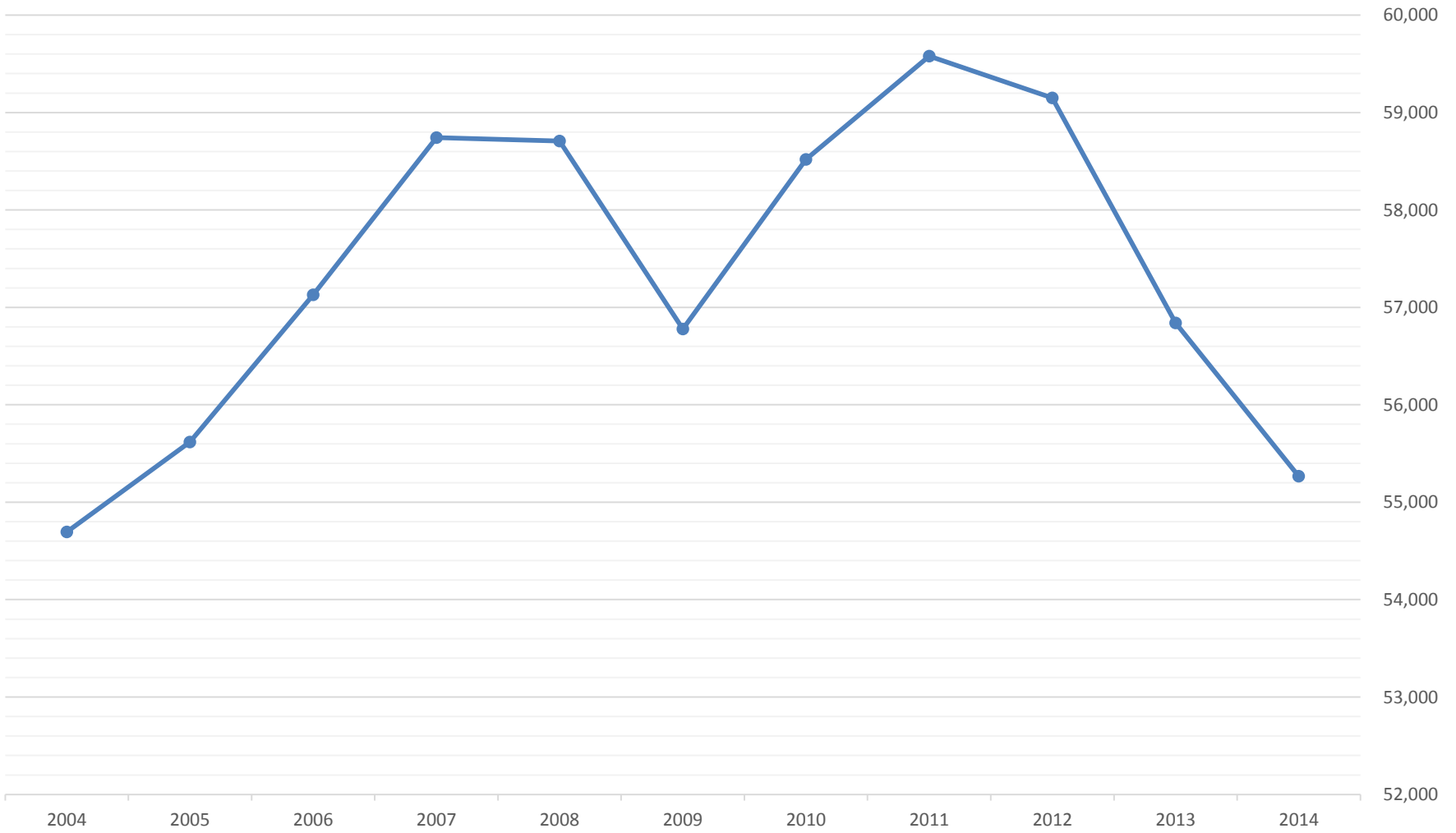
Washington County Unemployment Percentage



Washington County Labor Force



Washington County Employment



As you can see, the employment trends for Washington County and surrounding counties in Northeast Tennessee are not encouraging. I realize combining what's been presented tonight with information previously shared does not offer an outlook any of us are excited about. However it's important that we be informed regarding the challenges facing our community. Because we will have opportunities to build on our many strengths and ultimately to be a positively influence on the direction and future of this county. And I'm very excited about that.

Questions?