

# Shelby County Government

MARK H. LUTTRELL, JR.  
MAYOR

HARVEY KENNEDY  
CHIEF ADMINISTRATIVE OFFICER

January 4, 2016

Honorable Terry Roland  
Chairman, Shelby County Board of Commissioners  
160 N. Main Street  
Memphis, TN 38103

Dear Chairman Roland:

The purpose of this letter is to respond to your allegation that someone from the Mayor's Administration altered the resolution that was provided to the State Comptroller's Office entitled "Resolution Amending the FY2016 General Fund Operating Budget to Increase the Commission's Contingency By \$107,772,795.00 to Increase Planned Fund Balance Decrease by \$107,772,795.00." After our meeting on December 30, 2015, I advised Mayor Luttrell of your complaint. Subsequently, he received your response letter to Ms. Thompson, Director of the Office of State and Local Finance, dated December 30.

The resolution requested by Ms. Folsom was handled by Deputy County Attorney Marcy Ingram. As is customary with most resolutions, the County Attorney's Office will often consult Finance to ensure the language, accounts and financial information is accurate before finalizing a resolution. At the request of Ms. Ingram, CFO Mike Swift provided input into this specific resolution.

Ms. Ingram has provided me with documentation that reflects three versions of the resolution, all drafted November 12, 2015. The first draft was provided to Mr. Swift at 12:57 p.m. (Attachment 1). Mr. Swift then provided a revised draft to Ms. Ingram timestamped at 1:59 p.m. based on his understanding that surplus funds were to be moved to the Commission's contingency fund. (Attachment 2) Ms. Ingram, knowing that the amount to be transferred was not what the Commission was seeking to do, removed the dollar amount to be transferred which represented the entire amount in the General Fund Balance, leaving it blank, and then submitted a final third version at 3:28 p.m. to Ms. Folsom in your office (Attachment 3). However, Mr. Swift never received a copy of the final resolution and he provided the CAO a copy of the resolution (version 2). The CAO provided a copy of that resolution (version 2) to the State Comptroller's Office at their request.

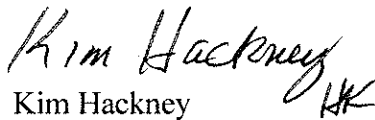
We want to assure you that the resolution was not altered by the Mayor's staff after the final version was presented to your office by the County Attorney's Office. Due to the conversation at the Budget Summit and the draft resolution, the Mayor's Office reached

Chairman Terry Roland  
January 4, 2016  
Page 2

out to the State for guidance. It is not uncommon for us to consult the State. However, we regret that our office and your office were not working directly with each other on this matter. Perhaps some confusion would have been eliminated. I hope this letter clarifies how the events transpired and that there was no intentional wrong doing on anyone's behalf.

We hope we can continue to have meaningful dialogue and help the County Commission work through issues that result in providing the best services to the citizens of Shelby County. Please let me know if you need anything further.

Sincerely,

  
Kim Hackney  
Deputy CAO

CC: Mayor  
Chief Administrative Officer  
County Attorney

Attachments (3)

**Ingram, Marcy**

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**From:** Ingram, Marcy  
**Sent:** Thursday, November 12, 2015 12:57 PM  
**To:** Swift, Mike  
**Subject:** Resolution on Contingency Fund  
**Attachments:** Resolution on Contingency Fund.doc

Mike:

Thanks for your assistance. Marcy

10/30  
What was  
sent to  
Finance  
after talk  
to Swift  
on 11-10-15

ITEM #: \_\_\_\_\_

PREPARED BY: Qur'an Folsom

MOVED: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

REVIEWED BY: Marcy Ingram

RESOLUTION AMENDING THE FY2016 OPERATING BUDGET TO  
INCREASE THE COMMISSION'S CONTINGENCY FUND BY  
\$ \_\_\_\_\_ .00. SPONSORED BY CHAIRMAN TERRY ROLAND.

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WHEREAS, The County Director of Administration and Finance presents a monthly  
Summary Financial Report to the Budget and Finance Committee of the County Commission;  
and,

WHEREAS, The September 2015 Summary Financial Report was submitted and  
reviewed in the Budget and Finance Committee on November 18, 2015 and showed that there  
are \$ \_\_\_\_\_ .00 in Fund Balance;

WHEREAS, It is necessary to increase the Commission's Contingency fund by  
transferring funds from Fund Balance in the amount of \$ \_\_\_\_\_ .00 for purposes of  
Fun Balance Plan Use; and

WHEREAS, Funds are available in the amount of \$ \_\_\_\_\_ to transfer into  
Account No. 044-800101-9520, Commissioners' Contingency Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY  
COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That \$ \_\_\_\_\_ .00  
are hereby transferred to the Commissioners' Contingency Fund from the Fund Balance.

BE IT FURTHER RESOLVED, That the Mayor and the Director of the Division of  
Administration and Finance are hereby authorized to issue their warrant or warrants in an amount  
not to exceed \$ \_\_\_\_\_ and to take proper credit in their accounting therefore.

BE IT FURTHER RESOLVED, That this Resolution shall take effect in accordance with the Shelby County Charter, Article II, Section 2.06(B).

\_\_\_\_\_  
Mark H. Luttrell, Jr.,  
County Mayor

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

ATTEST:

\_\_\_\_\_  
Clerk of County Commission

ADOPTED: \_\_\_\_\_

**Ingram, Marcy**

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**From:** Swift, Mike  
**Sent:** Thursday, November 12, 2015 1:59 PM  
**To:** Ingram, Marcy  
**Subject:** RE: Resolution on Contingency Fund  
**Attachments:** Resolution on Contingency Fund.doc

12/30  
Finance  
response to  
our  
request  
11-12-15

Attached is the resolution as we discussed.

Mike Swift  
Chief Financial Officer  
Shelby County Government  
160 N. Main Street, Suite 1100  
Memphis, Tennessee 38103  
Telephone 901-222-2249

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**From:** Ingram, Marcy  
**Sent:** Thursday, November 12, 2015 12:57 PM  
**To:** Swift, Mike  
**Subject:** Resolution on Contingency Fund

Mike:

Thanks for your assistance. Marcy

ITEM #: \_\_\_\_\_

PREPARED BY: Qur'an Folsom

MOVED: \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

REVIEWED BY: Marcy Ingram

RESOLUTION AMENDING THE FY2016 GENERAL FUND OPERATING BUDGET TO INCREASE THE COMMISSION'S CONTINGENCY BY \$107,772,795.00 TO INCREASE PLANNED FUND BALANCE DECREASE BY \$107,772,795.00. SPONSORED BY CHAIRMAN TERRY ROLAND.

WHEREAS, The County Director of Administration and Finance presents quarterly Summary Financial Report to the Budget and Finance Committee of the County Commission; and,

WHEREAS, The County Director of Administration and Finance has indicated the preliminary financial results for the year ended June 30, 2015 show that the General Fund has \$107,772,795.00 in Fund Balance;

WHEREAS, The County Commission desires to increase the Commissioner Contingency in the FY2016 General Fund Operating Budget with the funding source of a Planned Fund Balance Decrease.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the General Fund FY2016 Operating Budget is amended to increase Account No. 044-800101-9520, Commissioners' Contingency and \$107,772,795.00 and to increase Account No. 044-800101-9999 Planned Fund Balance Decrease.

BE IT FURTHER RESOLVED, That this Resolution shall take effect in accordance with the Shelby County Charter, Article II, Section 2.06(B).

\_\_\_\_\_  
Mark H. Luttrell, Jr.,  
County Mayor

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

ATTEST:

\_\_\_\_\_  
Clerk of County Commission

ADOPTED: \_\_\_\_\_



**Ingram, Marcy**

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**From:** Ingram, Marcy  
**Sent:** Thursday, November 12, 2015 3:28 PM  
**To:** Folsom, Quran  
**Subject:** Resolution on Contingency Fund  
**Attachments:** Resolution on Contingency Fund.doc

Qur'an:

Please let me know if this works for you. Marcy

12/30  
What we  
Sent to  
Commission  
on 11-12-15

ITEM #: \_\_\_\_\_  
MOVED: \_\_\_\_\_  
SECONDED BY: \_\_\_\_\_

PREPARED BY: Qur'an Folsom  
REVIEWED BY: Marcy Ingram

RESOLUTION AMENDING THE FY2016 GENERAL FUND OPERATING BUDGET TO INCREASE THE COMMISSION'S CONTINGENCY FUND BY \$\_\_\_\_\_.00 BY TRANSFERRING \$\_\_\_\_\_.00 FROM PLANNED FUND BALANCE. SPONSORED BY CHAIRMAN TERRY ROLAND.

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WHEREAS, The County Director of Administration and Finance presents a monthly Summary Financial Report to the Budget and Finance Committee of the County Commission; and,

WHEREAS, The September 2015 Summary Financial Report was submitted by the County Director of Administration and Finance and reviewed in the Budget and Finance Committee on November 18, 2015;

WHEREAS, The County Director of Administration and Finance has indicated that the preliminary financial results for the year ended June 30, 2015 show that the General Fund has \$107,772,795.00 in Fund Balance and of said amount \$\_\_\_\_\_.00 are unallocated or excess funds; and

WHEREAS, The County Commission desires to increase the Commission's Contingency in the amount of \$\_\_\_\_\_.00.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE, That the General Fund FY2016 Operating Budget is amended to increase Account No. 044-800101-9520, Commissioners' Contingency, by \$\_\_\_\_\_.00 by transferring \$\_\_\_\_\_.00 from Account No. 044-800101-9999 Planned Fund Balance.

BE IT FURTHER RESOLVED, That this Resolution shall take effect in accordance with the Shelby County Charter, Article II, Section 2.06(B).

\_\_\_\_\_  
Mark H. Luttrell, Jr.,  
County Mayor

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

ATTEST:

\_\_\_\_\_  
Clerk of County Commission

ADOPTED: \_\_\_\_\_