



March 1, 2021

SUMMARY OF ORIGINAL BILL: Increases, from \$100 per month to \$300 per month, the maximum compensation to which members of a joint county board of public utilities are entitled.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures –
Exceeds \$7,200/FY21-22 and Subsequent Years/Permissive

SUMMARY OF AMENDMENT (004115): Deletes and rewrites all language after the enacting clause such that the only substantive change would authorize the members to participate in the group medical insurance plan provided to employees of the board or be reimbursed for premiums paid by members for other medical insurance coverage.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Expenditures –
Exceeds \$10,800/FY21-22 and Subsequent Years/Permissive

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 5-16-103:
 - Two or more counties may enter into an interlocal agreement in order to provide certain public utility services within their borders;
 - Members serving on the Board for these public utilities are entitled to a maximum compensation of \$100 per month, as determined by the Board;
 - Such Boards may contain three, five, or seven members; and
 - Boards are required to hold public meetings at least once per month.
- The proposed language would, upon passage of a resolution by the board:
 - Increase the maximum amount of compensation board members are entitled to receive to \$300 per month; and
 - Entitle board members to either (1) participate in the group medical insurance plan or group life insurance plan provided to board employees; (2) be reimbursed for premiums paid by members for similar medical or life insurance coverage,

with such reimbursement not exceeding certain limits; or (3) be reimbursed for premiums paid for Medicare and Medicare supplemental insurance coverage.

- This analysis assumes:
 - All Boards currently compensate members at the maximum allowable rate of \$100 per month;
 - At least one Board will vote to increase compensation to \$300 per month and provide such medical or life insurance coverage;
 - The precise increase in local expenditures associated with medical or insurance coverage provided will vary based upon multiple unknown factors but is reasonably estimated to exceed \$100 per month, per member; and
 - Such Board contains at least three members.
- The proposed legislation is estimated to result in a permissive increase in local expenditures exceeding \$10,800 $\{[(\$300 \text{ new compensation} - \$100 \text{ current compensation} + \$100 \text{ insurance}) \times 3 \text{ members} \times 12 \text{ months}]\}$ beginning in FY21-22 and occurring in subsequent years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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