



Budget and Finance Committee

Monday, June 7th, 2021 at 4:30pm

Chairman- Alderman Fitterer
Vice Chairman- Alderman Nieves
Secretary- Alderman Cox

Call meeting to order

Chairman – Alderman Fitterer called meeting to order at 4:33 PM.

All members are present (Alderman Fitterer, Alderman Nieves, Alderman Cox, City Administrator Caskie)

Approval of minutes (May 2021)

Chairman – Alderman Fitterer made motion to approve May minutes

Alderman Cox – Second

All in favor

Citizen Comments - None

4:30 pm Business Meeting

1. Fiscal Year 2020-2021 update – Staff

Tonya Travis – Finance Director

Provided summary financial statement (SH Executive Summary Financial Statement 5/31/2021)

General Fund revenues are at 103% collected to date (5/31/2021). More accruals coming in. We are in good shape.

General Fund expenses were budgeted at \$30.5M and currently at \$26.5M

Some of the budget amendments for the POs/projects (\$3-4M will be rolling over) Will be getting that ready this week.

Adequate Facilities and Impact fees with large increases against budget

- **Chairman – Alderman Fitterer** – August 2020 was a rate increase so a large amount of permits were purchased in July (275 permits versus 67 (rough estimate))

General Fund – Budgeted \$4.8M Sales Tax for Maury – currently at \$4.7M. Budgeted \$3.4M Sales Tax for Williamson – currently at \$3.3M. Will exceed budgeted revenues for local option sales tax.

Water and sewer fund – net change of \$59K used in cash

2. Ord 21-07, FY20-21 Budget Amendment #5 – Staff

a. Amendment for Northfield sale

Tonya Travis – Finance Director

Increase in Revenue due to sale of Northfield

\$9.2M Sales price

\$6,869,540 Expenses (Principal paid toward Northfield loan, Interest, closing costs and revenue paid to Worldwide Stages)

Estimated at \$2.5M proceeds transfer on 6/26.

Transfer to the General Fund put at \$2.7M so we make sure we can transfer the full amount. (If we transfer more than we have budgeted that would be an audit finding).

Increase of 40K in Sanitation

3. Ord 21-08, Property Tax Rate – Staff

Pam Caskie – City Administrator – Walked through what was going to be presented to BOMA later in the evening. (Two County 1 City)

Alderman Nieves

Touched on our two county city

Alderman Fitterer

Talked about a bit of his research that suggests that cities that are in two or more counties may have the ability to develop their own assessment board as to try and keep these tax rates “fair”. Currently, no cities in Tennessee have done this. Will look at agenda items for the future to discuss how to better handle this in a legal way.

Alderman Nieves and Fitterer

Don't recall running into this issue in the past.

Alderman Cox

How will a citizen with a 300K home be impacted by the change in tax rate that we would propose?

City Administrator Caskie

Will calculate that

Alderman Fitterer

If we accept the equalized rate from the state, Maury county will collectively pay 90K less in property tax. As a BFAC or BOMA we need to decide if we want to accept the rate or adjust Maury to remain flat and not pay 90K less in property tax.

Alderman Nieves

Believes that BOMA should make this decision

Alderman Cox

Agrees that BOMA should make the decision

4. Ord 21-09, FY21-22 Budget

a. Amendment for Northfield sale

Alderman Fitterer

With the sale of Northfield recently, those funds were not available s part of first reading. Has Cumberland Securities reviewed this and do they have any recommendations on how to allocate or reserve the funds?

John – Cumberland Securities

Not yet. Suggestions are ideal to use for 1 time capital projects and remove the idea of having future debt. Or, apply toward a fund balance. Because as you have more an more debt, need to have a healthy fund balance (Enterprise or General). Having a stronger fund balance will allow for a stronger rating

Alderman Fitterer

Option 1 would be to spend it this year in leu of taking on debt this fiscal year (don't plan on taking on any debt)

Option 2 let it drop into fund balance around the projects that we know we would take on debt in future years that now can't go at Northfield

Based off what you know now, the most prudent step is to not spend that money like drunk sailors.

John – Cumberland Securities

Don't spend it toward operations. Going toward a capital project is a 1 time hit because that money isn't coming back.

Alderman Nieves

How are our ratings looking now (good)..and looking at all of the projects that have been pushed back. Looking at a couple of million that can go toward debt service versus those projects.

Alderman Fitterer

44M borrow next fiscal year. The most opportunistic way is to make that 44M borrow more affordable over the next 20-30 years.

City Administrator Caskie

Handed out a graphic – proposed new funds. (Fund Names) "18-75 fund", Debt Service fund, Capital Projects (excluding 18-75) and "Future Capital Fund". Northfield dollars should go into one of these funds.

Alderman Fitterer

Administrative action or resolution to create some sinking funds in July

Should we do a 21-09B? Northfield still exists in the fund today. It needs to get amended out. We have open POs that won't get closed out by June 30th. Can we get this pre-loaded to address all of these POs?

Tonya Travis – Finance Director

21-07B does have those funds going to the General Fund. If we create new funds we will need a budget amendment.

Alderman Fitterer

Right, we can create the funds by resolution and in the fall we will have to make adjustments due to census

impacted revenues and expenses when that is all settled

Tonya Travis – Finance Director

So you are OK with holding the proceeds in the general fund

Alderman Fitterer

Yes – what I don't want is a bunch of Alderman spending that money

5. Items from the Floor

City Administrator Caskie

Look at some of the amendments and come to a compromise with conflicts like parks.

Alderman Fitterer

Some amendments were contingent on revenue that won't come in. These will be reviewed and a revised list be sent in.

Alderman Nieves

Hash these amendments out tonight versus at the voting meeting.

Alderman Fitterer and Nieves

Thanked Tonya for being here and being thorough. Met and exceeded the bar.

6. Adjourn 5:16 PM meeting adjourned