

# CITY OF FAIRVIEW

## BOARD OF COMMISSIONERS WORKSHOP MINUTES

February 15, 2018

Patti L Carroll, Mayor  
Shannon L Crutcher, Vice Mayor  
Derek K. Burks, Commissioner  
Scott Lucas, Commissioner  
Debby Rainey, Commissioner  
Scott Collins, City Manager  
Tom Daugherty, CFO  
Tim Potter, City Attorney  
Brandy Johnson, City Recorder

Present: Burks, Carroll, Crutcher, Lucas, Rainey  
Others Present: Collins, Johnson

1. **Call to order** by City Manager Collins at 5:40 p.m. Collins prefaces the discussion by noting some of these things should have been brought to the board by staff previously (as in over 4 years ago). He states none of these items are the fault of the board. Collins notes that senior staff is on board with what needs to happen and that they meet every Thursday at 9:30 am. Collins invites all board members to attend these staff meetings when possible to just listen to the staff and their buy-in.
2. **Items of Discussion –**
  - A. **Bank Balances** – City Manager Collins reviews all the city's bank accounts with their current balances. He notes that the school facilities balance is actually \$338,438 but he has a \$300,000 check on his desk per the recent agreement with the approval of the tax increase. Also, another \$18,000 will be paid out of this account to the state street aid for the guardrail at Fairview Elementary. Any remaining funds in the school facilities account he will request be paid out equally to the four local schools prior to the end of this fiscal year. Collins notes the Bond account funds are from the spoils of Walmart project and will either be used for additional work on that project or returned to the contractor. The online payments account is part of the general fund and is utilized as a in/out holding for various payments we receive online. The police donations account is also used as a holding account for events such as shop with a cop. Collins offers full account details of any of these accounts at the boards request.
  - B. **Vehicles** – Collins reviews a complete list of city vehicles, where they are assigned and their current mileage. He specifically points out the high mileage vehicles, what fund they were purchased from and the high/low range for our police patrol vehicles. Collins notes many of our patrols will only last for three more years so we need to be proactive in planning for replacements. The 1994 tanker engine for the fire department is the one on tonight's agenda for surplus due to needing new equipment that will cost us around \$30,000 and it's really beyond its serviceable life. Numerous replacements are needed in the parks and street departments. Overall, their vehicles are the oldest and in the worst condition.
  - C. **Street Equipment** – Collins provides a lengthy and expensive listing of vehicles requested for the street department with one additional for the park as well. These are all needed but won't all be purchased in the next year. They do need to be on the radar and considered when developing our capital budgets.
  - D. **New Radios for Fire and Police** – Collins presents a quote for new radios for both the fire and police which includes portable units and mobile units for the vehicles for a total cost of over \$500,000. This is an upgrade we are required to do but we need to review options for how to pay.

There will be an up-front capital expense of purchasing the equipment but also the continued annual operating expense. Options include: finding extra cash in the budget, utilizing Motorola's delayed payment option or outside short-term financing.

- E. **Pool Liability Coverage** – Collins advised of a letter received from the Pool insurance regarding our employment practices liability coverage. Their evaluation of our current exposure is at 74% of the maximum aggregate. This letter should be viewed as both information for where we are and as a reason why certain expenditures are needed in our budget, such as increased training for police and fire and a human resources director.
- F. **Amended Budget** – Collins gives a copy of the working amended budget and notes we will have \$300,000 in reserves plus \$250,000 in the 2026 debt retirement fund at the end of this fiscal year. We also will have around \$275,000 in the state street aid account. He continues that promises made to the public about use of increased tax revenue have been kept. We have been putting \$85,000 per year into the 2026 debt retirement fund but now we need to fund future projects and allay future debt while our revenue will remain relatively flat for the near future. We do have some capital funds in the facilities account that can be used to pay for debt but that is based on building permits received and as of now this fiscal years collections are down around \$100,000. We also don't want to expend all our cash on capital expenditures, either. At this point we have around 45 days to begin making decisions on moving forward. Last year was likely the last year of putting money back for another time. Real life requires adjustments and that is where we now are. Our current debt service equals around 4.5% of our budget which is excellent. Below 10% is really where you should keep the debt level and if you get over 20% it could be real trouble. If we see a 25% growth rate in local business it would amount to an additional \$150,000 in revenue (but this is not likely to happen). What is more reasonable is a 10% upswing in residential growth which would bring in the same amount of \$150,000. We know of some staffing needs but plan for the cost of an engineer to be offset by the Codes Director position and the HR position and additional training to offset the cost of lawsuits. The possibility of a leaf/brush service fee has been tossed around as a possible way to bring additional revenue.

3. **Adjournment at 6:54 p.m.**

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**Brandy Johnson**  
**City Recorder**