

CITY OF FAIRVIEW

BOARD OF COMMISSIONERS WORKSHOP MINUTES

April 5, 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: Carroll, Crutcher, Lucas, Rainey
Others Present: Collins, Johnson

1. **Call to order** by City Manager Collins at 6:05 p.m.
2. **Items of Discussion** – Collins has the amended fiscal year budget to review but first points out a few items on the adopted budget.
 - Some revenues in the current fiscal year budget (Ordinance No. 2017-10) are one-time revenues (not recurring) and if they come in and go out in different years it can show as a deficit.
 - We are reflecting a \$732,975 net decrease in cash position but \$600,000 of that is from the school facilities and the remaining \$133,000 is money spent out of one-time funds.
 - Total available funds increased by \$150,000 and the majority of that difference (\$127,000) is from refunds from the state routes to school grant.
 - Some revenues and taxes were re-classified and we now are showing an increase from 4.4 million to 5.3 million.
 - Building permit revenues are down and we have discussed the possibility of increasing the fees for permits
 - Some intergovernmental line items have changed and some lines have been reclassified due to general ledger changes this fiscal year.
 - State street aid revenues are slightly up which has increased our available funds
 - A portion of revenue from the drug fund has been removed because we thought we might sell some items but didn't
 - We will end the year with a deficit of \$1,051,050 rather than the (\$732,975) originally thought. \$50,000 of that difference is for the sidewalk in the park from the nature center to Joann's Classroom. We also exhausted the school facilities fund in the amount of \$685,000 and we had our expense portion of the safe routes to school project. All of these were single revenues which create a deficit if they are not spent in the same year they are received.
 - Public works doesn't have a single tractor that will crank or mow so included in this amendment is \$73,000 for an enclosed tractor with a mower attachment that we are proposing to purchase off state bid
 - Difference in drug fund comes revenue comes from items not sold that we thought would
 - Projected end of year balance is \$1,808,750 plus an additional \$500,000 reserve in a dedicated LGIP account and \$255,00 that has been set aside for early debt reduction
 - We also have the police and fire radio system to consider as well as the new fire truck on order

- Collins urges caution on revenues noting he expects our county shared tax to be level at best going forward. Building permits are also down \$100,000 this year. Existing subdivisions are nearly built out and we have less new residential construction. Permit revenues are split with 40% going into the general fund and 60% into the facilities fund. Collins estimates a decrease in permit revenues through 2020.
- Upcoming capital purchases include two pick-up trucks for public works, a tractor and a fleet vehicle for use administratively.
- Collins notes he is going to try to stay as close to level as possible for next year's expenditures and preserve the \$750,000 set aside if at all possible
- Collins wants to make sure the board is aware so we don't end up in the position we were a few years ago
- Collins fears the population numbers from the 2020 census won't show a large increase in population and could actually mean a decrease in our county/state shared tax revenues. A lot of our revenues are out of our control except for property taxes and that only accounts for about 25% of our total revenue.
- We want to plan as far ahead as we can but not many city services provided by municipalities are cheap to run.
- Jamie Reed, engineer for the Rochdale Subdivision that was recently voted down requested guidance from the board on what they might do to gain approval as the developer felt he tried to do what was asked and was still voted down. The development consists of 45 lots on 34 acres with multi-purpose fields, upscale all-brick homes, they added a loop road as requested and they are not opposed to contributing to the improvement cost of the Highway 100/Cumberland intersection. The board responded they are waiting to the full impact of Cumberland Estates on traffic and hesitate to make further decisions until then. The board recommended possibly gathering citizens like the developer did with the Otter Creek subdivision to sway their opinions.

3. Adjournment at 6:55 p.m.

Brandy Johnson
City Recorder