

# CITY OF FAIRVIEW

## BOARD OF COMMISSIONERS BUDGET WORK SESSION MINUTES

April 21, 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 (arrived late), Lucas, Rainey  
Others Present: Collins, Johnson, Hughes

1. **Call to order** by City Manager Collins at 8:30 a.m.
2. **Items of Discussion** – Collins presents the draft version of the 2018-2019 fiscal year budget to the board. Collins prefaces the discussion by noting the documents reviewed today are the general ledger worksheets used to develop the budget and not the actual budget itself. As a matter of convenience we use line items to assign receipts and expenditures. Collins also notes that this involves several personnel changes, some have not been announced as of yet. The following points were highlighted:
  - Page one shows amounts for the operating account (aka general fund). The facilities account receives 60% of building permit revenue. Budgeted for this account are some one-time expenditures such as the comprehensive plan. Capital account contains funds set aside for long term capital purchases. School facilities account should be exhausted by the end of this fiscal year. Bowie park fund is one-time money in and is to be used for park improvements. The proposed budget includes some capital expenditures. State street aid is funded by the state and is for road improvements, equipment, and right-of-way maintenance. Collins notes he would like to keep a minimum \$100,000 balance in this account for emergency repairs should the need arise. The tree bank account is one-time money in from commercial developments that cannot replace the amount of trees removed and is to be utilized for landscaping on public property. This budget contains proposed expenditures for some plans and plantings on city property. The drug fund is proceeds from asset forfeitures but is a dwindling fund. Grants and other programs should be money that is in and out.
  - The last page indicates the number of full-time personnel of the city in each department and position. This number is the same to start and end the fiscal year. In the past positions were added during the year and that created an issue if they weren't planned for.
  - Not included in this paperwork are our reserve funds. We have an ordinance requiring we set aside 5% of our operating budget in a reserve fund. To meet our ordinance we need just under \$300,000 and we currently have \$308,000 in a LGIP account set aside. We also have \$250,000 in a separate account set aside for future debt service payments. That makes a total of \$563,000 in reserves.
  - This budget is built off an estimated beginning balance of \$800,000 in the operating fund. We are projecting no increases in revenue and using our current year actuals as revenue numbers for the next fiscal year.
  - Operating revenue notes: County sales taxes – we estimate a decrease as soon as 2021 due to the 2020 census numbers, local sales taxes are the additional ½ cent for Fairview and the cable TV franchise tax is set to be renegotiated next year.

- On the expenses side, under the Board of Commissioners, Collins proposes decreasing the community development funds to the five board members while increasing the agency funding. This is based on the pattern of this year's expenditures. Vice Mayor Crutcher requested an accounting of the remaining community development funds in this year's budget. Collins notes under operating expenses there is a \$20,000 expense for Motorola system maintenance which is half of the annual fee due to the projected use of system for the next fiscal year. Also, there is a \$36,000 fee for the Williamson County Dispatch. We currently pay \$18,000 and the county has requested \$182,000 annually but we are at \$36,000 in the negotiations currently. Crutcher requested a list of our contractual obligations with the county. Under agency funding, Vice Mayor Crutcher requested \$25,000 be included in the Williamson County Parks and Recreation line item noting we have worked hard the past couple of years to bridge the gap with the county and our contribution to local projects goes a long way toward this.
- Under the planning, zoning and inspections Collins issues a reminder that the codes director position ends this fiscal year. Collins also debates between the effectiveness of the city engineer position versus the city planner noting we will fund either position but not both.
- Public works expenditures include the engineer salary. We also have included \$25,000 for the multi-modal grant match. Our portion will be split into two years budgets but we will have to cash flow the entire project and submit for reimbursement.
- Collins noted all members of the planning commission receive a \$200 per month stipend and questions whether this should still be applicable to the two members of the BOC who sit on the planning commission. The question of whether the stipend is legal for BOC members was brought up and Collins was to look into this question.
- The city offers three tiers of health insurance to employees and it really is a benefit to the city, not the employee, as the desired purpose is healthy employees. The average cost for the city portion of health insurance for each employee is \$9,800 per year. Collins is considering offering an incentive to reduce our costs to employees who may have insurance available through their spouse or another source. If employees are able to get insurance elsewhere we would offer them an incentive of \$3,600 after proof of insurance.
- The proposed budget includes a one step (or 2%) increase for all employees.
- The last two pages show proposed capital expenditures including \$5,000 for body camera equipment, \$5,000 for emergency operations equipment, \$25,000 for the SCBA air system for the fire department, \$45,000 for the new fire truck lease, \$10,000 each for commercial mowers and miscellaneous equipment for public works, \$15,000 for UTV for park maintenance and \$5,000 for welcome to Fairview signs for a total of \$120,000 in proposed capital expenditures.
- We are looking at a \$500,000 expense for the new emergency communication system. The life expectancy on the guts of the system is 30 years while the life expectancy for the radios runs 8 to 10 years. Motorola has presented us with options for financing with an average 4.8% interest rate and the longest term presented was 4 years. Payment on that option runs \$140,000 per year and the first payment isn't due until 12 months after the contract is signed. To protect our cash flow, Collins is considering the 4-year financing plan but would take \$140,000 off the \$250,000 capital account and earmark for the first years payment.

### **3. Adjournment at 11:15 a.m.**

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**Brandy Johnson**  
City Recorder