

CITY OF FAIRVIEW

BOARD OF COMMISSIONERS WORK SESSION MINUTES

May 17, 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, Lucas, Rainey
Others Present: Collins, Johnson

1. **Call to order** by City Manager Collins at 6:05 p.m.

2. **Items of Discussion –**

- Procurement – The Police Department has started obtaining military surplus equipment at no cost to the department. Most items we are required to keep for one year and then may sell if it's something we no longer need. If we sell, the funds will go back into the capital fund. The fire department will also begin utilizing a similar program.
- Veteran's Park Signage – Mr. Vansickle of the American Legion brought their design to us and we are in favor of the seals surrounding the star but not the font or background shown. We will likely darken the background, use light color letters possibly on a sandblasted wooden sign. We have \$10,000 in this year's budget for this project.
- Health Insurance Plan – Currently we offer three options to employees but in the coming year will offer only two. Benefits, Inc. does a great job and we are going to a two-tier plan with no increased expense to the city or employee. The max out of pocket expense is lower. In the past, we have deducted employee match from 24 rather than 26 pay periods but the employee will pay year-round this year. The city provides long-term disability insurance to employees but because it is a city benefit the pay is taxable as salary. We are changing this process and the employee will be required to purchase out-of-pocket long-term disability (through a partnership with Benefits, Inc.) so that the employee will now benefit from being compensated for the full rate. Employees will receive a raise to offset the amount they will be spending on this required item. It costs the same to the city but the employee will now receive 100% of the benefit.
- Health Insurance for Elected Officials – The charter states board member salary can be up to \$1,000 per month. In 2000 the board was getting paid \$900 per month and they voted to reduce it to \$450. Per law, if we wanted to increase you cannot increase for yourself or for seated membership in office. If voted to increase to \$1,000 tonight it could not hit until the next term. Knowing our history, the health insurance discussion was that members at the time discussed affording health benefits to elected officials. We did not approve by resolution or ordinance but simply based on discussions that said the elected officials could be on the city's health insurance. The city's portion averages \$9,800 per year for employees and that is deferred compensation. There is not a penalty as none in office today were part of that vote and took place in the insurance. Collins suggests that we either; vote by ordinance for health insurance for elected officials (including the judge) terminate in December 2020 or we vote to increase compensation and include the health insurance match as a part of compensation. Charter reads we cannot increase or decrease sitting members pay so we need to officially establish and/or sunset.
- Budget – Collins gives out a copy of the proposed budget ordinance and the accompanying ledger noting the ledger is not the budget but a recap that assists us with knowing where to credit revenues and

expenditures. Collins draws attention to the general fund recap on page 2 of the ordinance. The deficit for 17/18 was -828,000 and 650,000 of that was the school facilities. This amount is included in the ending fund balance but can't really spend on anything so it's a false number and we didn't really lose that money. The deficit of \$274,303 shown for this fiscal year reflects capital funds being spent on capital expenditures (\$100,000 available in the park fund and \$50,000 for the classroom sidewalk). These are one-time revenues that were received one year and spent in another so they are not true operating losses. Our current fiscal year ending general fund balance equals 24.6% of our operating budget. The state wants us to have 10% and our reserve requirement (set by our own ordinance) is 5% so we are well ahead with \$300,000 in our reserves. Our debt service is 3.75% of our operating budget and under 5% is almost unheard of for municipalities. The threshold is considered 20% and under 10% is exceptional. Projected balances for end of this fiscal year are on page one of the spreadsheet. There are very few changes to the proposed budget from what was previously discussed. Collins notes he adjusted for the GNRC invoice and added \$25,000 expenditure for the rec soccer field improvements. Each commissioners district development funds have decreased by \$2,500 and agency funding has increased by \$12,500. The last page indicates the number of full time personnel and nothing has changed from the last meeting. Commissioner Rainey questions whether a breakdown for salaries is included and Collins notes the information is broken down in each departmental budget for tracking and we have included a 2% step raise for all employees.

- Capital Work – Collins has scheduled a company out of Nashville/Murfreesboro, Pavement Restoration, to do some sample infrared repairs Monday so we can see what they do and make a plan for moving forward using this type of repair.
- Chipper Service – Collins notes he is aware the board has received calls and emails regarding our temporary suspension of the chipper service. Historically we have provided this service but not at a regular schedule and it is just not sustainable with our decreased staff. Rather than hire staff we are looking to bid out this service with a routine schedule. We are currently down to a crew of three and cannot fully staff to make providing this service safe. We estimate the out-sourcing to equal the cost of one employee.
- Use of Park – We have received an application from an organization for use of the park for a Saturday event for four hours plus set up and take down with live bands and food trucks to be used as a fundraiser for the local agency. A few hundred people are expected. This has sparked discussion regarding regulations for use of the park and Collins hopes to revise the regulations (which would be set by the Board) soon.
- Tree Board Grant – The Tree Board has submitted a grant which would entail a substantial amount of trees for planting in a 50/50 match to be paid for out of the tree bank. The grant total is up to \$20,000. We need to brainstorm on where the trees might be located if we receive the grant. Collins notes a prime location would be the triangle school park but he will email the board information and request suggestions. The trees might also be used to create a buffer at Veteran's Park.
- Dog Park Grant – We have an opportunity to apply for a \$25,000 dog park grant with no matching required. The question is where we would locate the dog park knowing the land trust specifies what can and can't be placed in Bowie Park. Also, the questions of liability and future maintenance must be answered. The deadline for application is June 30.
- Laptops – Collins notes the new laptops are ready for use and have the agenda and packet loaded on them. Eventually they will have email access for the board members as well. These are to remain at city hall and will be prepared at each meeting.

3. Adjournment at 6:55 p.m.

Brandy Johnson
City Recorder