

# CITY OF FAIRVIEW

## BOARD OF COMMISSIONERS & FINANCE REVIEW COMMITTEE SPECIAL MEETING MINUTES

MAY 21, 2015

Patti L Carroll, Mayor  
Toney R Sutton, Vice-Mayor  
Allen Bissell, Commissioner  
Shannon L Crutcher, Commissioner  
Stuart L Johnson, Commissioner  
Wayne Hall, City Manager  
Larry Cantrell, City Attorney  
Brandy Johnson, City Recorder

Present: Carroll, Sutton, Bissell, Crutcher, Johnson, Brooks  
Others Present: Hall, Cantrell, Daugherty, Johnson  
Not Present: Baker

**1. Call to order by Mayor Carroll at 5:06 p.m.**

**2. Approval of the Agenda** – Vice Mayor Sutton made a motion for approval with Commissioner Bissell seconding. All were in favor.

**3. New Business**

- A. Discuss and/or Take Action on First Draft of Budget for 2015-2016 Fiscal Year – Mayor Carroll opens the floor for discussion. Finance Director Tom Daugherty states he could not get to the 4.2/3.5 million marks with the money needed to maintain the well-being of the employees. Daugherty and Mr. Hall both feel that layoffs and/or pay cuts are not in the best interest of the City and they request the Board consider the 3.4/4.4 million budget they propose tonight. Daugherty states from a management standpoint they ran the numbers lots of ways but for a difference of \$200,000 we feel it's best to hold tight where we are. Daugherty did not include funds from the sale of the Deer Ridge property in the budget. Mayor Carroll asked how much should be in the school facilities tax and Daugherty replies \$410,000 from his best estimation. Donna Brooks, co-chair of the Finance Review Committee, states she has been reviewing municipal budgeting law and states it is legally required for city budgets to be balanced which means the beginning unassigned fund balance + revenues – expenditures = balanced. Carroll asks how much negative will we be at the end of the year in unrestricted funds and Daugherty replies it should be about zero as he's been paying up the school facilities. Carroll asks what the checking account balance is and Daugherty replies around \$250-300,000. Carroll asks if that includes the library addition money, tree bank and park fund to which Daugherty replies those are all separate. Crutcher asks if that includes the State Street Aid and Daugherty replies yes. Brooks gives an estimation of \$350,000 short at the end of the year. Carroll asks if we can use restricted funds to balance our budget and Cantrell states that is really a question for the auditor but I don't think you can. Carroll states you can't, it's illegal and they will shut us down. It is in the best interest of the city to be fiscally stable not keeping employees and not cutting. Carroll states she doesn't know what to cut but if we can't get it together this year nobody will

have a job, the comptroller will fire everyone, sell our assets and raise taxes to pay the difference. Carroll continues that the auditors allowed us to use restricted funds to balance the budget but we can't do that another year. Commissioner Johnson asks if the city has 2.8 million in debt but our assets are 20 million will the comptroller distribute the extra back to the citizens. Carroll states we can ask them but I'm not being dramatic this is based off letters we have received from them. She states she has called the comptroller's office and we are supposed to have 1 month of operating expenses in reserves and if we keep getting budgets that don't get us there you must not like your jobs. It's only 1 year for everyone to sacrifice and we need to show we listened and restructured our budget. Commissioner Crutcher states he doesn't think it's fair to vote on a budget with no significant cuts and a tax increase noting the reduced payments from the debt restructure are really not cuts. He notes that revenue - \$360,000 for stabilization - 3.5 million for employee costs = 623,000 for operating expenses and we can't do that. We are crippling ourselves on operating expenses to maintain employment. Crutcher states with his plan and getting rid of only 3 employees gets real close to the 3.5 million mark. And the Mayor's plan, while similar, affects all the employees with pay cuts. Brooks notes we will have to add the \$300,000+/- that we are short to the 4.2 million budget which makes a 4.5 million budget or raise taxes enough to offset that amount. Daugherty notes the negative from the school facilities tax is what causes the shortage. He continues that any of the current budget proposals provide a complete turnaround from our current situation and move us in the right direction. He commends the BOC for approving the stabilization plan and states he is excited about the letters we've gotten from the comptroller's office noting he believes they will look favorably on us. Commissioner Bissell explored the possibility of taking the \$360,000 for reserves next year and the funds from the sale of the Deer Ridge property and putting all together to fully fund the school facilities. Then the next year the entire \$360,000 could be used to create the reserve fund. Brooks states it might be time to hire a consultant or CPA who has worked with cities and can give some concrete numbers on what we have to have. Carroll and Johnson agree but note we can call the comptroller or our MTAS rep who can give us advice. Sutton agrees that he would love their input. Johnson notes there is a \$120,000 surplus in revenue in the latest proposal from actuals and asks what the increase was this month in sales tax revenue. Daugherty replies \$10,000. Johnson asks how many months we saw an increase this year with Daugherty replying every month and overall we have a \$6-700,000 increase in revenue this year. Crutcher asks how we operate with a deficit and Daugherty states the increase in debt payments over \$500,000. Johnson states if the budget plan funds the stabilization plan and has a surplus he doesn't see the negative. Crutcher asks if we will have two months expenses as reserves and Daugherty replies yes in 3 years we will - 1 month in the checking account and 1 month in the LGIP account. Bissell states he thinks the \$1.00 tax rate is too much but he does support the 26.5 cent increase with the 6.5 brought back from when it was lowered and the additional 10 cents for inflation. Bissell shares statistics from the Bureau of Labor regarding employees, training, retention. He agrees this will be a year of refinement and not purchasing. Bissell makes a motion to approve the CFO's budget with a 26.5 cent tax increase with Vice Mayor Sutton seconding. Brooks states we have to add enough revenue to get the unassigned fund balance to zero because you can't show a negative balance. Daugherty states we did last year and the state didn't call me on anything done wrong. Sutton states he needs to know what can and can't be done as we have made lots of cuts in an already small budget and asks if we can get clarification between the two readings. Carroll argues that things won't be better next year and the citizens take all the burden because you don't want to cut. Crutcher states his proposal was made so we don't ever get back to where we are

tonight and he feels the administration's budget is a maintain budget. Carroll states she has another budget proposal tonight. Brooks notes it doesn't meet the numbers we need but it returns to 6/30/14 wages with a 7% cut in the City Manager's salary, the Codes Director pay returns to the previous director's pay, 2% cut in the Fire Chief salary, cut phone expenses in half, cut gas expense by 15% with no cars allowed outside the 37062 zip code. Daugherty refers to his comparison of admin proposal versus Crutcher and Carroll's proposals noting number-wise theirs are the clear choices IF we were in a flat-line economic location. However, from a management perspective and as representatives of the employees those two options will drastically affect the workforce and that's a lot of dollars out the door when we have well-qualified, trained employees we need to keep. Crutcher asks if \$711,000 is bottom of the range for operating expenses and Daugherty agreed noting we will have to address emergencies as they arise. City Manager Hall states that public safety has to be the priority. He suggests only two areas for possible cuts and that's choosing the 2<sup>nd</sup> insurance plan and the phone system. Hall notes that Williamson County Mayor Rogers Anderson agrees with his belief on public safety as the top priority. It was discussed with an agreed understanding that no funds are to be spent out of restricted accounts. Crutcher amends the motion to approve his proposal with 15 cents taken out of the tax rate and appropriate to the designated funds with Carroll seconding. Vote on the amended motion: FOR: Carroll, Crutcher; AGAINST: Bissell, Johnson, Sutton. Motion failed. Vote on the original motion: FOR: Bissell, Johnson, Sutton; AGAINST: Carroll, Crutcher. Motion carried. Carroll states she knows and loves Mr. Hall, Mr. Daugherty and all the employees but living on a hop and a dream hasn't worked. She thinks we are gambling with the citizens. Carroll states how can we trust when you hired during a hiring freeze? That is offensive to me as a citizen. Carroll states she thinks it's horrible the employees have been worried about whether or not they were the cuts. Carroll continues that we have to be realistic and realize we are in trouble. Hall clarifies that he hired 1 or 2 positions that left noting it was agreed that he would only hire back critical positions which is what he did. Carroll states she won't disrespect Hall and tells him not to disrespect her. Daugherty reminds the Board that we did not bring any of this on the city and the ship has turned 180 degrees. Carroll states this is not personal but we told you in the last meeting what we wanted you to do and you have not brought it back. Carroll continues it's time to set emotions aside and do what's best for the citizens and employees. Vice Mayor Sutton states this has been a rare opportunity tonight with all the city employees present and he notes his appreciation for what all of them do each and every day.

- B. Discuss and/or Take Action on Employee Health Plan for 2015-2016 Fiscal Year – Commissioner Crutcher made a motion to defer until the next meeting with Commissioner Bissell seconding. All were in favor.
- C. **Adjournment** – Vice Mayor Sutton made a motion to adjourn with Commissioner Johnson seconding. Meeting was adjourned at 7:10 p.m.

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