

CITY OF FAIRVIEW

BOARD OF COMMISSIONERS WORKSHOP

JUNE 4, 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

Others Present: Hall, Cantrell, Daugherty, Johnson, Donna Brooks

1. Call to order by Mayor Carroll at 6:00 p.m.

2. Finance Discussion with Ralph Cross, MTAS - key points from Mr. Cross included:

- At the end of the fiscal year, restricted funds should be in the proper place (such as State Street Aid)
- Negative unassigned general fund balance is not good practice to have at the end of the fiscal year as it means you spent more than was budgeted
- GFOA (Government Finance Officers Association) recommends a 2 month expenses reserve fund balance but there is no requirement from the comptroller (most municipalities in the state operate in deficit spending until property tax funds come in)
- State law requires a balanced budget which means you have cash on hand plus revenues to meet appropriations for the next 12 months
- Need to turn around negative fund balance practices quickly but can fix in one year
- Comptroller's office wants to guide not take over (view their website for special investigative audits)
- Funds are easier to track if they are in separate accounts
- TANs (Tax Anticipation Notes) are a good solution to help rebuild a good financial condition
- Debt restructure needs to be finalized as soon as possible
- Revenues need to be raised, expenses cut or both to meet the budget and avoid negative balances. May not be able to do all at once but comptroller looks favorably when moving in a positive direction.
- Perfectly acceptable to pay a K-9 officer out of the drug fund if their only job is drug investigations.
- Maintain adequate documentation of expenditures out of State Street Aid
- The public needs to be taken care of and our job is not to be a business but to support to allow business
- You've got to start somewhere and work forward. You didn't get here overnight and you won't get out overnight.
- 70% of expenditures on employee related items is an average level of spending and people are very hard to lose with the great amount of equity put in.
- Watch spending closely on a regular basis (such as Finance Report)

- The Board is charged with appropriating funds and making sure the department heads do their jobs to carry out the appropriations.
- Make sure a tax raise is meaningful.

3. Adjournment at 6:48 p.m.

Brandy Johnson
City Recorder