

# CITY OF FAIRVIEW

## BOARD OF COMMISSIONERS SPECIAL CALLED MEETING

June 19, 2014

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

Present: Totty, Bissell, Carroll

Others Present: Hall, Cantrell, Humber, Daugherty, Sharon Hall, Donna Brooks

Absent: Johnson, Johnson, Sutton

1. **Call to order by Mayor Totty at 6:10 p.m.**
2. **Approval of the Agenda** – Discussion for approval of agenda was not done at this time.
3. **New Business –**

Discuss City of Fairview Budget for Fiscal Year 2014-2015- Mayor Totty stated she would like to open the floor with a few questions. Mayor Totty stated if they look at Revenues and she opens the floor to committee, Mr. Daugherty, Mr. Hall or to anyone that would like to answer. Mayor Totty stated there were a few questions that either altered from the last draft proposal and she wanted to see where those might have been validated or justified in Revenue items. Mayor Totty stated the 1<sup>st</sup> would be on line 32640 Rezoning, Subdividing & Other Fees. Mayor Totty stated even though the 150% increase may be just a small number, her question is that number of 4 developments. Mayor Totty stated can someone answer her where that projection came from. Humber stated that projections is based on the activity that we had this fiscal year, feels like it is conservative. Mayor Totty stated she would follow that up with the decrease in Building permits, so if there is a positive thought of they are moving in a more development area. Mayor Totty stated she was them on your first thought on more development coming on to the Planning Commission and being requested for rezoning and subdividing. Mayor Totty stated but when it went down in the building permits, standardly that is the next step of increase of money. Mayor Totty stated why they would feel like ones coming up but ones coming down and their tied together. Humber stated being conservative he still feels like we will have more revenue than that. Humber stated there is a lag time with rezoning and development approvals, there is time period before we actually get to the permitting it could be half way to the fiscal year. Commissioner Bissell stated the percent change is the percent change in the budget amount; it is not the percent change verses what was actually received. Commissioner Bissell stated if you look at rezoning, Subdividing, they budgeted last year that they would get \$6,000.00 and they have actually received twice that much, which is \$12,000.00. Commissioner Bissell the \$15,000.00 is an increase but it is not a \$150% increase, it is a 150% increase over \$6,000.00, which is the budget line amount, it is actually a 25% increase. Commissioner Bissell stated if you go to the one you go to the Building permits, you can see that they are at \$35,000.00 that they have received and the 35% that Mr. Humber is projecting is about the same amount of money. Bissell stated the way the spread sheet is designed is a bit misleading. Mayor Totty stated she just needed clarification, thank you. Mayor Totty stated on line 33520, could

Tom Daugherty share with her why the state income tax increase, did he have information from the state, and how did he derive. CFO Daugherty stated MTAS shared numbers from the State of Tennessee. Commissioner Carroll asked is that broken down to our area or community or just general. Mayor Totty stated the state budget went down so she is curious who gave him that and what number they gave him. CFO Daugherty stated he gave that to the auditor. Mayor Totty ask CFO Daugherty if he could make notes that would maybe helpful in clarifying and validating because ultimately she believes all of their intent is the same that they do not look at additional revenue that may not be resolved. Mayor Totty stated on line 32610 Building permits has \$35,000.00 & then on 33870 Building Permits Fees it has \$80,000.00 of building permit fees and 60% change, could he tell her where that number was validated. CFO Daugherty stated that is that Facility taxes that is transferred in to pay for our building note, that is not necessarily the revenue number that is there so when he moves money it comes out of there. Mayor Totty stated she would question the word permit or if it has just been carried over year after year, she would defiantly question what that means as a revenues of \$80,000.00. CFO Daugherty stated that the general fund stops where it's bold, facilities is 300, drug fund is 619, and the \$81,000.00 is coming from the 300 fund over to the general fund. Mayor Totty stated what deposits into the facilities fund. Mayor Totty stated she feels like there would be a question on the verbiage. Mayor Totty asked CFO Daugherty where that revenue comes from which is projected to be \$35,000.00 this year. CFO Daugherty stated he can see where the confusion is but this is the way that it has been set up to show an estimate where the \$81,000.00 where it's coming from and going into general funds. Mayor Totty stated where is the other money coming from? CFO Daugherty stated what other money. Mayor Totty stated if its building permit fees that is paying the note on City Hall, we have estimated revenue of \$35,000.00 according to the Codes Director, where is the other money coming from? CFO Daugherty stated the \$35,000.00 goes into the facilities fund balance to add to it, and then \$81, 0000.00 applies towards it. Commissioner Carroll stated so the money carries over each year? CFO Daugherty stated. Mayor Totty stated in the fund balance estimated increase for 2013-2014 was \$20,893. CFO Daugherty stated that is what he has anticipated in building permit fees. Mayor Totty ask does CFO Daugherty have a year to date on building permits that would help them. City Manager Hall stated every building permit that comes in a certain amount of that goes into facilities tax, Mr. Humber said we have a lot of lag time. City Manager Hall stated take for instance Alpha Technologies overall fees were \$21,000.00, have not received that yet so couldn't put that in our budget because we haven't actually received it. Mayor Totty stated with that being said in the projection of the estimated increases for 2014-2015 is \$75, 0000.00, if a portion of the \$35,000.00 comes from the building permits, where does the other money come from. Hall stated it strictly comes from the building permit fees, goes into the facilities tax; it's like a savings account. City Manager stated it's probably money's that have accumulated over the years that's still in the account. City Manager stated each building permit that comes in a portion of that permit goes into facilities tax am I right Sharon Hall. Codes Clerk Sharon Hall stated yes. Commissioner Bissell stated he follow what Mayor Totty is saying it would seem, in the ordinance it says \$75,000.00 and this line item is \$35,00.00 so they should be the same. Commissioner Bissell stated in terms of the \$81,000.00 is what Daugherty said it's not revenue it's transferred in from that facility's tax fund, something else goes into the facility's tax fund. CFO Daugherty stated ordinance number 840 second page year 2013 Building permit fees \$132,691 estimated this year was \$20,817, he believes for 2015 the \$75,000.00 was an estimate. CFO Daugherty stated it's hard to estimate how many building permits we will have but that number can be change. Mayor Totty stated because it revenue earmarked for the payment of the City Hall note, she would say it becomes extreme priority, because we have to be able to pay our bills. Commissioner Carroll stated she thinks the real question is that the one page doesn't match the other so if it's a mistake they can understand. Commissioner Carroll stated the question is that it's such a variance where is the difference coming from. Commissioner Carroll stated there is a discrepancy in the numbers and it's such a large amount we need to make sure where the money is coming from. Mayor Totty asked CFO Daugherty is there a way we could have a year to date for 2013-2014 that would be most helpful. Daugherty stated our expenses as of June 12<sup>th</sup> were \$5,273,738.41. Mayor Totty stated what's the revenue year to date? CFO Daugherty stated \$4,342,743.39 with approximately \$300,000.00 transferred in. Mayor Totty stated so \$4,342,743.39 to \$300,000.00 that is transferred in is your available funds? CFO Daugherty stated yes and there has been no money that has hit as far as savings, as far as state shared tax, county taxes, will be coming in the last of June. Totty asked

CFO Daugherty what he was estimating. CFO Daugherty stated estimating around \$300,000.00. Mayor Totty stated that would be \$4,642,000.00, do you have a calculator to see what we are potentially in the red at the end of June? CFO Daugherty stated around \$630,995.00. Totty stated \$630,000.00 June 30<sup>th</sup> in the red and how much do we have in the bank? CFO Daugherty stated and estimated around \$900,000.00. Mayor Totty stated are you including all available funds, excluding the drug funds (which they call buckets) which is sub funds, which is \$900,000.00 estimate. CFO Daugherty stated yes. Mayor Totty stated is that including the negative \$99,000.00 in unassigned? CFO Daugherty stated yes. Mayor Totty stated the math shows after this budget is balanced the City of Fairview has how much money in the bank? CFO Daugherty stated when he got here there was \$458,000.00 that had been transferred in. Mayor Totty stated due to a budget that did not balance. Mayor Totty stated so what is our total cash on hand, that's what she's looking for. Mayor Totty stated in February you gave us this fund balance and it had 1.4 million in it. CFO Daugherty stated that was the beginning fund balance this year. Mayor Totty so what is our beginning fund balance beginning July 01, 2014. CFO stated an estimate; Mayor Totty stated she understands \$964,053.00 that is general fund moneys, building/facilities tax moneys and drug fund moneys. Mayor Totty stated they cannot speed the drug fund money, in everyday accounts, so please minus that. Commissioner Carroll stated you are just looking your wanting the unrestricted. Mayor Totty stated she is looking for the balance, which CFO Daugherty had printed for them is showing \$84,000.00 in the fund balance for 2014. Mayor Totty stated she meant to say minus \$99,000.00 what's available. Mayor Totty stated she had a few other questions but it's one minute until the Beer Board meeting that has been called, she does want to respect the other meetings that are called. Commissioner stated they could defer it after the Beer Board meeting if you have more questions.

4. **Adjournment** – Mayor Totty asked for motion for adjournment. Commissioner Carroll made a motion for adjournment with Commissioner Bissell seconding. All were in favor and meeting was adjourned at 6:45 p.m.

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**Sharon Hall**  
**Codes Clerk**