

CITY OF FAIRVIEW

BOARD OF COMMISSIONERS SPECIAL MEETING MINUTES #1

June 23, 2016

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
Others Present: Hall, Cantrell, Daugherty, Johnson
Not Present: Johnson

1. **Call to order by Mayor Carroll** at 7:09 p.m.
2. **Approval of the Agenda** - Vice Mayor Sutton made a motion for approval with Commissioner Crutcher seconding. All were in favor.
3. **Old Business**
 - A. Discuss and/or Take Action on Second and Final Reading of Bill #2016-17, Ordinance No. 931, An Ordinance for an Amendment to the City of Fairview, Tennessee, Budget for Fiscal Year 2015-2016 Budget (History Village)- Commissioner Bissell made a motion for approval with Vice Mayor Sutton seconding. All were in favor.
 - B. Discuss and/or Take Action on Second and Final Reading of Bill #2016-16, Ordinance No. 930, An Ordinance of the City of Fairview, Tennessee Adopting the Annual Budget and Tax Rate for the Fiscal Year Beginning July 1, 2016 and Ending June 30, 2017 – Mayor Carroll read the caption. Commissioner Bissell made a motion for approval with Vice Mayor Sutton seconding. Finance Director Daugherty states this is the first he has seen the document from Mrs. Brooks and can give some short answers now and detailed after he has a chance to compare the figures. Daugherty states the \$106,062 difference in salaries is due to the fire safer grant which paid 6 months for 3 firemen last year. The amount proposed for the city manager salary can be addressed with a budget amendment at the time of hiring. Incentive pay is used for auxiliary police and volunteer firemen which we are trying to build the staff back so we can utilize them more. For the medical increase, we wanted to provide coverage at least as good as year before last so we are back to Blue Cross Blue Shield as United was going up \$135,000 for the same coverage. Tim White of Benefits, Inc. has worked very hard to get the best policy under our budgeted amount. Vice Mayor Sutton questioned the K-9 officer from general fund. Daugherty notes this was moved from drug fund to allow that fund to build up a little bit. Commissioner Crutcher states he thought this was to be more of a status quo budget and if we absorb the salaries for the fire grant we need to increase revenues or decrease expenditures. Daugherty repeats this is the first he's seen these numbers and is projecting a \$737,285 general fund surplus and that is using very conservative revenue figures. Crutcher states in fairness to Mrs. Brooks, I think she pulled these numbers from our budget. Daugherty notes if he had this earlier it would have been much easier. Daugherty feels we will have at least \$1 million surplus and we are going in the right direction. Daugherty continues this year was our first surplus since 2009 and in my estimate the final amount will be \$1,440,672. On the firemen, if we let anyone go, the grant can ask for their money back. Part of the agreement for the grant was providing adequate

service to our community and we need the staffing. Crutcher states he's not suggesting we let anyone go but it's misleading to say we are adding one fireman. If we are inflating the employee side of expenses we need to cut elsewhere and find a way to pay to maintain status quo for one more year. Daugherty states he feels this budget does just that. Vice Mayor Sutton asks an employee count. Daugherty states 55 for FY16 and 62 for FY15. Mayor Carroll asks about the school facilities tax wanting to figure out how to put some money into the budget for the schools. Carroll suggests dedicating 1.5 cents of the tax increase from last year to give since use of the school facilities tax is so limited. Carroll wants to put that money back into the budget and not hold on to the people's money. Attorney Cantrell notes according to statute, the county use of school facilities tax is extremely limited to bricks and mortar but the municipalities can use for public purpose. Our interlocal agreement with the county says we have to have the county's agreement on what we spend it on. Commissioner Bissell states he is all for helping the schools but notes we set out on a three year plan to repair our fiscal situation. This year we plan to roll back our tax rate due to the county reappraisal. We are not the primary funding agency for the schools and we all pay in county taxes. The county doesn't intend to roll back their rate from the assessment. Bissell has a concern of an expectation from the county and thinks we should wait on the county budget. If the county does not roll back their tax rate they would be in a much better place to give than us. They are also giving their employees a 4% increase – double ours. Commissioner Crutcher states he is all for trying to assist the schools also but we are trying to get our house in order. He has looked at the numbers from Mrs. Brooks' spreadsheet and they are straight out of the budget. Crutcher doesn't think it's possible to pledge money at this time but agrees we should use the school facilities fund as we can. Vice Mayor Sutton agrees with both Crutcher and Bissell noting we can always do a budget amendment. Bissell points out the previous year's tax increase added \$450,000 - \$500,000 to the surplus but our total surplus was around \$1.4 million so the other part of the surplus was much higher than the tax rate. We could give back the amount of tax increase and still have a surplus. So, yes, the increase helped our financial situation and shaved some off our three year plan but it was substantially the other things that were responsible for the surplus. Mayor Carroll questions the funds used for payment of the debt. Daugherty states the \$38,590 of State Street Aid is for paying our debt on the street. The question came up of what streets would be paved in the coming year. Interim City Manager Hall stated Henry Drive, part of Sleepy Hollow, and King Road from the high school to the city limits. Commissioner Crutcher asks the Board's opinion on the 15 cents of the taxes earmarked for projects and whether they want to keep that the same or restructure. Bissell states he is for the five cents for debt to remain but flex on the other 10 cents. Crutcher states they could do away with that 15 cents but he feels it is needed to complete projects. Bissell states he has a relative employed by the city but intends to vote his conscience. All were in favor.

4. **Adjournment** – Vice Mayor Sutton made a motion for adjournment seconded by Commissioner Bissell. Meeting was adjourned at 8:04 p.m.

Brandy Johnson
City Recorder