

CITY OF FAIRVIEW

BOARD OF COMMISSIONERS SPECIAL CALLED MEETING #1

June 30, 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, Johnson, Bissell, Carroll, Sutton

Others Present: Hall, Cantrell, Humber, Daugherty, Johnson, Cooper, Harris, Paisley

1. Call to order by Mayor Totty at 7:14 p.m.

2. Approval of the Agenda – Commissioner Sutton makes a motion for approval with Vice Mayor Johnson seconding. FAVOR: Bissell, Johnson, Sutton, Totty, AGAINST: Carroll

3. New Business –

- A.** Second and Final Reading of Bill #2014-18, Ordinance No. 840, An Ordinance of the City of Fairview, Tennessee Adopting the Annual Budget and Tax Rate for the Fiscal Year Beginning July 1, 2014 and ending June 30, 2015. Vice Mayor Johnson read the caption and made a motion for approval with Commissioner Sutton seconding. Mayor Totty asks CFO Daugherty for any changes from the last time the budget was presented. Daugherty notes there was a decrease in the TCRS contribution rate from 11.2% to 7.4% and a decrease in the gas tax projected from \$225,000 to \$205,000 with a net change of \$70,000. Commissioner Carroll amends the motion to go back and have department heads cut and take another look noting she would rather be realistic than hopeful. Mayor Totty seconds. Vote on the amended motion; FOR: Carroll, Totty, AGAINST: Bissell, Johnson, Sutton. Commissioner Carroll states she would still like to see if the department heads could make more cuts. City Manager Hall notes he has met with the department heads seven times and in the most recent meetings with Public Works and Police they agreed to cut out OT completely and offer comp time instead which will save \$100,000. He further notes that they have agreed to only ask for urgent needs until the money comes in later in the year. Mayor Totty states she appreciates their hard work but it's about the numbers not people or things. She continues that a stabilization fund is direly needed. Commissioner Bissell asks Carroll if she is wanting to see a 5% cut across the board or on things we can control and Carroll states across the board. Bissell notes that he could buy 5% of what we can control but things like utilities we don't have control over. He further states that we have already cut a tremendous amount and the cuts sound good and he wants a tight budget but when we get the money to put in reserves it should stay there. Carroll states she understands that every year we have budget amendments but with the cash flow problems why pass a budget we might not be able to fund. Bissell continues that we are required to present a balanced budget and the surplus in the past wasn't there because we saved but because assets were sold. Discussion was had about the predicted amount of surplus at

the end of the next fiscal year and it was determined that the amount is \$214,894 stated by Donna Brooks of the Finance Review Committee. Mayor Totty notes the City Manager's job is oversight of the budget as well as the BOC and CFO and that she appreciates Mrs Brooks volunteer oversight. There was additional discussion about funds spent previously and where the reserve funds came from in the past. Vice Mayor Johnson states this is his 14th city budget and he believes we are not going upside down and if we keep a check month to month we can make it. He also notes that not a single citizen called, emailed or stopped him somewhere in town to discuss any concerns with the budget. Commissioner Carroll states the budget needs to be based on line items from the year before and we need to learn from what we did last year not balance off projections. She continued that we don't have the cash flow to float and we need to be realistic. Vice Mayor Johnson asks Mrs. Brooks if she feels this budget is unrealistic and she responds no. CFO Daugherty joins in that our backs are against the wall and if we make more cuts now it will be where we don't want to make cuts. He continues that he feels pretty solid that revenues will come out ahead of projections but that we need to keep a tight reign and if we are not seeing signs in 4 or 5 months of revenues where we project them cuts may have to be made. Mayor Totty asked to display the document on projections for the public. Additional discussion was had about the bills that are required to be paid up front in the fiscal year and the possibility of paying some of the larger items quarterly so they are not in a lump sum. CFO Daugherty noted he will be checking into this possibility. Commissioner Sutton asks Daugherty if he feels this balanced budget will be doable and Daugherty replies yes. Commissioner Carroll notes she appreciates all the hard work on the budget and this one will be up to Daugherty to oversee. She continues that she feels we are in a dangerous situation. City Manager Hall states we are in a hiring freeze and any employees that quit, with the exception of critical positions or part time in Public Works, will not be replaced. Vice Mayor Johnson asks for clarification that we are not projecting what we could on Walmart increases based on what we have seen thus far. Commissioner Bissell states this is correct we are using an average of \$32,000 when we have seen \$46,000 and \$47,000 as the increase the last two months and that we are set up to receive much more than projected and we have the potential to add up to \$300,000 surplus without selling assets with the commitment to stay the course from everyone involved. There was further discussion about Walmart projections and Commissioner Carroll states we should be using actual line items not projections. Mayor Totty brings up the difference between seasoned and projected revenues and Vice Mayor Johnson questions why we wouldn't use projections for Walmart if we think it will be open all year. He further states he would understand if we were using a \$65,000 a month projection but we are looking at \$32,000 which we have far exceeded the last 2 months and using this figure in the budget will allow for more money to be put into the bank as the funds come in. Mayor Totty called the vote on the original motion: FOR: Bissell, Johnson, Sutton, AGAINST: Carroll, Totty. Motion passes.

4. **Adjournment** – Commissioner Bissell makes a motion for adjournment with Vice Mayor Johnson seconding. All were in favor. The meeting was adjourned at 8:15.

Brandy Johnson
City Recorder