



CITY OF GERMANTOWN TENNESSEE

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FINANCIAL ADVISORY COMMISSION MINUTES

Thursday, April 23rd, 2009 – 7p.m.
Administrative Conference Room

MEMBERS PRESENT: Chairman Julius Moody, Mike Agee, Paul Bryan, Eddie Cox, Ald. Ernest Chism, Robert Dallstream, Bill Dudley, John Gregory, John Gross, Clinton Hardin, Russell Johnson, Mark Kooker, Howard Lasley, Frederick Miller, Lou Paris, Paul Mosteller, Frank SanPietro, Lynda Smith, Harold Steinberg and Dick Wagoner

MEMBERS ABSENT: None

STAFF PRESENT: Patrick Lawton, Kristen Geiger, Ralph Gabb, Michael Stoll

CALL TO ORDER

Chairman Moody called the April 23rd, 2009 Financial Advisory Commission (FAC) meeting to order at 7:06p.m. The meeting was held in the Administration Conference Room.

ROLL CALL

Chairman Moody called roll and announced a quorum was present.

APPROVAL OF MINUTES

Chairman Moody called for approval of the minutes from the April 16th, 2009 FAC meeting.

****MOTION****

Clinton Hardin moved to approve the minutes from the April 16th, 2009 FAC meeting as amended. Eddie Cox seconded and the motion passed unanimously.

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GENERAL FUND EXPENDITURE

Ralph Gabb noted the General Fund is the major fund for the City. He then began a brief overview of what the fund supports.

He spoke of several highlights throughout the City:

- No proposed property tax rate increase
- Exceptional service levels
- Community vitality
- Economic sustainability
- Public safety

Ralph reviewed the City of Germantown's core value system. This is a result of the strategic plan of the Vision 2020.

Ralph also stated the FY10 expenditures were \$36,730,728, a 3.7% decrease over FY09 Budget. He then provided Commission members with a review of the expenditures broken down by area.

- General Government - 29%
- Public Safety – 45%
- Transportation & Environment – 12%
- Community Services – 7%
- Debt Service – 8%
- Other – (1%)

Ralph pointed out that the Debt Service increase included projected payments on debt issued this fiscal year.

Ralph stated that Shelby County has gone through a reappraisal and the tax rate had not yet been calculated. He presented a pie chart showing the percentage of the dollar amounts that are allocated; Public Safety 45.5%; General Government 29.4%; Community Services 7.2%; Debt Services 7.9%; Transportation & Environment 11.5%; Reserves 0.2% and Other Expenses (1.6%).

On the FY10 staffing, Ralph noted there was a 3% decrease for staff. Staffing level is now at 367 full time positions and 39.1 part time positions. Police and Fire are still on a Step Increase. A discussion ensued as to the decrease of staff and how it would impact the city. Patrick Lawton stated that it would not compromise the service levels at all, in fact in some areas the City has actually stepped it up, particularly the building cleaning services area and reengineering that whole process.

Ralph spoke of some of the things rating agencies look at when rating the financial stability of a municipality. For trend analysis, one of the items is expenses per capita and how it looks going forward. Another factor is fund balance. Ralph also reminded Commission members that the City tries to benchmark at 40%.

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Ralph went on to discuss CIP funding for the FY10 Budget.

- Capital Program Total \$15,387,000
 - General Fund \$13,272,000
 - Utility Fund \$ 1,915,000
 - Contingency \$ 200,000

Preliminary funding proposed:

- Reserves \$11,535,000
 - \$9,620,000 General
 - \$1,915,000 Utility
- Hall \$655,000
- Bonds - None
- Grants \$3,197,000

Ralph moved on to review the Special Revenue Funds. He also reminded everyone that the definition of Special Revenue necessitated revenues be spent only on those activities. He provided the Commission with a brief overview of the various funds.

Patrick Lawton and Kristen Geiger spoke about all the "green" possibilities for the City.

G.O. Debt shows a picture of current debt and current projected debt. Ralph stated that we are not looking at any G.O. Debt for FY10.

Projected Debt Per Capita shows the City is still well below the warning trend rating agencies look at when reviewing the financial stability of a City.

Ralph stated the City had recently received this year's certified property values that will be billed this fall. They represent almost a 12.94% increase over this time last year.

Ralph moved on to review the General Fund Summary (GenSum) with Commission members. He said that we are ready for and preparing and watching the economy since it certainly has an impact on the City and certainly our property values.

Patrick Lawton spoke about the Fiscal Impact Analysis on the Saddle Creek IV and SmartGrowth overall, stating that we would be looking at a 5th fire station at some point down the road.

Kristen Geiger spoke about the automatic ticketing for Police that went live earlier in the month and stated that this would process transactions a lot quicker than before. She also explained that we were in the process of accessing more data from TBI.

Kristen went through the Budget and explained that FY10 was very challenging, stating that there's no revenue cushion. She also spoke briefly about the cuts that had been taken in each area.

A discussion ensued amongst members regarding staffing and cutbacks.

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Chairman Moody called for a motion to approve the General Fund Expenditure as presented.

****MOTION****

Richard Wagoner moved to approve the General Fund Expenditure as presented. Lou Paris seconded and the motion passed unanimously.

ANY OTHER BUSINESS

Kristen mentioned that the city received two awards, the Budget Award for FY09 from the GFOA and CAFR award – this represents our 25th year with the CAFR and the 23rd year with the Budget Award.

Regarding the Bonds, we are looking at issuing \$4.5 million, however, with the rates, depending upon what happens between now and June with the potential purchase of the land over at Ocean View; we're asked that the resolution say that we have the ability to issue up to \$6 million in new monies.

Chairman Moody stated that he would draw up a letter to present to the BMA for the June 8th BMA and will make sure that everyone gets a copy.

ADJOURNMENT

Chairman Moody thanked everyone on the Commission.

Chairman Moody called for a motion to adjourn.

****MOTION****

John Gregory moved to adjourn, Ed Cox seconded and the motion passed unanimously.

The meeting adjourned at 8.41p.m

Respectfully submitted by Finance & General Services.