



# CITY OF GERMANTOWN TENNESSEE

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## FINANCIAL ADVISORY COMMISSION MINUTES

Thursday, March 12, 2009  
Administrative Conference Room

**MEMBERS PRESENT:** Chairman Julius Moody, Alderman Ernest Chism, Robert Dallstream, Dick Wagoner, Frederick Miller, John Gregory, John Gross, Bill Dudley, Julie Klein, Paul Mosteller, Clint Hardin, Harold Steinberg, Howard Lasley, Ed Cox, Frank SanPietro, Russell Johnson, Lynda Smith, Lou Paris and Mark Kooker.

**MEMBERS ABSENT:** Mike Agee, Paul Bryan

**STAFF PRESENT:** Patrick Lawton, Ralph Gabb, Michael Stoll, Adrienne Royals and Sherry Rowell

### CALL TO ORDER

Chairman Moody called the March 12, 2009 Financial Advisory Commission (FAC) meeting to order at 7:03 p.m. The meeting was held in the Municipal Center 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 February 12, 2009 FAC meeting.

### **\*\*MOTION\*\***

Clinton Hardin moved to approve the minutes from the February 12, 2009 FAC meeting as presented. Bill Dudley seconded and the motion passed unanimously.

### UPDATES

#### General Fund Revenues

Ralph Gabb referred to the slides and commented that the General Fund is the one that gets most used. FY10 is at \$36,964,000 which is a decrease of \$1.3 million from FY09 which was at \$38.3 million. This is due to the slow down in the economy and the amount that City gets for Sales tax, Hall Tax and the amount made on investments

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### General Fund Revenues (Cont'd)

Percentages of General Fund Revenues:

.	Property Taxes:	\$22,223,559	-	3.9% increase from FY09
.	Sales Taxes:	\$ 6,663,981	-	4.9% decrease from FY09
.	Federal & State:	\$ 3,654,200	-	27.8% decrease from FY09
.	Other:	\$ 3,535,284	-	9.7% decrease from FY09
.	Investment:	\$ 427,000	-	5.2% decrease from FY09

Revenues per Capita:

For FY10 is a downward shift from FY09. This downward shift is an indicator that the economy is having problems and the City needs to look at additional revenue sources.

Property Tax as % of General Fund Revenues:

The City's trend shows no property tax increase projected in the five-year model from FY06 through FY10. A decrease of \$1,195,000 or 64.6% in the Hall Tax is somewhat responsible for the increased dependency on property tax revenue to fund City services.

### Investments

Michael Stoll spoke briefly about the Investment Policy and Investment Ordinance in the City. He said that the State Law had changed in 2006 and that in October of 2007 it was adopted by the Board of Mayor and Alderman. He also explained that with the down turn in the economy the investments at the City would be significantly less.

Patrick Lawton also spoke and said that the General Fund was in the worst condition that he had seen the City in financially in terms of money coming into General Fund. He said that the City is fortunate in that the property tax was still strong but, that the City would be hitting a build out in the very near future.

Patrick also stated that without a property tax increase it was going to be a very tight year. The role of sub-committee is going to be critical, particularly those looking at the Payment In Lieu of Taxes (PILOT) and the Storm Water Manager Fee.

### Stimulus

Patrick explained that the State of Tennessee had received \$172 million but not all of it will go into the Capital Improvements Program. This money will be used to fill up the existing program, with the remaining funds going to balance the State of Tennessee Budget.

He also stated that the City was hoping to get money to fund a transportation project – The Federal Government will send money directly to the State and then the Tennessee Dept of Transportation (TDOT) will send the money to the County. The Metropolitan Planning Organization (MPO) will then allocate \$1.6million which will be used for repaving Farmington Blvd from Allenby to Wolf River Blvd and to put in sidewalks from Cameron Brown Park to Johnson Road Park.

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### **Stimulus (Cont'd)**

Patrick went on to say that he had some good news from the Surface Transportation Program. This money comes from the Federal Government through TDOT again through the MPO. The MPO has approached cities that need money for Transportation Improvement Projects. We have been allocated \$3.7million for Transportation Improvement that we hadn't anticipated on having.

### **Any Other Business**

#### **Sub-Committee – CIP (Capital Improvements Program)**

Russell Johnson requested that the sub-committee from last year be resurrected.

The members will be: Russell Johnson, Lynda Smith, Howard Lasley, Frank SanPietro and Julie Klein.

### **ADJOURNMENT**

Chairman Moody called for a motion to adjourn.

#### **\*\*MOTION\*\***

Paul Mosteller moved to adjourn, Clinton Hardin seconded and the motion passed unanimously.

The meeting adjourned at 8:28 p.m.

Respectfully submitted by Finance & General Services.