



CITY OF GERMANTOWN TENNESSEE

1930 South Germantown Road • Germantown, Tennessee 38138-2815
Phone (901) 757-7200 Fax (901) 757-7292 www.germantown-tn.gov

Financial Advisory Commission

Tuesday, March 7, 2017 – 6.00 p.m.
Economic & Community Development Blue Conference Room
1920 S. Germantown Road, Germantown, TN 38138

1. Call to Order
2. Establishment of quorum
3. Consideration of Minutes from February 21, 2017
4. FY 18 Utility Fund
5. FY 18 Stormwater Fund
6. FY 18 Germantown Athletic Club Fund
7. FY 18 Great Hall Fund
8. FY18 Sanitation Fund
9. Other Business
10. Adjournment

The City of Germantown complies with the American with Disabilities Act. Should you need accommodations for this meeting, please call (901) 757-7200 at least 48 hours in advance of the meeting.



CITY OF GERMANTOWN TENNESSEE

1930 South Germantown Road • Germantown, Tennessee 38138-2815
Phone (901) 757-7200 Fax (901) 757-7292 www.germantown-tn.gov

FINANCIAL ADVISORY COMMISSION MINUTES

Tuesday, February 21, 2017— 6.00 p.m.
Economic & Community Development Blue Conference Room
1920 S. Germantown Road, Germantown, TN 38138

Members Present: Hal Beckham, Blake Deaton, Clint Hardin, Ashley Hopper, Alderman Rocky Janda, Russell Johnson, Walter Krug, Jason Lowe, Michael McLaughlin, Christine Menzel, Chris Miller, Frederick Miller, Julius Moody, Paul Mosteller, Alan Richmond, Donnie Rose, Harold Steinberg, Richard Vosburg, Brandon Westbrook, and Scott Wickliffe

Members Absent: Brian Carney, David Rea, Denise Stumph and Brian White

Staff Present: Patrick Lawton, Paul Turner, Alderman John Barzizza, Alderman Mary Anne Gibson, Adrienne Royals, Sherry Rowell and De'Kisha Fondon

CALL TO ORDER

Chairman Moody called the February 21st, 2017 Financial Advisory Commission meeting to order.

ESTABLISHMENT OF A QUORUM

Mr. Turner then called the roll and announced that a quorum was present.

APPROVAL OF THE MINUTES

****MOTION****

Mr. Hardin made a motion to approve the minutes as presented from the February 7th, 2017 Financial Advisory Commission meeting. Mr. Westbrook seconded and the motion passed unanimously.

OVERVIEW OF GENERAL FUND REVENUES

Finance Director Paul Turner gave an overview of the General Fund Revenues. He began by sharing key takeaways for the Top 10 General Fund Revenues:

1. Real Property Tax -- estimated 1.8% growth for FY18 (\$523,315 increase)
2. Local Option Sales Tax -- estimated 2% growth for FY18
3. Hall Income Tax -- expected to be phased out
4. State Sales Tax -- estimated 6% growth
5. .5 Percent Sales Tax -- estimated 6.7% growth
6. Room Occupancy Tax -- estimated 10% growth fir FY18
7. Automobile Registration -- proposal to increase fee may result in approximately \$172k to \$364k

8. Cable TV -- estimated 4% growth for FY18
9. Other Court Revenue -- anticipating 10% growth in FY18
10. Personal Property Tax -- anticipating 1.5% growth in FY18

Mr. Lawton briefly spoke on General Fund Taxes and their effects on the City. He advised that there is a proposed bill that will actually lift the Hall Income Tax allocation dollars that the City is receiving. Although it is phasing out, we will now receive the same amount that the State receives. Mr. Lawton further advised that Senator Norris' half cent increase will be going to local governments on the State shared sales tax and that the Governor's proposal to reduce sales tax on grocery items will result in an approximate decrease of \$8,000 for the City. Per Mr. Lawton, an increase in gas tax will lessen what we have to send over to State Street Aid; in terms of transfers, we'll be getting more dollars in that way.

REVENUE ANALYSIS SUMMARY

Mr. Turner said that he looked at several, different General Fund Revenues to determine potential funding sources that could possibly bring more funds in for the City. Some of the key takeaways included 1) charging Convenience Fees for the use of credit cards which can produce an additional \$75,000 for the general fund; 2) increasing the Auto Registration Fee which could produce approximately \$345,556 more in revenue; 3) increasing City Court Costs by \$5 or \$10 generating an approximate addition of \$21,225 in City revenue; 4) increasing Other Court Costs /Warrant Fees possibly bringing in about \$12,000 in additional revenue; 5) Other Court Costs /Replacement Fee is the replacement of clearance letters for violators to reinstate their drivers license. It is suggested that the current fee of \$12 be voted on and increased by \$5 or \$10; and 6) increasing the average Ambulance Fee from \$848 to \$1,136, resulting in a 34% increase. This potential increase to revenue will decrease the City's subsidy to the ambulance by almost half, totaling \$305,006. Per Mr. Turner, the Total Revenue Opportunities for the General Fund equals \$459,781 and \$305,006 for the Special Revenue Fund.

TAX ASSESSMENT/NEW GROWTH TIMELINE

Mr. Turner advised that timelines are not exact and are estimates only. He said in working with Cameron Ross (Economic and Community Development Director), projects that are in the queue were identified along with an estimate of time and the year that they are to be completed. Mr. Turner said his timeline is an overview of the City's Tax Assessment and its direct correlation to these projects as to what is coming down the pipeline. Also referencing a table on New Growth, Mr. Turner said the point here is to try and extrapolate the new properties into some sort of revenue. They considered properties of a similar nature to determine an estimate of the revenue stream that a particular project would yield. Based upon this methodology, an outline (per fiscal year) was prepared of estimates on the increase of property tax revenue associated with these projects.

****MOTION****

Mr. McLaughlin made a motion to approve the General Fund Revenues (less proposed fee changes). Mr. Hardin seconded and the motion passed unanimously.

****MOTION****

Mr. Richmond made a motion to implement the convenience fee once new software becomes available to separate credit cards versus e-checks. Mr. Miller (Fred) seconded and the motion passed unanimously.

****MOTION****

Mr. Mosteller made a motion to review new revenues one at a time. Alderman Janda seconded and the motion passed unanimously.

****MOTION****

On the matter as to whether the current Auto Registration fee of \$25 be increased to \$35 per vehicle was put to a vote; Commission members replied as follows:

Hal Beckham – *yes*; Brian Carney – *absent*; Blake Deaton – *yes*; Clinton Hardin – *yes*; Ashley Hopper – *yes*; Alderman Janda – *yes*; Russell Johnson – *yes*; Walter Krug – *yes*; Jason Lowe – *no*; Michael McLaughlin – *yes*; Christine Menzel – *yes*; Chris Miller – *no*; Frederick Miller – *no*; Julius Moody – *no*; Paul Mosteller – *no*; David Rea – *absent*; Alan Richmond – *yes*; Donnie Rose – *no*; Harold Steinberg – *yes*; Denise Stumph – *absent*; Richard Vosburg – *yes*; Brandon Westbrook – *left early*; Brian White – *absent*; Scott Wickliffe – *yes*.

With a total vote of 13-6, the motion passed.

****MOTION****

Mr. Lowe made a motion to change City Court costs associated with moving and non-moving violations from the current rate of \$97.50 (moving) and \$92.50 (non-moving) to one rate of \$102.50. Mr. Vosburg seconded and the motion passed unanimously.

****MOTION****

A motion was made to increase the City Court warrant fines from the current fee of \$40 to \$50. Mr. Hardin seconded and the motion passed unanimously.

****MOTION****

A motion was made to add a \$5 fee for the Court cost of issuing a clearance letter to violators to reinstate their driver's license. Currently there is no charge for this service. A commission member seconded and the motion passed unanimously.

Lastly, Mr. Turner explained how the City could possibly centralize and expand donation opportunities within the City (i.e. selling advertising space on the City utility and tax bills). He further explained that all donation opportunities should be centralized in one location on the City's website to make it easier for citizens to make donations to the City in a more standardized way.

OTHER BUSINESS

None.

****MOTION****

Chairman Moody made a motion to adjourn the meeting. Mr. Hardin seconded and the motion passed unanimously.

ADJOURNMENT

With that, the meeting was adjourned.

UTILITY FUND BUDGET SUMMARY

UTILITY FUND BUDGET SUMMARY

	Actual FY15	Actual FY16	Budget FY17	Estimate FY17	Budget FY18	Projected				
						FY19	FY20	FY21	FY22	
OPERATING REVENUES										
Metered Water Sales	\$ 4,990,035	5,434,612	5,230,000	\$ 5,310,000	5,430,000	5,538,600	5,593,986	5,649,926	5,706,425	
Sewer Service Fees	3,117,434	3,180,474	3,250,000	3,145,488	3,190,000	3,221,900	3,254,119	3,286,660	3,319,527	
Other Revenue	363,740	302,326	247,000	295,810	282,000	287,890	292,876	295,838	298,683	
Total Operating Revenues	8,471,209	8,917,412	8,727,000	8,751,298	8,902,000	9,048,390	9,140,981	9,232,424	9,324,635	
OPERATING EXPENSES										
Water	4,531,043	4,168,917	4,582,616	4,507,075	4,717,897	4,853,364	5,045,922	5,200,322	5,357,596	
Sewer	1,619,518	1,533,750	1,688,154	1,673,648	1,718,139	1,796,720	1,839,486	1,883,731	1,929,366	
Sewage Treatment	1,384,933	1,314,988	1,300,000	1,413,959	1,539,879	1,575,879	1,611,879	1,647,879	1,683,879	
Total Operating Expenses	7,535,494	7,017,655	7,570,770	7,594,682	7,975,915	8,225,963	8,497,288	8,731,932	8,970,841	
OPERATING INCOME	935,715	1,899,757	1,156,230	1,156,617	926,085	822,427	643,693	500,492	353,794	
NONOPERATING REVENUES (EXPENSES)										
Contributions from Developers	329,674	1,085,523	240,000	650,000	650,000	715,000	858,000	883,740	895,976	
Investment Income	4,878	16,493	7,000	23,000	15,000	10,000	15,000	20,000	25,000	
Gain/loss on disposal of assets	-	-	-	-	-	-	-	-	-	
Utility Debt Service	(147,552)	(109,654)	(87,550)	(87,550)	(45,350)	(12,050)	-	-	-	
Net Non-Operating Revenues (Expenses)	187,000	992,362	159,450	585,450	619,650	712,950	873,000	903,740	920,976	
NET INCOME	1,122,715	2,892,119	1,315,680	1,742,067	1,545,735	1,535,377	1,516,693	1,404,232	1,274,770	
Other Receipts										
Debt Proceeds	-	-	-	-	-	-	-	-	-	
Depreciation	1,656,441	1,712,327	1,722,931	1,750,791	1,764,124	1,846,524	1,929,199	1,968,049	2,006,899	
Total Other Receipts	1,656,441	1,712,327	1,722,931	1,750,791	1,764,124	1,846,524	1,929,199	1,968,049	2,006,899	
Other Expenditures										
Bonds Payable	955,000	990,000	1,035,000	1,035,000	1,075,000	590,000	-	-	-	
Major Construction	311,384	1,169,031	170,000	135,350	1,040,000	2,711,000	2,857,000	1,034,000	-	
Infrastructure (Water & Sewer)	921,071	132,444	200,000	219,620	952,500	1,120,000	510,000	580,000	700,000	
Total Other Expenditures	2,187,455	2,291,475	1,405,000	1,389,970	3,067,500	4,421,000	3,367,000	1,614,000	700,000	
Effect of Change in Account Principle	-	-	-	-	-	-	-	-	-	
Total Net Position - Beginning	44,258,969	45,381,684	47,507,297	48,273,803	50,015,870	51,561,605	53,096,983	54,613,676	56,017,908	
Total Net Position - Ending	\$ 45,381,684	48,273,803	48,822,977	\$ 50,015,870	51,561,605	53,096,983	54,613,676	56,017,908	57,292,678	

STORMWATER FUND BUDGET SUMMARY

STORMWATER FUND BUDGET SUMMARY

	Actual FY15	Actual FY16	Budget FY17	Estimate FY17	Budget FY18	Projected			
						FY19	FY20	FY21	FY22
OPERATING REVENUES									
Stormwater Management Fee	\$ 1,030,843	994,425	1,009,964	\$ 1,035,000	1,040,175	1,045,376	1,055,830	1,061,109	1,071,720
Stormwater Permits	17,760	9,000	9,000	5,000	7,500	9,000	12,000	15,000	17,000
Other Revenue	-	331	-	-	-	-	-	-	-
TOTAL OPERATING REVENUES	1,048,603	1,003,756	1,018,964	1,040,000	1,047,675	1,054,376	1,067,830	1,076,109	1,088,720
OPERATING EXPENSES									
Communication	1,792	2,248	1,800	1,800	3,000	3,025	3,051	3,077	3,104
Other Maintenance	6,590	24,517	30,000	30,000	29,820	30,566	31,330	32,113	32,916
Personnel	599,276	514,965	548,443	548,185	565,210	583,271	602,458	622,569	643,373
Professional Fees	-	900	-	-	5,000	5,000	5,000	5,050	5,050
Supplies	14,994	10,280	22,500	22,500	29,100	29,738	30,417	31,117	31,837
Utilities	-	-	-	-	-	-	-	-	-
Roads and Mains	226,494	249,232	290,000	290,000	285,000	285,000	290,000	290,000	290,000
Allocations	39,472	43,149	43,392	43,162	43,534	44,079	45,481	47,082	48,584
Depreciation	18,747	33,131	32,832	36,420	38,920	39,309	39,702	40,099	40,500
TOTAL OPERATING EXPENSES	907,365	878,422	968,967	972,067	999,584	1,019,987	1,047,439	1,071,108	1,095,365
OPERATING INCOME	141,238	125,334	49,997	67,933	48,091	34,389	20,391	5,001	(6,645)
NONOPERATING REVENUES (EXPENSES)									
Investment Income	9,965	2,608	1,700	3,200	3,500	3,605	3,713	3,825	3,939
Operating Transfer	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues	9,965	2,608	1,700	3,200	3,500	3,605	3,713	3,825	3,939
NET INCOME/(LOSS)	151,203	127,942	51,697	71,133	51,591	37,994	24,104	8,826	(2,706)
Other Receipts									
Depreciation	7,980	33,131	32,832	36,420	38,920	39,309	39,702	40,099	40,500
Total Other Receipts	7,980	33,131	32,832	36,420	38,920	39,309	39,702	40,099	40,500
Other Expenditures									
Other Assets	93,040	90,000	50,000	50,000	100,000	100,000	160,000	160,000	100,000
Total Other Expenditures	93,040	90,000	50,000	50,000	100,000	100,000	160,000	160,000	100,000
Total Net Position-Beginning	474,452	625,655	646,016	753,597	824,730	876,321	914,315	938,419	947,244
Total Net Position-Ending	\$ 625,655	753,597	697,713	\$ 824,730	876,321	914,315	938,419	947,244	944,539

GERMANTOWN ATHLETIC CLUB FUND BUDGET SUMMARY

GERMANTOWN ATHLETIC CLUB FUND BUDGET SUMMARY

	Actual FY15	Actual FY16	Original FY17 Budget	Estimate FY17	Budget FY18	Projected				
						FY19	FY20	FY21	FY22	
OPERATING REVENUES										
Membership Fees	\$ 3,472,744	3,606,459	3,765,942	\$ 3,476,651	3,774,500	3,887,735	3,926,612	3,965,878	4,005,537	
Aquatics Revenues	173,405	169,349	173,000	208,271	215,110	221,563	223,779	226,017	228,277	
Business Revenues	79,222	79,222	79,222	79,222	79,222	79,222	79,222	79,222	79,222	
Personal Training Revenues	185,112	198,879	300,000	237,792	258,000	265,740	268,397	271,081	273,792	
Other Revenues	170,394	199,681	212,700	188,540	193,675	199,485	201,480	203,494	205,529	
TOTAL OPERATING REVENUES	4,080,877	4,253,590	4,530,864	4,190,476	4,520,507	4,653,745	4,699,490	4,745,693	4,792,358	
OPERATING EXPENSES										
Recreation	2,242,552	2,527,523	2,860,079	2,618,770	3,172,200	3,087,046	3,175,578	3,252,542	3,332,013	
Personal Training	208,686	173,029	314,095	241,582	-	-	-	-	-	
Aquatics	804,681	772,789	831,346	790,677	842,601	856,080	872,872	890,586	908,813	
TOTAL OPERATING EXPENSES	3,255,919	3,473,341	4,005,520	3,651,029	4,014,801	3,943,127	4,048,449	4,143,128	4,240,826	
OPERATING INCOME	824,958	780,249	525,344	539,447	505,706	710,619	651,041	602,565	551,531	
NONOPERATING REVENUES (EXPENSES)										
Investment Income	5,812	15,147	5,000	15,788	15,000	15,000	15,000	15,000	15,000	
Interest Payment	(22,896)	(19,224)	(15,624)	(15,624)	(12,024)	(8,496)	(5,040)	(1,656)	-	
Contribution from (to) other funds	-	-	300,000	300,000	(100,000)	(100,000)	(100,000)	-	-	
Total	(17,084)	(4,077)	289,376	300,164	(97,024)	(93,496)	(90,040)	13,344	15,000	
NET INCOME (LOSS)	807,874	776,172	814,720	839,611	408,682	617,123	561,001	615,909	566,531	
Other Receipts										
Depreciation	525,494	526,758	597,000	556,685	611,188	653,521	670,188	670,188	670,188	
Total Other Receipts	525,494	526,758	597,000	556,685	611,188	653,521	670,188	670,188	670,188	
Other Expenditures										
Debt Payable	125,000	125,000	125,000	125,000	125,000	125,000	125,000	-	-	
Infrastructure	370,391	-	2,500,000	2,500,000	1,000,000	1,000,000	-	-	-	
Other Assets	2,745	1,489,864	-	-	200,000	-	-	-	-	
Total Other Expenditures	498,136	1,614,864	2,625,000	2,625,000	1,325,000	1,125,000	125,000	-	-	
Effect of change in accounting principle	(181,864)	-	-	-	-	-	-	-	-	
Total Net Position-Beginning	14,528,330	15,154,340	15,824,829	15,930,512	16,770,123	17,178,805	17,795,927	18,356,928	18,972,838	
Total Net Position-Ending	\$ 15,154,340	15,930,512	16,639,549	\$ 16,770,123	17,178,805	17,795,927	18,356,928	18,972,838	19,539,369	

GREAT HALL FUND BUDGET SUMMARY

GREAT HALL FUND BUDGET SUMMARY

	Actual	Actual	Original	Estimate	Budget	Projected				
	FY15	FY16	FY17 Budget	FY17	FY18	FY19	FY20	FY21	FY22	
OPERATING REVENUES										
Rent - Taxable Business	\$ 269,972	284,740	282,787	\$ 298,193	311,630	327,212	343,572	360,751	378,788	
Rent - Nontaxable Business	132,497	136,637	148,835	156,944	164,016	172,217	180,828	189,869	199,362	
Other Revenue	6,231	12,345	3,558	3,793	3,800	3,990	4,190	4,399	4,619	
Catering Revenue	2,940	3,465	2,627	2,650	2,800	2,940	3,087	3,241	3,403	
TOTAL OPERATING REVENUES	411,640	437,187	437,807	461,580	482,246	506,358	531,676	558,260	586,173	
OPERATING EXPENSES										
Communications	993	718	1,000	700	750	750	750	750	750	
Allocations	21,859	23,492	22,767	22,622	22,857	23,314	23,702	24,176	24,659	
Other Maint.	64,817	69,167	75,200	73,662	75,200	76,712	78,253	80,014	81,814	
Personnel	172,638	175,515	190,606	190,257	196,487	201,199	206,781	212,734	218,884	
Professional Fees	46,761	36,952	52,800	42,800	43,000	43,860	44,737	45,632	46,545	
Supplies	24,069	15,205	22,700	20,900	14,700	15,020	15,260	15,535	15,816	
Utilities	40,450	38,827	41,250	39,469	39,479	40,071	40,873	41,690	42,524	
Rent	87,149	89,519	93,222	93,222	94,222	94,222	94,524	94,868	95,220	
Depreciation	50,805	59,626	69,987	63,764	71,786	69,405	61,755	60,010	49,623	
TOTAL OPERATING EXPENSES	509,541	509,021	569,532	547,396	558,481	564,552	566,635	575,408	575,835	
OPERATING INCOME (LOSS)	(97,901)	(71,834)	(131,725)	(85,816)	(76,235)	(58,194)	(34,959)	(17,148)	10,338	
NONOPERATING REVENUES (EXPENSES)										
Investment Income	136	270	-	600	300	200	200	200	200	
Interest Payment	(8,904)	(7,476)	(6,076)	(6,076)	(4,676)	(3,304)	(1,960)	(644)	-	
Contribution from other funds	225,000	225,000	175,000	175,000	85,000	75,000	75,000	50,000	-	
Total	216,232	217,794	168,924	169,524	80,624	71,896	73,240	49,556	200	
NET INCOME (LOSS)	118,331	145,960	37,199	83,708	4,389	13,702	38,281	32,408	10,538	
Other Receipts										
Depreciation	50,805	59,626	69,987	63,764	71,786	69,405	61,755	60,010	49,623	
Total Other Receipts	50,805	59,626	69,987	63,764	71,786	69,405	61,755	60,010	49,623	
Other Expenditures										
Debt Payable	-	-	-	-	-	-	-	-	-	
Infrastructure	172,592	106,450	-	-	30,000	-	-	-	-	
Other Assets	-	-	-	-	-	-	-	-	-	
Total Other Expenditures	172,592	106,450	-	-	30,000	-	-	-	-	
Total Net Position-Beginning	385,311	503,642	593,656	649,602	733,310	737,699	751,401	789,682	822,090	
Total Net Position-Ending	\$ 503,642	649,602	630,855	\$ 733,310	737,699	751,401	789,682	822,090	832,628	

SANITATION FUND BUDGET SUMMARY

SANITATION FUND BUDGET SUMMARY

	Actual FY15	Actual FY16	Budget FY17	Estimate FY17	Budget FY18	FY19	FY20	FY21	FY22
OPERATING REVENUES									
Sanitation Fees	\$ 3,304,542	3,377,711	5,001,780	\$ 4,800,000	4,740,666	4,770,158	4,796,593	4,823,028	5,055,738
Grants	5,176	8,205	5,000	7,200	7,000	7,000	7,000	7,000	7,000
Recycling Reimbursement	17,188	1,992	-	2,100	2,150	2,241	12,330	12,824	13,337
Other Revenues	37,897	35,591	32,000	48,000	45,000	40,000	40,000	40,000	40,000
TOTAL OPERATING REVENUES	3,364,803	3,423,499	5,038,780	4,857,300	4,794,816	4,819,399	4,855,923	4,882,852	5,116,075
OPERATING EXPENSES									
Communication	1,068	6,415	15,400	13,000	25,900	11,000	31,000	31,000	11,000
Other Maintenance	-	-	-	-	-	-	-	-	-
Personnel	94,890	132,980	123,293	123,157	126,974	131,165	135,070	139,092	143,235
Professional Fees	-	9,500	15,000	15,000	-	20,000	-	40,000	-
Supplies	32,236	34,628	37,000	37,000	38,000	39,000	40,000	40,000	102,000
Rent	-	27,850	-	-	-	-	-	-	-
Contract Services	3,163,362	3,215,036	4,857,011	4,783,000	4,609,000	4,707,117	4,780,789	4,826,614	4,970,246
TOTAL OPERATING EXPENSES	3,291,556	3,426,409	5,047,704	4,971,157	4,799,874	4,908,282	4,986,859	5,076,706	5,226,481
OPERATING INCOME	73,247	(2,910)	(8,924)	(113,857)	(5,058)	(88,883)	(130,936)	(193,854)	(110,406)
NONOPERATING REVENUES (EXPENSES)									
Investment Income	1,808	4,858	1,900	5,980	6,150	6,283	6,000	6,000	6,000
Operating Transfer	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues	1,808	4,858	1,900	5,980	6,150	6,283	6,000	6,000	6,000
NET INCOME/(LOSS)	75,055	1,948	(7,024)	(107,877)	1,092	(82,600)	(124,936)	(187,854)	(104,406)
Total Net Position-Beginning	855,144	930,199	1,027,805	932,147	824,270	825,362	742,763	617,827	429,973
Total Net Position Ending	\$ 930,199	932,147	1,020,781	\$ 824,270	825,362	742,763	617,827	429,973	325,567