



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, April 4, 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—March 28, 2017
4. Review of FY18 Special Revenue Funds
5. Other Business
6. Adjournment



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FINANCIAL ADVISORY COMMISSION MINUTES

Tuesday, March 28, 2017, 6.00 p.m.

Economic & Community Development Blue Conference Room
1920 S. Germantown Road, Germantown, TN 38138

Members Present: Hal Beckham, Brian Carney, Blake Deaton, Clint Hardin, Ashley Hopper, Alderman Rocky Janda, Russell Johnson, Michael McLaughlin, Christine Menzel, Chris Miller, Frederick Miller, Julius Moody, Paul Mosteller, David Rea, Donnie Rose, Harold Steinberg, Denise Stumph, Richard Vosburg, Brandon Westbrook, Scott Wickliffe

Members Absent: Walter Krug, Jason Lowe, Alan Richmond, Brian White

Staff Present: Alderman Mary Anne Gibson, Alderman Dean Massey, Patrick Lawton, Paul Turner, Adrienne Royals, Sherry Rowell, De’Kisha Fondon, Butch Eder, Bo Mills, Pam Beasley, Tim Gwaltney, Phil Rogers, Chief John Selberg

Others Present:

- Lauren Lowe and Nick Yatsula – PFM Financial Advisors, LLC
- Jason Manuel – Germantown Municipal School District

CALL TO ORDER

Chairman Moody called the March 28th, 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 moved to approve the minutes (as amended) from the March 7th, 2017 Financial Advisory Commission meeting. Alderman Janda seconded and the motion passed unanimously.

REVIEW OF THE FY18 CAPITAL IMPROVEMENT PROGRAM

Mr. Lawton advised that there are twenty-five proposed projects in the FY18 Capital Improvements Program (CIP). The total program cost is \$39,309,811 (\$33,039,000 is local funding and \$6,270,811 are Intergovernmental funds and grants).

A) GENERAL GOVERNMENT PROJECTS

- Police Indoor Firing Range (\$75,000) – Improvements primarily related to moving targets; the replacement of the target and bullet trap system in the Police indoor range. The Hall Income Tax is the source of funding for this project.
- Customer Service Center Improvements (\$150,000) – Improvements will provide better customer access, maximize employee work place and meet new ADA Regulations. This too is funded through the Hall Income Tax.
- City Hall Police Parking (\$300,000) – Additional police parking at City Hall (small retention pond to be filled in). Source of funding include City Reserves.

B) MAJOR ROADS PROJECTS

- Poplar Avenue Culvert Replacement Phase IV (\$600) – Continuation of ongoing project to repair/replace damaged culverts under Poplar Avenue. Source of funding includes grant money received from the Department of Transportation.
- Forest Hill Irene Road Traffic/Safety Improvements (\$500) – Professional engineering services and ROW acquisition for safety improvements on the unimproved sections of Forest Hill Irene Road. Funding source is City Reserves.
- Winchester Road Resurfacing from FHI to eastern City limits (\$1,450,000) – Includes milling, paving and stripping. 80% is funded by the State (\$1,160,000) and 20% include local funds (\$290,000).

C) INTERSECTIONS & OTHER PROJECTS

- Wolf River Boulevard/Germantown Road Intersection Improvements (\$1,750,000) – Includes traffic signal modifications, additional lanes and protected turn lanes. This project is funded 100% by State and Federal Governments.
- Signal Upgrades (\$1,050,000) – Upgrades and construction to traffic signals at: a) Hacks Cross Road and Poplar Pike; b) Kirby Parkway and Poplar Avenue and c) Poplar Pike and Arthur Road/Germantown Road. This project is also 100% funded by State and Federal Governments.
- Allenby Road Sidewalks (\$30,000) – Installation of approximately 780 feet of sidewalks on Allenby Road from Mercedes to Farmington Boulevard. Funding source is City Reserves.
- Safe Routes to School (\$190,811) – Will create opportunities for elementary and middle school students to safely bike and walk to and from school. Funding source is 100% State and Federal Governments.
- Central Business Streetscape Master Plan (\$1,000,000) – Enhancing the character of the District by improving streets, sidewalks, landscaping and open spaces. The Hall Income Tax is the source of funding for this project.

D) DRAINAGE PROJECTS

- City Wide Master Drainage Plan, Phase I (\$150,000) – To develop a comprehensive drainage plan for the entire City that addresses existing drainage and flooding problems and also to avoid creating future drainage issues. Source of funding is the Hall Income Tax.
- Annual Miscellaneous Drainage Improvements (\$50,000) – Addresses small isolated emergency problems that do not require detailed plans/specifications. This too is funded by the Hall Income Tax.
- Allenby Lake Spillway Repair & Lateral G Mitigation (\$150,000) – Required as a result of construction activities within wetlands adjacent to the Lateral G construction project. Funded by the Hall Income tax as well.

E) PARKS

- Wolf River Boulevard Greenway Trail Connectors (\$380,000) – Will provide a connector from Nashoba Park to New Trail Head and Cameron Brown to Farmington Boulevard. 80% of this project is funded by the State (\$1,520,000) and 20% by local funds (\$380,000).
- Farmington Park Playground Renovation (\$306,000) – Will include site work to improve drainage and control erosion. The Hall Income Tax is the funding source for this project.
- Farmington Park East Field Renovation (\$130,000) – Includes laser grading and irrigation for proper drainage and growth. Funding source includes the Hall Income Tax.

- Greenway Restroom Replacement (\$175,000) – Restroom usage has dramatically increased with the opening of the new Greenway extensions resulting in inadequate facility and sewer capacity. Requires constant maintenance and repairs due to the increase in the volume of users. This project is also funded by the Hall Income Tax.

F) GERMANTOWN ATHLETIC CLUB

- Athletic Club Improvements (\$1,000,000) – Phase III Construction consists of renovation of the men’s locker room, creation of community space upstairs, new customer service desk and both upstairs and downstairs common areas will be renovated. Funding source is from the Athletic Club Reserves.

G) UTILITY FUND

- Johnson Road Water Plant Roof (\$310,000) – The original roof on the facility has developed many defects over the years and is no longer covered under warranty. This project is funded through City reserves.
- Western Gateway Sewer Improvements Design (\$200,000) – Analysis and design of new sewer line necessary to accommodate full build-out of the Western Gateway District. The Funding source is City Reserves.
- Land Purchase—Southern Avenue (\$350,000) – The purchase of properties located at 7898, 7606, 7630 and 7632 Southern Avenue to provide future growth options for our Public Works Department or could potentially be the location of a new water well field. Source of Funding is from our City Reserves.
- Greenway Restroom Lift Station Replacement (\$60,000) – Increased usage since 2000 resulting in inadequate sewer capacity. Funding by State and Federal Governments.
- Southern Avenue Water Plant—Electrical Panel Upgrade (\$183,000) – Design and replacement of original electrical panels of the facility; parts are no longer available for repairs. The source of funding is City Reserves.

****MOTION****

Mr. McLaughlin moved to approve the FY18 Capital Improvements Program as presented. Mr. Westbrook seconded and the motion passed unanimously.

H) GERMANTOWN MUNICIPAL SCHOOL DISTRICT

- New Elementary School Construction (\$27,000,000) – GMSD is recommending that a new elementary school be constructed in the southeast section of the City to relieve overcrowding. The source of funding will be from the FY18 bond sale.

REVIEW OF GERMANTOWN MUNICIPAL SCHOOL DISTRICT (GMSD) CAPITAL

Superintendent Jason Manuel thanked the City for its consideration and investment in the school district as we have created an exceptional and quality school system. He said an *investment* in the school district is an *investment* in the City. Superintendent Manuel then updated everyone on enrollment, growth and school costs. He advised that there has been a 39% increase in resident students and an 11% increase in property values in the City of Germantown.

School Enrollment since 8/16 includes: Dogwood Elementary School - 916 students; Farmington Elementary - 863 students; Riverdale School (K-5) - 884 students; Riverdale School (6-8) - 436 students; Houston Middle School - 935 students; and Houston High School - 1,858 students. Total Residential Growth from 2013 through 2017 includes 2,300 for Elementary Schools, 1,134 for Middle Schools and 4,651 for High Schools. Currently, enrollment compared to Optimal Capacity is well over 100% utilization—no more students will fit in the physical building. As of now, a new elementary school building could be filled with 559 K-5 students. Superintendent Manuel advised that the proposed site (Broer/Schaeffer Property) for the new elementary school will be voted on next week (April 5th) with a purchase price of \$3.1 million. Projected costs for the new school will be anywhere from \$27 to \$32 million and Additional Unfunded Operating Costs (salaries and fringes, operations, instructional) associated with the new elementary school will be approximately \$2,035,940.

DEBT MANAGEMENT POLICY CAPACITY UPDATE

Lauren Lowe and Nick Yatsula of PFM gave a recap of what was presented at the February, 2017 FAC meeting. He reported that 0.39% of local governments rated by Moody's are rated Aaa (86 out of 22,815 rated cities). From a score card capacity and under Moody's criteria the City of Germantown could issue approximately \$180 million in debt before the rating dips below Aaa; under S&P's criteria, approximately 125 million in debt could be issued before the rating drops below Aaa. And lastly, Mr. Yatsula presented the City's Net Debt Service this time including the \$33 million bond issue for the schools. Per Mr. Yatsula, although the numbers have drastically changed, we are still within the metrics; the total for Net Debt Service to Governmental Fund Expenditures has now dropped to \$90,460,000 thus giving us a Total Debt Outstanding of \$65,795,000.

****MOTION****

Mr. Mosteller moved to approve the FY18 Germantown Municipal School District Capital Budget as presented to be recommended to the Board of Mayor and Aldermen. Mr. F. Miller seconded and the motion passed unanimously.

OTHER BUSINESS

Mr. Lawton announced that next Tuesday we will be discussing the FY18 Special Revenue Funds.

****MOTION****

Mr. Steinberg moved to adjourn the meeting. Mr. Hardin seconded and the motion passed unanimously.

ADJOURNMENT

With that, the meeting was adjourned.

SPECIAL REVENUE FUNDS

BUDGET PROJECTION SUMMARY

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STATE STREET AID

	Actual	Actual	Budget	Estimated	Budget	Projected			
	FY15	FY16	FY17	FY17	FY18	FY19	FY20	FY21	FY22
REVENUES:									
State Street Aid	\$ 1,059	1,103	1,055	1,105	1,123	1,146	1,169	1,192	1,216
Other Revenue	-	-	-	-	-	-	-	-	-
Interest	0	1	-	1	1	1	1	2	2
Transfer In-Gen. Fund	1,650	1,850	1,650	1,650	1,100	1,400	1,500	1,500	1,500
TOTAL REVENUES	2,710	2,954	2,705	2,756	2,225	2,547	2,670	2,694	2,718
EXPENSES BY CATEGORY:									
Other Maintenance	117	37	200	300	200	200	200	200	200
Electricity & Gas	919	861	900	900	920	948	967	986	1,006
Str. Contract Maint.	1,161	809	1,300	1,609	1,000	1,200	1,200	1,300	1,300
City Str. Maint.	312	336	300	392	350	375	375	375	375
TOTAL EXPENSES	2,509	2,043	2,700	3,201	2,470	2,723	2,742	2,861	2,881
EXCESS (DEFICIT)	200	912	5	(445)	(245)	(175)	(72)	(167)	(163)
FUND BALANCE:									
Beginning of Year	394	595	243	1,506	1,061	816	641	569	402
Ending	595	1,506	248	1,061	816	641	569	402	239

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DRUG ASSET FORFEITURE FUND

	Actual FY15	Actual FY16	Budget FY17	Estimated FY17	Budget FY18	Projected			
						FY19	FY20	FY21	FY22
REVENUES:									
Drug Enforcement	\$ 340	143	350	350	300	300	300	300	300
Interest	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	340	143	350	350	300	300	300	300	300
EXPENSES BY CATEGORY:									
Personnel	44	86	111	111	111	111	111	111	111
Communications	-	0	1	1	1	1	1	1	1
Professional Fees	1	-	-	-	-	-	-	-	-
Other Maintenance	-	-	5	5	5	5	5	5	5
Supplies	81	76	138	138	138	138	138	138	138
Utilities	6	5	6	6	6	6	6	6	6
Rents	-	-	1	-	1	1	1	1	1
Capital Outlay	-	33	-	-	-	-	-	-	-
TOTAL EXPENSES	132	200	262	261	262	262	262	262	262
EXCESS (DEFICIT)	208	(57)	88	89	38	38	38	38	38
FUND BALANCE:									
Beginning	76	284	306	227	316	353	392	430	468
Ending	284	227	394	316	353	392	430	468	505

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PICKERING COMPLEX FUND

	Actual FY15	Actual FY16	Budget FY17	Estimate FY17	Budget FY18	Projected			
						FY19	FY20	FY21	FY22
REVENUES:									
Classes	\$ 29	32	29	32	32	32	32	33	33
Special Events	6	4	7	5	5	5	5	5	5
Rental	31	39	32	39	43	43	43	44	44
Transfer In-Gen. Fund	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	66	75	67	76	80	80	80	82	82
EXPENSES BY CATEGORY:									
Allocations	3	3	3	3	3	3	3	3	3
Utilities	9	9	11	10	10	10	11	11	11
Capital Outlay	-	-	25	25	-	-	-	-	-
Professional Fees	24	28	31	30	31	31	31	32	32
Supplies	1	3	8	8	8	8	8	8	8
TOTAL EXPENSES	36	43	78	75	52	52	52	53	53
EXCESS (DEFICIT)	30	32	(11)	1	28	27	27	29	29
FUND BALANCE:									
Beginning	183	213	227	245	246	273	300	328	357
Ending	213	245	216	246	273	300	328	357	386

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RECREATION FUND

	Actual FY15	Actual FY16	Budget FY17	Estimate FY17	Budget FY18	Projected			
						FY19	FY20	FY21	FY22
REVENUES:									
Basketball Fees	\$ 53	62	67	61	64	64	65	66	66
Softball Fees	32	34	42	27	36	36	37	37	37
Kickball Fees	2	3	4	2	4	4	4	4	4
Sports Camps	10	0	17	6	14	14	14	14	14
Tennis Classes	3	7	4	7	7	7	7	7	7
Basketball Sponsors	6	-	4	-	1	1	1	1	1
Baseball Fees	-	-	-	-	-	-	-	-	-
Croquet	1	1	1	1	1	1	1	1	1
Cheerleading	5	-	-	-	-	-	-	-	-
Community Education	364	408	513	524	545	550	556	562	567
Intramurals	-	-	14	3	6	6	6	6	6
Other Revenue	27	-	-	-	-	-	-	-	-
TOTAL REVENUES	503	515	665	630	677	684	691	698	705
EXPENSES BY CATEGORY:									
Personnel	-	190	305	305	314	322	333	345	357
Allocations	13	15	15	17	16	16	15	16	17
Professional Fees	122	134	183	161	186	186	187	188	188
Supplies	68	68	152	91	96	98	99	101	103
Rents	1	-	-	-	-	-	-	-	-
Capital Outlay	48	-	-	-	200	-	-	-	-
TOTAL EXPENSES	252	407	655	573	812	622	635	651	666
EXCESS (DEFICIT)	251	107	11	57	(135)	62	56	47	40
FUND BALANCE:									
Beginning	169	420	360	527	584	449	510	567	614
Ending	420	527	371	584	449	510	567	614	654

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FEDERAL ASSET FORFEITURE FUND

	Actual FY15	Actual FY16	Budget FY17	Estimated FY17	Budget FY18	Projected			
						FY19	FY20	FY21	FY22
REVENUES:									
Forfeiture Revenue	\$ 39	27	50	50	50	50	50	50	50
TOTAL REVENUES	39	27	50	50	50	50	50	50	50
EXPENSES BY CATEGORY:									
Personnel	7	8	20	20	20	20	20	20	20
Supplies	6	17	30	30	30	30	30	30	30
TOTAL EXPENSES	14	25	50	50	50	50	50	50	50
EXCESS (DEFICIT)	25	2	-	-	-	-	-	-	-
FUND BALANCE:									
Beginning	3	28	22	30	30	30	30	30	30
Ending	28	30	22	30	30	30	30	30	30

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Ambulance Fund

	Actual	Actual	Budget	Estimated	Budget	Projected			
	FY15	FY16	FY17	FY17	FY18	FY19	FY20	FY21	FY22
REVENUES:									
Transport Fee	914	984	980	985	1,350	1,418	1,488	1,563	1,641
Non Transport Fee	0	10	-	-	-	-	-	-	-
Other Revenue	0	0	-	-	-	-	-	-	-
Interest	0	0	-	-	-	-	-	-	-
General Fund Transfer	500	750	700	600	450	400	375	550	375
TOTAL REVENUES	1,415	1,744	1,680	1,585	1,800	1,818	1,863	2,113	2,016
EXPENSES BY CATEGORY:									
Personnel	1,197	1,399	1,531	1,476	1,582	1,590	1,644	1,698	1,755
Communications	2	1	4	4	4	4	4	4	5
Professional Fees	66	65	62	65	65	65	67	69	72
Other Maintenance	0	6	7	7	8	8	8	8	8
Insurance	5	7	19	10	10	10	10	10	10
Supplies	72	73	96	88	104	103	105	107	110
Utilities	2	2	3	3	3	3	3	3	3
Rents	-	-	-	-	-	-	-	-	-
Allocations	34	38	43	31	44	44	46	47	49
Capital Outlay	62	-	-	-	239	-	-	195	-
TOTAL EXPENSES	1,441	1,591	1,765	1,684	2,058	1,827	1,886	2,142	2,010
EXCESS (DEFICIT)	(26)	153	(85)	(99)	(258)	(10)	(22)	(30)	5
FUND BALANCE:									
Beginning	396	369	371	522	423	164	154	132	102
Ending	369	522	286	423	164	154	132	102	106

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Farm Fund

	Actual	Actual	Budget	Estimated	Budget	Projected			
	FY15	FY16	FY17	FY17	FY18	FY19	FY20	FY21	FY22
REVENUES:									
Membership Fee	\$ 4	4	5	4	4	4	4	4	4
Donations	-	19	21	18	18	18	20	20	20
Vendor Income	16	3	5	4	5	5	10	10	10
Educational Fees	3	1	4	1	1	1	10	10	10
Grant	-	1	-	1	1	-	-	-	-
Rental Income	6	4	46	8	32	35	37	40	45
General Fund Transfer	150	150	150	150	120	120	100	90	80
TOTAL REVENUES	179	182	231	185	181	183	181	174	169
EXPENSES BY CATEGORY:									
Personnel	60	60	87	59	72	92	94	97	100
Communications	3	1	6	3	4	4	4	4	4
Professional Fees	17	26	28	26	27	28	28	29	29
Other Maintenance	9	8	13	11	13	14	15	15	16
Insurance	-	0	3	-	3	3	3	3	3
Supplies	15	16	20	17	18	18	18	19	19
Utilities	5	8	17	9	13	13	14	14	14
Rents	8	3	10	3	11	11	11	11	11
Allocations	-	-	1	1	1	1	1	1	1
Capital Outlay	14	29	33	18	-	-	-	-	-
TOTAL EXPENSES	132	151	217	145	162	184	189	193	197
EXCESS (DEFICIT)	47	31	14	40	19	(1)	(8)	(18)	(28)
FUND BALANCE:									
Beginning	-	47	51	79	118	137	136	129	110
Ending	<u>47</u>	<u>79</u>	<u>65</u>	<u>118</u>	<u>137</u>	<u>136</u>	<u>129</u>	<u>110</u>	<u>82</u>