



# CITY OF GERMANTOWN TENNESSEE

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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 28<sup>th</sup>, 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 7<sup>th</sup>, 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 (\$600,000) – 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 (\$500,000) – 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 5<sup>th</sup>) 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. Steinberg 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.