



# CITY OF GERMANTOWN TENNESSEE

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## **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, Scott Wickliffe

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

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

### **CALL TO ORDER**

Chairman Moody called the February 21<sup>st</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 made a motion to approve the minutes as presented from the February 7<sup>th</sup>, 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 for 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\*\***

Mr. Mosteller made a motion 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.