

CITY OF BELLE MEADE
Minutes of the Annual Budget & Finance Committee Budget Presentation
April 9, 2019 at Belle Meade City Hall

The Budget & Finance Committee met at 8:30 a.m. on Tuesday, April 9th to review the proposed budget for fiscal year 2019/2020. Present were Vice-Mayor Louise Bryan, Commissioner Bob Weigel, Committee Members Blair Wilson (Chair), Larry Wieck, Eric Helman, Peggy Warner and Bob Zeglarski as well as Assistant City Manager/Finance Director Aspen Collins and City Manager Beth Reardon. No members of the public were present. The date and time of the meeting had been posted on the City website.

Aspen Collins presented the projected revenue and expense items for all funds. The General Fund was forecasted to have a budget deficit of \$278,186, largely due to reducing revenue for diminishing Hall Tax and Capital Expenses totaling almost \$740K. These include street resurfacing (\$587K), replacement of IT equipment (\$44K), in-car police cameras and tablet access points (\$56K) and used vehicle for Public Works Dept. (\$15K). The Sewer, State Street Aid and Beautification Funds showed slight increases to Net Position / Fund Balance.

During the presentation, the following recommendations were made by the committee:

- When recommendations for fee increases are made, include the comparison data used to determine the new fee amount for committee to review.
- Adopt a policy that sets a city standard for how all contractors must restore the pavement or ROW after making a street cut.
- Provide an analysis of the assessment of property taxes and show how the trend of increased assessed value relates to the total amount of property tax revenue collected.
- Contact Metro Tax Assessor's office to find out how/when new construction or renovations are added to the appraised value, and when this information hits the tax roll.

Chairman Wilson began the discussion for the method and timing of raising property taxes to offset the reductions in Hall Tax revenue. His initial recommendation was to increase the rate to .30 cents this year from .25705, an increase of .04295, which will result in approximately \$212K of additional revenue, and help reduce the budget deficit of \$278K. Discussions continued regarding appropriate fund balance levels and a time line for gradually increasing the tax rate. The following recommendations were made:

- Expand the Capital Plan from 5 to 10 years and include all possible infrastructure improvements as well as maintenance items and recurring asset replacements.
- Commissioners should adopt a formal policy for the level of unrestricted fund balance that should be maintained in the General Fund. This policy should be based on operating in a conservative and fiscally sensitive manner, and should mirror what the fund balance should be at a minimum for the City to be considered "investment grade". The City should seek advice from its Audit firm and the Bond Pool.
- The Commissioners should define their goals for the redistribution of tax revenue and the long-term capital plan and effectively communicate the value of living in Belle Meade to the residents so they understand the need to maintain a healthy fund balance.
- Increase the property tax rate to .30 cents.

There being no other matters, the Budget & Finance Committee Workshop meeting was adjourned.

Minutes prepared by City Manager Beth Reardon