

**City of Rome**  
**FINANCE COMMITTEE MEETING**  
**March 16th, 2016**

**PRESENT:**

Committee Chairman, Evie McNiece  
City Commissioner Craig McDaniel  
Finance Director Sheree Shore  
Assistant City Manager, Patrick Eidson  
Assistant Finance Director Toni Rhinehart

**Absent:**

Commissioner Milton Slack

Chairman McNiece called the meeting to order, and the minutes from the December 16<sup>th</sup>, 2015 meeting were approved. Commissioner McDaniel was welcomed as this was his first “official” Finance Committee meeting. Commissioner Slack was attending a family funeral and was unable to be here.

**REVIEW OF PROPOSED 2015 REVISED BUDGETS:**

Ms. Shore was given the floor and reminded the committee that the City had state budget compliance guidelines to follow in its General Fund and Special revenue Funds. Also, the General Fund had three funds that would be consolidating within that fund at the CAFR presentation. Therefore, as in years past, we have prepared a final budget revision that addresses the consolidation expenses, and to ensure that any other overages were addressed as appropriate. Ms. Shore noted that only three funds had any revisions, General, Hotel/Motel tax fund, and the Forum Parking Fund. Addressing the expenses side, minor changes were made to several Public Facilities departments due to several repair and maintenance issues at various locations. There were just a few departments that had some minor revisions as they might have been over in personal services or over budget overall. These were relatively small. The major change was in the Community Development line items which did make provision for the proposed consolidation of the DDA Fund, Downtown Parking Fund, and the South Rome Agency Fund. These funds will not be presented separately within the CAFR, so the budget must be changed to allow for these additional expenses. The total change in the General Fund was only \$304,875 or 1.1%, again mostly with the consolidation issue. The Hotel/Motel Tax fund was increased to accommodate additional revenues received and therefore additional monies transferred out. The Forum Parking fund was re-aligned with an additional transfer out. After some additional discussion, Commissioner McDaniel made a motion to accept the proposed revision, Chairman McNiece seconded, and the proposed revised budgets will be presented to the full commission at the next meeting for official approval.

**REVIEW OF UNAUDITED 2015 FINANCIAL STATEMENTS:**

The committee next was directed to the end of year financials. Ms. Shore first noted to the committee the summary pages. The General Fund, ended the year with an increase to fund balance of \$542,303, which given the sales tax refund back to the Department of Revenue was a very major accomplishment. Ms. Shore directed the committee to the next summary which really “tells the story” of how this increase was done. The City ended the year with revenues exceeding budget of \$223,252 and expenses under budget of 319,051. Mr. Rich noted to the

committee that this was certainly a concerted effort by the departments to not only stay in budget, but in most cases stay below anticipated budgets.

#### GENERAL FUND:

Ms. Shore did point out that current year tax collections were at 93.5% through the 60 days, versus almost 95% last year, but still showing above budget receipts. She also explained that the major increase in revenues was under the prior year taxes with over 1.3 million in collections. There was a major collection of past due taxes in the first quarter of 2015. Also noted, was sales taxes, which does reflect the refund. Insurance Premium tax was up over budget, and the Ga. Power franchise tax although under last year, was over the 2015 budget. Most business licenses were up over budget as well. Police Fines were up over 2014, but did not meet expected budget. The major increase in Interest and Costs also reflects the increased collection of prior year taxes. Overall revenues and transfers in were comparable to 2014, even with the sales tax refund. On the expense side, Ms. Shore noted that most departments were in line or below budget. Several departments did benefit from decreased fuel costs. The bigger budgeted departments such as Police, Street, and Electrical, were all below budget. The capital transfer to Transit was under budget due to not buying all equipment as anticipated. Total expenditures for the General fund were up over 2014, but under budget as noted earlier.

Commissioner McDaniel inquired as to the potential fiscal impact to the City by the County's backing of various bonds for other entities. Mr. Rich noted that other than the potential impact of a tax increase to all county taxpayers, the City directly would have no fiscal impact.

#### WATER FUND:

Usage revenues for most line items were down from 2014. Wholesale water revenues, although substantially down from last year, was up over the anticipated budget. Mr. Rich noted that he was hopeful that the City and County could continue to work out that agreement so that more revenues could be restored. Total revenues did end the year under last year, but actually over the 2015 budget. On the expense side, most all departments were at or under budget, again with the major budget departments of WWTP and Water Filter Plant being under budgeted numbers. All of this played well to give the City a 1.78 bond coverage for the year.

#### BUILDING INSPECTION FUND:

Ms. Shore did want to bring to the committee's attention the good year the fund has had. Revenues were substantially up over last year and budget. With expenses in line, the fund had an increase to net position of \$154,790 for the year.

#### TOURISM FUND:

Ms. Shore pointed out the contributions in the Tourism fund, noting the hotel/motel tax contributions, and the county's hotel/motel tax contribution. Tourism is gearing up for a big push for the Forum and convention tourism given the opening of the new Hampton Inn, and the start to the anticipated Marriott.

#### FIRE FUND:

The committee did review the Fire Fund noting the loss of the grant funds for firefighter salaries, and the contribution of SPLOST revenues for the education trailer purchased in 2015. Personal Services were up over last year, mostly due to more complete staffing and pay adjustments. Payroll was however, below the annual budget. Although the fund had a reduction in net position, it was less than the depreciation, so from an operations analysis, the fund had right at a breakeven year.

#### HOTEL/MOTEL TAX FUND:

Hotel/Motel collections exceeded last year and budget. The first full year of the additional 2% budgeted for the Tennis Center exceeded expectations. This is encouraging as this is without the addition of the two hotels in construction.

#### HEALTH INSURANCE FUND:

Ms. Shore next directed the committee to the health insurance fund. She noted that Blue Cross/Blue Shield had reviewed a late paid claim and intends to go back and include this in last year's payments—which for this claim will mean additional stop loss dollars to the City of over \$104,000. There is also hopefully a positive entry still left to be made that should also help decrease the net loss to the fund for the year. However, Ms. Shore did point out that the City redirected some of its Workers Compensation contribution to that fund to help fund some of the claims increases. Hopefully with a new year and some plan adjustments, this fiscal year will see that claims number more in line with budget.

#### WORKERS COMPENSATION FUND:

As noted previously, the City contribution is less than anticipated because of the re-direction to the health insurance fund, but the fund still had a good year, with claims and insurance premiums under budget.

#### LANDFILL FUND:

This fund had significant increases in revenues—most notably in the commercial/industrial sector, which is always a good economic indicator. Most all other revenue sources were up as well. Ms. Shore noted that the operating expenses were in line, and the larger negative numbers in post closure and closure care reflected some adjustments in the calculations of those accrual numbers.

#### SOLID WASTE MANAGEMENT FUND:

Solid Waste Collections also had modest increases in revenue—and we did decide to not make the transfer from Capital. Expenses were in line with last year, and budget and the fund had a slight increase in net position.

#### TENNIS CENTER FUND:

The committee did review the Tennis Center Fund. Although the 2% hotel/motel tax revenues have been transferred in, most of the expenses were modest promotional expenses. We still have the entry to post of the donated land from Berry. We think we have a good estimate of that from the county tax assessor office of \$15,000 per acre. That will show in the fund as donated capital.

#### COMMUNITY DEVELOPMENT:

This fund had a decrease in fund balance for the year due to revenues under the anticipated budget.

#### CAPITAL FUND:

Ms. Shore did review the Capital fund noting that additional capital tax monies had been transferred to help offset previous years where less than budget had been moved. The 2015 LMIG monies are shown as well. Major equipment purchases for the year included Police cars, and a street sweeper, asphalt roller, and dump truck for the Street department. Major projects were street paving, McCall Demolition, and the completion of the Crescent Avenue Bridge.

Again, Mr. Rich re-iterated that the year ended very well despite our refund payment to the State, and he commended all the operational departments for a great job in managing all expenses for the year.

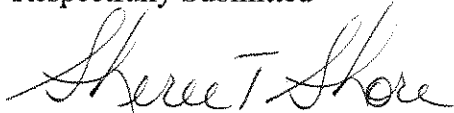
OTHER:

Ms. Shore did distribute the February, 2016 financial statements, but only pointed out to the committee a few revenue items in the General Fund. Prior year taxes received a large amount of revenue during the month, the end of the tax payments collected before the fifas penalties are assessed. However, other revenue sources such as sales taxes, motor vehicles taxes, and Title tax revenues are down through the first two months.

Mr. Rich also informed the committee that they have been interviewing for the new Tennis Center director, and really hoped to have someone on board soon.

With no further discussion, the meeting was adjourned.

Respectfully Submitted

A handwritten signature in cursive script that reads "Sheree T. Shore".

**Sheree T. Shore**

**HIGHLIGHTS**  
December, 2015  
Financial Statements

**GENERAL FUND:**

Page 7

Current Year taxes reflect a 93.5% collection and an additional \$250,000 allocated to Capital.  
Prior year Taxes are up from 2014 due to large NOD and collection of taxes from a bankruptcy.  
Title Tax Fee Revenues ended the year slightly above budget and 2014.  
Intangible Taxes are slightly up over 2014.  
Motor Vehicle Taxes ended the year close to expectations.  
Local Option Sales Tax regular collections were up over budget about \$80,000 and do reflect the refund to the DOR.  
Real Estate Transfer tax is up for 2015  
Insurance Premium Tax ended the year right at \$107,000 over budget.  
Georgia Power Franchise Fee for 2015 was slightly lower than 2014, but was over budget.

All business licenses were up over 2014, and Alcohol licenses were significantly over anticipated budget.

Page 8

Police Fines were up over 2014, but did not meet expected budget.

Interest and Costs were up to reflect the increase in prior year taxes.

Cemetery fees are down for the year, mainly from the lack of available sites for burial.

County Signal revenue includes a reimbursement billing for a new signal.

**Total operating revenues are down from 2014 only \$205,000 inclusive of the refund of sales tax and still over anticipated budget.**

- Page 9 City Commission is slightly over budget mainly in training and education.  
City Manager office over in payroll due to an employee retirement.
- Page 10 General Administration is up due to insurance and legal fees payments.
- Page 11 Police Personal services are up due to being at more full staff and pay adjustments. Police Training is up slightly due to payments of Education, but together, both departments are within year to date budget.
- Page 12 Streets and drainage is slightly under 2014 and under budget. Savings are in service contracts and fuel costs.
- Page 13 Garage is under budget due to personnel vacancies. Other Facilities, Civic Center, reflect A/C repairs.
- Page 14 Roman Holiday expenses are up—but we do have more revenue this calendar year, and the deficit is less than 2014.
- Page 15 Economic Development reflects total payments due to the Chamber paid for 2015.
- Page 16 The capital transfer to Transit is under budget.

**Total operating expenses are just slightly over 2014, but are \$518,851 under the anticipated budget. Overall expenses and transfers out do exceed 2014, but ended the year \$319,000 under budget.**

**WATER & SEWER FUND:**

Page 20 Most all usage revenues are slightly under 2014, with the exception of wholesale water which as expected is substantially under last year. Connection fees were also up over 2014 and budget.

**Total operating revenues for 2015 were down just slightly from 2014, but did end up exceeding budget.**

Page 21 The transfer in from SPLOST reflects the amount due for the work done on the interceptor sewer project.

Page 22 The Operations Office personnel will be up over 2014 as Eric has been moved totally to that department

Page 23 Most all departments are within budgeted expenses. Several departments saw savings in fuel costs.

**Total operating expenses ended the year less than 2014, and under budget.**

Page 32 The bond coverage had a strong December and ended the year very strong at 1.78

**BUILDING INSPECTION FUND:**

Page 33 Revenues were up for the month, and the fund ended the year with great revenue numbers and a positive increase to net position of \$154,790.

**TRANSIT FUND:**

Page 35 Most fare based revenues ended the year below 2014 levels and budget. Paratransit also ended the year slightly under. The fund was able to draw the entire operating reimbursement grant, but did not make all of the anticipated capital purchases. Expenses are above 2014 levels mainly in the personal services line item. Depreciation is up due to the newer fleet in service.

**TOURISM FUND:**

Page 38

Floyd County's hotel/motel contribution ended the year slightly above budget, and gift sales were up. Expenses ended the year right at operating budget levels.

**FIRE FUND:**

Page 39

Revenues show the SPLOST reimbursement for the trailer purchased in 2015. Personnel expenses were right at budget. Operationally, the fund was right at expected budget.

**HOTEL/MOTEL TAX FUND:**

Page 40

Hotel Motel tax revenues exceeded 2014 and 2015 expected budget. Expenses were right at budget and the fund had a net increase of \$146,617.

**INSURANCE FUND:**

Page 41

Total City contribution revenues reflect the additional monies put into the fund from the budgeted amounts redirected from workers comp. There were however noticeable reductions in several of the revenue sources as employees change coverages or move to other coverages outside the City. Admin costs for administration fees and stop loss insurance premiums were over anticipated amounts. The current claims paid amount includes some very large payments made in early 2016. We are still hopeful that we will be able to recoup some of those in the contingency accrual.

**WORKERS COMP:**

Page 42

The October through December payments have been re-directed to the Health Insurance Fund in order to help with that deficit. They are shown as additional contributions from the City. Expenses are up in line with budget at the end of the year. Claims/Damages are under 2014.

**PARKING FUND:**

Page 50

Parking revenues were up for the year, but expenses were up in service contracts. Permits and Fees are up due to the implementation of the contractor fee line item.



**SPLOST FUND:**

Page 52

The Tennis Center Bond Proceeds are now broken out. The larger SPLOST expense is for the final payment to Taco Bell for the final payment. Bond funds have been received in August, and the Tennis Center is underway.

**LANDFILL FUND:**

Page 56

Fee revenue was substantially up in most line item categories. This increase is mainly in Commercial/Industrial and C/D revenue line item. Expenses are in line with budget and last year. There was an adjustment in the calculation of closure costs which resulted in a negative expense amount for those line items. Operationally, the fund was at budget.

**SOLID WASTE MANAGEMENT FUND:**

Page 58

Revenues were up slightly for the year—reflecting a rate increase for 2015. Expenses were right in line with last year and budget.

**PLANNING COMMISSION FUND:**

Page 60

The amount for the aerial photography has been completed and the final payment has been billed to the County. Grant reimbursements were over budget, mainly in the planning area. Expenses were right in line with expectations.

**TENNIS CENTER FUND**

Page 64

Revenues reflect the first full year of the 2% hotel/motel tax collections. Expenses reflect some startup costs for the Tennis Center at Berry and some initial costs for the Downtown Tennis Center that rolled to the City as of the first of 2016.

**COMMUNITY DEVELOPMENT FUND:**

Page 65

Intergovernmental revenues are from South Rome Corporation but we are behind 2014 in Entitlement and CHIP Reimbursements. Expenses ended the year in line with budget, but the fund had a net loss of \$15,914 for the year.

Page 67

Just a quick note that the City has been able to invest funds at East West for .27 and .25 in MMDA. This is where we invest the Tennis Center Bond monies, as well as some of the 2013 SPLOST monies.

**CAPITAL FUND**

Page 70

Grant Revenues include the receipt of the 2015 LMIG capital money from the state. Also shown is the additional tax money allocated to help make up for some shortfalls in prior years. Major equipment purchases are for the budgeted Police cars and for a couple pieces of equipment for Street. The large expense in the McCall project is for the bid for the demolition of the building.