

City of Rome
FINANCE COMMITTEE MEETING
April 19th, 2017

PRESENT:

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

Chairman McNiece called the meeting to order, and the minutes from the March 15th, 2017 meeting were approved.

Review of Proposed 2016 Revised Budgets:

Ms. Shore distributed to the committee the Revised Budgets package including the summary of changes proposed. As she reminded the committee, from an operational perspective, we did not have a budget revision at mid-year. These revisions are only to bring our financial reporting in our CAFR to state compliance. When you have the budget to actual comparisons, you have certain criteria that must be met. Therefore the proposed revisions are only for the items necessary to accomplish that and only in the funds that have a budget to actual comparison. The proposed revisions only include the General fund and the Forum Parking Fund. There were re-allocations in the Planning Commission and Community Development Fund, but they did not change the overall budget numbers. Please find below the Budget highlights for the General Fund.

General Overall Comments
Proposed 2016 Revised Budgets

General Comments

- This is the only budget revision for 2016. State budgetary compliance guidelines require this revision to meet certain budget to actual criteria. There are not proposed changes to any enterprise fund or special revenue funds that currently meet these criteria.
- The budgetary revisions will also reflect any changes necessary after the special revenue funds of DDA, Downtown Parking and the Redevelopment fund are consolidated for CAFR presentation into the General Fund.
- Budgetary revisions have also been made to accommodate the removal of retiree OPEB expenses from the Health Insurance Fund.

Budget Highlights

Proposed 2016 Budgets Revision

General Fund

| <u>Page No.</u> | <u>Revenues</u> |
|-----------------|---|
| 2 | Current year and Prior year budget numbers are changed to better align with actual numbers and to balance any changes on the expense side. |
| 3 | Alcohol Business License increased to better reflect actual. |
| 3 | Rent revenues have been increased to reflect the consolidation of actual numbers from the Parking Fund. |
| 4 | Transfers in from other funds have been increased to reflect the movement of GMA retirement contribution expenses and the re-allocation of the OPEB for retirees from the Health Insurance Fund. |
| 4 | Although total operating revenues were increased 3.1% and total revenues increased 12.3%--this is more reflective of the reallocation entries. |
| | <u>Expenses</u> |
| 5 | City Commission expenses slightly revised upward to cover training expenses. |
| 6 | Office of Technology Services slightly increased due to the consolidation of the Business System Analyst expenses. |
| 6 | General Administration increased due to the additional Health Insurance payment. |
| 7 | Public Works increased due to the filling of the Public Works Director position. |
| 9 | Several Public Facilities departments were increased to cover unanticipated repairs or HVAC costs. |
| 10 | Community Development expenses were increased in anticipation of the consolidation of the special revenue funds listed. |
| 11 | Capital Transfer to Transit was reduced to better reflect actual. |
| 11 | Amounts were added for Retirement costs contributions and OPEB Costs for retirees as part of the required re-allocation. The revenues to offset these were included in the increases in transfers from other funds. |
| 11 | Contingency was increased |
| 11 | Transfers out to Capital and Golf were increased to better align with actual. |
| 11 | Total expenditures and transfers increased 12.3% |

The Committee reviewed these highlights—noting that the largest component of the proposed changes was the re-allocation of the retirement contributions from all of the enterprise funds to the General Fund. This change was actually made last year due to the new pension liability GASB standard but will be the 2017 budget before the actual budgetary changes were made. The other larger proposed change was the addition of the OPEB for health insurance for retirees that was lifted from the Health Insurance Fund. This was a new item for 2016, which will probably be an annual calculation since those claims and actual expenses will not be known at budget time.

Ms. Shore noted that there were no proposed changes to any of the enterprise funds.

PLANNING COMMISSION FUND:

The overall budget did not change—but there was a re-allocation to the transfer to General to account for the retirement transfer.

FORUM PARKING FUND:

Expenses were increased to reflect the additional transfers out to the City and the County. Revenues were also increased to better align actual receipts.

COMMUNITY DEVELOPMENT FUND:

Overall budget did not change—but did change the allocation for the transfer to General.

After review of these proposed changes, Commissioner McDaniel made a motion to approve these revised budgets and recommend on to the full City Commission for Monday night. Commissioner Irmscher seconded, and the motion was approved.

REVIEW OF MARCH 2017 FINANCIAL STATEMENTS:

Ms. Shore next directed the committee to the March financial statements. She noted that March was a (3) bi-weekly payroll so that most departments would be slightly up and over year to date budget in personal services.

The committee reviewed General Fund revenues—noting that as expected, prior year taxes were under last year. However, also up were Title Tax, LOST, Real Estate transfer tax and Intangible taxes. Other revenues seemed to be right in line with prior year numbers. Ms. Shore did note to the committee the Retirement costs payments which are for all funds outside the General Fund. Total operating General Fund costs are just slightly up over last year.

WATER AND SEWER FUND:

Ms. Shore next directed the committee to the Water/Sewer fund. Usage revenues have been up for the first quarter with total operating revenues up about 2%. As well on the expense side, all departments are operating within their budget parameters. The Bond coverage has had good months with a year to date coverage of 1.76. The cash balance show still has a 2.4 million undesignated amount.

BUILDING INPSECTION FUND:

Permits revenues had another strong month, although comparing to the amazing couple of months last year is difficult. Expenses are in line with budget.

HOTEL/MOTEL TAX FUND

Hotel motel taxes continued their increase in 2017 coming in some \$33,000 over last year.

HEALTH INSURANCE FUND

Claims paid are less through the first three months as compared to last year, and we are slightly under budget as well. Revenues are in line with budget.

WORKERS COMPENSATION FUND:

The amount shown for the Insurance premium is 1/3 of the total costs of annual premiums. Normally, these are made in three payments.

SPLOST FUND:

Major projects include some additional equipment at the Tennis Center, playground equipment for the City parks, and the City Auditorium renovations.

ROME TENNIS CENTER AT BERRY

Revenue allocation should be starting to look more in line. Will be looking for additional revenues as tournament play starts in March.

CAPITAL FUND:

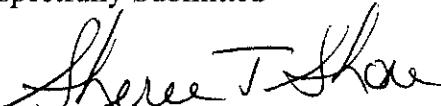
Larger expenses to date include the bathroom renovations at the Civic Center, IT expenses, and a couple of trucks and equipment for Public Works.

OTHER:

Ms. Shore commented to the committee that at the May, 2017 finance committee meeting, Mr. Byars, the RBOE superintendent was planning on coming to present their 2017-2018 budget. This is usually a meeting where we invite all of the City Commission. Chairman McNiece asked if we could start earlier—so the meeting will be scheduled at 9:30 a.m.

With no further discussion, the meeting was adjourned.

Respectfully Submitted


Sheree T. Shore

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Planning Commission Fund

Page No. Revenues

- 39 The overall budgeted amount for did not change—but we did decrease Personal Services and increase Transfer to General for the retirement contribution re-allocation.

Forum Parking Fund

Page No.

- 35 Revenues were increased to better reflect actual receipts. Expenses were also increased to better reflect actual—especially in the payments category which were the transfers out to the City and County.

Community Development Fund

Page No.

- 44 Overall budget was not changed—but did change the allocation for transfer to General for the retirement costs re-allocation.