

SPECIAL CALLED MEETING

JUNE 27, 2014

THE BOARD OF COMMISSIONERS OF THE CITY OF JOHNSON CITY, TENNESSEE held a Special Called Meeting in the Municipal Building, 601 East Main Street, Johnson City, Tennessee on Friday, June 27, 2014.

PRESENT: Mayor Ralph Van Brocklin, Vice-Mayor Clayton Stout, Commissioners Jeff Banyas, Jenny Brock and David Tomita, Pete Peterson, City Manager, and Janet Jennings, City Recorder.

Mayor Ralph Van Brocklin called the meeting to order at 6:01 p.m.

At this time, City Commissioner David Tomita gave the invocation, which was followed by the Pledge of Allegiance.

At this time, Mayor Ralph Van Brocklin made a motion to adopt **Ordinance No. 4548-14** - "AN ORDINANCE TO ESTABLISH THE PROPERTY TAX RATES, APPROPRIATE FUNDS, AND ADOPT A BUDGET FOR FISCAL YEAR July 1, 2014 through June 30, 2015." His motion was seconded by Commissioner David Tomita.

At this time, Commissioner Jenny Brock made a motion to amend the main motion to provide for a property tax increase of 21 cents to fund schools \$1,700,000 (equivalent 10 cents) and City services \$1,870,000 (equivalent 11 cents). Mayor Ralph Van Brocklin seconded the motion. The City funding of \$1,870,000 would be appropriated as follows:

- \$170,000 Restore resurfacing budget to \$1,500,000
- \$200,000 Restore ½ of special appropriations
- \$170,000 Sidewalk and street reconstruction
- \$300,000 City employee pay adjustments
- \$605,000 Capital Projects
- \$425,000 Public Works Equipment

In addition, the Johnson City Development Authority (JCDA) would be asked to pick up funding on the \$350,000 in site work for the Farmer's Market.

At this time, Mayor Ralph Van Brocklin made a motion to amend the previous amendment. Upon this motion, seconded by Commissioner Jenny Brock, the following amendment was offered for adoption. The motion **failed** as follows: Mayor Ralph Van Brocklin and Commissioner Jenny Brock voted aye. Vice-Mayor Clayton Stout and Commissioners Jeff Banyas and David Tomita voted nay.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF JOHNSON CITY, That an amendment to the previous budget amendment to add back \$350,000 in funding for the Farmer's Market, to be paid out of Fund Balance, be and the same is hereby denied.

At this time, voting commenced on the amendment previously made by Commissioner Jenny Brock and seconded by Mayor Ralph Van Brocklin, to provide for a property tax increase of 21 cents to fund schools \$1,700,000 (equivalent 10 cents) and City services \$1,870,000 (equivalent 11 cents). The motion failed as follows: Mayor Ralph Van Brocklin and Commissioner Jenny Brock voted aye. Vice-Mayor Clayton Stout and Commissioners Jeff Banyas and David Tomita voted nay.

At this time, Commissioner David Tomita made a motion, that was seconded by Commissioner Jeff Banyas, to amend the main motion as follows: Remove \$1,340,000 from the resurfacing budget and issue capital outlay notes, increase Debt Service for the payment of \$204,000, add one-time funding for Schools \$600,000, fund a 1% pay raise for City employees \$265,000 and leave \$271,000 to be allocated at a later date. In addition, Schools are instructed to increase their revenue budget by \$600,000 (State and County funding), which, combined with the one-time funding of \$600,000, will cover the \$1.2 million requested to avoid further cuts. The City will guarantee any shortfall experienced from adding the revenues to the budget.

At this time, Mayor Ralph Van Brocklin made a motion to amend the previous amendment. Upon his motion, seconded by Commissioner Jenny Brock, the following amendment was offered for adoption. The motion **failed** as follows: Mayor Ralph Van Brocklin and Commissioner Jenny Brock voted aye. Vice-Mayor Clayton Stout and Commissioners Jeff Banyas and David Tomita voted nay.

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF JOHNSON CITY, That an amendment to the previous budget amendment, by substitution, to raise the property tax rate 12 cents for Schools, with the additional \$2,040,000 in revenues to be combined with the \$500,000 already appropriated for Schools, be and the same is hereby denied.

At this time, voting commenced on the amendment previously made by Commissioner David Tomita and seconded by Commissioner Jeff Banyas, to remove \$1,340,000 from the resurfacing budget and issue capital outlay notes, increase Debt Service for the payment of \$204,000, add one-time funding for Schools \$600,000, fund a 1% pay raise for City employees \$265,000 and leave \$271,000 to be allocated at a later date. In addition, Schools are instructed to increase their revenue budget by \$600,000 (State and County funding), which, combined with the one-time funding of \$600,000, will cover the \$1.2 million requested to avoid further cuts. The City will guarantee any shortfall experienced from adding the revenues to the budget. The motion **carried** as follows: Vice-Mayor Clayton Stout and Commissioners Jeff Banyas and David Tomita voted aye. Mayor Ralph Van Brocklin and Commissioner Jenny Brock voted nay.

At this time, voting commenced on the main motion previously made by Mayor Ralph Van Brocklin, seconded by Commissioner David Tomita, and amended, to adopt **Ordinance No. 4548-14** - "AN ORDINANCE TO ESTABLISH THE PROPERTY TAX RATES, APPROPRIATE FUNDS, AND ADOPT A BUDGET FOR FISCAL YEAR July 1, 2014 through June 30, 2015," on **third reading**. The motion **carried** as follows: Vice-Mayor Clayton Stout and Commissioners Jeff Banyas and David Tomita voted aye. Mayor Ralph Van Brocklin and Commissioner Jenny Brock voted nay.

Ordinance No. 4548-14

An Ordinance to Establish the Property Tax Rates, Appropriate Funds, and Adopt a Budget for the Fiscal Year July 1, 2014 through June 30, 2015

BE IT ORDAINED BY THE CITY OF JOHNSON CITY AS FOLLOWS:

SECTION 1. In order to provide revenue for municipal purposes, there is hereby imposed on the value of all property within the City of Johnson City located within Washington County a levy at the rate of \$1.58 upon each One Hundred Dollars' (\$100.00) worth of assessed value of all taxable property, this levy to be the tax rate for the year 2014.

SECTION 2. Further, for the same said purposes of raising revenue, there is hereby imposed on the value of all property within the City of Johnson City located within Carter County a levy at the rate of \$1.58 upon each One Hundred Dollars' (\$100.00) worth of assessed value of all taxable property, this levy to be the tax rate for the year 2014.

SECTION 3. Further, for the same said purposes of raising revenue, there is hereby imposed on the value of all property within the City of Johnson City located within Sullivan County a levy at the rate of \$1.58 upon each One Hundred Dollars' (\$100.00) worth of assessed value of all taxable property, this levy to be the tax rate for the year 2014.

SECTION 4. The following funding amounts shall be and hereby are adopted as appropriations for the operation of the City of Johnson City, Tennessee, along with revenue projections for the fiscal year 2015:

General Fund

Revenues

Local Taxes	61,317,350
Licenses and Permits	762,000
Intergovernmental Revenues	9,600,680
Charges for Services	2,153,723
Fines and Forfeitures	1,650,000
Other Revenues	801,500
Fund Balance	251,816
Total	76,537,069

Expenditures

Fire and Emergency Management	9,403,409
General Government	7,352,657
Other Programs	6,932,394
Parks and Recreation/Seniors	5,552,176
Police	13,015,454
Public Works	9,352,997
Student Transportation	2,150,285
General Fund Total	53,759,372

General Purpose School Fund

Revenues		
County Taxes/Licenses		23,114,936
Charges for Services		1,415,000
Other Local Revenue		779,639
State/Federal Education Funds		26,775,680
City Appropriations & Transfers		11,563,960
Fund Balance		1,590,491
	Total	<u>65,239,706</u>

Expenditures		65,239,706
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School Food Services Fund

Revenues		
Charges for Services		750,000
Federal		2,141,200
Other		34,000
Fund Balance		275,000
	Total	<u>3,200,200</u>

Expenditures		3,200,200
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School Federal Projects Fund

Revenues		
Federal		5,411,557

Expenditures		5,411,557
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School Special Projects Fund

Revenues		
Federal		694,908

Expenditures		694,908
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Capital Equipment Fund

Revenues		
Transfers In		108,100
Fund Balance		99,900
	Total	<u>208,000</u>

Expenditures		208,000
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Capital Projects - Facilities Fund

Revenues		
Transfers In		382,000
Fund Balance		220,000
	Total	<u>602,000</u>

Expenditures		602,000
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Capital Projects - Infrastructure Fund

Revenues		
Bond Proceeds		338,000
Capital Outlay Note		1,340,000
Federal/State		3,392,000
Transfers In		850,000
Fund Balance		<u>225,000</u>
	Total	6,145,000

Expenditures		6,145,000
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Capital Projects - Schools Fund

Revenues		
Bond Proceeds		1,200,000
Other		400,000
Fund Balance		<u>550,000</u>
	Total	2,150,000

Expenditures		2,150,000
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Community Development Fund

Revenues		
Grants		608,343
Other		<u>5,000</u>
	Total	613,343

Expenditures		613,343
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Debt Service Fund

Revenues		
Interest		392,008
Transfers In		<u>10,079,302</u>
	Total	10,471,310

Expenditures		10,471,310
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Drug Fund

Revenues		
Fines and Forfeitures		90,000
Other		15,000
Fund Balance		<u>139,823</u>
	Total	244,823

Expenditures		244,823
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Educational Facilities Trust Fund

Revenues		
Local Option Sales Tax		2,063,000
Transfer In		156,620
Operating Transfers In		1,022,380
Other		1,500
Fund Balance		<u>693,468</u>
	Total	3,936,968

Expenditures		3,936,968
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Freedom Hall Fund

Revenues		
Ticket Sales		1,015,000
Other		379,575
Transfers In		200,000
Fund Balance		<u>7,760</u>
	Total	1,602,335
Expenditures		1,602,335

Police Grant Fund

Revenues		
Grants		562,067
Expenditures		562,067

Police Technology Fund

Revenues		
Fines and Forfeitures		420,000
Fund Balance		<u>212,027</u>
	Total	632,027
Expenditures		632,027

Transportation Planning Fund

Revenues		
Federal		296,000
Transfers In		<u>60,000</u>
	Total	356,000
Expenditures		345,860

SECTION 5. The following amounts in the proprietary-type funds are projected expenses for fiscal year 2015:

Golf Fund

Revenues		
Cart Rentals		333,475
Green Fees		451,000
Other		126,280
Transfers In		<u>515,000</u>
	Total	1,425,755
Expenditures, Operations		1,245,329

Mass Transit Fund

Revenues		
Federal/State		2,172,719
Other		911,779
Transfers In		<u>1,651,853</u>
	Total	4,736,351
Expenditures, Operations		4,059,517
Capital Equipment		820,000

Solid Waste - Municipal Fund

Revenues		
Collections		6,925,919
Other		2,147,420
Transfers In/Out		65,533
	Total	<u>9,138,872</u>
Expenditures, Operations		9,094,042
Capital Equipment		410,000

Solid Waste - Regional Fund

Revenues		
Collections		2,458,897
Other		194,375
Net Assets (cash)		76,649
	Total	<u>2,729,921</u>
Expenditures, Operations		2,585,660
Transfers Out		144,261

Storm Water Fund

Revenues		
Fees		2,151,176
Other		20,500
	Total	<u>2,171,676</u>
Expenditures, Operations		1,641,599
Capital Equipment		60,000
Capital Projects		1,920,000

Water/Sewer Fund

Revenues		
Water Sales		15,309,000
Sewer Fees		15,280,000
Other		2,359,942
Transfers In		78,728
	Total	<u>33,027,670</u>
Expenditures, Operations		30,531,407
Water/Sewer Fund Capital Equipment		699,500
Water/Sewer Fund Capital Projects		10,207,900

SECTION 6. In order to provide funds to meet the expenditure requirements, the following transfers are projected for fiscal year 2015 and are provided for informational purposes:

<u>To Johnson City Schools for Operations</u>	
From General Fund	9,099,675
From Mixed Drink Tax	314,000
<u>To Capital Equipment Fund</u>	
From General Fund	108,100
<u>To Capital Projects - Facilities Fund</u>	
From General Fund	382,000
<u>To Capital Projects - Infrastructure Fund</u>	
From General Fund	250,000
<u>To Debt Service Fund</u>	
From General Fund	10,079,302
<u>To Educational Facilities Fund</u>	
From Washington County	1,022,380
From General Fund	156,620
<u>To Freedom Hall Fund</u>	
From General Fund	200,000
<u>To Golf Fund</u>	
From General Fund	515,000
<u>To Mass Transit Fund</u>	
From General Fund	645,000
<u>To Public Building Authority</u>	
From General Fund	530,000
<u>To Solid Waste - Municipal Fund</u>	
From Solid Waste - Regional Fund	119,274
<u>To Transportation Planning Fund</u>	
From General Fund	60,000
<u>To Water/Sewer Fund</u>	
From Solid Waste - Municipal Fund	53,741
From Solid Waste - Regional Fund	24,987

SECTION 7. Payments-in-lieu from the Water and Sewer Fund to the General Fund are budgeted at \$543,950 for fiscal year 2015.

SECTION 8. Property tax revenues collected exclusively from properties located in Med Tech Park are designated as an economic development reserve in the General Fund with fiscal year 2015 collections estimated at \$438,000.

SECTION 9. Each department and fund, per Section 4, shall limit its expenditures to the amount appropriated, unless an amendment is approved by ordinance by the City Commission.

SECTION 10. BE IT FURTHER ORDAINED that a public hearing on this ordinance shall be held by the City Commission on first reading, prior to adoption.

SECTION 11. BE IT FURTHER ORDAINED that inasmuch as the fiscal year of the City begins July 1, 2014, this ordinance shall take effect from and after its passage on third and final reading on July 1, 2014, the public welfare requiring it.

Approved and signed in open meeting on the 27th day of June 2014, following passage on Third Reading.

/s/ Ralph Van Brocklin
Ralph Van Brocklin, Mayor

Attest:

/s/ Janet Jennings
Janet Jennings, City Recorder

Approved as to Form:

/s/ James H. Epps, IV
Jim H. Epps, IV, City Attorney

Public Hearing: June 19, 2014
Passed on First Reading: June 19, 2014
Passed on Second Reading: June 20, 2014
Passed on Third Reading: June 27, 2014

The meeting adjourned at 8:48 p.m.

RALPH VAN BROCKLIN
MAYOR

JANET JENNINGS
CITY RECORDER