



City of Bartlett

A. Keith McDonald, Mayor

BOARD OF MAYOR AND ALDERMEN WORK SESSION MINUTES

TUESDAY, APRIL 14, 2020 - CONFERENCE CALL - 4:00 PM

ATTENDANCE

Mayor A. Keith McDonald: Present, Alderman W.C. Pleasant: Present, Alderman Emily Elliott: Present, Alderman David Parsons: Present, Alderman Bobby Simmons: Present, Vice Mayor Jack Young: Present, Alderman Paula Sedgwick: Present.

NOTICE OF VIRUTAL MEETING

Mayor A. Keith McDonald announced the following message:

“In keeping with Governor Bill Lee’s Executive Order #16, as determination of record, this meeting is being held electronically and is necessary to protect the public health, safety and welfare in light of the Coronavirus. This meeting is being recorded. Both the minutes and the recording of this meeting will be made available on the City’s website within two days.”

DISCUSSION

I COVID-19 and Budget Updates

A. COVID-19 Updates: (Mark Brown, Chief Administrative Officer)

Mark Brown provided COVID-19 personnel operating updates post the initial Emergency Proclamation dated March 23, 2020. He explained how essential personnel were paid based on policy inclement weather pay and how non-essential and permanent part-time employees were paid. From April 1 – 15, non-essential and permanent part-time employees were paid based on the Families First Coronavirus Response Act (FFCRA). Mayor McDonald determined to continuing to pay non-essential and permanent part-time personnel from April 16 - April 26, as well as essential personnel; however, non-essential personnel will utilize City resources to obtain online training in their homes during this time-frame. The City will also provide job training and guidelines on how to return to work safely while following Health Department and CDC recommendations (i.e. social distancing, face masks, limited public access, etc.).

Mayor McDonald explained that non-essential personnel will begin rotating back to work next week with the goal of all returning to work April 27. He also explained that the FFCRA was mandated sick pay that the City of Bartlett paid and did not affect an employee’s banked sick pay.

Mayor McDonald clarified to the aldermen that while our city is under the advisement of the Federal Government, is consulting with the other local mayors, the Health

Department and the Centers for Disease Control; constitutionally, we are under the Governor's authority with the State of Tennessee. With all of these things combined, we will determine if we need to extend the Executive Order. Should there be some provision for reimbursement by the Federal Government, an Executive Order must be in place.

B. Budget Updates (Dick Phebus, Finance Director)

Dick Phebus presented the following information:



BARTLETT FY2020 HIGHLIGHTS

Reappraisal Years and Tax Rates

- Tax Rate

- o 2017 - \$1.83 Reappraisal Year & 35 cent increase
- o 2019 - \$1.83 No change
- o 2020 - \$1.83 Fairly Flat Assessment Figures
- o 2021 - Next County-wide Reappraisal
- o Assessor's Office indicates 15-20% increase in Assessments for tax year 2021 - Fiscal Year 2022

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BARTLETT FY2020 HIGHLIGHTS

2019 Property Tax Rate (FY20)

Current Tax Rate \$1.83 per \$100 of assessed value

Collections in FY2020 about 98.4% of tax levy

State Sales Tax shared on per capita basis with cities
Bartlett Share to-date - 60% of budget with 5 months remaining

MTAS estimating reduced distribution for remainder of year - approximately \$50,000 reduction in FY2020; approximately \$808,000 reduction in FY2021.

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BARTLETT FY2020 HIGHLIGHTS

Local Option Sales Tax – Share of 2.25% local rate
Collections of \$6.1 Million to-date or 59% of budgeted revenues
Expect reductions due to COVID-19 economic effect
Local Option Sales Tax allocated two-thirds to General Fund; one-third to Debt Service Fund
Full effect of COVID-19 will not be determined until March-June 2020 sales tax allocation received in May-August 2020. (Two month delay from retail receipts to city allocation). State will likely provide effect on state budget in late April.

Additional 0.5% Bartlett Local Option Sales Tax
Collections of \$2.74 Million to-date or 59% of budgeted revenues
Expect reductions due to COVID-19 economic effect
This 0.5% local option tax is allocated for school purposes; safety officer, police, and building and grounds for related school activity

BARTLETT FY2020 HIGHLIGHTS

Other revenue sources:
Recreation Center, Community Center, Athletics, and BPACC revenue essentially zero since mid-March
Court Revenue down significantly
FY2021 reductions \$808,000 reduction in state sales tax alone.

Currently paying all staff, including non-essential and regular part-time
This may change at end of mandatory 80 sick leave pay for non-essential staff not working. (Policy issue)

Use of General Fund Balance expected to exceed \$3 million in current year; FY21 projected use of fund balance \$19 million without major reductions in expenditures (personnel mostly)

BARTLETT FY2020 HIGHLIGHTS

Other General Fund Issues For FY2021:

- Funding of Pension at 100% of ADC – Monitor at Year-End
- **Career Ladder Increase in FY21 - \$380,000 (includes part-time) subject to review**
- Health Insurance Increases - \$360,000
- Required MOE Schools - \$1,737,826
- SCSB Settlement - \$608,193
- \$8 Million transfer to BCS for high school renovation; request delaying until January for cash flow purposes.

BARTLETT FY2020 HIGHLIGHTS

CAPITAL IMPROVEMENT PROGRAMS

FY2021:

No Capital Outlay Notes Issued in 2020

\$6.4 Million in G.O. Bonds recommended; however, Capital Markets are not stable at the moment; CIP Program may need to be adjusted or bond issue may have to wait until Spring 2021 for market to stabilize; City Shop and Overlay projects make up bulk of G.O. Bond issue

BARTLETT FY2020 HIGHLIGHTS

Water/Sewer Fund CIP for FY2020

- \$195,000 in reserves and unspent water/sewer CIP funds to cover Utility CIP
 - \$75,000 – Fletcher Creek
 - \$39,000 – Hatch Lane Eagle's Nest Sewer

BARTLETT FY2020 HIGHLIGHTS

Debt Service Fund

- Debt Service Requirements increased from \$4.5MM in FY17 to \$8.6MM in FY20 to \$8.9MM in FY21
- Expected increase to \$9.3MM in FY23; \$9.6MM FY25
- Current revenue stream – significant reduction due to economic factors (sales tax revenue) putting more pressure on General Fund transfers
- Annual monitoring – need adjustments beginning in FY22

Bartlett Overview FY21

- State Appropriation in FY21 budget document
- Appropriated \$100 MM to Cities and Counties
- **Bartlett Share is \$1,338,991**
- Application open 4/30/20; funds available 7/1/2020
- Permitted Spending-
 - IT Hardware Upgrades
 - Capital Maintenance
 - Utility and Road Projects
 - Public Safety
 - COVID-19 Response

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Bartlett Overview FY21

- U.S. Treasury: The CARES Act for State/Local Gov't
- Provides for \$150 Billion in COVID Relief Fund
- **Tennessee qualifies for \$2.648 Billion, less...**
- **Direct Allocation for Governments in excess of 500,000 population**
- Shelby County likely qualifies for funding as does City of Memphis – uncertain which may apply
- Possible allocation to municipalities in Shelby County through prorated share of city population
- Following closely

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Discussion was made regarding various avenues for budget relief and strategies the City may take to maintain fiscal stability.

Police Chief Jeff Cox and Fire Chief Terry Wiggins provided brief status updates. Police and Fire are taking proactive steps to ensure public safety.

The meeting concluded at 5:13 p.m.