

City of Rome
FINANCE COMMITTEE MEETING
April 20, 2022

PRESENT:

Committee Chairman Mark Cochran
City Commissioner Bill Collins
City Commissioner Randy Quick
City Manager Sammy Rich
Assistant City Manager Meredith Ulmer
Finance Director Toni Rhinehart
Assistant Finance Director Kraig Ingalsbe
Recording Secretary Vicki Blair

Guest: Kelley Parker, Administrative Assistant to City Manager
Chris Jenkins, Public Works Director
Chief Troy Brock, Rome Fire Department
Deputy Chief Brad Roberson, Rome Fire Department

Committee Chairman Mark Cochran called the meeting to order and approved the minutes from the March 16th meeting by common consent.

Ms. Rhinehart began by stating that in this meeting we will be reviewing the December 2021 Unaudited Financial Statements. She noted that Local Option Sales Tax Report seems to be the biggest bright spot of 2021.

GENERAL FUND:

Ms. Rhinehart discussed the highlights in General Fund. There are several large revenue sources that are responsible for the increase in revenues which include Local Option Sales Tax, TAVT and police fines. Police fines are up for 2021 for the first time in many years and the red speed fines began last year. She then explained the red speed fines revenue is restricted cash and must only be used for police. Commissioner Collins asked for a little more detail as to what this money will be used for and Ms. Rhinehart stated that in 2022 the biggest part of this revenue will be used for the training and education building on Reservoir Street to be renovated. Discussion continued about the placement of a second camera and if/when that will be installed which is undecided at this time. Ms. Rhinehart stated that revenue from ad valorem taxes, intangible, motor vehicle, real estate tax and mobile home is split with the school system and 63.62% of this revenue goes to the school system. Administrative and retirement expenses are paid to General Fund from various funds. Some funds pay admin services including HR, IT, Finance and other admin. Retirement contributions are a direct percentage of payroll. All retirement contributions must be paid from General Fund. Commissioner Cochran asked for an explanation as to how Worker's Compensation is paid, and Ms. Rhinehart explained that this is paid directly from the Work Comp fund. Commissioner Collins asked how the Fire Fund retirement is funded and Ms. Rhinehart stated the Fire Fund is split 50-50 between city and county. Total operating revenues are up from 2020 by \$783,877 and above budget mainly from Local Option Sales Tax, TAVT and police fines.

Most General Fund departments are within budget for the year. Travel and training increased in 2021. Office of Technology Services is significantly above 2020 due to the number of employees added in that department but only slightly above budget.

Public Safety expenses are up from last year but below budget for the year mostly due to incentives put in place and pay increases. They are currently down approximately 12 officers.

Several departments in Public Works were under budget, Street Department being the most significant. Street Lighting was up from 2020 mostly due to Georgia Power fees. The Cemetery went through some personnel restructuring for savings as well. Garage Department was also way under budget due to personnel restructuring.

Auditorium is up slightly from 2020. The Civic Center is over budget due to replacement of sound system. Other Facilities are up mostly because of repairs and maintenance. The Senior Center had a replacement of their HVAC which accounts for the increase from 2020. Overall public facilities was slightly above budget.

Discussion then ensued when Commissioner Collins mentioned some possible events to bring in diversity such as Wind Down Wednesday, a Latino festival and Soul Fest. Ms. Rhinehart stated that we have increased the budget for those types of events for 2022.

Ms. Rhinehart stated that in 2021, the Rome/Floyd Chamber began a new economic development program titled Rise and Thrive 2025. This requires a \$50,000 annual contribution for 5 years starting in 2021 and ending in 2025.

The Retirement payments reflect all other funds payments for retirement costs outside the General Fund. Transfer in revenues balance these expenses. OPEB costs are for retirement health insurance costs removed from the Health Insurance Fund. These costs are offset with an increase in transfers in from the other funds. Total operating expenses are up over 2020 but under budget. Revenues are over budget and Expenses were under budget. The fund has a preliminary net increase to Net Position of \$1.9 million.

WATER & SEWER FUND:

Usage revenues are up for 2021. Sewer revenues are over 2020 and over budget. Other operating revenues are slightly down from 2020 but above budget. Total operational revenues are up approximately 4% over 2020 and above budget. Interest income is down substantially but we are starting to see some rise in interest rates for interest earnings. Most of the departments are within budget and in line with their 2020 expenses. Leak protection claims are included in Other Services and Charges in Customer Service. The Leak Protection cash balance was \$308,856 at the end of 2021. Commissioner Cochran had some questions about bonded debt. There was discussion about the 2012 W&S Bonds that paid off at the end of 2021. R&E had grant proceeds from the ARC grant for work being done in the Art District off 5th Avenue and West 3rd.

BUILDING INSPECTION:

2021 ended with an increase in Net Position of \$181,000. Revenues were down slightly from 2020 but city and county permits were consistent. We have added some inspectors in that department but still remained under budget. Commissioner Collins began a discussion regarding a code enforcement officer and City Manager Rich stated that building inspection is a joint city and county operation and this will be discussed at joint development oversight. Commissioner Quick stated that recruitment for this position is extremely difficult and the pool of applicants is almost non-existent.

TRANSIT FUND:

Operating reimbursements continued to be funded at the 100% level from Federal funding in 2021. Total revenues and expenses are down from 2020 due to changes in service. The estimated amount of the 4th quarter reimbursement is about \$237,000. This would reduce the net loss to \$551,000. Transit main line services continue to be at no cost thru the end of 2022.

BID FUND:

Revenues are made up of the property tax revenues and the business license surcharge. They have increased their special events in 2021 and this will continue to increase in 2022. Their budget and these projects are set by the bid committee.

TOURISM FUND:

Gift shop revenues are up and over budget. Hotel Motel Forum revenues reflect actual year to date expenses. This continued to be down as the Forum has been used for court and not available for promotions. Commissioner Cochran began a discussion regarding the status of when Forum events will occur again but it is unknown at this time how much longer it will be utilized by court. The Tourism Fund also has the addition of the History Center expenses and there are some plans for additional renovations. The History Center rental has increased and stays rented consistently.

FIRE FUND:

Operating expenses are above 2020 but they are below budget. The fund shows a net position increase. The largest transfer out is the retirement contribution. Payroll is up and they are fully staffed as of now.

HOTEL MOTEL TAX FUND:

This is a bright spot also. From 2020 to 2021, the number continues to increase. There are many different promotional line items that benefit from this money, mostly the Tourism Fund. There are tennis center sponsorships that can be funded from these funds.

INSURANCE FUND:

Revenues are in line. Expenses are up from 2020 due to a large claims year. The change to Cigna has gone smoothly with very few hiccups.

WORKERS COMP:

Insurance premiums were up slightly over last year, and claims are running less than 2020. Work Comp had a good year with an increase in net position of over \$720,000.

TAX ALLOCATION DISTRICT FUND:

For 2021, TAD 1, 2 and 4 reflect the total inclusion of the City, County and School board. Expenses include TAD 1 payment to the Riverpointe Apartments and Marriott, Tad 2 payment to Riverview and Tad 4 payment to East Bend. Tad 3 does not have any debt in 2021 but will in 2022 for the Berry hotel at the Tennis Center.

ENTITLEMENT FUND:

Along with the normal Entitlement revenue during 2021 the city was also awarded some 2020 CARES funding. Small Business relief, Small Business Admin and the Rent/Utility Assistant Program were administered and are still ongoing. The utility payment goes directly to the provider and the rent goes to the landlords. This program has been very successful.

GOLF FUND:

Golf had a great 2021. Cart path repairs are soon to be completed. This work has been done in phases. They had budgeted 35,387 rounds but in fact had 37,735 rounds last year.

PARKING FUND:

Parking revenues were up from 2020. Even with this increase in revenues, the fund shows a decrease to fund balance for the year.

FORUM PARKING:

Forum parking revenues ended the year behind 2020. Expenses are down slightly from 2020. There was a decrease to fund balance for the year. Both downtown parking and forum parking have debt payments for the parking system equipment purchase. They also have very large maintenance contract expenses associated with the equipment.

SPLOST FUND:

Public Safety equipment and vehicles and the completion of the Fire Training Building occurred as part of the 2017 SPLOST. Planning for the ECO Center work began in 2021. Some Infrastructure/Paving also occurred in 2021. We are hopeful to begin on the 5th Avenue Art District project as soon as the water improvement project is complete.

LANDFILL FUND:

Revenues continue to increase and are up from 2021. Expenses are also up slightly from 2021 mostly due to depreciation. Depreciation includes large equipment purchases and the depletion of Phase 8 that occurred in 2021. Cash balance at year end was \$10.4 M.

SOLID WASTE FUND:

We pass on a fee to customers but that does not pay for all of solid waste. The transfer from General Fund is \$1.7 M. It is important to note what customers pay on their water bill does not completely pay for that service.

PLANNING COMMISSION FUND:

Revenues were in line with YTD budget for 2020. This is a city/county fund and is funded by both. Most expenses are a 50-50 split between city and county for GIS and general operating. Some are 100% funded by city if for historic preservation.

PUBLIC BUILDINGS FUND:

DFACS revenues are paid on a monthly rental basis and we maintain the general maintenance. In 2020, we did major work while the building was empty. Some employees are now back in the building.

LANDBANK AUTHORITY:

This is a stand-alone fund but the City of Rome takes care of the financial reporting. We take on property and sell it and sometimes the value we take it on for is a lot more than what we sell it for. However, the benefit is that it will go back on the books for tax purposes and we do not have to maintain the property. The property tax revenue line went up almost double. Both the city and county contribute \$5,000 for admin expenses.

TENNIS FUND:

Revenues and expenses were over budget. We are still in a transition period for the new management company to take over. We paid most of the bills in January and February, but we have billed them for reimbursement.

ARPA FUND:

We received the first half of the ARPA funds in May and should receive the second half in May of this year. We do not have to report these by project, but we have tried to go by the original guidance that we were given. They have eased up some on reporting requirements.

COMMUNITY DEVELOPMENT FUND:

Revenues reflect an increase in Entitlement reimbursement and Revolving Loan fund admin. There was an increase to fund balance.

CAPITAL FUND:

Capital tax money that comes from property taxes is reported in Capital Fund. LMIG money from GDOT is for paving. Monies have been budgeted for additional paving in 2022.

With no further discussion and no other items to review, the meeting was adjourned.

Respectfully Submitted

Vicki Blair