

**City of Rome**  
**FINANCE COMMITTEE MEETING**  
**May 17, 2023**

**PRESENT:**

Committee Chairman Bill Collins  
City Commissioner Craig McDaniel  
City Commissioner Jamie Doss  
City Manager Sammy Rich  
Assistant City Manager Meredith Ulmer  
Finance Director Toni Rhinehart  
Assistant Finance Director Kraig Ingalsbe  
Recording Secretary Vicki Blair

Guests: Dr. Eric Holland, Rome City Schools Superintendent  
Greg Studdard, Rome City Schools Finance Director  
Mary Hardin Thornton, City Project Manager  
Kelley Parker, Assistant to City Manager  
Braden Dean, guest of Commissioner Doss  
Doug Walker, Public Relations  
David Crowder, Rome News Tribune

Committee Chairman Collins called the meeting to order and the minutes from the March 15th meeting were approved by common consent. Chairman Collins then turned the meeting over to Dr. Eric Holland for the Rome Board of Education Proposed Budget FY2024 presentation.

**Presentation of Rome City Schools Proposed Budget FY2024:**

Dr. Holland began with a brief explanation of how the budget is created and implemented based on needs, not wants. He reviewed the four key pillars in the Strategic Plan which include academic achievement, staff development, stakeholder engagement and system operation safety. Dr. Holland then turned the presentation over to Greg Studdard, Rome City Schools Director of Finance, who began with a brief explanation of the Amended Formula Adjustment Summary that is created to provide quality basic education (QBE). Property tax revenue is expected to increase. Property assessments/valuations are expected to see an increase of about 7% but could be up as much as 10%. He then went on to explain the increase in expenditures which include a significant increase in health insurance premiums from \$11,340 to \$18,960 per year per employee. Funds will be received from the State to cover costs for certified employees, but local funds are necessary to cover all classified employees which includes approximately 360 out of 949 employees. Commissioner McDaniel then began a discussion regarding the Maintenance and Operations decrease from 2023 to 2024 and Mr. Studdard provided an explanation for that decrease. Technology and maintenance expenses were included in 2023 budget but will not be necessary in 2024. Chairman Collins requested further details on the bus system and a breakdown of how much it costs to run the transportation department. Mr. Studdard continued the discussion regarding the breakdown of how much money is given per bus drivers and the formula that is used by the State which has not been revised since 2005. There are approximately 65 bus drivers, but funding is only provided for 18. Commissioners continued reviewing the budget document asking various questions and Dr. Holland concluded the presentation stating he felt better about the budget today than he did two months ago. He stated he appreciated the attention to detail and the questions that were being asked by the Commissioners. Chairman Collins requested a future meeting to review

the budget in front of the entire commission and the date of June 12<sup>th</sup> was decided. The presentation will take place during the City Commission caucus meeting at 5 pm on that date.

With no other questions, Dr. Holland and Mr. Studdard were excused from the meeting. Commissioner Doss introduced his guest, Braden Dean, who spoke to the group regarding the reason for his visit and his plans for the future in politics.

**Review of 2022 Budget revision and unaudited December 2022 Financial Statements:**

Ms. Rhinehart continued the meeting with a combined review of the budget revision along with the unaudited 2022 end of year numbers. Budget revisions must be done to meet state budgetary compliance requirements which state General Fund and Special Revenue Funds must be within budget overall. Special Revenue Funds include Community Development, Planning, Hotel/Motel, BID, Forum Parking, TAD, DDA, Parking and ARPA.

**GENERAL FUND:**

In General Fund, several departments are over budget mostly due to substantial citywide payroll adjustments of approximately \$4,000 per employee. Revenues for property taxes in real and personal were just under budget and motor vehicle revenues continued to stay flat. Title Tax Fee Revenues have stayed constant or increased over the last couple of years. The Georgia Power franchise taxes came in and were over budget and up \$300,000 from 2021. Business licenses were more than expected as were fees for facility rentals. Red Speed fines which are starting to level out are separated from regular police fines which were above 2021. Interest on investments continues to rise. Most General Fund departments are above budget for the year mostly due to personnel costs, with the exception of Municipal Court which had larger than normal legal fees.

**WATER & SEWER FUND:**

All usage revenues and operating revenues were up for 2022. The first 9% increase in fees took effect in 2022. Total operating revenues were up due to this increase. Interest Income is up substantially from 2021 by over \$200,000. Most departments are above budget in expenses and above 2021. There were several large CIP projects at year end. Total operating expenses are below last year and significantly under budget. R&E received revenue from the ARC grant for the W. 3<sup>rd</sup> project.

**BUILDING INSPECTION FUND:**

City and county permits have had a substantial increase. Revenues were up and expenditures were up over 2021 but below budget.

**TRANSIT FUND:**

The last December operating grant was approved and is included in the federal reimbursements. It has always been 50/50, but due to COVID we have been at a 100% level from Federal funding. A transfer had to be made to cover the match from the City so there is an increase from General Fund for this purpose. Free ridership is continuing until the end of the year.

**FIRE FUND:**

In relation to the pay increase across the board, expenses are up in Personal Services and above budget. The fund shows a decrease to net position for the year. A decrease was budgeted in the amount of \$750,000 but was at \$1.3M for the year.

**HOTEL/MOTEL TAX FUND:**

Hotel/Motel tax revenues continue to be a bright spot for the year. Revenues are up by over \$300,000.

**HEALTH INSURANCE FUND:**

Claims were higher than normal for 2022 and that has continued into 2023 so we are anticipating a possible rate increase. We have not had an increase in over 3 years in health insurance rates. Discussion was had about the benefits of the new health clinic for city employees and the hope of the pharmaceutical piece as well as the location being beneficial for use.

**TAX ALLOCATION DISTRICT FUND:**

TAD 1 is the West Third property. TAD 2 pays off next year and is very close to going back on the General Fund tax roll. TAD 3 is the new hotel at Berry and had a payment in 2022. TAD 4 is East Bend.

**PARKING AND FORUM PARKING FUNDS:**

Parking funds are over budget and there is a slight budget revision in these funds mostly due to personnel expenditures. Parking has struggled this year and since this fund cannot be negative, the county was billed for a portion of the excess.

**LANDFILL FUND:**

Fee revenues were up from 2021. Expenses are above budget but slightly below last year. Cash has been accumulated intentionally due to Phase 8 being almost to capacity and it will be necessary to find another location. Commissioner McDaniel began a discussion regarding depreciation of equipment.

**AMERICAN RESCUE PLAN ACT:**

The ARPA fund requires a budget revision if over budget in any area and we did go over 2022 budget mainly due to the Business Incubator space. An update was provided by Kelley Parker as to where we stand with the completion of that project. Camera upgrades and park expenses were slightly over budget as well.

Ms. Rhinehart concluded the meeting on a high note stating we have received the GFOA award for the 2021 year-end audit. The meeting was adjourned.

Respectfully Submitted,

Vicki Blair