

**City of Rome**  
**FINANCE COMMITTEE MEETING**  
**June 23, 2021**

**PRESENT:**

Committee Chairman, Sundai Stevenson  
City Commissioner Randy Quick  
City Manager Sammy Rich  
Assistant City Manager Meredith Ulmer  
Finance Director Toni Rhinehart  
Assistant Finance Director Kraig Ingalsbe

Absent: Mark Cochran

Guests: Joe Smith, City Clerk  
Doug Walker – Media

Chairman Stevenson called the meeting to order and the minutes of the May 26<sup>th</sup>, 2021 meeting were approved. Chairman Stevenson noted that Commissioner Cochran had asked for a Zoom link but was not able to connect.

**Review 2021 Advertising Tax Digest:**

Ms. Rhinehart and City Manager Sammy Rich began by discussing the 2021 Advertising Tax Digest. There has been some significant growth in the digest this year – around 10%. We talked about the overall financial health of the City. The City of Rome fared well during the 2020 COVID year. We did have CARES funds that helped the condition and some revenue sources were also up. We discussed the possibility of making some adjustment to the millage. We would not recommend going back to roll back rate fully but maybe do a small rollback possibly with Capital tax. City Manager opened up for discussion to see what the committee is thinking and/or proposing. As legally required, if we do not go back to the full roll back rate this is seen as a tax increase and will have to be advertised as such. The current Capital millage rate is 1.935%. The rollback for Capital is 1.836. The City M&O is 8.151 and the City School millage is at 17.45. By going to the rollback rate the City would not benefit or take advantage of any growth. We have not historically done this. We have counted on the growth as a positive when creating a good operating budget. We have specifically looked at rolling back on Capital due to the past SPLOST and savings in Capital over the last few years. We would feel comfortable with this rollback and this would offer citizens a slight break in taxes. We also have some ARP funds that might be available once we receive the final guidance for the spending of these funds. This growth and tax assessment valuation is subject to appeals. From this committee a recommendation will be presented to the full City Commission at the next meeting. This is just for information purposes only and can change if needed. There will be no vote at this time. We are required to hold three public hearings between now and then. The first reading and first public hearing would be held on Monday, July 12<sup>th</sup> at the regular City Commission meeting. A called day time meeting will also need to be held possible on Thursday, July 15<sup>th</sup> at 10 am. The final hearing would be at the July 26<sup>th</sup> regular City Commission meeting. The final adoption of the millage is also set for July 26<sup>th</sup> at that meeting. Commissioner Quick feels that this makes a very strong statement to citizens that we are doing well post COVID and is a positive to make this tax reduction to help citizens. Even with the pay adjustment for Public Safety we are still able to make this change. Per staff recommendation, the Committee would like to keep M&O the same and roll back for Capital Tax. This will be presented at the next City Commission meeting. The dates for the public hearing were also agreed upon. The First public hearing is scheduled for Monday, July 12<sup>th</sup>, the second public hearing will be held on Thursday, July 15<sup>th</sup> at

10 am and the final public hearing will be held on Monday, July 26<sup>th</sup> as will the final hearing and vote for approval.

This digest was just slightly higher than the preliminary numbers, but would still involve leaving the millage rate the same as last year. The City had been somewhat aggressive with their anticipated property tax budget so the difference in budget versus estimated is pretty small. Of course the school board has already indicated that they intend to keep the millage rate the same. Given that neither the city nor school board will be rolling back fully to the roll back rates—we will be required to hold the three public tax hearings.

**Review May 2021 Financial Statements:**

Ms. Rhinehart briefly reviewed the May financials noting the following highlights

General Fund:

- Title Tax Fee Revenues are up over last year by over \$222,000.
- Intangible Taxes are up \$72,000 for the year compared with last year and \$123,000 ahead of budget.
- Motor Vehicle Taxes continue to stay consistent and are in line with budget.
- Local Option Sales Tax is up for the month and above last year by over \$550,000.
- Real Estate Transfer tax received for May of \$38,133 reflected March payment received at the beginning of May as well as the April payment. YTD total of \$72,491 is \$6,000 over last year.
- Overall business licenses are tracking above 2020.
- Facility rentals are back on track after last year's COVID crisis.
- Police Fines are up for the month and over last year by over \$134,000, and \$82,000 above YTD budget.
- Housing Authority PILOT totaling \$70,517 was received in May
- Interest and costs are down slightly from 2020.
- Interest on investments is down significantly from 2020 and continues to decline. Rates are 0.04 (LGIP) – 0.10% (Bank OZK)
- Most departments are under YTD budget and in line with 2020 expenses.
- General Administration OSC for May totaled \$51,444. \$16,800 and \$29,000 of this expense was for the Year End audit and Cyber Security Insurance premium. Some of these balances will be allocated to other funds.
- Public Safety expenses are slightly below last year and \$500,000 under budget. They are currently still about 16 officers short.
- The Retirement costs are up for 2021. The required contribution went from 14% to 15.5%. This is calculated using payroll. Transfers in revenues from other funds balance these expenses.

Water/Sewer Fund

- Usage revenues are right in line with last year and a little ahead of budget. Sewer revenues are \$430,000 over 2020 and \$150,000 above budget.
- Expenses are in line with budget
- Overall bond coverage continues to be strong at 1.62 YTD

Building Inspection:

- Revenues are up \$13,000 vs budget of \$461,875. Expenses are \$100,000 below YTD budget.

Tourism:

- Total Revenues are up almost \$100,000 over 2020, driven by Hotel/Motel Tax, History Museum Rentals and Gift Shop sales. They are close to budget for Revenues YTD. Expenses are below budget and below 2020.

Fire Fund:

- Expenses are above last year but within budget YTD. The fund has a \$471,000 increase to net position through May.

Hotel/Motel Tax fund:

- Hotel Motel tax revenues are up \$150,000 over YTD 2020 and on budget for 2021.

Health Insurance Fund:

- Revenues and expenses are right in line with budget.

Tennis Center at Berry

- Revenues and expenses are reflective of activity at both facilities. May revenues of \$178,000 exceeded expenses of \$119,000, reducing the YTD operating loss (excluding depreciation) to \$29,000 for 2021.

With no further discussion, the meeting was adjourned.

Respectfully Submitted

**Toni C. Rhinehart**