

KIM FOSTER, CITY MANAGER
JAMES SMITH, ATTORNEY



KATHY RAY, MAYOR
VICKEY ROBERTS, VICE MAYOR
JOHN ETHERIDGE, COMMISSIONER
JACKIE JONES, COMMISSIONER
SAM THARPE, COMMISSIONER

**CITY OF PARIS, TENNESSEE
BOARD OF COMMISSIONERS REGULAR MEETING AGENDA**

**CITY HALL COURTROOM
March 2, 2023
5:00 P.M.**

Regular Meeting

Call to Order: Kathy Ray, Mayor

Roll Call: Traci Shannon, Finance Director

Pledge of Allegiance and Prayer

Approval of the Minutes of Previous Meetings: Regular Meeting – February 2, 2022

Board Will Hear Comments from Citizens

Board Will Hear Comments from the Commission

Service Resolutions and Proclamations: None

OLD BUSINESS

None

NEW BUSINESS

- 1.) Financial Update:** Traci Shannon, Finance Director
- 2.) Appointments to Boards:** None
- 3.) Resolution in Support of Restoring Historic Revenue Sharing:** Kim Foster, City Manager

Status of Various Projects

Notes from the City Manager

Adjournment

**OLD BUSINESS
AGENDA ITEM NO. 1**

NONE

**NEW BUSINESS
AGENDA ITEM NO.1
Financial Update**

Narrative to the January 2023 Operating Statement

Our retail sales tax revenue for the first half of this fiscal year has been strong. We are ahead fiscal year-to-date 6.27%. The month of December reflected a slight increase of .65% compared to last December.

General Fund revenues were ahead of expenditures for the month of January and also ahead fiscal year-to-date. A few of the larger expenses during the month included \$308K for a front-end loader, \$25K for material used for street repair, and \$34K for E-Citation hardware/software.

Other Business:

New employees (4): Two part-time (Animal Shelter), One part-time (KPAC),
One part-time (PHCBL)

Voluntarily Quit (1): One part-time (Animal-Shelter)

We issued eight business licenses in January:

New business (5): Heritage Valley Home Inspections, Southern Vinyls, Nonni's NY Pizza, Crown Meeting & Event Center, Jay Odom Design

Name/Owner change (1): McPhearson Enterprise (Prev. Rawls Funeral Home)

Ownership Change (1): Burger King

New Location (1): The Inspector

**CITY OF PARIS, TENNESSEE
RETAIL SALES TAX REVENUE**

	FY2019	FY2020	FY2021	FY2022	FY2023	% Incr(Decr)
JULY	\$787,901	\$802,267	\$898,979	\$951,793	\$1,046,570	9.96%
AUGUST	\$790,533	\$799,378	\$843,541	\$895,516	\$931,433	4.01%
SEPTEMBER	\$774,425	\$797,992	\$888,921	\$965,256	\$1,067,740	10.62%
OCTOBER	\$761,812	\$761,453	\$873,733	\$974,047	\$1,036,880	6.45%
NOVEMBER	\$809,116	\$807,105	\$874,641	\$988,199	\$1,059,818	7.25%
DECEMBER	\$960,027	\$957,286	\$1,097,412	\$1,210,615	\$1,218,473	0.65%
JANUARY	\$665,013	\$713,906	\$844,826	\$839,389		
FEBRUARY	\$704,313	\$727,380	\$719,938	\$859,647		
MARCH	\$877,659	\$840,175	\$1,101,592	\$1,102,651		
APRIL	\$849,875	\$865,360	\$1,040,359	\$1,060,677		
MAY	\$863,697	\$949,140	\$1,005,346	\$1,105,515		
JUNE	\$873,145	\$966,861	\$1,013,926	\$1,125,455		
TOTAL	\$9,717,515	\$9,988,303	\$11,203,215	\$12,078,759	\$6,360,914	
Previous YTD % Increase/Decrease	1.24%	2.79%	12.16%	7.82%	6.27%	

Monthly Operating Statement January 2023

REVENUES	<u>Annual Budget</u>	<u>Current Month</u>	<u>Yr to Date</u>	<u>Percent Realized</u>
Property Taxes	1,727,000	482,420	763,757	44.22%
Local Option Sales Tax	6,086,700	522,114	3,632,162	59.67%
Wholesale Liquor / Beer	875,000	85,362	571,230	65.28%
Business Tax	400,000	15,800	53,976	13.49%
Fees & Licenses	168,500	3,254	88,858	52.73%
In Lieu Payments	904,250	83,419	522,151	57.74%
Grants	1,036,430	63,053	636,909	61.45%
State Shared taxes	1,791,800	140,053	979,163	54.65%
All Other	1,615,948	289,045	1,721,852	106.55%
Federal ARPA Grant	1,491,875	0	1,491,875	100.00%
ARPA/TDEC-WII	500,000	0	0	0.00%
Total General Fund Revenue	16,597,503	1,684,520	10,461,934	63.03%
Solid Waste Collection - BPU	1,250,000	99,423	742,834	59.43%
Solid Waste Disposal - Transfer	400,000	41,042	281,674	70.42%
Other Revenue	25,400	4	25,307	99.63%
Total Sanitation	1,675,400	140,469	1,049,815	62.66%
Gate Receipts - Brush & Debris	140,000	8,047	79,918	57.08%
County Share Operating Exp	30,000	0	0	0.00%
Gate Receipts - Tires	10,000	1,692	10,788	107.88%
Other Revenue	91,450	49	36,150	39.53%
Total Landfill	271,450	9,787	126,856	46.73%
Total Drug Fund	42,050	1,356	54,518	129.65%
TOTAL REVENUES	18,586,403	1,836,132	11,693,122	62.91%

EXPENDITURES	<u>Annual Budget</u>	<u>Current Month</u>	<u>Yr to Date</u>	<u>Percent Realized</u>
Grants & Donations	229,961	82,895	169,070	73.52%
General Administration	423,856	36,722	237,304	55.99%
Economic Development	178,474	13,683	102,838	57.62%
Elections	4,500	0	0	0.00%
Financial Administration	331,384	20,506	206,553	62.33%
City Hall Building	104,397	9,563	70,501	67.53%
Police Department	2,369,010	172,008	1,486,242	62.74%
Emergency Communications	748,932	64,934	449,676	60.04%
Fire Department	1,923,446	140,735	1,119,616	58.21%
Building Inspection	178,037	12,210	97,359	54.68%
Street Maintenance	1,772,747	72,633	1,124,459	63.43%
State Street Aid	1,683,000	62,901	1,516,960	90.13%
Storm Water Management	72,140	2,519	30,846	42.76%
Street Lighting	116,000	36,811	83,085	71.62%
City Garage	310,298	24,108	177,487	57.20%
Cemetery Maintenance	73,324	648	35,510	48.43%
Health & Animal Control	199,228	16,015	111,402	55.92%
Civic Center	692,100	55,086	398,286	57.55%
Parks & Recreation	1,111,601	89,187	751,385	67.59%
Library	183,430	30,572	122,287	66.67%
Community Development	1,376,700	7,728	835,996	60.72%
ARPA-SLFRF	1,000,000	34,122	386,576	38.66%
ARPA/TDEC-WII	500,000	5,621	36,496	7.30%
Debt Service	683,917	10,427	159,836	23.37%
General Fund Expenditures	16,266,482	1,001,633	9,709,769	59.69%
Sanitation Collection	1,566,797	373,413	1,065,883	68.03%
Contractual Services	661,500	60,645	432,254	65.34%
Total Sanitation	2,228,297	434,058	1,498,137	67.23%
Total Landfill	215,404	19,325	141,166	65.54%
Total Drug Fund	75,300	2,212	37,338	49.59%
TOTAL EXPENDITURES	18,785,483	1,457,228	11,386,410	60.61%

<u>REVENUES OVER / (UNDER) EXPENDITURES</u>	<u>Current Month</u>	<u>Yr to Date</u>
General Fund	682,887	752,165
Sanitation	(293,588)	(448,322)
Landfill	(9,538)	(14,310)
Drug Fund	(856)	17,180

**NEW BUSINESS
AGENDA ITEM NO.2
Appointments to Boards**

<u>BOARD</u>	<u>CURRENT MEMBER</u>	<u>PROPOSED MEMBER</u>	<u>TERM EXPIRATION</u>	<u>NEW EXPIRATION</u>
County Board of Equalization 2 Year Term (City Commission Appointment)	Sabra Fuller	Sabra Fuller	April 1, 2023	April 1, 2025

**NEW BUSINESS
AGENDA ITEM NO.1
Resolution in Support of Restoring Historic Revenue Sharing**

As you will recall, last year the Tennessee Municipal League (TML) had as one of their biggest priorities an initiative to pass legislation aimed at restoring the historic revenue sharing sales tax relationship the State had with municipalities prior to 2002. Unfortunately, this effort fell short last year. This legislative session TML is pushing even harder to generate support for a couple of bills (HB 1187 & SB 462) aimed at restoring the historic relationship of the State sharing its sales tax collections with cities. The following Resolution, presented for your consideration, explains that relationship and the goal of the bills, and shows support for this initiative.

RESOLUTION NO. 1676

A RESOLUTION TO SUPPORT RESTORING THE HISTORIC REVENUE SHARING RELATIONSHIP BETWEEN THE STATE OF TENNESSEE AND ITS LOCAL GOVERNMENTS AND TO RETURN THE LOCAL SHARE OF THE SINGLE ARTICLE CAP TO LOCAL GOVERNMENTS

WHEREAS, Tennessee’s municipal communities are the economic engine of the state and today 92% of the state’s total sales tax collections are generated within municipal boundaries; and,

WHEREAS, such economic growth is intentional and when it occurs, it is financed largely through city taxes for police, fire, streets, water and sewer, schools, parks, libraries and other amenities that attract and retain businesses and make Tennessee’s communities desirable places for people to raise a family, start a business, and visit; and,

WHEREAS, in 1947, the state began sharing 4.6% of each year’s total state sales tax collections with cities for the purposes of recognizing the collective contribution of cities as the state’s economic engine; thereby acknowledging that city residents incur a local tax burden that is directly attributable to financing, developing, and

maintaining an economic environment that continues to generate a healthy portion of the sales tax revenue accruing to the state; and,

WHEREAS, when confronting serious fiscal challenges in 2002, the state of Tennessee increased the state sales tax rate from 6% to 7%; and,

WHEREAS, the state chose not to share a portion of the sales tax revenues generated by the increase from 6% to 7% with Tennessee municipalities; and,

WHEREAS, as a result of this change the state broke a 55-year relationship of sharing 4.6% of all sales tax revenue designated for the state's general fund with municipalities; and,

WHEREAS, at the same time in 2002, the state also doubled from \$1,600 to \$3,200 the amount of the purchase price any single item that is subject to a combined state and local option sales tax of 9.75%; and

WHEREAS, in addition to the single article cap increase from \$1,600 to \$3,200, the state also captured and continues to capture 100% of the state's 7% levy as well as the 2.75% portion of the sales tax levy that is customarily reserved for local government on the added sale of items with a purchase price above \$1,600; and

WHEREAS, in the 20 years since these provisions took effect, these two changes have combined to result in the state realizing nearly \$2 billion in additional sales tax collections -- \$2 billion that would have benefitted local taxpayers had the historic revenue sharing relationship and single article cap not been altered in 2002; and,

WHEREAS, in the 20 years since these provisions took effect, Tennessee's state leaders have managed the budget with great care and a strong fiscally conservative approach to create a dynamic and growing economy with eight consecutive years of surplus revenues; and,

WHEREAS, in the 20 years since these provisions took effect, the State of Tennessee's sustained economic and fiscal performance have erased the conditions which led to these austerity measures in 2002; and,

WHEREAS, there is expected to be a surplus of recurring revenues produced by the economic engines of our state and managed by its leaders; and,

WHEREAS, as a result of the accolades bestowed upon the state for its economic success, its fiscally conservative policies and strong leadership, the state has garnered an enviable reputation as the state in which to live, work and play; and,

WHEREAS, a consequence of this reputation has led to continued and substantial economic growth and an increase and realignment of the state's population, thereby increasing the fiscal pressures on municipal governments to meet demands to expand and maintain infrastructure, to deliver essential services, to provide the amenities that allow for continued quality of life for Tennessee's citizens, and to promote an economic environment that allows Tennessee's businesses and communities to prosper; and,

WHEREAS, these fiscal pressures create the need for recurring dollars to keep pace with this demand and to counteract the effects of inflation; and,

WHEREAS, correcting the provisions which took effect in 2002 will help to offset these fiscal pressures and to provide relief to local taxpayers shouldering the burden of meeting this demand which is associated with generating the sales tax revenues accruing to the state;

NOW, THEREFORE BE IT RESOLVED that the Board of Commissioners of the City of Paris, on behalf of its residents, formally supports the restoration of the historic revenue sharing relationship of recurring state shared sales taxes in order for cities to once again receive 4.6% of all state general fund sales tax revenue. The Board of

Commissioners also formally supports the state allowing local governments to receive the local share of sales tax revenues realized by increasing the single article cap in 2002 to collect on items with a purchase price between \$1,600 and \$3,200.

This resolution shall become a part of and be spread upon the minutes of this meeting of the Board of Commissioners of the City of Paris, Tennessee.

Resolved this the 2nd day of March, 2023.

City of Paris Mayor

Finance Director

STATUS OF VARIOUS PROJECTS
March 2023

	PRIMARY STAFF	TARGET COMPLETION DATE(S)	
HOME Grant	Morris/Foster	2024	All of the hurdles have been crossed on the first two houses to be rebuilt under this grant and construction has begun. The third house is scheduled for inspection.
Back Alley Paris	Foster/Morris/ Ray (DA)	June 2023	A conceptual painting depicting the second 100 years of our bicentennial is still being perfected. The project is on target for a June unveiling.
TA Grant for Sidewalks along Wilson & Patriot	Foster/Morris	Fall 2022	The last step in this project, a driveway repair, was completed mid-Feb. The process for officially closing this project has been started.
2018 STBG Project for Signalization & Safety Upgrades at 3 Intersections Downtown	Foster/Morris	Fall 2024	Work on preliminary ROW plans continues. Meeting held with city, layout to be revised at corner of Brewer and Wood. Historical survey completed with finding of no adverse effect. Historical survey sent to TDOT environmental department. Waiting on responses from the following agencies for the in-house re-eval: air & noise, archeology, historic, NAC, TDEC, USFWS, and TWRA.
Rison St Bridge Replacement	Foster/Morris	Summer 2024	The second updated NEPA (environmental) document has been submitted to TDOT, we are, once again, awaiting their response.
2020 Multimodal Access Grant for 4 Downtown Intersections	Foster/ Morris	Fall 2024	Work on preliminary ROW plans continues. Historical survey completed with finding of no adverse effect. Historical survey sent to TDOT environmental department. Early utility coordination completed. Meeting held with TDOT Regional Traffic Engineer regarding improvements at Washington and Market.
2021 Multimodal Access Grant for Tyson/M.W. Intersection Upgrades & Sidewalk	Foster/Morris	Fall 2025	NEPA phase documentation continues. Waiting on responses from the following agencies TWRA, USACE, Archaeology, Historic Preservation, NAC. Preliminary grading for intersection completed. Preliminary grading 40% complete.
2021 TA Grant for Sidewalk Project along Fairgrounds & Royal Oak	Foster	Winter of 2025 (if awarded)	Application deadline for submission of qualifications for engineers is Feb. 28. Selection of engineer to perform CEI for this project will be done the first week of March.
TDEC Water Infrastructure Improvement (WII) Grant	Foster	Spring 2026	Work on hydraulic analysis continues with development of individual drainage basins. Basin development approximately 85% complete.
Downtown Improvement Grant	Morris/Crouch/Foster	Fall 2024	Ten projects have now been completed. We have three projects left to complete; Scott building on Ruff St., Scott building on Poplar & the Iron Place.
Municipal Facilities Study	Foster	Spring 2023	TLM continuing evaluation layouts and reports creation.

Notes from the City Manager:

- We have some new ideas &/or strategies for dealing with the dangerous cross walk situation in our downtown. They are:
 - Increased police presence in the early morning and late afternoon.
 - Removal of some parking spaces close to intersections to add visibility.
 - Flags &/or flashers to alert drivers of pedestrian crossings.
 - Development of an education campaign designed to increase awareness and understanding for both pedestrians and drivers.

- Currently, because of our new work schedule, when a holiday falls on a Friday we will take off on Thursday to recognize the holiday. This works well in most cases, but In the instance of Fish Fry, I don't think it sends the correct message to the community to be closed on Thursday. I am considering changing the Fish Fry holiday day to a floating holiday to be taken at the discretion of each employee. I am looking for feedback on this from the Commission.

- The City Employee Input meeting was well received and went very well. I was a bit disappointed that more ideas for improved services to the community did not make the list of highest priorities, but we had some great ideas about how internal customers can be better served. We will be working on how to move forward and implement some improvements.