

**Minutes of the
City Council Work Session
Eagleville City Hall, Eagleville, TN
Thursday, April 10, 2025 – 7:00 PM**

1) MAYORS WELCOME and CALL TO ORDER

Mayor Chad Leeman called the meeting to order at 7:00 p.m.

2) ROLL CALL

The roll was called by City Manager Hellyn Riggins.

PRESENT:

Mayor Chad Leeman

Vice Mayor Bill Tollett

Councilman Jason Blair excused himself from the meeting at 7:45 p.m.

Councilman Craig Campbell excused himself from the meeting at 7:43 p.m.

Councilman Ryan Edwards

Councilman Brandon Emamalie

Councilman Chris Hendrix

ABSENT:

STAFF:

City Manager Hellyn Riggins

Fire Chief Jonathan Armstrong

Management Consultant Mike Walker

GUESTS:

Jason Diehl

Cale Cote

Harrison Andrews

3) DISCUSSION

a. Review of Demolition Bids for Previous Police/Fire Station and White Shed

City Manager Hellyn Riggins stated that City Engineer Will Owen was in the process of reviewing the bids and the contractors. She informed Council that Mr. Owen would make a formal recommendation at the next regular Council meeting.

b. Budget FY 2025/2026

Management Consultant Mike Walker began with an overview of the City's current financial status:

- Unreserved projected fund balance of \$2,135,000 is strong.
 - Due to the current economic uncertainty, he recommended maintaining a fund balance that exceeds one year's worth of expenditures (\$1.9M).
 - Invested funds are safe.
 - Some funds are invested in the State of Tennessee's Local Government Investment Pool (LGIP).
 - General fund earned \$4,375, last month.
 - Budgeting \$40,000 in interest revenues for next year.

- By statute, the City is limited to certain types of investments.
- The budget does not propose a property tax increase.
 - The City adheres to the tax rate issued by the Rutherford County Tax Assessor's office.
- Sales tax comprised the largest share of revenues at \$1.1M.
- The LGIP interest rate fluctuates and is currently 4.29%.
- Other investments include \$200,000 in Certificates of Deposit (CD's).
- 58% of General Fund's revenue is Sales Tax.

Mr. Walker stated that after meeting with the City's highest contributor to sales taxes, he has a positive outlook going forward. He noted that the City was fortunate to have this business, as without it, the budget would be reduced to \$1M.

Mr. Walker continued with salaries and benefits:

- Comprised half of the budget at \$951,000.
 - This is normal for a government budget.
- 5% increase for all employees.
- Public Safety employees will receive a \$2,000 increase on July 1.
 - Upon the employee's performance evaluation, the employee will be eligible for a 5% raise - totaling a 9% increase overall.
- Insurance is covered at \$627 per month, per employee for the first half of the year; increasing to \$689 per month for the latter half of the fiscal year.
- The City will pay 7.43% of the employee's salary into the Tennessee Consolidated Retirement System (TCRS) in the coming year.
 - The City contributes the full amount to this pension fund.
 - The employee has the option to contribute to a 401k plan.
- Police and Fire Chiefs will be eligible for a \$5,000 per year raise based on performance.
- Seeking to make Public Safety employee salaries more competitive.
 - This effort is in line with Council's direction.

Mr. Walker reviewed the City's debt obligations:

- Payments for the first loan for the Public Safety Center will begin in July and continue for 40 years.
 - A payment plan is in place to gradually increase the amount of funds in order for the City to be sufficiently prepared to make these large payments.
 - Each year, until 2030, the amount set aside will increase by \$20,000 enabling the City to amply cover the annual debt service.
 - The fixed interest rate of 2.125% will help the City weather inflation.
- Capital Projects
 - Matching funds for sidewalk improvements are in place.
 - Improvements should begin in the coming fiscal year.
 - The City has a \$1+M grant for sidewalk improvements.
 - Tennessee Department of Transportation (TDOT) has confirmed that despite Federal budget cuts, the funds will be available.
 - Funds are available to purchase a new police vehicle.
 - Street paving in New Town will begin after July 1.
 - Demolition of the old Public Safety building will begin soon:
 - Phase One: Demolish the building and investigate ground conditions.

- Phase Two: Mr. Owen will design the specifications for paving.
- The Request for Proposals which will include the lot, New Town and Cheatham Springs Road will be posted soon.

Discussion noted that it is believed that, as long as the slab to the building is left in place, the site can be paved around it; however, this will need to be confirmed post demolition.

Mr. Walker stated that the first reading for Budget 2025-2026 will be conducted at the April 24, 2025 Regular Meeting, with the final reading to be held in May. He cautioned that with the volatility in the economy, it may be necessary to return with adjustments. He noted that, after speaking with Mr. Crosslin, he is much more confident in the City's Sales Tax outlook.

Mr. Walker noted that the only debts the City has at this time, are the Public Safety Center and a lease for a radio system with the County that has 5 years left at \$16,000 per year. He emphasized that debt must be paid before any other bills.

Mr. Walker reviewed the Proposed 2025-2026 Budget, noting the following:

- The Projected Fund Balance of \$2,135,000 is the goal for the upcoming fiscal year.
- Expenditures are projected at \$1,901,214; an increase of \$94,000 from this fiscal year.
- The budget is up 5.2% over the current budget.
- The increase in the Fire Department's budget is due to the new fire hall.
- Significant Expenditures:
 - Half of budget is salaries and benefits – an increase of 3.9%
 - The Debt Service Fund increase from \$184,000 to \$204,000 equals the aforementioned \$20,000 increase to prepare for the payments for the Public Safety Center – 10.7%
 - Contract for the new Parks Director is \$13,000 per year.
 - Remaining items in the budget have increased \$25,841.
 - These 4 items total the \$94,000 increase in the overall budget.
- State Street Aid Fund is not fully supported by the gas tax.
 - Shortfall is compensated by the General Fund.
- Liquor Tax – half of the revenue is designated for the school.
- The remaining line items total \$241,000.

He highlighted the projected revenues:

- Property taxes equate to \$1,458,000
- State shared funds equal \$196,060
- Local Sales Tax collection has increased 3.3% over last year.
 - Projects Local Sales Tax collection to reach \$1,112,000 in the coming year.
- License, Fees and Permits are anticipated at \$43,200 in the coming fiscal year, based on new homes set to be built along Webb Road.
- Recommends the City negotiate an increase from Rutherford County Fire Department Support, due to half of the calls the Eagleville Fire Department responds to, are outside of City limits.
- State Shared Sales Tax is proposed at \$100,500 and based on population.
 - Anticipated to rise with the 2030 census.
- City Court Costs and Fines were down due to the lack of officers on staff.
 - \$46,000 is proposed in the coming fiscal year as 3 officers will be certified by October 2025.
- Other Revenue:

- Interest Earnings on Savings Accounts is proposed at \$40,000 due to increased funds invested in LGIP.
- Interest Earnings on CD's projected and proposed at \$11,000
- Rents from the Bank and Rental House total \$58,150
- General Government Expenditure Highlights:
 - City Hall personnel including pay raises
 - City Hall building maintenance
 - Insurance bonds
 - Consultants' fees
 - Library grant
 - Proposed total for FY 2025-2026 is \$586,211; increase of 3.3%
- Police Department budget increased 3.4%
 - Salaries and vehicle expenses comprise the greatest portion of the department's budget.
 - Liability insurance increased due to additional personnel
 - Technology costs increased to equip the new building
- Fire Department budget has increased 7%
 - Salaries, the new fire hall and equipment maintenance are the primary points for the increase.
- Parks Department budget increased 6.7%.
 - New contract employee
 - The Events line item includes the Fall Festival, the Christmas tree lighting and Christmas parade in addition to supporting First Fridays in Spring and Summer.

It was noted that the budget amendment for the current fiscal year includes \$83,000 for Park improvements.

Mr. Walker reviewed the transfers from the General Fund to other funds. He noted that these funds had limited income and could not operate without assistance from the General Fund.

- State Street Aid requires a transfer of \$50,000 per year.
- Capital Projects Fund does not have a revenue stream; however, there are projects which require \$166,672
- Debt Service Fund will have \$204,000 transferred from the General Fund to support the debt payments for the new Public Safety Center

He discussed the Property Tax collection for FY 2025-2026 is estimated at \$201,235 and anticipates that number to rise the following year as new houses will be built by that time.

Mr. Walker summarized the State Street Aid Fund:

- Subsidized by the State Gas Tax.
- \$234,000 is allocated for Capital Outlay
 - Unused funds may rollover to the subsequent fiscal year.
- There are few items this fund is permitted to finance.
- Estimates the ending Fund Balance for 2025-2026 as \$62,151.
- Gas Tax is not growing.

He discussed the Capital Projects Fund:

- Focused on high-cost items
- Funded by the General Fund.
- If there is a surplus at the end of the fiscal year, funds may be transferred to this fund.

- Currently this fund encompasses:
 - Matching funds for the grant to improve the sidewalks.
 - General government items such as security cameras.
 - New Police vehicle
 - Demolition of the old safety building and paving of the remaining lot and additional paving projects.
 - Installation of poles for radar detection signs.
- Estimates the ending Fund Balance for 2025-2026 as \$33,860.

Mr. Walker reviewed the Debt Service Fund:

- The first payment for the first Public Safety Center loan is due in July in the amount of \$170,087.
- The first payment for the second Public Safety Center loan is due in November in the amount of \$95,939.
 - The City came in under budget by \$116,000 on this loan; thereby reducing the size of the payment as well as the amount of the loan.
- The Net Change in the account shows a proposed deficit of \$73,397; however, due to phased-in transfers to prepare for the loan payments, the Proposed Ending Fund Balance is \$373,669.

City Manager Hellyn Riggins emphasized that the invested funds are earning interest that will aid in balancing next year's budget. Mr. Walker noted that there would be funds equivalent to a year of expenditures. Ms. Riggins explained that the City will not have to use Contingency funds to balance the budget as a result of Mr. Walker's planning.

Mr. Walker concluded with the Sewer Fund:

- The Proposed Utility income is \$234,200.
 - Consolidated Utility District (CUD) charges the City \$60,000 for operation and maintenance.
- Depreciation is an expense that is required for an enterprise fund. The amount of depreciation is \$89,000.
- Capacity fees are paid when a new property is connected to the sewer.
- Anticipating the issuance of 30 permits for a new subdivision in the coming fiscal year.

c. Sewer Capacity Fees

Management Consultant Mike Walker informed Council that the sewer system is reaching a point where the City will need to do more "extraordinary maintenance/capital" work. He questioned how this would be funded. He stated that it would be important to build the cash balance to prepare for this.

It was confirmed that:

- It is not permitted to move money from the Sewer Fund to the General Fund.
- The Sewer Fund must operate independently.

Mr. Walker emphasized that there are critical issues to address:

- New subdivisions are developing, which will create a greater demand for sewer capacity.
- Uncertainty of whether CUD will continue operations and maintenance of the current Septic Tank Effluent Pumping (STEP) system.

- The need to expand and upgrade the STEP systems for the future.

He noted that there is \$700,000 in cash in the Sewer Fund.

Mr. Walker stated that, currently, the City's Capacity Fee is \$3,500. He recommended increasing this fee to \$5,000 per residential unit, as soon as possible. He explained that he compared the City's fees with those of the Town of Chapel Hill, which has two fees: One is a Tap Fee to maintain the sewer plant and the other is a Capacity Fee, used to maintain the current system. He stated that they charge \$5,000 for each of these fees.

City Manager Hellyn Riggins stated that she would prepare an ordinance for the next meeting, reflecting the fee increase. She noted that the ordinance would delete all previous sewer ordinances and update policy.

Mr. Walker estimated that 30 new homes per year would be built in Eagleville. He projected that this will generate an additional \$150,000 per year, which will help the City to build the Sewer Fund's cash flow.

It was noted that the cash flow of \$700,000 is invested in the LGIP.

d. Food Trucks

Mayor Leeman stated that Council Member Jason Blair requested to table this discussion, as he had to leave the session unexpectedly. Therefore the item was postponed to a future meeting.

4) NEW BUSINESS

City Manager Hellyn Riggins announced the following:

1. The second readings of the Budget Amendment Ordinance and the increase to Court Fees Ordinance would take place at the April 24th Regular Meeting.
2. On May 8, the consultant hired to assess the City's Development Fees will make a presentation at the Work Session.
3. The electrical connection for the new Park sign will be installed, soon.
4. The Horton 100 Bike Race wants to use the City Hall parking lot, as they have in the past.
5. Council has been invited to celebrate Wayne Brothers' 40 years in Business Celebration on Thursday, May 1, 2025 from 4:30 p.m. to 8:00 p.m.

Ms. Riggins requested that Council review the budget to confirm that all items they wish to have considered, have been addressed.

5) ADJOURNMENT

Mayor Leeman confirmed there was no further business and adjourned the meeting at 8:14 p.m.

Approved by:


Mayor Chad Leeman

Submitted by:


City Recorder Christina Rivas

Date minutes approved: May 22, 2025