

Finance Committee Meeting
City of Manchester
May 4th, 2023

Present: Alderman Hobbs, Vice Mayor Messick and Alderman Parsley

Absent: none

The Manchester City Finance Committee held a special called meeting on Thursday, May 4th, at 4:30 p.m. in the board room at Manchester City Hall. Others present were: Mayor Howard, Finance Director Myers, Director Brittany Fiske, Director George Gannon, Director AJ Fox, Asst. Director Becky Johnson, Chief George Chambers, Director Tennie Smotherman, Asst. Chief Adam Floied, Dr. Joey Vaughn, Director of Manchester City Schools, Beverly Myers, School Finance Director, members of the PBA, other employees and members of the press and citizens. The meeting was presided over by Alderman Joey Hobbs, Chairman of the committee.

The first agenda item was approving the minutes from the March 13th and April 24th meetings. Vice Mayor Messick moved to approve the minutes with a second from Alderman Parsley. Motion carried.

The second agenda item was the addition of an I.S. Cooling System. This request came to the committee with the approval of the IS committee. This will be a wall mounted air unit in the IT office to better control temperatures for technology equipment. Two quotes were submitted with the \$6,785 quote recommended. It will come out of the FY23 general building fund. Alderman Parsley made the motion with a second from Vice Mayor Messick. The vote was unanimous.

The third agenda item was the FY24 budget. Alderman Hobbs started the discussion by inviting Dr. Joey Vaughn, Director of the Manchester City Schools to give an overview of what is occurring in the school system. Dr. Vaughn said for the first time in history the district had an enrollment of 1,600 students with a 3% growth. The kindergarten enrollment looks to be around 200 students for next year keeping steady with a three-year trend. They are not asking for any additional funds this year since they received additional monies through the state funding formula. The budget contains two additional teaching positions. He is also working with an architect for the possibility of adding on to Westwood and drawings for a new middle school if ever this possibility occurs. They are actively looking at building sites. Their budget amendment for FY23 included an additional 2% raise over the 3% that was already in the budget. They have also given a Christmas bonus for the last few years. Earmarked is \$850,000 for expansion for the central office and/or schools. During FY23, they spent \$300,000 on a new fire alarm system at Westwood and also another \$60,000 on window coverings. Alderman Hobbs asked at what grades is the 3% being experienced. Dr. Vaughn responded that growth is at every level. Mayor Howard asked about student-teacher ratios. Dr. Vaughn stated they are higher but still at or below recommended levels. Alderman Hobbs asked about growth plans and a possible high school. Dr. Vaughn said that someone will have to build a high school eventually and it will cost around \$70,000,000 and would need 60 to 70 acres due to athletic fields. A middle school will cost around thirty to thirty-two million dollars and would require less acreage. They are looking at land that could possibly house

multiple school sites. A high school with 9-12th grades would be for 1,200 students and could be built a grade per year. This would also affect the need for transportation.

Attention turned to the city FY24 budget. Directors were asked to share if they needed any changes to the proposed budget. David Bradley, member of the PBA, said the conference center would not be asking for any additional funds over FY23. He was invited to join the discussion. He stated that the center's ask was not cut by 10% because their budget is separate from the city appropriation and also, they didn't want to cut capital projects since they are working with the county for matching funds. Discussion turned to revenue. Sources are rentals and food with other charges per event. Also, the board has challenged the staff to form additional revenues outside of hosting events such as large-scale catering. Discussion then turned to expenses. Alderman Parsley asked about the status of capital improvements. Mr. Bradley responded repairs and maintenance have been done, but large replacements have not. Vice Mayor Messick read from the agreement that the county should be funding 50% of any improvement that is over \$25,000 and with a useful life of over one year. Any of these improvements the city funds, we would receive the depreciated value back first from the sale price if ever the center closes. They county is having conversations now about investing in capital projects for the conference center.

Other alderman joined in the discussion about the conference center: Alderman Anderson, Alderman Bellamy and Alderman French who made a disclaimer of his wife working for the PBA prior to speaking. PBA board member, Ken Huddleston joined the group stating there are many intangibles the conference center brings to our community much like the recreation center. The state tells us that when people stay in Manchester, they spend an average of \$132 per room. In December alone, the conference center increased hotel bookings over 120 nights with the direct impact of \$27,000 and the indirect impact is impossible to calculate. He invited all alderman to come to their monthly meetings where all information is transparent and informational. Alderman Bellamy asked if the city's contribution included capital improvements. Mr. Bradley said around \$118,000 and they didn't plan to ask for a budget amendment for additional funds. Alderman Hobbs says that in theory the county feels they need to help with capital projects since they are half owners in the property. Their funds would come from funds that have to be spent on tourism. Alderman Messick stated that the conference center eventually needs to stand on their own and not ask for a city contribution. The PBA's preference is to have a direct appropriation, such as, hotel/motel tax so it would be self-supporting and not having to rely on a contribution. Alderman Anderson quoted TCA that talks about the entity needs to be self-sufficient. The mayor asked why the county got out of funding the operations. Alderman Hobbs stated the agreement was different with no cap to the funding. Alderman French stated that few cities our size have a conference center. Motlow did an impact study showing \$1.25 million of lodging directly attributed to the conference center over the last five years. Mr. Huddleston also said another impact are the in-kind donations of the facility to the school systems for student events and chamber events for local business owners.

Vice-Mayor Messick brought the discussion back to the FY24 budget. Alderman Hobbs asked if there was any other discussion that needed to take place. Director Fox presented a drawing of new playground equipment needed to replace equipment that is no longer safe. He stated that it is the most used equipment of our park system. Alderman Messick recommended that the discussion be after the

passing of the budget that hopefully will include \$1,000,000 in the capital equipment fund for future projects. Vice Mayor Messick made the motion to change the FY24 proposed budget by eliminating the \$1,000,000 transfer to the debt service fund and redirect it to the capital equipment fund to start a capital improvement plan. Alderman Hobbs seconded the motion and opened the floor for discussion. Alderman Bellamy spoke about the possibility of leasing the conference center so the economic impact would still be felt by the city. Mayor Howard said it would be harder for private enterprise because they would not fill the economic impact like our local government. Motion passed with a vote of two to one with a no vote from Alderman Parsley.

The fourth item of business was the third budget amendment for FY 2023 presented by Director Myers. This amendment is for the purchase of police cars. Vice Mayor Messick made the motion with a second from Alderman Parsley. Motion carried with a vote of three to zero.


The mayor brought up that the water commission voted to remove \$15,000 from the proposed budget at a meeting earlier in the day. Vice Mayor Messick made the motion for the proposed budget to reflect this decrease, seconded by Alderman Hobbs. Motion carried.

Meeting was adjourned around 5:30 p.m.



Finance Committee Chairperson

5-17-2023
Date



Finance Director

5/17/22
Date