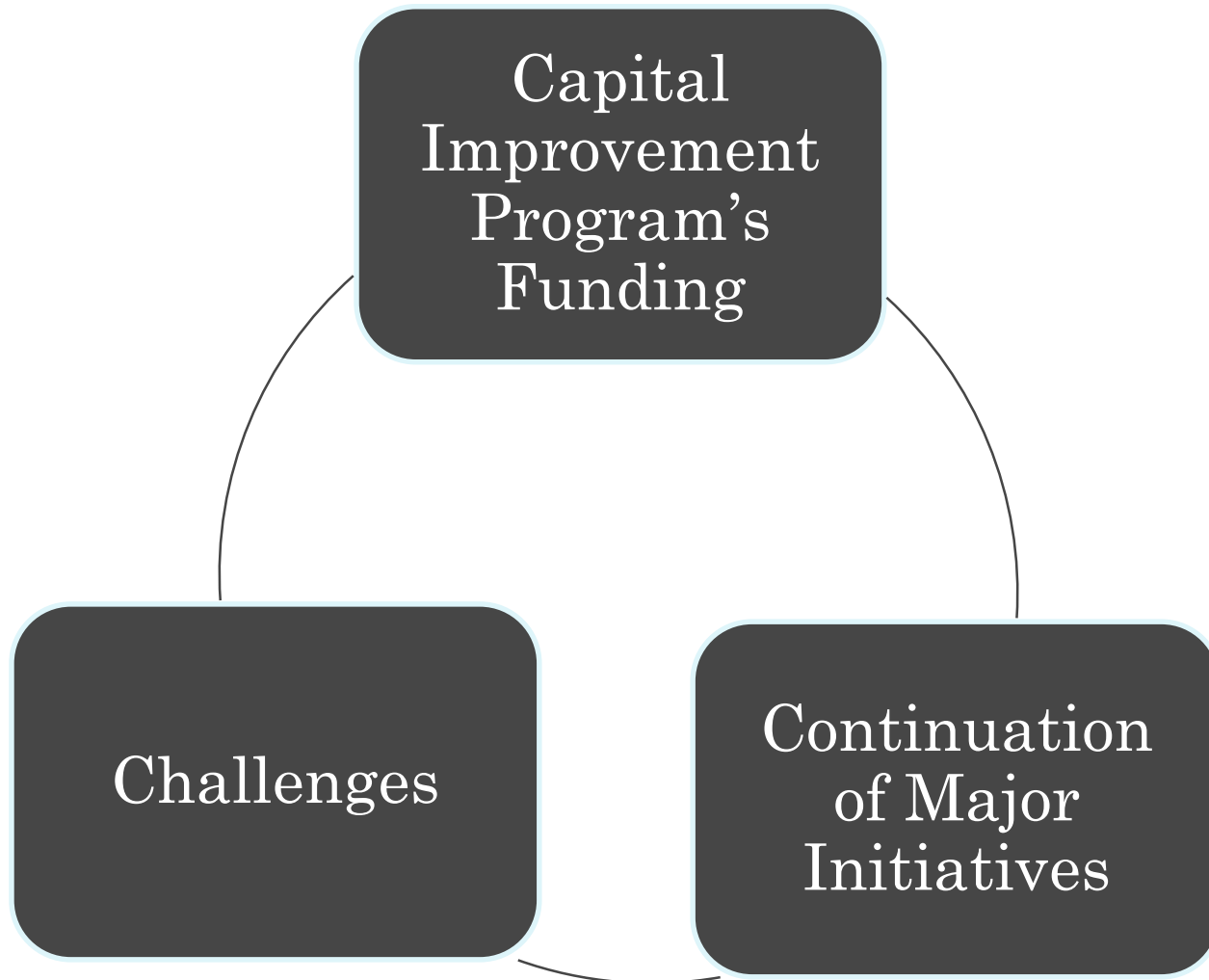




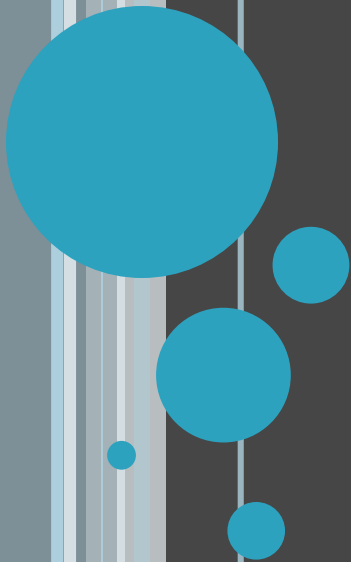
# SUMNER COUNTY'S LONG-TERM FINANCIAL OVERVIEW

November 10, 2014

# CONSIDERATIONS



# CAPITAL IMPROVEMENTS



# HISTORY OF CAPITAL IMPROVEMENT PROGRAM

- Past ten years - approximately \$191.3 million of debt-financed projects
- 2010 - \$6.5 million of debt issuances
- 2013 - \$30 million of debt issuances
- Prior to 2012 - all smaller capital items were financed from operating funds



# CURRENT STATE OF CAPITAL IMPROVEMENT PROGRAM

- \$5 million available annually
- Covers reoccurring small capital items
- Zero capacity in debt service fund

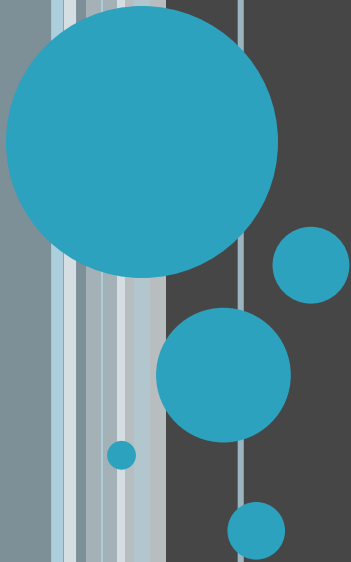


# IDENTIFIED CAPITAL NEEDS

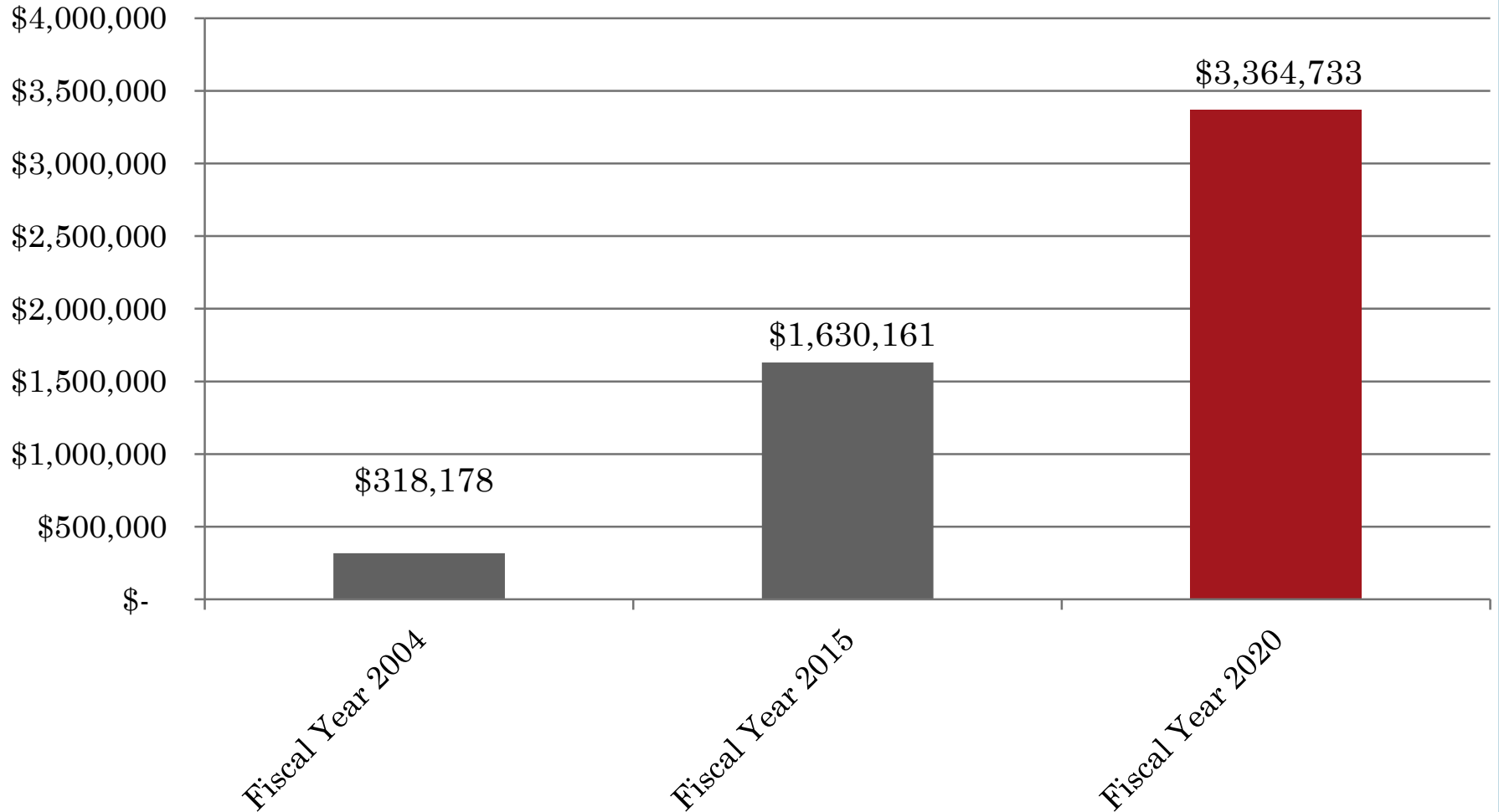
- School constructions and renovations - \$70.5 million
- Economic development - \$20 million
- Forrest Retreat Interchange and Industrial Expansion - \$4.9 million
- Exposition center - \$1 million
- Airport grant matches - \$1 million



# MAJOR INITIATIVES

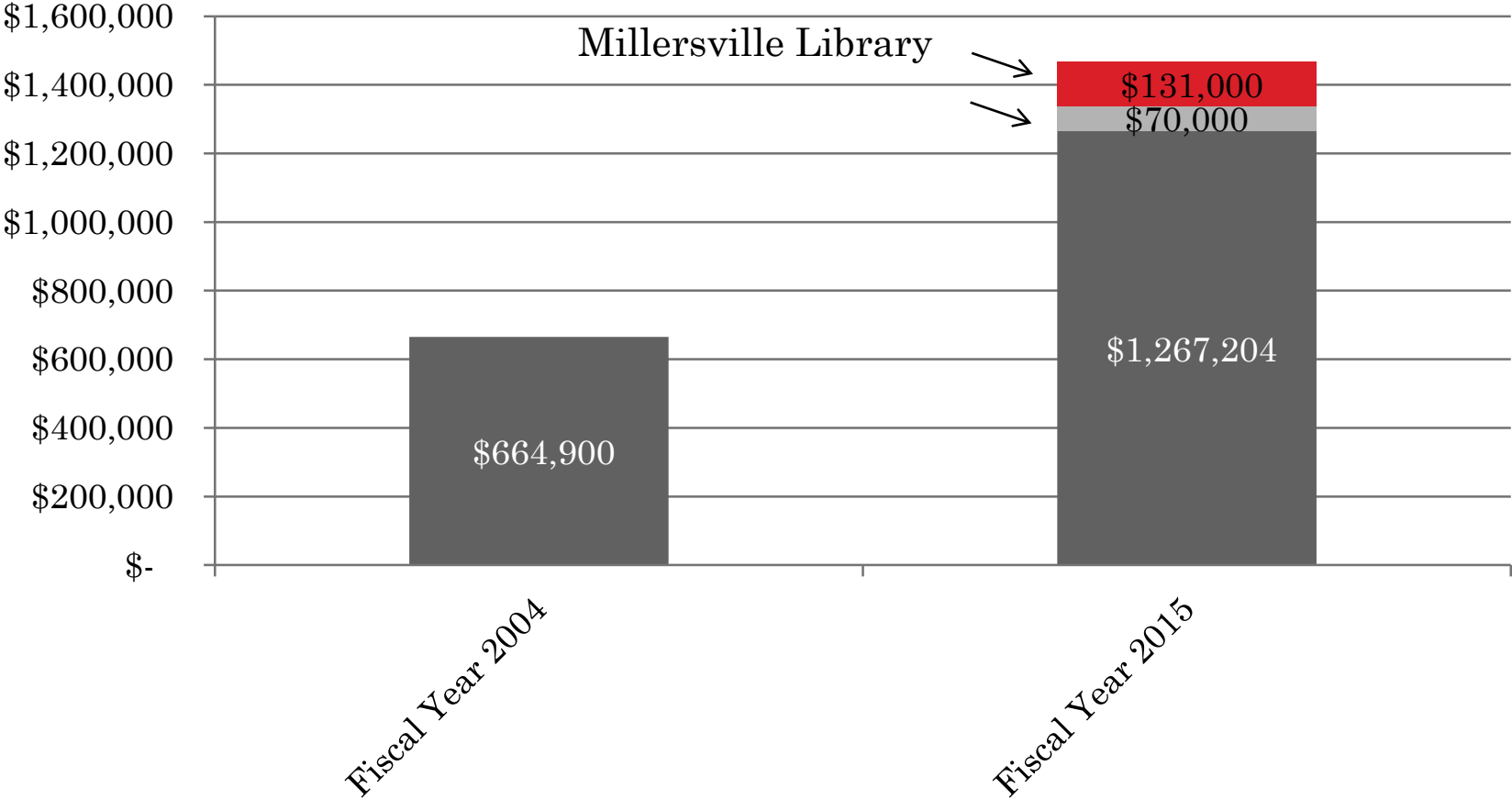


# SCHOOL RESOURCE OFFICERS





# LIBRARIES

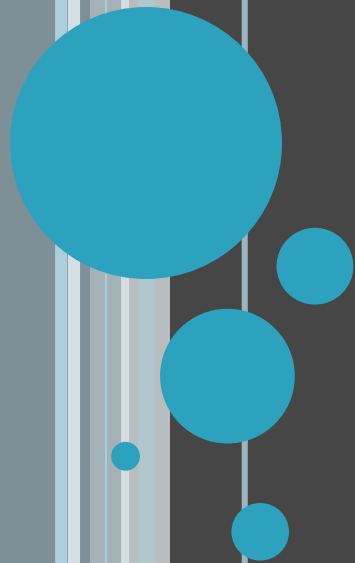


# OTHER INITIATIVES

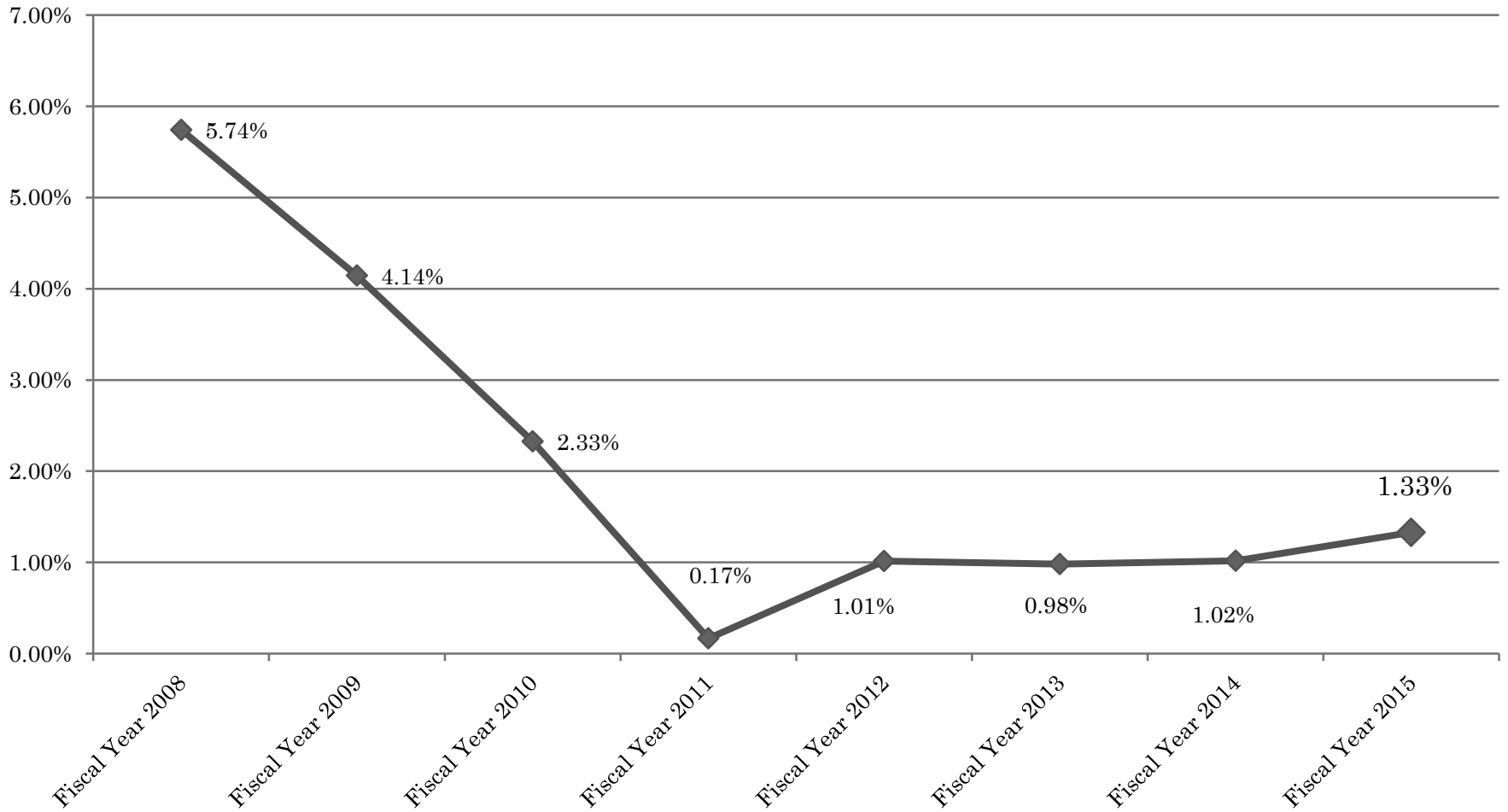
- New General Sessions Judge
  - 2014 - \$0
  - 2015 - \$215,000
  - 2016 - \$450,000 - \$550,000
- New Schools
  - 2004 to 2009 – 5 new schools' operations, approximately \$3.75 million
  - 2016 – Burrus Elementary School's operations, approximately \$750,000



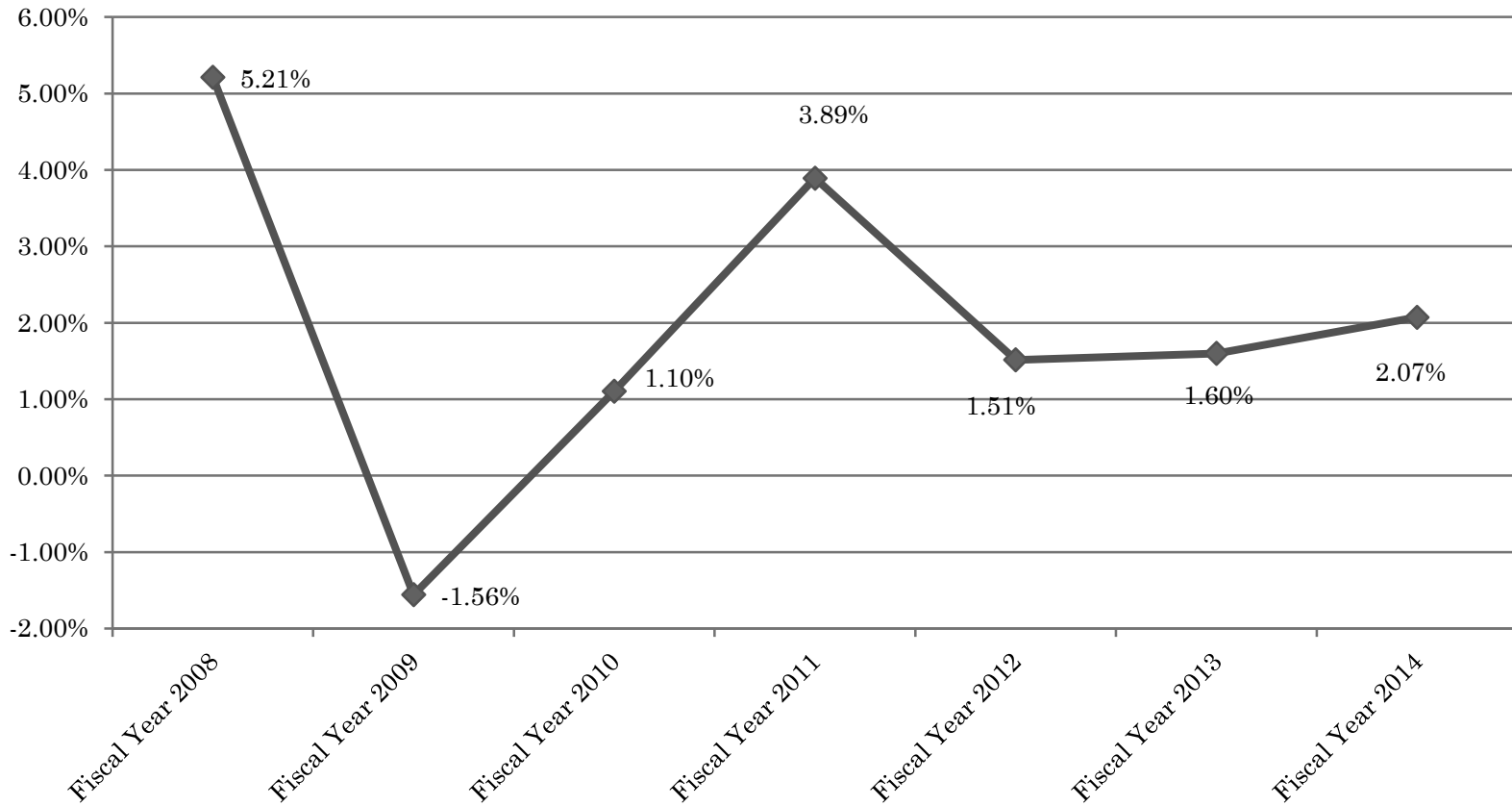
# CHALLENGES



# NET PROPERTY TAX LEVY



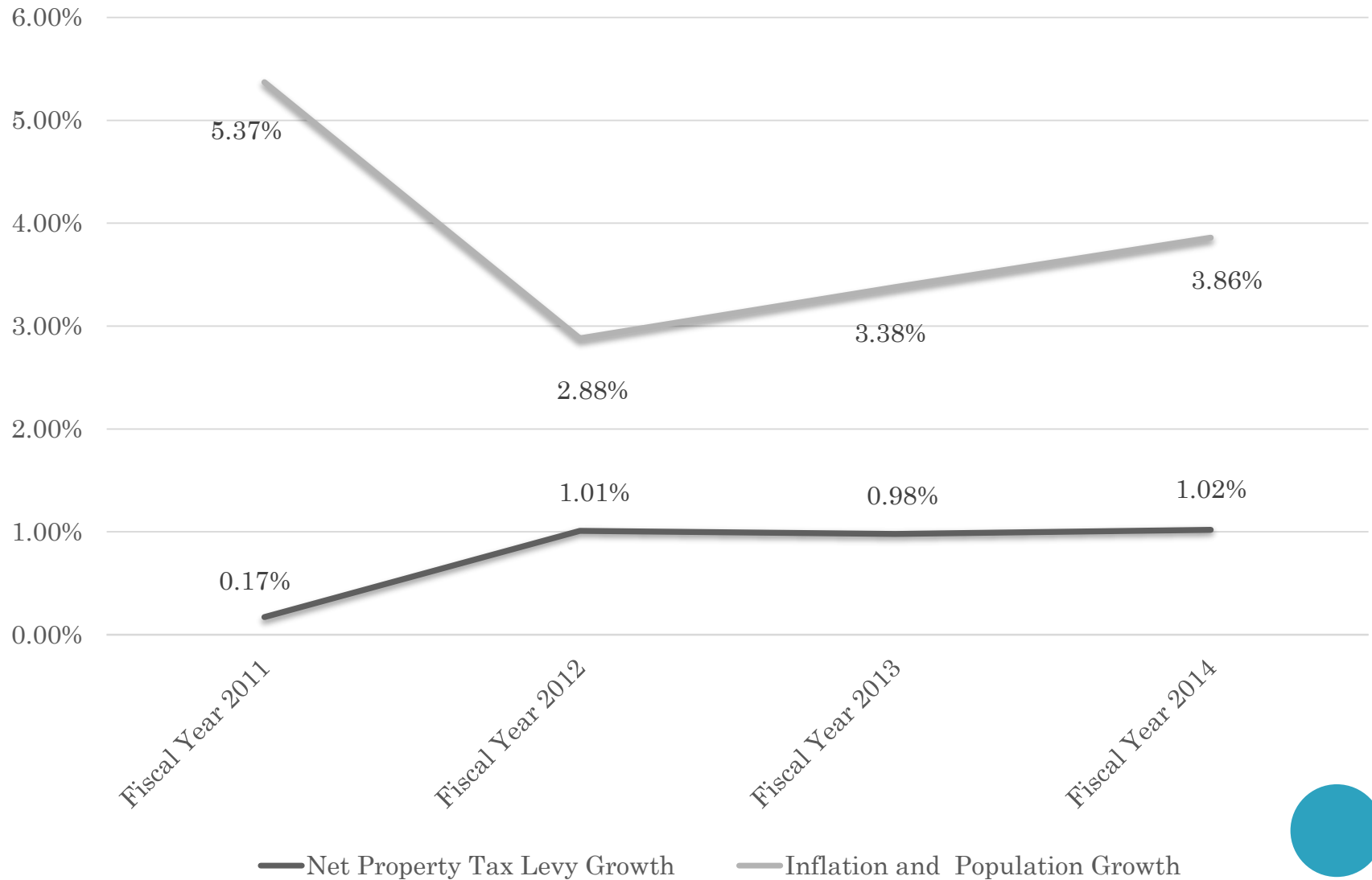
# INFLATION



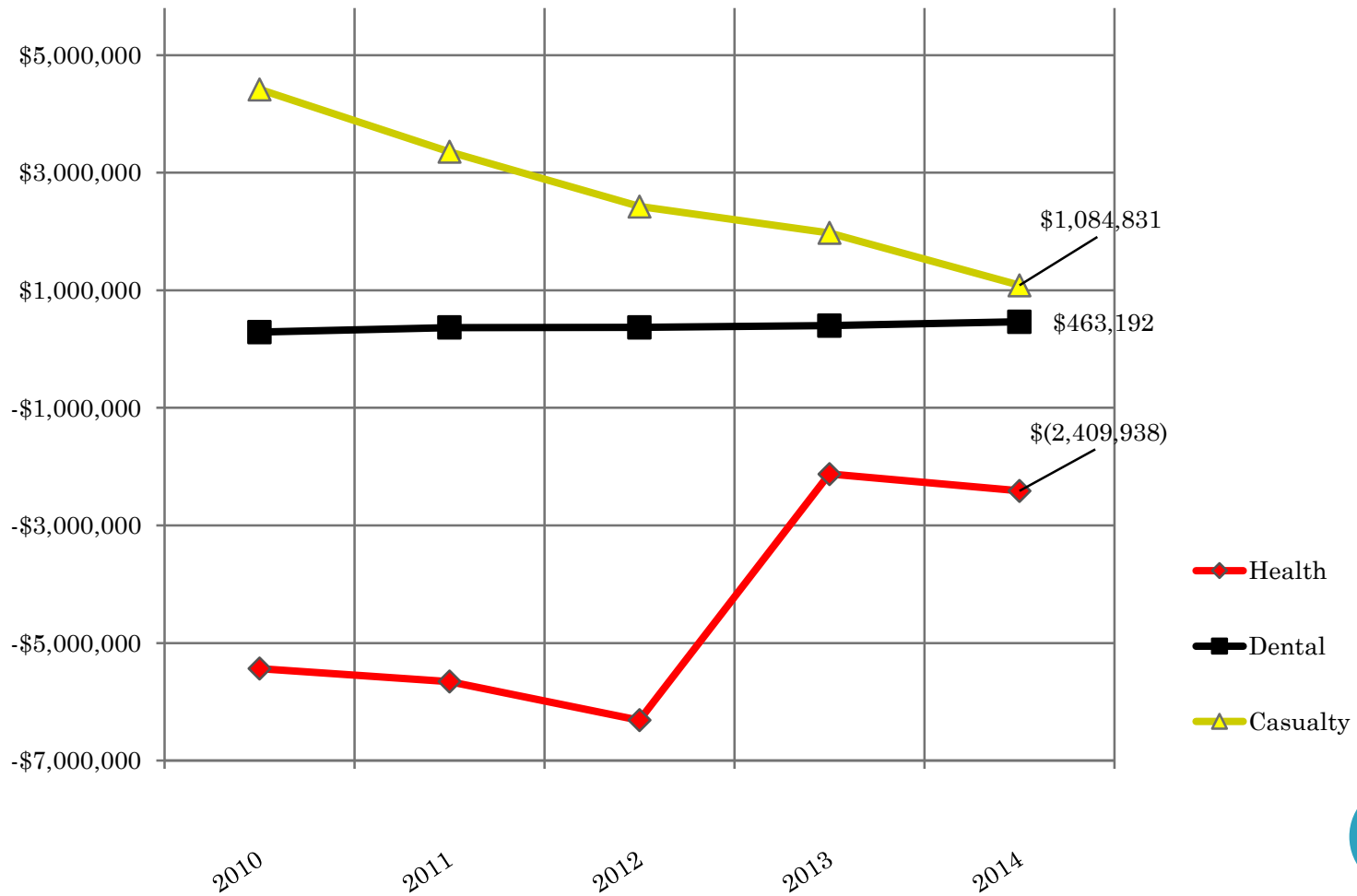
- A dollar on June 30, 2004 is equivalent to \$.796 on June 30, 2014



# REVENUE, INFLATION, & POPULATION



# SELF-INSURANCE FUND'S NET ASSETS



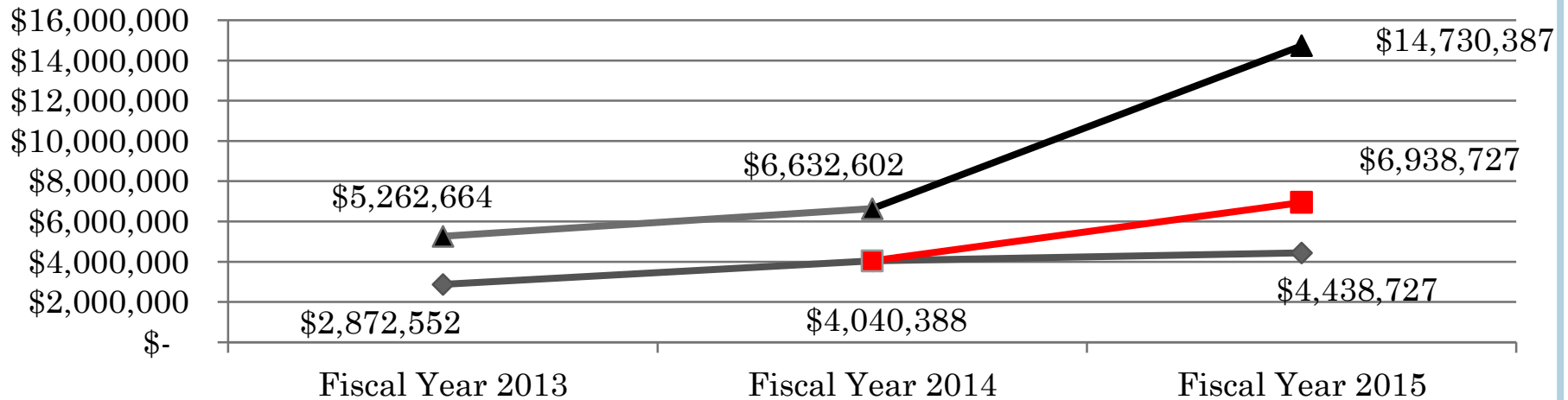
# SELF-INSURANCE PROGRAMS' ISSUES

- Health and dental programs will split January 1, 2015
- Additional \$2.5 - \$3.0 million will be necessary for Health Insurance Trust by February
- Minimum premium increases of \$559,952 for the Liability and On-the-Job Injury (OJI) Program for 2016





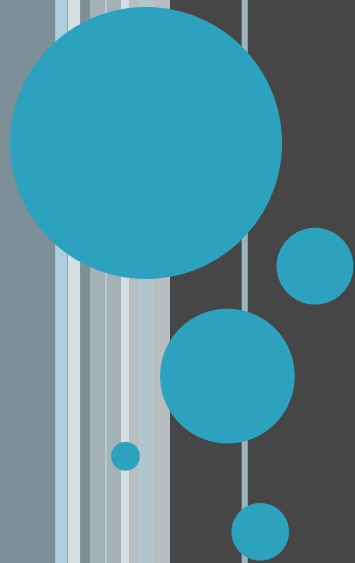
# CHIEF OPERATING FUNDS' BUDGETED OPERATIONAL DISPARITIES



- ◆ County General Fund
- County General Fund & Self-Insurance
- ▲ General Purpose School Fund



# SOLUTIONS



# COMPARATIVE RATES

Davidson	\$4.5160
Montgomery	3.1400
Robertson	2.9600
Cheatham	2.7800
Wilson	2.5704
Rutherford	2.5652
Williamson	2.3100
Sumner	2.0208



# HISTORICAL RATES

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Tax Rate</u>
2002	2003	\$2.5400
2003	2004	2.5900
2004	2005	2.5900
2005	2006	2.5900
2006	2007	2.2800
2007	2008	2.2800
2008	2009	2.2800
2009	2010	2.0208
2010	2011	2.0208
2011	2012	2.0208
2012	2013	2.0208
2013	2014	2.0208
2014	2015	2.5000

Last major debt issuance  
for \$75 million

Recommended rate



# COSTS PER RESIDENTIAL TAX PAYERS

Appraised Value	Property Taxes at \$2.0807	Property Taxes at \$2.50	Annual Difference	Monthly Difference
\$ 100,000	\$ 520.18	\$ 625.00	\$ 104.83	\$ 8.74
150,000	780.26	937.50	157.24	13.10
175,000	910.31	1,093.75	183.44	15.29
200,000	1,040.35	1,250.00	209.65	17.47
250,000	1,300.44	1,562.50	262.06	21.84
300,000	1,560.53	1,875.00	314.48	26.21
350,000	1,820.61	2,187.50	366.89	30.57
400,000	2,080.70	2,500.00	419.30	34.94
450,000	2,340.79	2,812.50	471.71	39.31

Not applicable to tax payers on tax freeze



# COST PER SMALL BUSINESS TAX PAYERS-REAL PROPERTY

Appraised Value	Property Taxes at \$2.0807	Property Taxes at \$2.50	Annual Difference	Monthly Difference
\$ 250,000	\$ 2,080.70	\$ 2,500.00	\$ 419.30	\$ 34.94
500,000	4,161.40	5,000.00	838.60	69.88
1,000,000	8,322.80	10,000.00	1,677.20	139.77
2,000,000	16,645.60	20,000.00	3,354.40	279.53
4,000,000	33,291.20	40,000.00	6,708.80	559.07

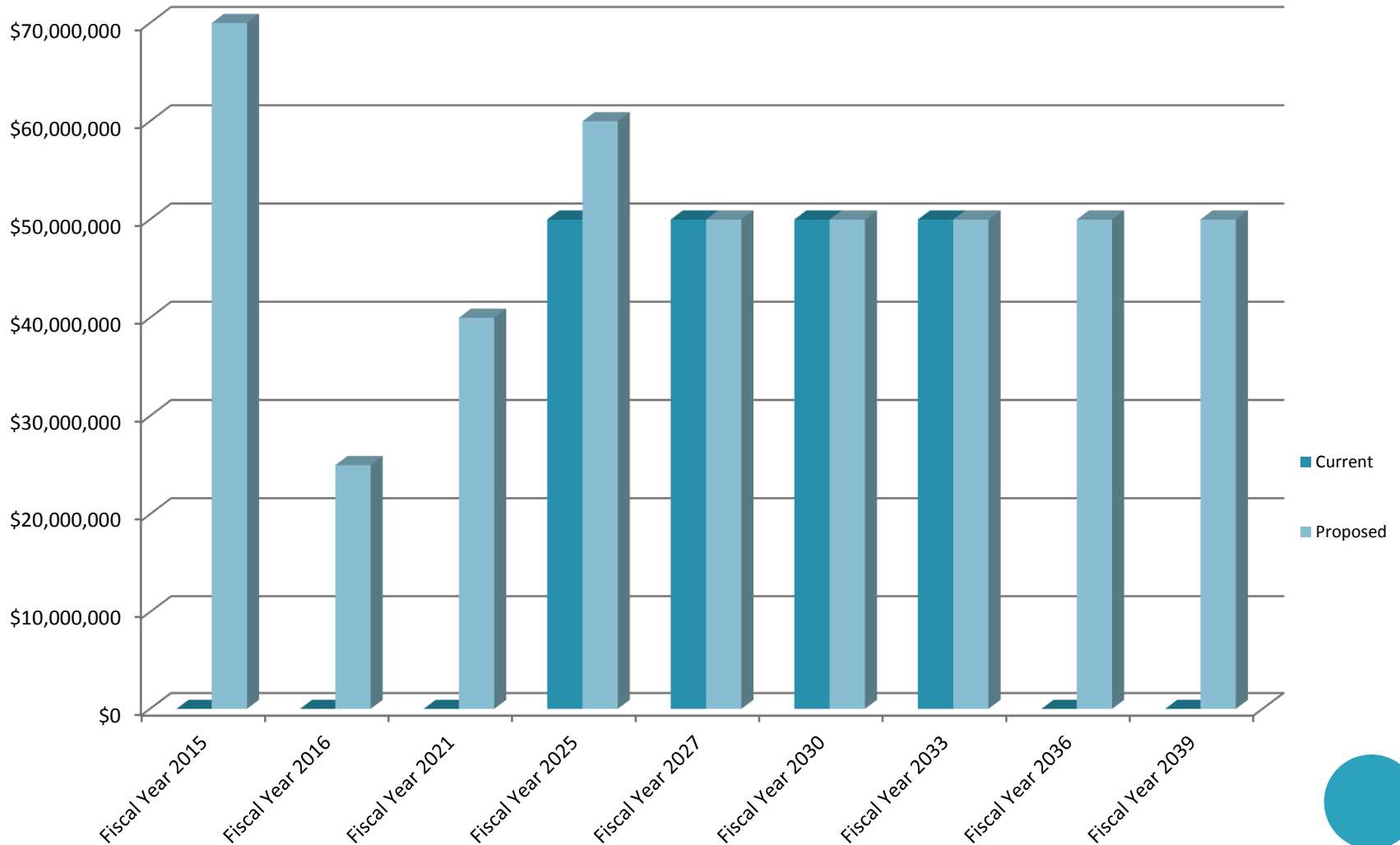


# COST PER SMALL BUSINESS TAX PAYERS-PERSONAL PROPERTY

Appraised Value	Property Taxes at \$2.0807	Property Taxes at \$2.50	Annual Difference	Monthly Difference
\$ 250,000	\$ 1,560.53	\$ 1,875.00	\$ 314.48	\$ 26.21
500,000	3,121.05	3,750.00	628.95	52.41
1,000,000	6,242.10	7,500.00	1,257.90	104.83
2,000,000	12,484.20	15,000.00	2,515.80	209.65
4,000,000	24,968.40	30,000.00	5,031.60	419.30

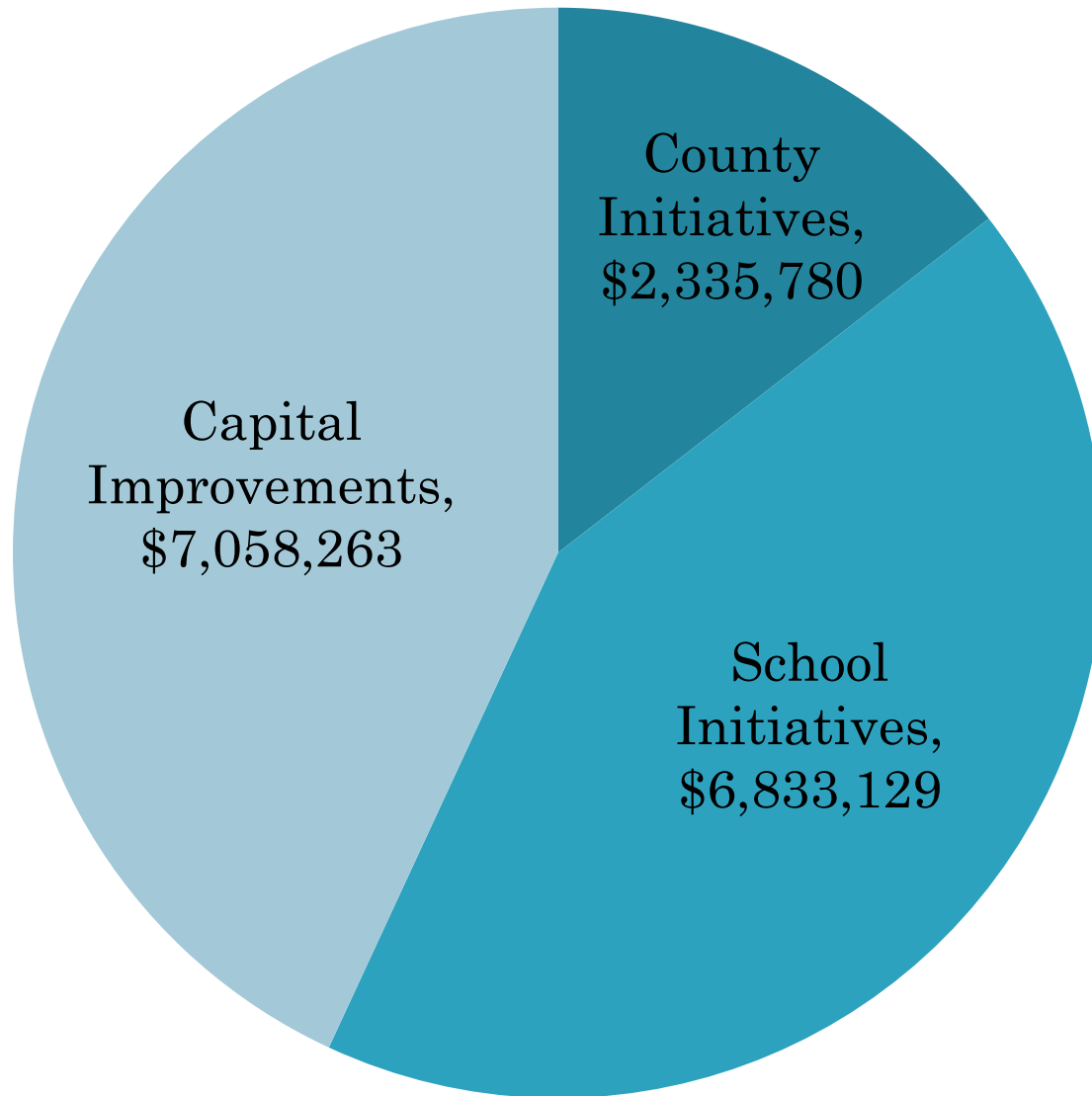


# LONG-TERM MAJOR CAPITAL FUNDING PLAN





# ADDITIONAL RESOURCES



# RECAP OF CHALLENGES AND CONCLUSION

- Almost \$22 million of reserves budgeted
  - Additional resources will be necessary by July 1<sup>st</sup> or
  - Services must be significantly reduced
- Property taxes do not capture inflation
- An additional \$2.5 - \$3 million is necessary for the self-insurance health program by January 2015
- An additional \$560,000 is necessary to stabilize the liability and OJI insurance program for FYE 2016
- An additional \$3 million is necessary to complete already started initiatives (\$1.6 million by FYE 2016)
- Zero capacity for any major capital initiatives

