

MAYOR
Laraine K. King

RECORDER
James L. Warner



ALDERMEN
W. T. Daniels
Buddy C. Hawk
Keith W. Paxton
Sarah E. T. Webster

GREENEVILLE

T E N N E S S E E

August 27, 2009

Town of Greeneville
Board of Mayor and Aldermen
200 North College Street
Greeneville, Tennessee 37745

Dear Board Members:

The attached document contains the FY 2009-2010 revised budget for the Town of Greeneville. The proposed revenue from property tax is based on an estimated assessed value of \$436,656,043 and a tax rate of \$1.8590 which is the same rate as last year.

As you know, the Town of Greeneville similar to many other governments and businesses is operating in an increasingly difficult fiscal environment, which has been made worse by the effects of an economic slowdown and one of the most severe recessions this country has undergone. Of particular concern locally are the decrease in sales tax revenues, the decline of the manufacturing and personal property tax base and the slowdown in job growth and capital investment.

In the event that local option sales tax declines further it may become necessary to limit departmental expenditures further during the year. Department heads and town employees have shown a great deal of adaptability this past fiscal year by limiting their expenses in many areas. They have been able to provide the same level of service to our residents with fewer staff through cross-training, more efficient processes and re-allocation of work tasks. In addition, all departments have striven to reduce travel/fuel expenses, defer purchases of goods and hold vacant positions unfilled. While this situation has been challenging, it has given the department heads an opportunity to re-examine their operations and look for ways to streamline and make improvements in efficiency.

Fortunately, should major financial problems develop, the undesignated fund balance will be intact to ensure the continued orderly operation of our government and provide essential services to the town's citizens.

Although some capital requests were deferred, capital expenditures of \$129,500.00 have been provided for the following:

❖ George Clem Pavilion	\$22,000
❖ Entrance/Welcome Signage	\$10,000
❖ Legion Field Restroom	\$10,000
❖ Roof Repair Park Pavilions	\$8,000
❖ Maintenance Garage Siding/Roof Replacement	\$8,000
❖ Grounds & Maintenance Mower	\$7,500
❖ New Chlorine Feeder – Hardin & East View Pools	\$5,000
❖ New Diving Platform for Hardin Park Pool	\$12,000
❖ Fire Department Roof Repair Project, Station 3	\$9,000
❖ Fire Department Window & Metal Roof Project, Station 4	\$15,000
❖ Fire Department Washer Extractor, Station 1	\$9,000
❖ Turn-out Gear Replacement	\$14,000

Additional capital items totaling \$192,000.00 were moved to the state street aid reserve for sidewalk repairs, street repairs, which includes a roller and a paving machine, and our share of the Fairgrounds connector road.

Much progress has been made with the Town's health insurance over this past fiscal year. On December 1, 2008, Blue Cross Blue Shield of Tennessee became the third party administrator for the plan with Trinity Benefit Advisors as the Town's broker. The claims dollars paid per employee per month are lower and discounts are higher. Looking to the future, our attention should be directed to the wellness of our employees with the expected result of lowered health care costs. HealthCare 21 (our business partner during the bid process) and Trinity Benefit Advisors are available to work on finding the appropriate programs and methodologies to assist us in a wellness initiative. Although, the appropriations to fund the Town's health insurance program is lower, we may draw upon designated reserve funds set aside specifically for self-funded medical claim expenses.

Thank you for your guidance, input and participation during our work sessions. I believe we successfully met our budget goals of reducing the cost of service and using designated reserves where needed to fund expenses. I will continue to monitor the concerns you presented during the work sessions and I look forward to working with each of you and the citizens of this fine community.

Sincerely,



Laraine K. King
Mayor

Enclosures