



## NEWS RELEASE

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### ***“Proposed Budget Engineered for Growth in Fast-growing Murfreesboro”***

### **City releases proposed FY 2017 Budget for Council Review**

**FOR IMMEDIATE RELEASE:** May 18, 2016

**MURFREESBORO, Tenn.** – For the 18<sup>th</sup> consecutive year, Murfreesboro’s \$148.2 million Fiscal Year 2016-17 (FY17) proposed budget, does not call for a property tax hike and maintains expected municipal service levels to the over 120,000 residents of the community.

“Middle Tennessee has become one of the most desirable places to live, work, and play in the United States and Murfreesboro has been one of the most desirable places to live in Middle Tennessee,” said City Manager Rob Lyons. “The FY 2017 budget provides the resources and planning to continue Murfreesboro’s exponential growth in the Middle Tennessee region. The budget makes necessary advances in public safety, economic development, public service and engagement.”

The *Murfreesboro 2035* Comprehensive Plan predicts that the City will grow to 240,000 in the next twenty years. Murfreesboro is expected to continue as a pace setter in attracting people and businesses to an economical and livable community.

The proposed budget reflects the direction of City Council to prioritize spending and continue to focus on the four primary goals: 1) Safe and Livable Neighborhoods, 2) Strong and Sustainable Financial and Economic Health, 3) Excellent Services with a Focus on Customer Service and 4) Engaging Our Community.

Safe and Livable Neighborhood category projects call for fifteen (15) new fire personnel and six (6) new police officers. Other **Priority 1** projects include:

- Opening Fire Station #10 on Veterans Parkway.
- Construction of the new Police HQ and Public Safety Training Facility.
- Progress toward full implementation of a 700MHz two-way radio system for public safety.
- Beginning construction of the Stones River Greenway extension to Barfield Crescent Park.

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- Study of the “Historic Bottoms” and Highland Avenue corridor for redevelopment.
- Complete city-wide design guidelines.

The Proposed Budget provides for the expansion of Fire and Rescue Department’s Basic Life Support (BLS) to include medication administration and procedure by October 1 and a target date of July 1, 2017 has been identified to move to Advanced Life Support (ALS).

The recommended opening of Station 10 and relocating Station 4 to Medical Center Parkway will better position aerial units to serve the taller building found in the Gateway.

Livable communities not only provide for public safety, but accessible recreational opportunities. Land acquisition for new park(s) in western Murfreesboro is a top Livability priority and the purchase of land will be completed in FY17. The new park will add to the City’s recreation commitment that includes the Adams Tennis Complex, construction of Miracle Field at McKnight Park, extension of the Greenway to Barfield Crescent Park, and the opening of a new soccer practice facility at the Jordan Farm.

The City of Murfreesboro will continue to have a substantial investment in tourism by supporting a number of capital expenses that contribute to visitor growth: Siegel Soccer Complex, Barfield Crescent Park, Star\*Plex, Cannonsburgh Village, Bradley Academy Museum.

Strong and Sustainable Financial and Economic Health continues to be a hallmark of Murfreesboro’s strong financial position. Moody’s upgraded the City to Aa1 from Aa2, the second highest rating possible on an 18-step range. Building permits continue to increase along with new students in the City Schools, adding to the City’s tax base. The Fountains at Gateway, a planned mixed-use development, is slated for opening in 2016.

**Priority 2** projects and initiatives include:

- Maintaining the existing level of effective property tax rate, the eighteenth year without an increase.
- Constructing Lytle Street, Jones Boulevard, St. Claire Street and Middle Tennessee Boulevard.
- Redevelopment of the former First United Methodist Church/Franklin Synergy site.
- Studying tax increment financing districts as a method to encourage re-development.
- Deploying new financial and human resources software.
- A 4 percent health insurance premium increase after no increase last year.
- Recruiting new jobs and employers to the Gateway.
- Partnering with Rutherford County Chamber of Commerce in workforce development.
- Increasing the robust sports tourism economy, including more tournaments to the Adams Indoor Tennis Complex.

The proposed FY 2016 budget recommends a 2 percent across-the board pay increase for employees. Current budget estimates for FY16 revenue and expenditures will result in the use of approximately \$500,000 in fund balance, primarily due to the \$1.55 million unbudgeted purchase of the Franklin Synergy property for redevelopment.

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**Priority 3** projects and initiatives support Excellent Services with a Focus on Customer Service and include the following:

- Recognizing City employees as customers and better engaging them in the workforce.
- Selecting land development management software for Planning and Building & Codes.
- Continuing “Service Excellence,” the City’s customer service training program for City employees.
- Converting CityTV to High Definition (HD) through a grant from Comcast.
- Repaving \$2 million in City Streets from State gasoline taxes.
- Developing a shop and restrooms for Bloomfield Links Golf Course.

The Proposed Budget recommends a new Training and Development Manager in the Human Resources Department, focused on training and employee development to help support the City’s initiatives and programs. The Legal Department will publish the City Code on-line to give customers real-time access to the City’s code and requirements.

**Priority 4** projects and initiatives that support Engaging Our Community include the following:

- Utilizing an on-line community discussion board.
- Using social media, technology, and neighborhood meetings to develop the comprehensive plan.
- Conducting neighborhood meetings on critical issues.

The City of Murfreesboro Communications Department, through Facebook, Twitter, YouTube, CityTV, and other technology-based outlets, will continue to increase citizen engagement.

### **Revenues Overview**

The Proposed Budget recommends an increase to the hotel-motel tax from 2.5 percent to 5 percent. A 1983 private act enabled a city hotel motel tax rate of 5 percent. Upon adoption, City Council approved a rate of 1.5 percent, which was increased to 2.5 percent in 1993. Since the last increase 23 years ago, the City has substantially invested in tourism with capital expenses that attract visitors. The City also funds special events including Jazzfest through its support of Main Street, Uncle Dave Macon Days, and Discovery Center to name a few. In FY 16, over \$150,000 was budgeted for tourism events.

By formula, the City earmarks 30 percent of the hotel motel tax collections for the Convention and Visitors Bureau (CVB).

In FY 16, it is estimated that the CVB will receive \$400,000 under the current 2.5 percent tax. Combined with the tourism events, the City spends \$550,000 for tourism plus the cost to operate, maintain and staff the facilities used by tournaments.

The proposed budget recommends a total of twenty-six new positions. Of the twenty-six full-time positions, fifteen are new firefighters and six are new police officers. Proposed full-time

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positions increase by 27 employees to 858 in the general operations of the City, and by 3 part-time employees to 415. During the recession, the City eliminated 52 positions through attrition or reduction in force. But the rebound in the economy and City growth has increased workloads. In addition to 21 public safety positions, the proposed budget also calls for a new Assistant Planning Director, Building Inspector, Training & Development Manager, I-T Network Specialist, I-T Administrative Support Specialist I and Landscaper/Greenkeeper.

The City's share of local option sales taxes continues to gain upward traction. The local option sales tax is 2.75 percent on most retail purchases and now exceeds 30% of the City's revenue. The retail economy continues to rebound as evidenced in an estimated growth of over 8 percent in local sales tax for FY 2016 as compared to FY 2015. Although the property tax has been flat, sales taxes have been growing since FY 2010.

To prepare for the coming closing of the Middle Pointe Landfill, the Proposed Budget recommends a Solid Waste fee of \$5 per city collected can per month to begin in January 2017. This will begin the transition from general fund support to an enterprise similar to the Water and Sewer Department. As part of this effort, the City will also begin studying a curbside residential recycling program that will also be supported from the Solid Waste fee.

As previously mentioned, the proposed budget does not recommend a property tax increase and recommends adoption of \$1.2066 as the tax rate. Property tax revenues are projected to be \$38.34 million, an increase of 2.1 percent due to new construction and growth.

As required by the Charter, City Council received a copy of the proposed budget Sunday, May 15. The Public Hearing and First Reading of the budget ordinance is scheduled for June 2, 2016. A copy of the Proposed FY 2016-17 budget is available on the City's website at <http://www.murfreesborotn.gov/index.aspx?NID=134>.

*For City News online, visit [www.Murfreesborotn.gov](http://www.Murfreesborotn.gov).*

**Photos attached caption:**

1. *FY 2016-17 City Budget Cover.jpg.*