



## NEWS RELEASE

### **Mike Browning**

PUBLIC INFORMATION OFFICER

Twitter: @cityofmborotn

Facebook: [www.facebook.com/cityofmurfreesborotn](http://www.facebook.com/cityofmurfreesborotn)

PHONE: 615-848-3245/642-3230 mobile

EMAIL: [mbrowning@murfreesborotn.gov](mailto:mbrowning@murfreesborotn.gov)

Website: [www.murfreesborotn.gov](http://www.murfreesborotn.gov)

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**FOR IMMEDIATE RELEASE:** Aug. 17, 2017

### **Capital Improvement Plan (CIP) Projects Enhance City Infrastructure**

*2017 CIP totaling \$68.7 million; 2017-2021 totaling \$343.4 million*

**MURFREESBORO, Tenn.** — The Murfreesboro City Council reviewed the 2017 Capital Improvement Plan (CIP) during its August 17, 2017 special meeting. Borrowing for the first-year projects totaling \$68.7 million were presented to City Council for approval at a future regular meeting.

“The CIP, as proposed, meets all the financial ratios in the City’s Financial Policies and is not projected to require any increase in the property tax to fund the obligation,” said City Manager Rob Lyons. “As structured, the CIP balances the needs for infrastructure and equipment with the financial impacts. The CIP should allow the City to progressively move forward in dealing with growth and public services while guarding the financial health of the community.”

“Murfreesboro may be the only city in the state that manages debt levels with a series of financial ratios previously approved by City Council in a financial policy,” said Assistant City Manager Jim Crumley. “This conservative approach to debt will meet Murfreesboro’s needs for public infrastructure as the 10<sup>th</sup> fastest growing city in America in a financially safe manner for current and future residents.”

The CIP reflects the planned investments for the next five years in the City’s infrastructure, municipal facilities, specialized equipment and economic development by balancing needs for infrastructure and equipment with the financial impacts.

Funding the \$68.7 million investment will require the issuance of a similar amount of General Obligation debt. The 2017 CIP includes \$11.7 million for the final leg of the current **communication’s systems** upgrade, \$4.2 million to complete the relocation of **Fire Station 4** from Jones Boulevard to Medical Center Parkway, and \$2.7 million for construction of the new **Fire Station 11** at Blaze Drive and Fortress Boulevard.

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The 2017 CIP also includes \$2.7 million in funding to complete the new 125,000 square feet **Police Headquarters** under construction in the former Murfreesboro Medical Clinic on Highland Avenue. In 2015 the Police Headquarters was the city's largest CIP project with an estimated cost of \$42.2 million and roughly 47 percent of the total 2015 CIP list.

Other significant 2017 Budget projects include:

- \$10.5 million in new **road construction**.
- \$5.8 million for the completion of the City's first **energy improvement program** on its buildings.
- \$4.35 million for a new **airport terminal**.
- \$5.0 million to begin development of a new **West Park** at Veterans Parkway and Burnt Knob Rd.
- \$7.7 million for other **Parks & Recreation facilities**.

The proposed 2017 CIP meets all the financial ratios in the City's Financial Policies and is not projected to require any increase in the property tax to fund the obligation.

The City Charter prescribes a general obligation debt limit of fifteen percent (15%) of assessed value. The Charter provides that revenue supported debt is excluded from the calculation and provides Council with the method of exceed that limitation. Other ratios adopted in the City's Financial Policies include:

- Direct General Obligation debt service should not exceed thirty three percent (33%) percent of the annual operating budget of the General Fund. Debt Service make up only 21.7% of the FY 2017-18 budget.
- Direct General Obligation debt should not exceed two and one half percent (2.5%) of the full real estate value for taxation purposes of the City, as determined by the Rutherford County Property Assessor. The current ratio of GO debt to property value is 2.4% and the CIP has been developed without exceeding 2.5%.
- At the time debt is issued, direct debt per capita should not exceed \$2,600 per person as calculated by the most recent census. The current per capita debt burden is \$2,222. The CIP has been developed without exceeding \$2,600 value per capita debt.

The research of Cumberland Securities points out that Murfreesboro may be the only city in the state that manages debt levels with a series of financial ratios approved in policy by City Council.

The proposed 5-year CIP (2017-2021) totals \$343.4 million, and leverages over \$160 million from Federal, State, County, and private partners in additional funding. As of June 30, 2017, the City's general long-term debt is \$234.0 million with approximately 73 percent on a fixed rate and 27 percent on a variable rate debt. The City Charter established a debt limit of 15 percent of the previous year's assessed valuation of all property in the city. According to estimates, the City's total debt ratio peaks at 8.8 percent of assessed valuation in projected year 2019, well under the City Charter limitation of 15 percent.

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A list of the five year, major 2017-2021 CIP Project Funding, is provided by year:

City of Murfreesboro Capital Improvement Program Fund Totals 2017-2021

Department	2017	2018	2019	2020	2021	Grand Total
Administration	\$6,725,000	\$3,300,000	\$1,300,000	\$300,000	\$300,000	\$11,925,000
Airport	\$4,700,000	\$4,000,000	\$3,000,000	\$4,000,000	\$0	\$15,700,000
Engineering (Street)	\$451,000	\$727,000	\$750,000	\$290,000	\$435,000	\$2,653,000
Fire and Rescue	\$8,275,000	\$2,500,000	\$4,150,000	\$7,050,000	\$3,900,000	\$25,875,000
Police	\$22,495,000	\$5,650,000	\$4,850,000	\$2,600,000	\$2,450,000	\$38,045,000
Parks and Recreation	\$13,996,000	\$14,450,000	\$14,050,000	\$5,725,000	\$25,260,000	\$73,481,000
City Schools	\$0	\$24,250,000	\$5,000,000	\$0	\$0	\$29,250,000
Solid Waste	\$1,350,000	\$700,000	\$1,000,000	\$1,000,000	\$0	\$4,050,000
Transit (Rover)	\$30,000	\$220,000	\$400,000	\$480,000	\$0	\$1,130,000
Transportation	\$10,545,000	\$20,235,000	\$52,380,000	\$37,981,000	\$19,920,000	\$141,061,000
Urban Environmental	\$130,000	\$52,000	\$102,500	\$0	\$0	\$284,500
Totals	\$68,697,000	\$76,084,000	\$86,982,500	\$59,426,000	\$52,265,000	\$343,454,500

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

**Photo attached:**

1. Assistant City Manager Jim Crumley presents 2017-2021 proposed CIP Projects to City Council.jpg

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