



Municipal Technical Advisory Service  
INSTITUTE for PUBLIC SERVICE

# MUNICIPAL E-NEWS

June 2020 | Quarter 2 | Issue 96

## IN THIS ISSUE

- 1 **Message from Margaret Norris, MTAS Executive Director**
- 2 **Records Policies and Working Remotely**
- 3 **Budgeting in Tough Times**
- 5 **MTAS Training & Development .... the E-Edition**
- 6 **Innovation News: Chattanooga Smart Community Collaborative and New KUB Solar Installation**

## NEW RESOURCES

**A Short Review of Water and Wastewater Rates and Fees (MTAS) | Read**

**Mutual Aid Assistance in Tennessee: A Collection of Resources from MTAS | Visit**

**Tennessee's REAL ID: Why, Where, When, and How to Get It (MTAS) | Read**

**What Don't You Know? : Uncover and Manage Unknown Cyber Threats (Article) | View | Request**

*All new materials added to MTAS' Knowledgebase can be found here: [View](#)*

*All new materials added to MRLn (MTAS Research Library Online) can be found here: [View](#)*

*New MORE (MTAS Online Resource) materials can be found here: [View](#)*



### UPCOMING TRAINING CLASSES

<http://www.mtas.tennessee.edu/training-calendar-0>

**Municipal Technical Advisory Service  
Institute for Public Service**

1610 University Ave.  
Knoxville, TN 37921  
Phone: (865) 974-0411  
Fax: (865) 974-0423

[mtas.tennessee.edu](http://mtas.tennessee.edu)



## Message from MTAS Executive Director

Hello and thank you! May 3-9, 2020 was Public Service Recognition Week. Having worked in city halls for many years as a local government employee, I know that you do not get the thanks you deserve. Please allow me this opportunity to make up for just a little bit of that oversight and again say THANK YOU.

This appreciation is particularly deserving right now when so many businesses had to halt operations due to COVID-19. That just isn't an option for cities and towns. You have been and are serving your communities with professionalism and pride along with ethics and accountability. Thank you.

I understand how you get stopped in the grocery store and are told about the pothole in the road, the neighbor's barking dog, the property taxes are too high, the missed trash pick-up and sometimes issues that are even beyond municipal control. I am grateful to you for listening to those customers, for thanking them for sharing their concerns, and then doing what you can to make their lives a little easier. What you do every day matters. I celebrate you and your commitment to your community. Thank you.



Most sincerely,

*Margaret Norris*

**Margaret Norris**  
**MTAS Executive Director**

## While the Location of Work May Have Changed, Certain Requirements Have Not

Elisha Hodge, MTAS Legal Consultant

In the last couple of months, local governments across the state have adjusted to something that was inconceivable to most, COVID-19. As cases of COVID-19 cropped up, municipal officials closed municipal buildings and allowed those employees who could, the option of working from home. And while municipal employees have successfully navigated the transition to working from home, it is critical that employees remember that while the location of work has changed, the requirements related to the records created and received as part of that work have not.

Every municipality should have a properly adopted records retention policy that addresses records made and received as part of municipal business. This policy dictates how long certain municipal records and information, whether in paper or digital format, created on a work computer or smart phone or a personal computer or smart phone, must be retained. Employees need to be familiar with this policy and adhere to it.

Additionally, if employees removed municipal records from the office for use at home, a log of those records should be maintained. As the records are returned to the office, the log should be updated to indicate that the records were returned.

Finally, municipal employees need to be cognizant of the fact that citizens and the press are very interested in how governments are operating right now. An increased number of public records requests related to the response to this pandemic is very likely in the coming months. Putting in the time now to ensure that records and information are maintained properly will assist municipal employees in effectively and efficiently responding to the requests that are sure to be forthcoming.

**If you have questions, please contact Elisha Hodge at 615-532-6827.**



## Budgeting for Your City in These Tough Economic Times

Al Major, MTAS Finance and Accounting Consultant



Well, this is certainly a different year with a downturn in the economy outside of our control. Revenue shortfalls, furloughs and general cutbacks are on our budget minds. What to do?

First, consider your city revenues. Sure, they are down, but by how much and for how long? At this time of the year we are considering budget amendments. Normally, the revenue estimates are simple annualizations of actual receipts. (Dividing year-to-date revenues by the number of months and multiplying by 12 months). That will not work for FY 2020 since revenues are not as consistent as usual.

Still, some revenue revisions down are worth considering. In many cases, you can look at the same month last year to get an actual dollar change from year-to-year. This would give you some idea as to the percentage drop in revenues for the last months in FY 2020. The state shared taxes generally run two months behind. It wasn't until March that coronavirus began to get national attention and economic things began to slow, which means that your state shared revenues would not drop due to the coronavirus until your May 2020 revenues-which we have not seen yet. We can expect June to see a larger, full month drop.

Because local and state sales began dropping in the latter part of March, we would expect that receipts for May will be down some and June to be down more due to a full month of a shelter-at-home economics.

Room occupancy taxes will be especially hard hit. Few people are traveling so lodging tax revenues are way down. Still, two months behind means that actual June receipts will be much lower, if not close to zero. Next year travel-related tax revenues will improve from zero, but we should still expect these revenues to be down for the FY 2021 budget as well. It would be wise to plan on a 25 percent drop for FY 2021.

Gas taxes and state street aid are based on gallons sold, rather than price per gallon. People are not traveling much, but with the price of gas so low, the gallons sold may be higher than expected although still lower. We could see these taxes to be close to normal.



Property taxes will not change much unless our statewide recovery is low. Plan on a negligible reduction for the FY 2020 year. Property taxes in FY 2021 should be fine unless we have a more extended downturn in the state economy as well as a resulting rash of bankruptcies.

FY 2021 will be the last year for a state income tax (Hall Income Tax). The tax rate drops from 2 percent for this year and to 1 percent for FY 2021. Revenues from this tax are hard to estimate because it is based on the investments of taxpayers which they can change at any time. Also, the tax filings date has been delayed until July 15, 2020 and your percentage of those taxes will be sent out later than usual.

Other revenues are mostly local and therefore not as easy to generalize. It is possible that smaller communities will be less impacted than metro areas which means that their ability to rebound will dictate their future revenues.

This leaves the other half of the budget equation-expenditures. You are in control of this. Now is the time to reduce cash capital spending and extraneous expenditures. New debt for necessary capital improvements will leave your cash available for other items although you would have new debt service in FY 2021. Even repairs and maintenance can be deferred for a time. While not easy to do, we have seen furloughs in some cities already.

This leaves your fund balance to supplement revenue shortfalls. Those of you with a healthy fund balance, such as an amount over a year's worth of revenue, should be fine. Those with a weak fund balance will have very little wiggle room for those unexpected expenditures. You cannot wait for things to happen. Plan and cut expenditures now as things will get worse before they get better.

If you would like assistance or have questions with any of this information, please contact your MTAS consultant. <http://www.mtas.tennessee.edu/staff>



**Resources**

Tax Filing and Payment Extension: COVID-19 Relief. Notice #20-06. March 2020. Tennessee Department of Revenue. <https://www.tn.gov/content/dam/tn/revenue/documents/notices/income/20-06income.pdf>

## MTAS Training & Development ... the E-Edition

Abb Oglesby, MTAS Training and Development Program Manager

As the state moved into social distancing to fight the spread of COVID-19, MTAS Training & Development began looking for ways to serve you, our customers, during this peculiar time.

The first rule of social distancing is, well, distancing. That said, we could not provide you with our schedule of in-person courses while remaining socially distant. Members of our team spoke with many of you to find out what would best fit your varying situations. The team listened and went online!

We started by beefing up our on-demand web offerings and testing live virtual classes with Introduction to Grant Writing. That worked so well that our summer schedule of Continuing Municipal Education courses are to be held live online. The Certified Municipal Finance Officer courses are also being held online in May, June and July so that those customers can complete their certification process on time as intended.

Additionally, MTAS Training & Development consultants have designed a Virtual Coffee Series of six, one-hour courses to be held over the months of May, June and July ... all six for free!

We appreciate your patience and look forward to seeing everyone in person very soon. Who knows, you may even see more virtual classes head your way in the future!



**k@te**

Please check out K@te for more information on these online sessions and to register.

<https://kate.tennessee.edu/>



## Innovation News

### Chattanooga Smart City Research Surpasses \$110 Million in Funding

A coalition of Chattanooga government, university, business and nonprofit agencies have secured \$110 million in federal funding to execute the Chattanooga Smart Community Collaborative. The collaborative comprises a series of projects focused on applying new, connected and interactive technologies that can track and positively influence the city’s energy consumption, public and environmental health, and transportation footprint.

Many of these projects are enabled by the citywide fiber network that was installed by Chattanooga’s local power company, EPB, in 2009; this network made Chattanooga the first “Gig City” in the Western hemisphere (the first city to roll out a citywide gigabit network) and, within its first four years, added at least 2,800 jobs and spurred more than \$865 million in investment into the local economy by cutting power outages, improving data connections, lowering power bills, and attracting businesses to the area. Learn more about the Chattanooga Smart Community Collaborative [here](#).



### New KUB Solar Installation



The Knoxville Utilities Board (KUB) has signed a long-term power supply agreement with TVA and will build a 212-megawatt solar facility in Knoxville, which will be the largest solar facility of its kind in Tennessee. As part of the agreement, TVA will provide a 3.1 percent rebate to KUB, saving the city-owned utility \$9.5 million a year, and will help support Knoxville’s plan to build its own 212-megawatt solar farm projected to supply about 8 percent of KUB’s annual electric load. KUB will build its own solar generating facility under TVA’s Green Invest program to help meet the renewable goals of private companies wanting to buy only renewable power. Read more [here](#).



# UPCOMING CONFERENCES



## Alliance for Innovation – TLG Conference is Moving to an Online Experience this Summer!

July 28-30, 2020 | [Register](#)

The Transforming Local Government (TLG) 2020 Experience kicks off Tuesday, July 28, with two pre-conference workshops: The Essential Skills of Effective Change Makers and Smart Cities with Oracle. Wednesday July 29 and Thursday July 30 will each be filled with five jam-packed hours of showcasing the TLG content you know, love and need right now.

Our previously scheduled live keynotes Rebecca Ryan, Dr. Marie Peoples, Pam Davis and Ed Zuercher, and special fourth keynote speaker, will join you from our virtual main stage.

The conference will also provide networking opportunities, a virtual expo hall, and a celebration of our 2020 AFI Award winners.

We are thankful for partnerships like ours and are happy to offer a \$50 discount code to all association members. Please enter the code “ASSOC” during the registration process to have this discount applied.

For more information on the sessions and to register you can go to <https://www.transformgov.org/tlg2020/>

### ICMA 2020 Annual Conference – Virtual

September 23-26, 2020 | [Details](#)

### Public Entity Partners Risk Symposium

August 19-21, 2020 | Franklin | [Details](#)

### TGFOA Fall Conference

October 7-9, 2020 | Murfreesboro | [Details](#)

### TCMA Fall Conference

November 3-5, 2020 | Franklin | [Details](#)

## Municipal Technical Advisory Service Institute for Public Service

1610 University Ave.  
Knoxville, TN 37921  
Phone: (865) 974-0411  
Fax: (865) 974-0423



INSTITUTE *for* PUBLIC SERVICE