TOWN OF ASHLAND CITY
Special Called City Council Budget Meeting
May 12, 2026, 6:00 PM
Minutes

CALL TO ORDER
Mayor Greer called the meeting to order at 6:19 pm.

ROLL CALL
Mayor Greer
Councilwoman Binkley
Vice Mayor Chris Kerrigan
Councilman Michael Smith
Councilman Kevin Thompson
Councilman Tony Young
ABSENT:
Councilman Tim Adkins

APPROVAL OF AGENDA

A motion was made by Councilman Thompson, Seconded by Councilman Young, to approve the agenda. All approved by voice vote. **Motion Passes**

APPROVAL OF MINUTES

1. Approval of the July ,22, 2025, Special Called City Council Meeting
   A motion was made by Councilman Thompson, Seconded by Councilman Young, to approve the July 22, 2025, Special Called City Council Meeting Minutes. All approved by voice vote. **Motion Passes**

PUBLIC FORUM

None

NEW BUSINESS

2. Fiscal Year 26 / 27 Budget

   Mayor Greer opened the floor to Finance Director Will Duffel to review updates and changes to the proposed Fiscal Year 2026/2027 Budget. Mr. Duffel advised several changes had occurred since the previous workshop meeting. The first change involved the City's property and liability insurance rates, which had not yet been finalized. He stated the City anticipated receiving updated rates by the following week. The second major change involved notification from TCRS that the employer contribution rate for retirement would increase approximately 12% for Fiscal Year 2027. Mr. Duffel explained the City's contribution rate would increase from 7.5% to 8.38%, resulting in an unplanned additional expense of approximately $50,000.

   Mr. Duffel also advised Attorney Noe had reached an agreement with the property owner near the collapsed bridge area on the Bicentennial Trail. Instead of constructing a costly replacement bridge, the City negotiated construction of a berm at a significantly lower cost, estimated at approximately $40,000. Mr. Duffel further reminded Council that the proposed Fiscal Year 2027 deficit included approximately $480,000 in costs associated with Phase 1 of the Bicentennial Trail Project and stressed that those costs represented long-term improvements and not solely operational or maintenance expenses.

Attorney Noe informed Council that the State of Tennessee had adopted an annual census process, which would impact state shared revenue calculations. Mr. Duffel explained the City had historically used a population estimate of approximately 5,100 residents, but updated projections estimated the population at approximately 5,900 residents. Using the revised population estimate would result in an anticipated increase of approximately $175,000 in state shared revenue.

Mr. Duffel advised additional accounting adjustments had been made to normalize Fiscal Year 2026 and 2027 budget comparisons due to accrual adjustments that impacted how revenues were recorded between fiscal periods. He stated updated budget copies reflected those accounting changes. He also revisited discussion regarding Hotel/Motel Occupancy Tax revenues and advised City staff had consulted with both the State Comptroller's Office and the Tennessee Hospitality and Tourism Association regarding the handling of tourism funds. Mr. Duffel stated both entities confirmed the City was not required to maintain a separate fund account for Hotel/Motel Tax revenues. However, he recommended establishing a separate accounting line item to better track tourism-related revenues and expenditures moving forward. He also corrected a statement from the prior meeting, advising the City had previously spent approximately $163,500 of Hotel/Motel Tax revenues in 2024 on architectural fees and had properly reported those expenditures to the Comptroller.

Mr. Duffel reviewed the updated budget summary and advised the net effect of all changes reduced the projected General Fund deficit from approximately $722,000 to approximately $656,000, despite inclusion of the additional 1% COLA increase. Mayor Greer asked Mr. Duffel to compare the Fiscal Year 2026 estimated results against the originally budgeted figures. Mr. Duffel explained that while the City originally projected a deficit of approximately $300,000 for Fiscal Year 2026, current estimates projected only an $8,400 deficit, largely because Bicentennial Trail expenditures had not yet occurred during the current fiscal year. Mr. Nicholson credited department heads for carefully controlling expenditures throughout the year.

Mr. Duffel then reviewed projected revenues and departmental expenditures. He advised total General Fund revenues were budgeted at approximately $11.2 million, including local tax revenues, building permits, intergovernmental revenues, fines, and other revenue sources. Departmental budget projections included:
• Court Department – $301,600
• Finance Department – $1.3 million
• Information Technology Department – $342,000
• Building and Codes Department – $425,000
• General Government Buildings – $135,000
• Police Department – $2.5 million
• Fire Department – $3 million
• Streets Department – $839,000
• Thrive 55+ Department – $455,000
• Parks and Recreation Department – $3.4 million, including approximately $2.4 million related to the Bicentennial Trail Project.

During discussion regarding the Thrive 55+ Department budget, Mayor Greer advised he had met with County Mayor Kerry McCarver to discuss county assistance with funding the Senior Center. Mayor Greer explained approximately 60% of the Senior Center's membership resides outside city limits but within Cheatham County. He stated Mayor McCarver indicated he would discuss potential county funding during the County's budget process and that the response had been positive thus far. Councilman Thompson asked whether similar discussions had occurred regarding Fire Department calls outside city limits. Chief Walker advised the City remained under a four-year agreement with the County for fire coverage. Mr. Duffel stated the City currently receives approximately $444,538 from the County for Fire Department services and would receive a 3% increase during the upcoming fiscal year.

Mayor Greer addressed previous discussion regarding the use of Hotel/Motel Occupancy Tax revenues for Summerfest. He stated he preferred using tourism funds for long-term investments such as park improvements, bridge repairs, signage, and infrastructure rather than for short-term events. Mr. Duffel reviewed prior Summerfest profit and loss reports and advised the event had historically operated at a deficit in nearly every year except 2023. Mayor Greer and Mr. Duffel both stated they believed investing tourism dollars into permanent park improvements would provide greater long-term benefit for the Town than funding a five-day event. Vice Mayor Kerrigan clarified projected ending balances related to those tourism expenditures.

Mr. Duffel then reviewed Street Aid and Drug Fund budgets, noting no significant changes, and moved into the Water and Sewer Fund budgets. He advised total Water and Sewer Department revenues were projected at approximately $6.3 million, with Water expenses estimated at $4.3 million and Sewer expenses estimated at $4.1 million. The Enterprise Fund ending balance was projected at approximately $29 million.

Mr. Nicholson requested additional discussion regarding the proposed Motorola radio purchase options. Mr. Duffel reviewed the three financing options available to the City, including purchasing independently or jointly with Cheatham County while issuing separate purchase orders. Mayor Greer stated he preferred Option 3 because it provided a 7% discount compared to the standard 5% discount.

A motion was made by Councilman Thompson, seconded by Councilwoman Binkley, to approve Option 2 for the Motorola radio financing proposal. Voting Yay: Councilman Thompson, Councilwoman Binkley, Vice Mayor Kerrigan, Councilman Smith, Councilman Young, and Mayor Greer. Voting Nay: None. Absent: Councilman Adkins. Motion passed 6-0.

Mr. Nicholson asked Attorney Noe to prepare a Resolution for the next meeting authorizing joint participation between Ashland City and Cheatham County for the coordinated purchase agreement. Attorney Noe confirmed she would prepare the Resolution.

Following completion of Mr. Duffel's presentation, Mayor Greer opened the floor for further budget discussion. Councilwoman Binkley made a motion to approve the budget. Before discussion continued, Attorney Noe advised a second was required under Robert's Rules of Order. Councilman Smith seconded the motion, and discussion resumed. Councilman Thompson asked what the final projected deficit would be under the proposed budget, and Mr. Duffel advised the projected General Fund deficit was approximately $656,000. Mayor Greer clarified approximately $480,000 of that amount related directly to Bicentennial Trail commitments. Attorney Noe further clarified the Water and Sewer Enterprise Fund remained approximately $29 million positive.

Vice Mayor Kerrigan stated he appreciated the work completed by City employees and staff during the budget process but stated he could not support a budget operating at a deficit. Councilwoman Binkley asked whether there were additional suggestions to eliminate or reduce the deficit. Councilman Thompson stated he believed the City needed to revisit discussion regarding a property tax increase, noting Council had previously discussed the issue but did not raise the rate enough to address long-term needs. Vice Mayor Kerrigan estimated the City would require approximately a 23.8-cent property tax increase to eliminate the deficit, while Mr. Duffel calculated the required increase at approximately 22.63 cents. Councilman Thompson asked Mr. Duffel to explain what such an increase would mean for the owner of a $250,000 home within the city. Mr. Duffel advised the annual property tax bill would increase from approximately $1,162 to approximately $1,727, representing an increase of approximately $565 annually. Councilman Thompson stated he did not believe such an increase would be acceptable to residents and requested that Mr. Duffel remove the proposed tax increase calculations.

Councilman Smith suggested exploring impact fees for future development. Mr. Nicholson stated this may be an opportunity to work with the County regarding development-related funding, although he expressed hesitation about implementing impact fees immediately. Vice Mayor Kerrigan asked whether the City had legal authority to impose impact fees. Attorney Noe advised the City already had authority to impose an Adequate Facilities Tax, which had previously been approved but never implemented. She explained the tax would be assessed based on square footage rather than as a flat fee.

A motion was made by Councilwoman Binkley, seconded by Councilman Smith, to approve the General Fund Budget and the Enterprise Fund Budget. Voting Yay: Councilwoman Binkley, Councilman Smith, Councilman Young, Mayor Greer Voting Nay: Councilman Thompson, Vice Mayor Kerrigan, **ABSENT:** Councilman Adkins **4 to 2 VOTE MOTION PASSES**

OTHER

ADJOURNMENT

A motion was made by Councilman Thompson, seconded by Councilman Young, to adjourn the meeting. All approved by voice vote and the meeting adjourned at 7:46 PM

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MAYOR GERALD GREER

Mary Molepske
CITY RECORDER MARY MOLEPSKE