

MURFREESBORO CITY COUNCIL
Workshop Meeting Agenda
Airport Business Center – 11:30 AM
August 8, 2024

Public Comment on Actionable Agenda Items

Action Items

1. FY25 Budget Amendment (2nd and Final Reading) (Administration)
Final Reading: Ordinance 24-O-27
2. Resolution 24-R-24 Schools FY25 Budget Amendment #1 (Schools)
3. Retail Liquor Certificate of Compliance - Super 9 Wine & Spirits - Ownership Change (Finance)
4. Retail Liquor Certificate of Compliance - Super 9 Wine & Spirits - Ownership Change (Finance)
5. Ordinance 24-O-25 Ethics Code (Legal)
6. Notes Live Termination Agreement (Administration)

Workshop Items

7. CiP Transfers (Finance)
8. Murfreesboro Community Investment Trust Annual Report (Administration)
9. Wayfinding and Signage Program Update (Administration)
10. CUD and City General Water Line Relocation Agreement (Administration)
11. Reorganization of City Courts (Administration)
12. Reorganization of Tax & Finance Department (Administration)
13. June Dashboard (Administration)

Board & Commission Appointments

Licensing

Payment of Statements

Other Business

Adjourn

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: FY25 Budget Amendment [2nd and Final Reading]

Department: Administration

Presented by: Erin Tucker, Budget Director

Requested Council Action:

- Ordinance
 - Resolution
 - Motion
 - Direction
 - Information
-

Summary

Amendment to the City’s FY25 Budget Ordinance on second and final reading.

Staff Recommendation

Approve Ordinance 24-O-27, amending the City’s budget.

Background Information

General Fund

Revenue adjustments

The FY25 Budget was developed using preliminary FY24 projections for several revenue sources. Actual revenue data reflect higher than projected results which should be reflected in the FY25 budget, as shown in the chart below:

	FY25 BUDGET - AS APPROVED	RECOMMENDED ADJUSTMENT	F25 BUDGET - REVISED
Local Sales Tax	\$ 72,521,000	\$ 1,050,000	\$ 73,571,000
State Sales Tax	\$ 18,769,082	\$ 190,000	\$ 18,959,082
Gross Receipts Tax	\$ 5,500,000	\$ 600,000	\$ 6,100,000
City Court Fines & Penalties	\$ 1,300,000	\$ 110,000	\$ 1,410,000
	\$ 98,090,082	\$ 1,950,000	\$ 100,040,082

After review of actual FY24 results and comparisons to FY23, it is appropriate to budget an allowance for vacancies City-wide that reflects typical payroll cost savings. This allowance totals \$2 million, exclusive of the already budgeted Police and Parks and Recreation allowance for vacancies.

Public Safety Pay Plan

Staff surveyed neighboring Middle Tennessee cities to compare the City's Police Pay Plan to peer cities. The results of the survey determined that the Police pay plan should be adjusted by 2.5%-7.5% to better attract and retain sworn Police officers. In addition, the survey results reflect that the Fire Pay Plan should be adjusted by 11.5%-13.5%.

Fire Rescue

The Fire Rescue Department's payroll increases result in a recommended increase of approximately \$2,415,000.

Police

The Police Department's payroll increases result in a recommended increase of approximately \$1,670,000. In addition, the allowance for vacancies for Police will increase by \$135,000.

Public Safety Equipment and Fixed Asset adjustments

At the June 20, 2024, City Council meeting, Council approved the purchase of a firing range at a cost of \$1.4 million. An additional \$100,000 is included to fund additional costs, including appraisals and closing costs, for a total budget amendment of \$1.5 million.

Murfreesboro Fire Rescue (MFRD) received a \$358k Assistance to Firefighters grant to promote firefighter wellness. The grant requires a \$36k local match. A budget amendment is needed to recognize the grant revenues and expenditures.

There are \$83k in technology upgrades not completed in FY24 for MFRD that need to be re-budgeted in FY25. These will be included in the Assigned prior-year carryforward in the FY24 audit report.

State Street Aid

At the July 18, 2024, Council meeting, Council approved \$150,000 in fiber optic cable and upgrades between Cason Lane to Veterans Parkway that were not included in the TDOT funded project on New Salem Highway Phase 3. These costs will be funded out of the State Street Aid Fund Balance.

Airport Fund

As part of the Airport Fund's intention to acquire properties as they come available in the Federal Runway Protection Zone, a budget amendment is requested to the increase land purchase expense by \$400k for a potential property purchase.

Council Priorities Served*Responsible Budgeting*

The budget amendments reflect the City's increased revenues and expenses.

Fiscal Impact

The amendment to the City's FY25 budget results in a total increased use of Unassigned Fund Balance of \$1.53 million, an increased use of restricted State Street Aid funds of \$150,000, and an increased use of Airport Fund's fund balance of \$400,000.

Attachments

FY24 City Budget Ordinance 24-O-27 and Exhibit A

ORDINANCE 24-O-27 amending the Fiscal Year 2025 (hereafter “FY2025”) Budget (1st Amendment).

WHEREAS, the City Council adopted the FY2025 Budget by motion; and,

WHEREAS, the City Council adopted an appropriations ordinance, Ordinance 24-O-14, on June 13, 2024 to implement the FY2025 Budget; and,

WHEREAS, it is now desirable and appropriate to adjust and modify the FY2025 Budget and authorized full-time position counts adopted by this Ordinance to incorporate expenditure and hiring decisions made during the 2024-2025 fiscal year.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. The FY2025 Budget adopted by the City Council is hereby revised and amended as shown on Exhibit A, attached hereto.

SECTION 2. That this Ordinance take effect immediately upon and after its passage upon second and final reading, as an emergency Ordinance, an emergency existing, and it being imperative to provide for the necessary expenses, general and special, of said City of Murfreesboro for the FY2025 at the earliest practicable time, the welfare of the City requiring it.

Passed:

1st reading _____

2nd reading _____

Shane McFarland, Mayor

ATTEST:

Amanda DeRosia
Interim City Recorder

APPROVED AS TO FORM:

DocuSigned by:
Adam F. Tucker

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Adam F. Tucker
City Attorney

SEAL

Department	Account	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
<u>General Fund</u>				
<u>Revenues</u>				
	<u>Unassigned</u>			
General	Local Sales Tax	\$ 72,521,000.00	\$ 73,571,000.00	\$ 1,050,000.00
	State Sales Tax	\$ 18,769,082.00	\$ 18,959,082.00	\$ 190,000.00
	Gross Receipts Tax	\$ 5,500,000.00	\$ 6,100,000.00	\$ 600,000.00
	City Court Fines & Penalties	\$ 1,300,000.00	\$ 1,410,000.00	\$ 110,000.00
Fire	Federal Grants	\$ 201,200.00	\$ 558,836.89	\$ 357,636.89
				<u>\$ 2,307,636.89</u>
 <u>Expenditures</u>				
	<u>Restricted/Assigned</u>			
State Street Aid	Repair & Maintenance Traffic Lights	\$ 400,000.00	\$ 550,000.00	\$ 150,000.00
Fire	Computer Equipment	\$ 29,805.00	\$ 113,084.75	\$ 83,279.75
	<u>Unassigned</u>			
Police	Land Expense		\$ 1,500,000.00	\$ 1,500,000.00
Police	Salaries & Benefits	\$ 44,991,156.00	\$ 46,661,156.00	\$ 1,670,000.00
Police	Allowance for Vacancies		\$ (135,000.00)	\$ (135,000.00)
General Fund	Allowance for Vacancies		\$ (2,000,000.00)	\$ (2,000,000.00)
Fire	Salaries & Benefits	\$ 26,982,605.00	\$ 29,397,605.00	\$ 2,415,000.00
Fire	Grant Expense	\$ 201,200.00	\$ 594,600.58	\$ 393,400.58
				<u>\$ 4,076,680.33</u>
CHANGE IN RESERVED, RESTRICTED, AND ASSIGNED FUND BALANCE		\$ (82,946,303.00)	\$ (83,179,582.75)	\$ 233,279.75
CHANGE IN UNASSIGNED FUND BALANCE		\$ (1,563,518.00)	\$ (3,099,281.69)	\$ 1,535,763.69
ESTIMATED ENDING FUND BALANCE		\$ 136,077,890.00		
Adjustments for FY24 Closing Entries				
TOTAL ESTIMATED ENDING FUND BALANCE		\$ 136,077,890.00	\$ 134,308,846.56	\$ (1,769,043.44)

Department	Account	BUDGET AS PASSED OR PREV AMENDED	AMENDED BUDGET	AMENDMENT INCREASE (DECREASE)
<u>Airport Fund</u>				
<u>Expenditures</u>				
	Land Expense		\$ 400,000.00	\$ 400,000.00
				<u>\$ 400,000.00</u>
	CHANGE IN FUND BALANCE (CASH)	\$ (7,387.00)	\$ (407,387.00)	(400,000.00)

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Schools FY25 Budget Amendment #1

Department: City Schools

Presented by: Trey Duke, Director

Requested Council Action:

Ordinance	<input type="checkbox"/>
Resolution	<input checked="" type="checkbox"/>
Motion	<input type="checkbox"/>
Direction	<input type="checkbox"/>
Information	<input type="checkbox"/>

Summary

Schools budget amendment #1 to the FY25 General Purpose fund to budget new grant money awarded by United Way South-Central.

Staff Recommendation

Approve Resolution 24-R-24 amending the FY25 General Purpose fund as presented.

Background Information

On July 23, 2024, Murfreesboro City School Board approved the awarded grant for Fostering Resilience with Marginalized Youth and Families grant of \$85,000 by United Way South-Central. Funds will be used for a STARS school-based therapist and to partner with Read to Succeed to expand Family Literacy Nights to include a Social Emotional Learning (SEL) and multilingual focus.

Council Priorities Served

Responsible budgeting

Presenting budget amendments ensures compliance with state law, School Board policy, and City Council policy.

Fiscal Impact

The total increase in revenue of \$85,000 will be budgeted in the General-Purpose fund to recognize new revenues and related expenditures.

Attachments

1. Resolution 24-R-24
2. Exhibit A: MCS Budget Amendment #1

RESOLUTION 24-R-24 amending the Fiscal Year 2025 (hereafter "FY2025") Murfreesboro City Schools Budget (1st Amendment).

WHEREAS, the City Council adopted Resolution 24-R-17 on June 13, 2024 to implement the FY2025 Murfreesboro City Schools Budget; and

WHEREAS, it is now desirable and appropriate to adjust and modify the FY2025 Murfreesboro City Schools Budget by this Resolution to incorporate expenditure decisions made by the Murfreesboro City School Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. The FY2025 Murfreesboro City Schools Budget as adopted by the City Council is hereby revised as shown on attached Exhibit A.

SECTION 2. This Resolution shall be effective immediately upon its passage and adoption, the public welfare and the welfare of the City requiring it.

Passed: _____

Shane McFarland, Mayor

ATTEST:

APPROVED AS TO FORM:

Amanda DeRosia
Interim City Recorder

DocuSigned by:
Adam F. Tucker

Adam F. Tucker
City Attorney

Schools General Purpose School Fund
Fiscal Year 2024-25

Exhibit A to Resolution 24-R-24

Donation - (United Way)

Account Description	BUDGET	AMENDED	AMENDMENT
	AS PASSED OR	BUDGET	INCREASE
	PREV AMENDED		(DECREASE)
<u>Revenues</u>			
Donations and Gifts	15,000	100,000	85,000
Total Increase in Revenues	\$ 15,000	\$ 100,000	\$ 85,000
<u>Expenditures</u>			
Other Salaries and Wages	970,000	971,000	1,000
Social Security	181,270	181,335	65
Retirement	288,865	288,990	125
Medicare	42,395	42,410	15
Other Contracted Services	55,000	125,000	70,000
Other Supplies and Materials	35,000	48,795	13,795
Total Increase in Expenditures	\$ 1,572,530	\$ 1,657,530	\$ 85,000

CHANGE IN FUND BALANCE (CASH)

MCS was awarded a grant by the United Way of Rutherford & Cannon Counties in the amount of \$85,000. Funds from the Fostering Resilience with Marginalized Youth and Families grant will be used to fund one STARS school-based therapists \$71,205 and the remaining \$13,795 will be used to partner with Read To Succeed to expand Family Literacy Nights to include a Social Emotional

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Retail Liquor Certificate of Compliance – Super 9 Wine & Spirits – Ownership Change

Department: Finance

Presented by: Amanda DeRosia

Requested Council Action:

- Ordinance
 - Resolution
 - Motion
 - Direction
 - Information
-

Summary

Information pertaining to the issuance of a certificate of compliance for a retail liquor store.

Background Information

State law requires that an applicant for retail liquor stores obtain a certificate of compliance from the local jurisdiction to be submitted to the Tennessee Alcoholic Beverage Commission as part of the Commission’s licensing process. Compliance for the certificate is based only on the applicant’s criminal background information and that the location complies with local zoning ordinances and distance requirements.

A certificate of compliance is requested by Punit Patel for the Super 9 Wine & Spirits at 730 W Northfield Blvd. Suites E, F, G, which is a change of ownership for a retail liquor store. This request complies with statutory requirements.

Council Priorities Served

Maintain public safety

The City’s role in issuing a Certificate of Good Moral Character allows the City to be aware of locations that would like to operate as a retail liquor store, to review zoning restrictions, review applicant background issues, and check for past problems with following City Code.

Attachments

Summary of Request for Certificate of Compliance for Retail Liquor Store

City of Murfreesboro

Request for Certificate of Compliance for Retail Liquor Store

Summary of information from the application:

Owners/Partners/Stockholders/Officers:

Name	Punit R. Patel
Age	37
Home Address	361 Clearview Dr
Residency City/State	Murfreesboro, TN 37128
Race/Sex	Asian/M
Background Check Findings:	
City of Murfreesboro:	None
Rutherford County:	None
Nashville Criminal Court:	None
TBI:	None

Name of Business	Super 9 Wine & Spirits
Business Location	730 W Northfield Blvd. Suites E, F, G

Type of Application:

New Location	_____
Ownership Change	_____ X _____
Name Change	_____

Corporation	_____
Partnership	_____
LLC	_____ X _____
Sole Proprietor	_____

Application Completed Properly?	Yes
Application Completion Date:	7/24/2024

The actual application is available in the office of the City Recorder.

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Retail Liquor Certificate of Compliance – Super 9 Wine & Spirits – Ownership Change

Department: Finance

Presented by: Amanda DeRosia

Requested Council Action:

- Ordinance
 - Resolution
 - Motion
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A certificate of compliance is requested by Punit Patel for the Super 9 Wine & Spirits at 3035 New Salem Hwy. Suite C, which is a change of ownership for a retail liquor store. This request complies with statutory requirements.

Council Priorities Served

Maintain public safety

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Race/Sex	Asian/M
Background Check Findings:	
City of Murfreesboro:	None
Rutherford County:	None
Nashville Criminal Court:	None
TBI:	None

Name of Business	Super 9 Wine & Spirits
Business Location	3035 New Salem Hwy. Suite C

Type of Application:

New Location	_____
Ownership Change	_____ X _____
Name Change	_____
Corporation	_____
Partnership	_____
LLC	_____ X _____
Sole Proprietor	_____

Application Completed Properly?	Yes
Application Completion Date:	7/24/2024

The actual application is available in the office of the City Recorder.

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Ordinance 24-O-25 – Ethics Code

Department: Legal

Presented by: Adam F. Tucker

Requested Council Action:

- Ordinance
 - Resolution
 - Motion
 - Direction
 - Information
-

Summary

Ordinance 24-O-25 would codify as part of the Murfreesboro City Code a new ethics code for City officials and employees

Staff Recommendation

Adopt Ordinance 24-O-25

Background Information

The City’s ethical standards for City officials and employees are currently spread across multiple sections of the Employee Handbook. The proposed ordinance would consolidate the standards in these various policies into a single article within the Murfreesboro City Code and provide greater clarity regarding the application of these standards, as well as add additional standards consistent with those adopted by other municipalities in Tennessee.

A notable weakness of the City’s current ethical policies is that there are not well-defined procedures for investigating ethics complaints. Moreover, there is no clear mechanism for ruling on or taking action in response to ethics complaints. The ordinance seeks to remedy both issues by establishing clear procedures for handling ethics complaints

The proposed ordinance draws on various sources, including: MTAS’s Model Code of Ethics and ethics policies of Metro Nashville, Franklin, Brentwood, Clarksville, and Lebanon.

Council Priorities Served

Establish strong City brand

Trust and confidence in government requires that government officials and employees act with honesty, integrity, and impartiality, and it is the responsibility of all City officials and employees to perform their jobs in a manner that fosters this public trust.

Operational Issues

None

Fiscal Impact

None

Attachments

Ordinance 24-O-25

ORDINANCE 24-O-25 amending the Murfreesboro City Code, Chapter 2, Administration, Article XV, adopting an ethics code for City officials and employees.

WHEREAS, honesty, integrity, impartiality, and ethical conduct on the part of government officials and employees are essential to effective government and to maintaining the public's trust and confidence in government; and

WHEREAS, it is, therefore, the responsibility of all City officials and employees to perform their jobs in a manner that fosters this public trust by providing quality service, avoiding conflicts of interest or use of their position for personal gain, or by remaining accountable to the City's residents; and

WHEREAS, it is the will of City Council to establish an ethics code establishing ethical standards for City officials and employees.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. Chapter 2, Administration, Article XV of the Murfreesboro City Code is hereby amended by changing the title of Article XV from "Reserved" to "Ethics Code" and replacing the current reserved sections as follows:

Section 2-315 Declaration of Policy.

Honesty, integrity, impartiality, and ethical conduct on the part of government officials and employees are essential to effective government and to maintaining the public's trust and confidence in government. It is, therefore, the responsibility of all City officials and employees to perform their jobs in a manner that fosters this public trust by providing quality service, by avoiding conflicts of interest or use of their position for personal gain, or by remaining accountable to the City's residents.

Section 2-316 Applicability and interpretation.

(A) The article sets forth the ethics code for the City of Murfreesboro ("Ethics Code"). Except as otherwise provided in this article, the Ethics Code applies to all full-time and part-time elected or appointed officials and employees, whether compensated or not, including to officials serving on or employed by any board, commission, committee, authority, corporation, or other instrumentality appointed or created by the City.

(B) Acts or omissions proscribed by the Ethics Code may also violate state or federal law. This chapter is not intended to supersede any such law. In any situation in which an act or omission constitutes a conflict of interest under state law, the more restrictive provision shall apply.

(C) The interpretations of the Tennessee Ethics Commission shall serve as guidance in interpreting this chapter. In the absence of applicable guidance, the Ethics Code shall be interpreted and enforced from the standpoint of a reasonable person evaluating all the relevant facts and circumstances.

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Notes Live Termination Agreement

Department: Water Resources

Presented by: Darren Gore

Requested Council Action:

- | | |
|-------------|-------------------------------------|
| Ordinance | <input type="checkbox"/> |
| Resolution | <input type="checkbox"/> |
| Motion | <input checked="" type="checkbox"/> |
| Direction | <input type="checkbox"/> |
| Information | <input type="checkbox"/> |
-

Summary

Notes Live (the successor-by-assignment) for Sunset on the Stones River, LLC and the City have mutually agreed not to proceed with the development of the project on city-owned property located at 1505-1522 Medical Center Pkwy. The project elements included:

- A state-of-the-art, open-air amphitheater with seating for 4,500 patrons;
- Bourbon Brothers Smokehouse and Tavern, an upscale, casual dining restaurant; and
- Boot Barn Hall, a 400-500-seat table setting, acoustically designed music and event venue that can be converted into 1,400 standing-room general admission hall.

Staff Recommendation

Approve the termination agreement.

Background Information

Under the original agreement, Notes Live was to begin work on the development no later than June 1, 2023. Failure to meet this deadline would have triggered a process for the land to be transferred back to the City; however, in May 2023, the City agreed to extend the deadline for starting this work until December 31, 2024.

Despite this accommodation by the City, Notes Live did not proceed with initiating the project under the terms set forth in the development agreement; therefore, the City and Notes Live, Inc. have mutually agreed to discontinue the development project as originally planned. The City sold the undeveloped property to Notes Live subject to reconveyance and other termination provisions in the original development agreement. The attached termination agreement is consistent with those provisions. Notes Live requested but did not receive the City's approval of certain changes to the scope of the project, including expansion of the amphitheater. The City declined the change request due to potential noise, parking and related issues.

Council Priorities Served

Improve economic development

Retaining 20.13 acres off of the city's Gateway Overlay District for future viable projects is essential to the city's economic development long-term goals and objectives.

Fiscal Impacts

The City will not incur any expenses and will receive prorated property taxes for the 2024 tax year accrued through the date of reconveyance.

Attachments

Termination Agreement

TERMINATION AGREEMENT

This Termination Agreement (“Agreement”), by and between the CITY OF MURFREESBORO, a Tennessee municipal corporation (the “City”) and SUNSET ON THE STONES RIVER, LLC, a Colorado limited liability company (successor-by-assignment to Notes Live, Inc., a Colorado corporation (“Sunset”), is effective as of August ____, 2024 (the “Effective Date”);

WHEREAS, Sunset and the City entered into that certain Development Agreement dated August 17, 2022 (the “Development Agreement”);

WHEREAS, in connection with the Development Agreement, Sunset and the City entered into that certain Use Agreement dated December 21, 2022 (the “Use Agreement”);

WHEREAS, the Development Agreement and the Use Agreement, together with other documents executed in connection therewith, were entered into in contemplation of development by Sunset of an entertainment venue with the City of Murfreesboro, as all more particularly set forth therein (the “Project”);

WHEREAS, Sunset and the City have mutually agreed not to proceed with development of the Project, and the parties are in agreement to terminate their respective rights and obligations in connection therewith;

NOW, THEREFORE, for and in consideration of the mutual covenants and undertakings set forth herein below, Sunset and the City hereby agree as follows:

1. The foregoing recitals are deemed true and correct and are hereby incorporated herein as substantive terms of this Agreement.
2. Subject only to the terms set forth below, the Development Agreement and the Use Agreement are hereby terminated, effective immediately, and neither party shall have any further rights, liabilities or obligations thereunder.
3. In accordance with Section of 6.4(a) of the Development Agreement, Sunset hereby covenants that, on or about the date hereof, it shall:
 - a. Reconvey the Property (as defined in the Development Agreement) to the City, without exceptions to title other than the exceptions of record on the date the City conveyed the Property to Sunset. In connection with said reconveyance closing, Sunset shall deposit into escrow, for the benefit of the City, prorated property taxes for the 2024 tax year accrued through the date of reconveyance. In addition, Sunset will provide the City at Sunset’s sole cost and expense a title insurance policy in the amount of \$3,267,000.00.

- b. Said reconveyance closing shall be conducted by and through the office of Rick Mansfield and, in connection therewith, Sunset shall execute and deliver such customary and reasonable documents as are necessary to effectuate the reconveyance of the Property to the City. The costs of closing (in an amount not to exceed \$23,500.00) shall be paid by Sunset.
4. The City hereby covenants that, on or about the date hereof, it shall:
 - a. Cancel, terminate and release (in form satisfactory to Sunset) the Promissory Note (as defined in the Development Agreement) heretofore executed and delivered by Sunset to the City.
 - b. Cancel, terminate and release of record the Lien to Secure Performance (as defined in the Development Agreement) heretofore executed and delivered by Sunset to the City and recorded in Record Book 2307, Pages 2391-2402, Rutherford County, Tennessee records.
5. Sunset and the City agree and covenant that, upon satisfaction of the parties' respective obligations under Sections 3 and 4 above, each such party is irrevocably released from all liabilities and obligations under the Development Agreement, the Use Agreement and all other documents, agreements and undertakings made or executed between them in connection with the Project; provided, however, that the execution of this Agreement and the parties' performance thereunder shall have no effect on the conservation easement created by the parties pursuant to Agreement for Grant of Conservation Easement for Greenway Trail Purposes, recorded in Record Book 2421, Pages 2329-2337, Rutherford County, Tennessee records.
6. As a separate undertaking, independent of the covenants set forth above, the parties hereby covenant and agree to publish jointly, as soon as reasonably practical, the following press release (the "Release Statement"):

"The City of Murfreesboro and Notes Live, Inc. have mutually agreed to discontinue a development project previously planned for 20.13 acres at the southeast corner of Medical Center Pkwy and Gateway Blvd. The project as originally conceived included construction of an amphitheater, restaurant, and indoor music hall at the site. The City sold the undeveloped property to Notes Live subject to reconveyance and other termination provisions if the project was discontinued. The City and Notes Live are proceeding with reconveyance of the property after Notes Live requested but did not receive the City's approval of certain changes to the scope of the project, including expansion of the amphitheater. The City declined the change request due to potential noise, parking and related issues."

The parties further agree and covenant that all future public statements regarding termination of the Project or the parties' relationship or rights and obligations relating thereto shall substantially conform to the Release Statement unless the other party agrees in advance to any additional or other statement regarding the subject matter.

IN WITNESS WHEREOF, the undersigned have set their hands under seal as of the day and year first-above written.

SUNSET ON THE STONES RIVER, LLC CITY OF MURFREESBORO

By: _____

Its: _____

By: Shane McFarland
Its: Mayor

ATTEST:

By: Amanda DeRosia
Its: Interim City Recorder

APPROVED AS TO FORM:

By: Adam Tucker
Its: City Attorney

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: CIP Transfers
Department: Finance
Presented by: Amanda DeRosia, Interim Finance Director

Summary

Notification to Council of CIP transfers.

Background Information

Major capital investments are generally funded by debt. The funds secured are allocated annually with the CIP Budget process. The transfer of CIP funds is something that is necessary under certain circumstances, such as transfer of priorities, unanticipated project delays, etc.

Another circumstance requiring CIP funds transfer is the potential for arbitrage earnings, which result in IRS penalties. Arbitrage earnings result when the City's investment earnings on unexpended funds are greater than the interest that is paid for those funds. The unprecedented rapid rise in interest rates has recently created a risk of arbitrage earnings unless transfer of CIP funds is undertaken. Council has granted the Finance Department authority to transfer funds when necessary to avoid IRS penalties on arbitrage earnings.

The transfers shown in the attached schedule show the proposed transfer of funds between the Bond Fund and the General Fund. The amount of funding for the existing projects listed does not change, only the source of the funds to be expended.

Council Priorities Served

Responsible budgeting

Proper management of borrowed funds is required to maintain the funding's tax status and avoid undue penalties.

Fiscal Impacts

The transfer of CIP Funds will have no effect on the CIP Funds balance.

Attachments:

1. CIP Transfers Schedule
2. CIP Funds Transfer Request – General Fund/2021 Bond

Funds Available by Loan Before Transfer

August, 2024

<u>Project</u>	<u>21 Bond Available Funds</u>	<u>General Fund Available Funds</u>	<u>2024 CIP Available Funds</u>	<u>County Shared Bonds Available Funds</u>	<u>MCS General Fund Available Funds</u>	<u>TOTAL Available Funds</u>
Mercury, Broad, Bradyville Intersection		7,912				7,912
Towne Creek		300				300
						-
Total	<u>-</u>	<u>8,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,212</u>

Funds Available by Loan After Reallocation

August, 2024

<u>Project</u>	<u>21 Bond Available Funds</u>	<u>General Fund Available Funds</u>	<u>2024 CIP Available Funds</u>	<u>County Shared Bonds Available Funds</u>	<u>MCS General Fund Available Funds</u>	<u>TOTAL Available Funds</u>
Mercury, Broad, Bradyville Intersection	7,912					7,912
Towne Creek	300					300
						-
Total	<u>8,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,212</u>



... creating a better quality of life

CIP Funds Transfer Request

Submitted for your approval is the following request to transfer CIP funds.

CIP Loan General Fund / 2021 Bond

Transfer CIP funds from:		Transfer CIP funds to:	
Mercury, Broad,Bradyville (2024)	(7,911.64)	Cherry Lane 2 (General Fund)	7,911.64
Cherry Lane 2 (2021)	(7,911.64)	Mercury, Broad,Bradyville (2021)	7,911.64
Town Creek (General Fund)	(300.00)	Cherry Lane 2 (General Fund)	300.00
Cherry Lane 2 (2021)	(300.00)	Town Creek (2021)	300.00
TOTAL TRANSFER		TOTAL TRANSFER	
	<u>(16,423.28)</u>		<u>16,423.28</u>

Explanation: To facilitate spending down the 2021 Bond, it is requested that the above listed projects that are funded with the General Fund and the 2024 CIP be swapped with the same projects in the 2021 Bond.

Vicki Massey 8/1/2024
 Reviewed by Finance Date

Approved	<input checked="" type="checkbox"/>	<u>Amanda DeRosia</u> Interim Finance Director
Declined	<input type="checkbox"/>	<u>08/01/2024</u> Date

Please send the original to Vicki Massey, Finance & Tax Dept., once all signatures have been obtained.

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: MCIT FY24 Annual Report
Department: Administration
Presented by: Kevin Gentry, Chair, MCIT Board of Trustees

Summary

Annual report of the Murfreesboro Community Investment Trust (MCIT) for FY24.

Background Information

The City Charter and MCIT Trust Agreement state that the Board of Trustees will provide an annual report to the City Council. The FY24 Annual Report is the first report following establishment and organization of Trust and the Board.

Council Priorities Served

Responsible budgeting

Creation of the Trust will provide the City with significant budgetary assistance for many decades.

Attachments

FY Annual Report of the Board of Trustees

FY24 MCIT BOARD OF TRUSTEES REPORT TO CITY COUNCIL

Executive Summary

For FY24, the Trust is fully established pursuant to the City's Charter. The Trust precise status under federal tax law is yet unresolved but not currently of concern. The Trust was administered within an approved and cost-efficient budget.

The Trust was established on January 24, 2023 with a balance of \$40,864,742. As of June 30, 2024, the Trust balance is \$54,342,340. Trust assets were increased by a scheduled transfer from the City of a portion of the payment July 1, 2023 payment received Middle Tennessee Electric and investment income.

At the beginning of 2024, a highly regarded professional investment manager was retained and is in the process of implementing an investment strategy. This strategy shifts the Trust's assets from short-term investments, which were held during the Trust's formation, into long-term investments that are consistent with an Investment Policy adopted by the Board of Trustees.

For FY25, the first year of disbursements, the Trust is to disburse \$2,433,012. Of this amount, \$2,068,060 is returned to the general fund and \$364,952 to 29 charitable organizations serving the community.

Going forward, FY25 income—the transfer from the City of the incremental MTE payment and investment income—will be invested in accordance with the Investment Policy. Additionally, the Board has adopted an administrative budget for FY25.

Establishment

The Murfreesboro Community Investment Trust was formed pursuant to the City Charter, § 4(C). The purposes of the Trust are:

- to support projects and programs of the City or other nonprofit institutions that benefit the City's inhabitants and improve or enhance the quality of life of the City's inhabitants or aid civic or other public improvements
- to promote and advance the social welfare of the inhabitants of the City
- to promote and support educational and recreational programs, facilities and opportunities within the City
- to promote and support economic development and employment opportunities within the City
- to fund public works within or benefiting the City
- to advance the general welfare of the City and its residents

On December 1, 2022, Council appointed a Board of Trustees. The Trustees meeting on January 24, 2023, signed the Trust Agreement and formed the Trust. The Board has oversight over the Trust with the authority to make operating and investment decisions. It also directs the required distributions from the Trust. The Trust disburses 5% of the Trust's funds as of December 31st each year. That disbursement amount is allocated 85% to the City and 15% to charitable organizations serving the Murfreesboro community.

On December 8, 2023, Council appointed the Trust's Committee on Contributions. The Committee reviews grant applications for Trust funds that are disbursed each year to charitable organizations. The Committee makes recommendations for charitable grants to the Board by February annually. Trustees report the planned disbursements to Council for final review and funds are disbursed in July.

At its initial meeting, the Board elected Kevin Gentry as its Chair. The Board also appointed a staff member as Secretary. Additionally, the Board adopted its Bylaws and policies that are consistent with maintaining its non-profit status: a Conflict of Interest Policy, a Whistleblower Policy, and a Record Retention Policy.

On February 28, 2023, the Committee on Contributions held its initial organizational meeting. The Committee operates under by-laws adopted by the Board of Trustees. At its initial meeting, the Committee elected Carl Montgomery as its Chair and appointed a staff member as Board Secretary.

Federal Tax Status

The Trust is formed as a tax-exempt entity. Its investment income, therefore, is not taxed. Most tax-exempt organizations fall under Internal Revenue Code (I.R.C.) § 501(c)(3), which exempts certain non-profit organizations from federal taxation. Such organizations seek a designation by the IRS that they are exempt under 501(c)(3) and the Trust is seeking such a designation. Additionally, because the Trust is a unit of the City, the Trust is seeking an IRS determination that it falls under the I.R.C. § 115. Section 115 exempts municipal revenue from federal taxes. The Trust's designation as a 501(c)(3) exempt entity and as an exempt unit of the City are currently pending.

Investment Management

As stated above, the Board has responsibility for investment of the Trust's assets. It has elected to secure the services of an Outsourced Chief Investment Officer, commonly referred to as an OCIO. An OCIO is a third-party consultant that provides investment oversight services to an organization.

Utilizing an OCIO for investment decisions is a standard practice for many foundations, pension plans, and other entities managing significant investment funds. By outsourcing this function, the Trust benefits from the OCIO's time, expertise, and access to resources, all of which are impractically expensive to develop in-house for all but the largest investment funds.

For the Trust, an OCIO is able to:

- Access tailored investment services and offerings and create custom investment strategies designed to achieve the Trust's goals
- Provide access to alternative classes of investment that would not be accessible to the Trust directly
- Provide specialized research and resources that optimize the Trust's portfolio performance
- Monitor market performance for solid investment decisions that protect the Trust's funds and take advantage of favorable market conditions.
- Provide a strong perspective of future risks and opportunities that will assist the Trust in building foundational strategies to maintain growth over a long horizon.

Retention of OCIO, who will serve the Trust for many years, is an important and complex decision. To assist in this critical decision, in May 2023, the Board retained the services of Alpha Capital Management. Alpha specializes in securing OCIO services and developed an RFQ to solicit the information necessary for the assessment of potential OCIOs. The RFQ secured 10 responses from high level investment managers providing OCIO services. These responses were narrowed to three firms. The Board conducted in-person interviews with these three firms and selected Marquette Associates.

Marquette has provided OCIO services for more than 35 years. It maintains 82 clients and has \$16 billion in assets under OCIO management. Its revenue is derived solely from consulting services, which means the firm has no affiliations or joint ventures that could compromise its ability to provide the Trust with objective, independent advice. Marquette also does not offer proprietary funds and avoids hidden fees or revenue streams. In sum, Marquette's advisor service allows the firm to build a custom, cost-effective portfolio specific to the Trust's needs and objectives.

Marquette's OCIO Committee is responsible for investment decisions for the firm's OCIO client portfolios. This Committee is comprised of 11 senior investment professionals. The Committee is supported by asset class specialists within Research and a dedicated team of OCIO analysts. Tim Burdick, CFA, has been assigned to the Trust as its Investment Officer. Mr. Burdick has 34 years of investment experience and is a member of Marquette's OCIO Committee. Additionally, Mr. Burdick happens to live in Middle Tennessee, which means he will be personally available for many Board meetings.

Investment Policy

Upon retention of an OCIO, the Board has adopted an Investment Policy, which is included in the Appendix hereto. This Policy was developed along with Marquette, a critical step in creating this important policy. The Investment Policy will guide the investment of Trust's assets. It is intended to balance preservation of Trust's assets over the long term with the need to generate sufficient returns to meet the Trust's short-term objectives. The Policy seeks to accomplish this balance through allocation of the Trust's investments among various asset classes with differing risk and return characteristics. The Board reviews the Investment Policy annually to ensure its goals are appropriate to achieve the Trust's desired long-term investment rate of return.

The Policy defines its diversification consistent with the Trust Agreement guidelines, which generally limits the total proportion of assets in certain types of investments. These guidelines proscribe Trust funds to be held in investments that are:

- Not more than 75% in common and preferred stocks
- Not more than 75% in notes and bonds or other fixed income securities
- Not more than 20% in foreign stocks, bonds, or other types of securities
- Not more than 40% in real property and private equity
- Not more than 10% in domestic and international stock index future contracts

Consistent with these guidelines, the Investment Policy sets investment allocation goals and benchmark indexes to measure the performance of each asset class to be measured. Table 1 reflects this allocation.

TABLE 1
Investment Policy Asset Class Allocation and Benchmarks

Asset Class	Long-Term Policy	Range	Benchmark
Equity			
U.S. Large Cap Equity	28%	24% - 32%	S&P 500 Index
U.S. Mid Cap Equity	7%	5% - 9%	Russell Mid-cap Index
U.S. Small Cap Equity	5%	3% - 7%	Russell 2000 Index
Non-U.S. Equity	10%	8% - 12%	MSCI ACWI ex-U.S. Index
Total Equity	50%	45% - 55%	
Alternative Investments			
Hedge Funds	5%	3% - 7%	HFRX Global Hedge Fund Index
Private Equity	10%	8% - 12%	Burgiss US Private Equity Index
Real Estate	5%	3% - 7%	NFI- ODCE
Infrastructure	5%	3% - 7%	SOFR + 3%
Total Alternative Investments	25%	20% - 30%	
Fixed Income & Cash			
U.S. Fixed Income	15%	12% - 18%	BarCap Int. Govt/Cred Index
Complementary Structured Strategies	10%	8% - 12%	Bloomberg US High Yield TR
Total Fixed Income & Cash	25%	20% - 30%	

The Policy seeks a long-term annual return of 7.5%. This level of return allows the Trust to grow while disbursing 5% of this its assets each year. Because preservation of assets is a concomitant objective, most investments represent a conservative risk profile. To achieve the Trust’s goal, however, it must utilize alternative investments—private debt and equity, global infrastructure, and real estate. These investments offer the commensurate returns expected from their higher risk profile and risk is mitigated as much as possible through the percentage of assets allocated to each investment class.

Current Investments

Prior to adoption of the Investment Policy, the Trust’s assets were held in short-term government securities, cash, or cash-equivalent instruments. With adoption of the Policy, Marquette developed a strategy to place the investments within asset class strategy over a six-month period. This strategy mitigates the risks of market volatility and eliminates an unduly risky attempt to market-time the investment. Table 2 outlines the Trust’s incremental investment strategy. The Policy allocation goals will be achieved in July 2024.

TABLE 2
Investment Implementation Schedule

Asset Class	Policy	Range	January	February	March	April	July
Equity							
US Large Cap Equity	28%	24% - 32%		10%	19%	28%	28%
US Mid Cap Equity	7%	5% - 9%		2%	5%	7%	7%
US Small Cap Equity	5%	3% - 7%		2%	3%	5%	5%
Non-US Equity	10%	8% - 12%		3%	6%	9%	9%
Total	50%	45% - 55%					
Alternative Investments							
Hedge Funds	5%			5%	5%	5%	5%
Real Estate	5%	3% - 7%		0%	5%	5%	5%
Private Equity	5%	8% - 12%		0%	0%	5%	5%
Private Debt	5%	3% - 7%		0%	0%	3%	3%
Infrastructure	5%	3% - 7%		0%	0%	0%	5%
Total	25%	20% - 30%					
Fixed Income and Cash							
Cash	0%		100%	63%	31%	6%	1%
US Fixed Income	15%	12% - 18%		15%	15%	18%	18%
Comp Structured Strategies	10%	8% - 12%		0%	10%	10%	10%
Total	25%	20% - 30%					

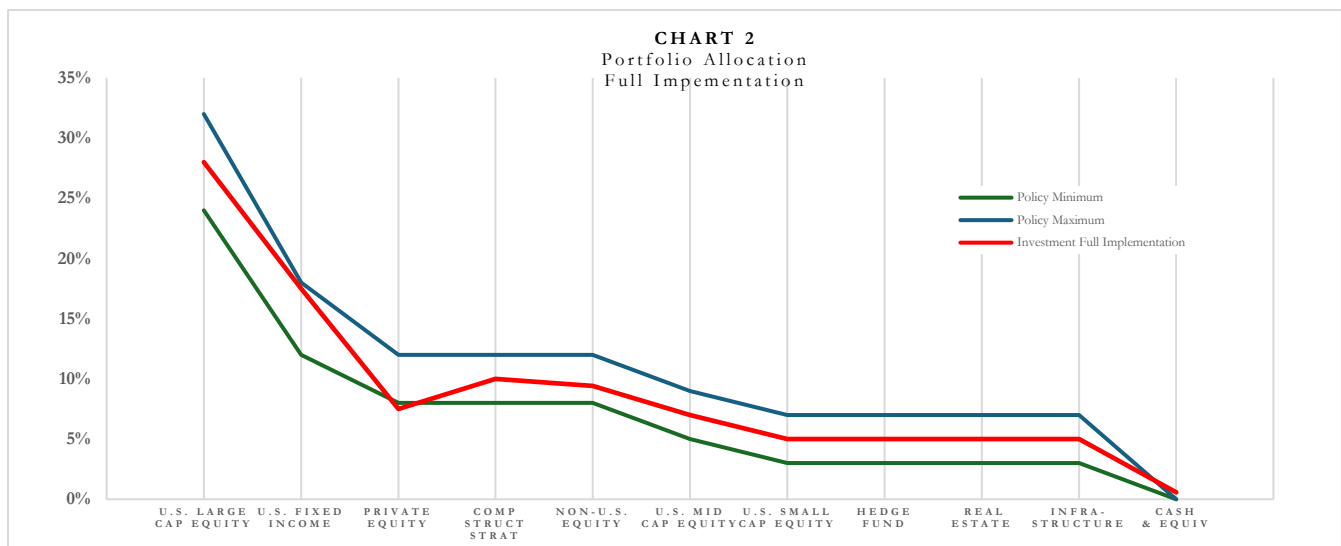
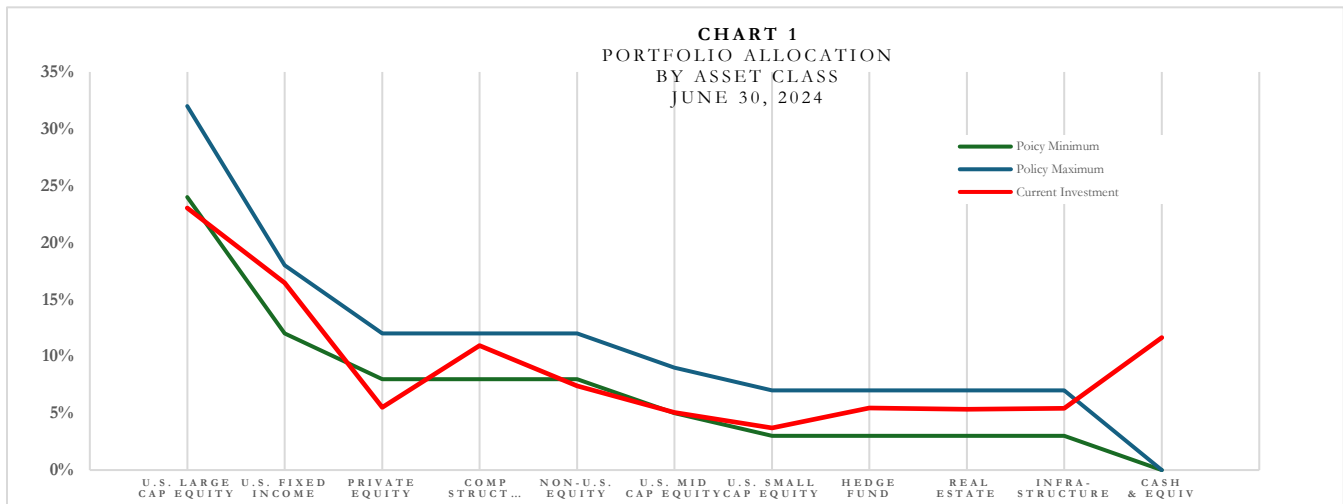
Table 3 reflects the Trust's investments as of June 30, 2024. The Trust's balance as of 6/30/24 is approximately \$54.4 million. Of this amount, the Trust received \$51.2 million allocated from the City. Earnings on investment less expenses, therefore, about \$3.2 million. This amount includes approximately \$2.4 million that is committed to be disbursed as detailed below.

TABLE 3
Portfolio Allocation: 6/30/24

Investment	Asset Class	Mkt Value	% Portfolio	Policy %
Cash/First American Gov't Ob Fund	Cash & Equivalents	4,761,211	8.75%	0%
Fidelity S&P 500 Index	U.S. Large Cap Equity	12,510,099	22.98%	28%
Baird Intermediate Bond Fund	U.S. Fixed Income	8,933,300	15.00%	15%
Shenkmann Capital Four Points Multi-Strategy	Comp Structured Strat	5,967,289	10.90%	10%
Fidelity Total International Index	Non-U.S. Equity	4,014,664	7.37%	10%
Fidelity Mid Cap Core	U.S. Mid-Cap Equity	2,743,935	5.04%	7%
Segall Bryant Small Cap Fund	U.S. Small Cap Equity	2,012,085	3.70%	5%
Parametric Defensive Equity	Hedge Fund	3,027,143	5.56%	5%
Bailard REIT I	Real Estate	2,900,000	5.00%	5%

Investment	Asset Class	Mkt Value	% Portfolio	Policy %
JPM Infrastructure Fund	Infrastructure	2,950,000	5.00 %	5%
Golub Capital Partners International 15	Private Equity	1,625,000	5.00%	5%
Partners Group Private Equity Fund II	Private Equity	3,000,000	5.00%	5%
Total		54,436,625		

Chart 1 reflects current investments relative to Investment Policy. Chart 2 investments upon full implementation of Marquette’s implementation strategy. Small variances are normal and significant variances will be addressed through rebalancing.



Operating Budget

For FY24, the Board adopted the budget shown in Table 4. Final expenditures during FY24, and future budget years, will be reported as part of the City's FY24 audit.

**TABLE 4
FY24 Budget**

	Budgeted	Projected	% Δ	Notes
Revenue				
Investment Earnings	2,000,000	2,005,000	0.25%	Projected at 5%
Donations				
Total Revenues	2,000,000	2,005,000	0.25%	
Expenses				
Administrative Services	155,000	155,000		City provided administration
Contractual Services	60,000	60,000	0.00%	OCIO Fee (Marquette)
Advertising	4,000	300	-92.50%	Publication/Website
Legal Services & Expenses	25,000	20,000	-20.00%	Bradley Arant to complete tax matters
Training & Travel		6,000		Grant seminar/Software Training
Office Supplies and Materials	100	100	0.00%	
General Liability Insurance	6,000	100	-98.33%	Foundant Software
Software Subscriptions	14,050	14,050	0.00%	E&O and EPL
Bank Service Charges	5,000	2,500	-50.00%	Truist/U.S. Bank Accounts
Investment Expense	80,000		100.00%	
General Liability Insurance		6,000		
Miscellaneous Expense	5,000	5,000	0.00%	
Total Expenses	354,150	269,050	-24.03%	
Net Revenue	1,645,850	1,735,950	5.47%	
Transfers				
Transfer in From General Fund	10,040,134	10,040,134	0.00%	
Transfer to GF - Distribution of Assets	(2,203,874)	(2,068,060)	-6.16%	
Total Transfers -- In (Out)	7,836,260	7,972,074	1.73%	
Change in Trust Balance	9,482,110	9,708,024	2.38%	

In April 2024, Trustees adopted the Trust’s FY25 Budget. The FY25 Budget is included in this Report as Table 5.

**TABLE 5
FY24 Budget**

	Budget	Notes
Revenue		
Interest Earnings	3,165,000	Projected at 5%
Donations		
Total Revenue	3,165,000	
Expenses		
Administrative Services	161,500	City provided administration
Contractual Services	150,000	OCIO Fee (Marquette: 20 bps of ≈ \$75m balance)
Advertising	4,000	Publication/Website
Legal Services & Expenses	20,000	Bradley Arant to complete tax matters
Training & Travel	2,500	Grant funding seminar
Office Supplies and Materials	125	
Software Subscriptions	14,050	Foundant Software for Grant Management
General Liability Insurance	6,200	E&O and EPL
Investment Expense		
Bank Service Charges	35,000	Custodial Fee (US Bank: 2 bps ≈ \$75m balance)
Miscellaneous Expense	5,000	
Total Expenses	398,375	
Net Revenue	<u>2,766,625</u>	
Transfer in From General Fund	10,290,134	Allocation of MTE Payment
Transfer to GF - Distribution of Assets	(2,433,012)	Distribution based on 12/31/23 calculation
Net Transfers	<u>7,857,122</u>	
Change in Fund Balance	<u>10,623,747</u>	

Committed Disbursements

The Trust is committed to disburse a total of \$2,433,012, which represents 5% of the Trust’s assets less expenses as of December 31, 2023. The amount to be disbursed to the City is \$2,068,060. This disbursement will be returned to the City’s General Fund.

The Trust will distribute \$364,952 of the total disbursement to charitable organizations. Council has reviewed the Board’s allocation to charitable organizations, which were consistent with the Committee’s recommendations.

Charitable Funding

To assist the Committee with annual grantmaking decisions, the Trust purchased a cloud-based system, Foundant. This is the same system successfully used and recommended by the Christy-Houston Foundation. The Foundant system was customized to serve the Committee’s purposes and provides a strong platform for accepting and analyzing grant applications for Trust funding.

The grants that can be made each year are restricted by the Trust Agreement. No more than 25% of the available funds may be provided to any one charitable organization. Additionally, grants to specific types of programs are limited. Education and Youth Services may not be allocated more than 20% of available funds, Community Safety and Victim Services no more than 15%, and Health-related Services no more than 10%.

The Committee’s initial grant funding round was for FY25. In October 2023, non-profit organizations were invited to submit applications. City media communicated the invitation for applications and 47 applications were received. Staff reviewed the applications for eligibility and determined three were ineligible for Trust funds. The remaining 44 applications were reviewed by the Committee. Most of the applicants had been previously funded by the City as Strategic Partners. The total requested funding was \$1,257,000.

The Committee scored the application considering the applicants history, its ongoing viability, the purpose of the requested funding , and the amount of the request. Distributions in FY25, as mentioned above, total \$364,950 and the Committee allocated this among the 44 applications. This distribution is 107% of the City’s previous year disbursements to charitable organizations. (It might be further noted that one organization received an extraordinary amount in FY24 to assist with relocation. Excluding that amount, the Trust’s distributions represent a 46% increase over the previous fiscal year’s funding.)

On January 24, 2024, the Committee provided its recommendation to the Board. The Board approved the Committee’s recommendations and forwarded its determination to Council for final review. On February 8, 2024, Council confirmed the Board approved charitable disbursements.

Table 6 reflects the Trust’s Grant Funding for FY25. This round of funding will be initiated after July 1, 2024.

**TABLE 6
FY25 Grant Funding**

Organization	Project	Recommendation
Amelia's Closet (Liberty's Station)	Job Readiness	\$14,073
American Red Cross (Heart of TN Chapter)	Home Fire Financial Assistance	\$10,441
The Barnabas Vision	L.I.F.E. Client Program	\$ 9,701
Beesley Animal Foundation	Spay/Neuter and Pet Wellness	\$13,111
Boys & Girls Clubs of Rutherford Cty	Project Learn	\$15,186
CASA of Rutherford County	Advocates for Foster Children	\$ 7,067
Center for the Arts Inc.	Sustainable/Accessible Arts Education	\$13,039
Child Advocacy Center of Rutherford Cty	Child Sexual Abuse Prevention	\$ 8,993
City Schools Foundation	Mobile Resource Center & Book Bus	\$12,647
Community Helpers of Rutherford Cty	Crisis Assistance for Residents	\$12,685
Discovery Center at Murfree Spring	Safety & Access at Discovery Center	\$18,155
Domestic Violence Program, Inc.	Supportive services for survivors	\$19,633

Organization	Project	Recommendation
Doors of Hope	Open Doors Re-entry Program	\$14,979
Ethos Youth Ensembles	Youth Orch Scholarships	\$ 7,017
Greenhouse Ministries	Greenhouse Ministries Expenses	\$18,766
Interfaith Dental of Rutherford County	Smiles for Life	\$14,034
The Journey Home, Inc.	Marketplace Housing Program	\$19,240
Journeys in Community Living	Supported Living Program	\$ 9,973
Kymari House, Inc.	Supervised Parental Visitation	\$ 8,609
Mid-Cumberland Meals-on-Wheels	Meals to Homebound Senior Citizens	\$17,629
Oaklands Association Inc	Operational Funds for Oaklands Assoc.	\$11,579
Primary Care and Hope Clinic	Hope for the Uninsured	\$10,000
Read To Succeed, Inc	Family & Adult Literacy	\$ 7,603
Rutherford Cty Habitat for Humanity	Legacy Pointe Phase II Affordable Housing	\$10,769
The Salvation Army	Emergency Supportive Shelter	\$14,885
Special Kids, Inc.	Special Kids, Inc.	\$14,454
Second Harvest Food Bank of Mid TN	Access to Healthy Foods	\$12,462
Tennessee Philharmonic Symphony	Educational Outreach 2024-2025	\$10,400
United Way of Rutherford County	Imagination Library	\$ 7,820

Future Funding

On July 1, 2024, the City will receive payment from Middle Tennessee Electric for \$17,290,134. Consistent with the Trust Agreement, the City will disburse \$10,290,134 to the Trust and retain \$7,000,000 a portion of which will be allocated to roadway projects and parks.

Future payments and disbursement to the Trust are shown in Table 7. These payments will also be invested consistent with the Investment Policy as reviewed and updated by the Board.

**TABLE 7
MTE Payment Schedule**

Payment	Total Payment	To Trust	To City
Installment Payment # 5 (July 1, 2025)	17,290,134	10,540,134	6,750,000
Installment Payment # 6 (July 1, 2026)	17,290,134	13,315,134	3,975,000
Installment Payment # 7 (July 1, 2027)	17,290,134	16,040,134	1,250,000
Installment Payment # 8 (July 1, 2028)	17,290,134	16,540,134	750,000
Installment Payment # 9 (July 1, 2029)	17,290,134	17,040,134	250,000
Installment Payment # 10 (July 1, 2030)	17,290,134	17,290,134	-
Installment Payment # 11 (July 1, 2031)	17,290,134	17,290,134	-
Installment Payment # 12 (July 1, 2032)	17,290,134	17,290,134	-
Installment Payment # 13 (July 1, 2033)	17,290,134	17,290,134	-
Installment Payment # 14 (July 1, 2034)	17,290,134	17,290,134	-
Installment Payment # 15 (July 1, 2035)	17,290,134	17,290,134	-

APPENDIX

INVESTMENT POLICY

1. General

- 1.1 Purpose. The purpose of this Investment Policy is to give guidance to the Board of Trustees (the “Board”) of the Murfreesboro Community Investment Trust (the “Trust”) and the Trust’s investment advisors in connection with the investment and management of Trust funds designated for investment. Long-term investment objectives, policies, and a prudent investment program are essential tools for the Board in fulfilling their fiduciary responsibilities with regard to the management and investment of Trust funds.
- 1.2 In the pursuit of its investment objectives, the Board may engage the services of an Investment Advisor, who, in turn, may assist in the selection of investment managers of the funds invested under the purview of the Board (each, an “Investment Manager”). This Investment Policy also assists the Board in guiding Investment Advisor in performing their duties.

2. Duties and Responsibilities of the Board

The following are the investment duties and responsibilities of the Board:

- 2.1 Authorize and supervise the investment of Trust funds.
- 2.2 Periodically review and modify of the written Investment Policy to assure compliance with the Trust Agreement.
- 2.3 Retain an Investment Advisor to advise the Board with respect to its duties and responsibilities.
- 2.4 With the assistance of and upon the recommendation of an Investment Advisor, establish and review of an investment strategy consistent with the requirements, guidelines, and principles articulated in the Investment Policy.
- 2.5 Authorize the purchase and redemption of collective investment vehicles sponsored and managed by Investment Managers and the monitoring of the performance of those vehicles.
- 2.6 Prescribe from time to time the place and manner of safekeeping of securities and other investments of the Trust and the manner of access to and withdrawal of the securities and investments.
- 2.7 Review regular investment reports provided to the Board of material information regarding the investment of Trust funds, including performance, exposure to particular asset classes and other relevant information.
- 2.8 Oversee the financial and cash management processes and methods utilized in the management of the Trust funds invested, including the deposit and safekeeping of moneys, securities, and other financial and investment assets.
- 2.9 Cause to be made contemporaneous detailed minutes of the Board meetings regarding the review of allocations, approving Investment Advisors, and reviewing the qualifications and performance of the Investment Advisor, and the performance of the Investment Managers.

3. Investment Advisors and Investment Managers.

With respect to Investment Advisors and Investment Managers will:

- 3.1 Retain an Investment Advisor after consideration of the Investment Policy and factors such as the Investment Advisor's (i) qualifications; (ii) experience; (iii) historical performance as compared against appropriate benchmarks; (iv) fees and expenses charged; (v) terms by which the Trust's investments may be liquidated and redeemed; and (vi) other considerations set forth herein regarding selecting and monitoring the Investment Advisor. Additional legal considerations relating to the delegation of management and investment authority to Investment Advisors and Investment Managers are set forth herein.
- 3.2 Periodically review the reallocating of assets among Investment Managers in accordance with the Investment Policy for the Trust funds invested and the approved asset allocation ranges to achieve the investment objectives of the Trust.
- 3.3 Periodically meeting or conferencing with the Investment Advisors and potentially the Investment Managers as needed.
- 3.4 Review the performance of each of the Trust's Investment Advisors and Investment Managers. Required reports from the Investment Advisor will include appropriate performance information, including comparison of performance against appropriate benchmarks. Required reports from Investment Managers will be determined on a case-by-case basis.

4. Investment Objective and Considerations

- 4.1 Objective.
 - a. The funds under the purview of the Board, except those required for short-term needs, should be treated as long-term assets managed to maintain the purchasing power of those assets in the future while being mindful of the cash flow and liquidity requirements of the Trust. The Trust's funds should be invested in such a way as to help in meeting the future capital objectives of the Trust. The long-term objective is to achieve a 7.5% annualized rate of return, a return that incorporates both the 5% distribution policy as well as expected future inflation.
 - b. The Board does not expect that this investment objective will be achievable in every year and, as a result, will normally measure investment performance over rolling three- and five-year periods. The Board also recognizes that some level of investment risk, including volatility and illiquidity, is necessary to achieve the long-term investment objectives of the Trust. In developing and implementing the Trust's investment program, the Board will consider the risks associated with each investment strategy and asset class.
 - c. The overall return will be evaluated against a policy portfolio benchmark consisting of the sum of different asset class benchmarks weighted in accordance with the long-term policy targets. As of 1/1/24, the total portfolio benchmark is 40% Bloomberg Aggregate Index, 50% Russell 3000, and 10% MSCI ACWI ex U.S.

4.2 Legal Considerations.

As part of its articulation of the investment strategy of the Trust to fulfill its investment objective, the Board will, in accordance with law, consider the present and anticipated financial requirements of the Trust, the expected total returns on investments, the capital markets environment, and general economic conditions. Specifically, the Board will comply with applicable Tennessee law.

4.3 Considerations in Managing and Investing the Portfolio.

- a. The factors that, if relevant, must be considered in managing and investing the Trust's funds are:
 - (i) General economic conditions;
 - (ii) Effect of inflation or deflation;
 - (iii) Expected tax consequences, if any, of investment decisions or strategies;
 - (iv) Role each investment or course of action plays within the overall investment portfolio;
 - (v) Expected total return from income and the appreciation of investments;
 - (vi) Other resources of the Trust;
 - (vii) Needs of the Trust and the portfolio to make distributions and preserve capital; and
 - (viii) The Trust's ability to fulfill timely its mission.
- b. The Trust may incur only those costs that are appropriate and reasonable in relation to its assets and purposes and the skills available to it and must make a reasonable effort to verify facts relating to the management and investment of the Trust's funds.
- c. When appropriate, the Board should contemporaneously document in its meeting minutes its consideration of each of the above factors it determines to be relevant to its decisions regarding managing and investing the Trust's funds.

4.4 Delegation of Management and Investment Functions.

- a. The Board may delegate to an external agent, including an Investment Advisor or Investment Manager, the management and investment of the Trust's funds to the extent such delegation is prudent under the circumstances. The Board must act in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances when (i) selecting an agent; (ii) establishing the scope and terms of the delegation, including the payment of compensation, consistent with the purposes of the Trust; and (iii) monitoring the agent's performance and compliance with the scope and terms of the delegation.
- b. The Board, in making the decision as to whether to delegate such functions to a specific external agent, must request and review information regarding the external agent's experience, personnel, track record and proposed compensation as compared to appropriate peers and conduct other customary due diligence as required

- c. The Board will take reasonable measures to assess the independence of the external agent. Any actual or potential conflicts of interest with respect to the proposed external agent must be disclosed and resolved pursuant to the Trust's Conflict-of-Interest Policy regarding investments, set forth herein, and the Trust's general Conflict-of-Interest Policy, to the extent applicable.

4.5 Investment Managers.

- a. General. The Investment Advisor will retain each Investment Manager. The Investment Managers may be granted full investment discretion regarding the purchase and sale of individual securities or investments within their investment style and consistent with the objectives and directions of the Board. Investment Managers are not permitted to deviate from their specifically announced investment strategies without the written approval of the Investment Advisor. It is in the discretion of the Investment Advisor whether to enter into a separate account relationship with a particular Investment Manager or to purchase an interest in a fund vehicle offered by the Investment Manager, based upon the offer of the Investment Manager and other applicable factors.
- b. Specific Considerations. The following will be among the attributes to be considered by the Investment Advisors in selecting and monitoring Investment Managers and the Trust's invested funds:
 - (i) Liquidity of the Investment Manager's portfolio of underlying securities;
 - (ii) Industry exposure and diversification;
 - (iii) Portfolio volatility, and other measures of portfolio risk;
 - (iv) Use of borrowing and leverage;
 - (v) Transparency of Investment Manager reporting;
 - (vi) Terms of investment, including fees and lock ups;
 - (vii) Operational considerations (e.g., custody, brokerage, proxy voting and securities lending); and
 - (viii) Potential conflicts of interest.

4.6 Volatility

Portfolio volatility and risk should be prudently managed in keeping with pertinent metrics that enhance the Board's ability to evaluate risk exposure and manage risk.

4.7 Investment Restrictions

- a. Diversification. In general, the Board should seek to ensure an appropriate diversification of the portfolio by asset class, sector, geographic region, and by Investment Manager. The Board will ensure compliance with the following diversification guidelines unless the Board prudently determines that, because of special circumstances, the purposes of the Trust are better served without diversification. Any decision not to diversify will be reviewed at least annually.

- b. Considerations. The Board should monitor compliance with the following considerations:
 - (i) The percentage of total market value of each Investment Fund invested with a single Investment Manager should be limited to the extent necessary to ensure manager diversification.
 - (ii) Each Investment Fund investment with a single Investment Manager should be limited to the extent necessary to ensure manager diversification.
 - (iii) At least annually, the Board, with the assistance of the Investment Advisor, should review the investments of the Trust to ensure compliance with the investment restrictions set forth in this policy.
- c. Derivative Instruments. Investment Managers may not invest in various derivative instruments without prior Board approval. The Board, with the assistance of the Investment Advisor, to the extent possible and practical, will monitor the Trust's investment exposure to derivative instruments.
- d. Leverage. The Trust's funds may be invested with Investment Managers that employ leverage to enhance returns with appropriate risk exposure. The Board, with the assistance of the Investment Advisor, will monitor leverage exposure.
- e. Liquidity. It is understood that the Trust must maintain a certain minimum level of liquidity that is sufficient to fund the programmatic activities of the Trust. The Board will establish guidelines for minimum liquidity available from the Trust's invested funds. The Board will monitor on an ongoing basis the liquidity of the investments consistent with the parameters set forth by the Board.
- f. Violations. The foregoing investment restrictions and limitations are intended as guidelines. If the Board is notified or otherwise becomes aware that a limitation has been exceeded, then the Board may take steps that in its reasonable judgment are necessary to address the situation, which may include taking no action at that time.

4.8 Performance Evaluation and Benchmarks

- a. The performance objectives for each asset class or subcategory are outlined in Exhibit A. The purpose of the objectives is to establish specific, clear, consistent, fair, and rigorous parameters for regular and ongoing review.
- b. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods, three- to five-year periods (once programs are fully developed) or a market cycle, whichever is greater.
- c. The Board will, with the assistance of the Investment Advisors, as applicable, monitor Investment Managers on an ongoing basis to ensure consistency of investment philosophy, implementation, organizational structure, and performance.

4.9 Due Diligence

Prior to investing with an Investment Manager, the Investment Advisor should obtain all relevant documentation, including:

- a. Any offering memorandum or other document containing guidelines;
- b. Limited partnership agreement or other governing documents;
- c. Subscription documents;
- d. Form ADV for advisers registered under the U.S. Investment Advisers Act of 1940, if available; and
- e. Any due diligence materials deemed appropriate by the Board.

4.10 Communications and Reports from the Investment Advisor

- a. Meetings. The Investment Advisor will meet with the Board as requested, but not less than annually. In addition, the Investment Advisor may request to meet with the Investment Managers at any time.
- b. Periodic Reports. Monthly or quarterly reports should include:
 - (i) Performance;
 - (ii) Portfolio characteristics, summarized by key investment factors;
 - (iii) Portfolio holdings in total, where possible; and
 - (iv) Valuation.
- c. Annual Reports. The Investment Advisor will provide an annual report to the Board by the date set by the Board.
- d. Price Changes. Investment Managers, in communication through the Investment Advisor, should be prepared to explain any positions whose price or value varies significantly relative to their cost basis, and the potential impact on the net asset value of the Trust's invested funds.
- e. Changes in Investment Strategies and Investment Professionals. Prior to any change in investment strategy by the Investment Managers, such change should be communicated to the Investment Advisor. Except with regard to investments that have their own terms relating to changes in management (*e.g.*, Alternative Investments), significant changes in investment professionals or portfolio management must be communicated to the Board in a timely manner.

5. Asset Allocation

- 5.1 The Board will establish strategic asset allocation policy ("Asset Allocation?") for the Trust. In making asset allocation judgments, the Board recognizes that the Trust must invest in a portfolio of assets that will generate a return sufficient to meet the stated objectives. With significant allocations to asset classes that have different risk and return characteristics, the Trust will maintain a diversified portfolio that is expected to generate prudent returns and reduce volatility over the long term.

- 5.2 The Asset Allocation policy for the Trust's funds is reflected in Exhibit A as of the date set forth thereupon.
- 5.3 On a periodic basis, at least annually, the Board should informally determine whether the allocations need to be strategically or tactically reallocated and should review and assess the asset allocation targets. The Board will formally review the Asset Allocation during its annual review of this Investment Policy.
- 5.4 The following broad asset allocation limitations shall be adhered to, with compliance results provided to the Board on at least a quarterly basis:
- a. The total sum in common and preferred stocks shall not exceed 75% of the total of the funds.
 - b. The total sum of investment in notes and bonds or other fixed income securities shall not exceed 75% of the total funds.
 - c. The total sum of stocks, bonds and other securities in such foreign countries shall not exceed 20% of the total funds.
 - d. The total sum of real property and private equity shall not exceed 40% of the total funds.
 - e. The total sum of domestic and international stock index future contracts shall not exceed 10% of the total funds.

6. Asset Classes

6.1 Global Equity Securities

- a. This asset class may include, but is not limited to, common stock that is readily marketable on listed exchanges, convertible preferred stock, convertible debentures, or other investments or vehicles that invest in or correlate with the performance of these securities. Stock rights or warrants received from existing equity holdings may be held or sold at the discretion of the Investment Manager.
- b. Investment Managers are to vote shareholders' proxies. Such voting is to be solely in the best interest of the Trust given their stated policies, goals, and objectives. It is further expected that each of the Investment Managers will report back to the Board on an annual basis regarding the results of these votes. Where an Investment Manager is directly supervised by an Investment Advisor, the Investment Manager will report to the Investment Advisor on an annual basis regarding the results of these votes and the Investment Advisor will provide a report to the Board on the Investment Manager's proxy voting.
- c. Where Investment Managers or fund vehicles have their own terms regarding proxy voting, such terms will be an attribute to be considered by the Board and Investment Advisors in selecting and monitoring Investment Managers and the Trust's invested funds.

6.2 Global Fixed Income Securities

- a. This asset class may include, but is not limited to, U.S. Treasury obligations, U.S. government agency notes, U.S. corporate bonds, debentures, notes, and preferred stock, commercial paper, U.S. and non-U.S. commercial bank certificates of deposit, semi-secured floating rate bonds, non-U.S. government bonds, non-U.S. corporate bonds, mutual fund/co-mingled bond funds, yield enhancement techniques (e.g., options and futures), or other instruments or vehicles that invest in or correlate with the performance of these securities.
- b. Investment Managers may invest in short-term U.S. Treasury obligations, government agency obligations, commercial bank CDs and other acceptable money market and equivalent instruments.

6.3 Alternative Investments

- a. Alternative Investments include (i) hedge funds, including, but not limited to, long/short funds, event-driven funds and fund-of-funds, (ii) private equity/debt, (iii) venture capital, (iv) real assets (including, but not limited to, real estate, oil, gas and energy funds), (v) special situations and opportunistic investments, and (vi) similar strategies.
- b. Among the factors to be considered in connection with Alternative Investments, liquidity, leverage, and volatility will receive particular consideration.
- c. Alternative Investments should be valued in accordance with industry practice and accounting standards.

7. **Conflicts of Interest**

- 7.1 This Section provides the Board with a policy and procedure for addressing conflicts of interest that may arise in connection with the Board's discharging of its duties and responsibilities for investment of the Trust's funds. *This Section of the Investment Policy supplements, but does not replace, the Trust's Conflict-of-Interest Policy with respect to conflicts related to matters under consideration by the Board.*
- 7.2 It is the general policy of the Trust not to engage an Investment Advisor and not to invest with an Investment Manager if a member of the Board has a material ownership interest in, or is directly employed by, the Investment Advisor or Investment Manager. If a Board member has such a relationship, that relationship must be disclosed to the Chair in accordance with the procedures described below.
- 7.3 If a Board member knows that he or she has engaged a potential or existing Investment Advisor or has an investment with a potential or existing Investment Manager, whether in the same fund as the Trust, a different fund, or in a separate investment account with the Investment Manager, such relationship or investment must be disclosed to the Chair of the Committee in accordance with the procedures described below.
- 7.4 It is the responsibility of the Board when performing due diligence on a potential Investment Advisor to use reasonable efforts to ascertain whether any member of the Board

is a principal, holds a material ownership interest in, or is otherwise directly employed by that Investment Advisor or Investment Manager. If any such relationship exists, the Board will consult legal counsel, as appropriate, to determine whether the relationship merits further consideration of the by the Board Investment Advisor or Investment Manager continued relationship with the Trust.

- 7.5 The policy and procedures described in this Section also apply to family members and related entities. If a Board member knows that his or her family member or related entity has an investment with an Investment Manager under consideration by the Trust, the Board member will disclose this information in accordance with the procedures described below. For purposes of this policy, (i) “family members” means spouses or domestic partners, ancestors, siblings and their spouses, and lineal descendants and their spouses, and (ii) “related entities” means any entity in which Board members or their family members have a 35% or greater ownership interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest of more than 5% percent.

7.6 Procedure for Disclosure and Recusal.

- a. If the Board is considering engaging an Investment Advisor or purchasing an investment with an Investment Manager, a Board member with a material ownership interest in, or who is directly employed by, that Investment Advisor or Investment Manager must disclose the interest or employment to the Chair. In consultation with legal counsel, the Chair will make a recommendation to the Board, which will determine whether the Investment Advisor should be disqualified from engagement by the Trust, or the Investment Manager should be disqualified from investment by the Trust.
- b. If the Board is considering engaging or continuing the engagement of an Investment Advisor or is considering purchasing or redeeming an investment in a fund or with an Investment Manager, a Board member who is a client of such Investment Advisor or fund or Investment Manager (*e.g.*, is also invested in the fund or otherwise with the Investment Manager) must disclose the interest to the Chair. In consultation with legal counsel, the Chair will make a recommendation to the Board, which will determine whether the member will be recused from the engagement or purchase or redemption decision. Whether the member will be recused will depend on the facts and circumstances. The relevant inquiry will include, among other factors, whether the Trust’s decision to engage, invest, redeem, or take no action, could have an impact on the Board member’s relationship or investment in any material way.
- c. If a Board member is unsure whether his or her relationship with a potential or current Investment Advisor or investment with a potential or current Investment Manager merits disclosure, the Board member will err on the side of caution and disclose the relationship to the Chair. This policy is not intended to discourage Board members from bringing investment opportunities to the Board for consideration but is meant to provide the Board and the Board with full transparency.

- d. This policy also applies to family members and related entities of Board members.
- 7.7 On an annual basis, the Board will provide to its members and the Investment Advisor a list of the Trust's current relationships and investments with Investment Advisors and Investment Managers in a form substantially similar to the form attached as Exhibit B. Each Board member and Investment Advisor will indicate on the form provided if, to the best of his or her knowledge, he, she, or any family member or related entity (i) has a material ownership interest in, or is directly employed by, an Investment Advisor engaged by the Trust or an Investment Manager with which the Trust invests, (ii) is a client of an Investment Advisor engaged by the Trust, or (iii) has an investment in any of the funds in which the Trust is invested, or in any fund managed by the same Investment Managers, or any separate investment account with any of the Investment Managers with which the Trust invests.
- 7.8 Any other relationships that are not specifically described herein that may present a conflict of interest, including where a Board member's independent judgment regarding the Investment Advisor or Investment Manager could be impaired by virtue of the relationship must be disclosed to the Chair, who will consult with the legal counsel, as appropriate, to determine whether the Board member must abstain or recuse himself or herself from consideration of the matter.
- 7.9 If it is determined that abstention or recusal is required, then after disclosure of the potential conflict of interest and all material facts to the Board, and after the member responds to any questions that the Board may have, the member will be asked to abstain or be recused from the meeting while the appointment of the Investment Advisor or Investment Manager is discussed and voted upon. All such abstentions and recusals will be contemporaneously documented in the minutes of the Board meeting. While the member may not vote on the issue to which the potential conflict of interest relates, he or she may be counted in determining the presence of a quorum for purposes of the vote.
- 7.10 For the sake of clarification and guidance, indirect financial or business relationships ordinarily will not rise to the level of a material conflict of interest. For example, a member of the Board who is an employee or otherwise affiliated with a brokerage firm or other third-party service provider with whom an Investment Advisor or Investment Manager does business ordinarily would not be considered to have conflict of interest. If a Board member is uncertain as to whether a business or familial relationship is so material as to give rise to a conflict of interest, the member is encouraged to disclose the relationship to the Chair..

Adopted by the Board of Trustees January 24, 2024

EXHIBIT A

Strategic Asset Allocation as of January 24, 2024

Asset Class	Long-Term Policy	Range	Benchmark
Equity			
U.S. Large Cap Equity	28%	24% - 32%	S&P 500 Index
U.S. Mid Cap Equity	7%	5% - 9%	Russell Mid-cap Index
U.S. Small Cap Equity	5%	3% - 7%	Russell 2000 Index
Non-U.S. Equity	<u>10%</u>	8% - 12%	MSCI ACWI ex-U.S. Index
Total Equity	<u>50%</u>	45% - 55%	
Alternative Investments			
Hedge Funds	5%	3% - 7%	HFRX Global Hedge Fund Index
Private Equity	10%	8% - 12%	Burgiss US Private Equity Index
Real Estate	5%	3% - 7%	NFI- ODCE
Infrastructure	<u>5%</u>	3% - 7%	SOFR + 3%
Total Alternative Investments	<u>25%</u>	20% - 30%	
Fixed Income & Cash			
U.S. Fixed Income	15%	12% - 18%	BarCap Int. Govt/Cred Index
Complementary Structured Strategies	<u>10%</u>	8% - 12%	Bloomberg US High Yield TR
Total Fixed Income & Cash	<u>25%</u>	20% - 30%	
TOTAL	<u>100.0%</u>		

EXHIBIT B

Annual Investment Conflict of Interest Disclosure Statement

Name:

Title:

[LIST OF CURRENT INVESTMENTS AND NAMES OF INVESTMENT ADVISORS AND INVESTMENT MANAGERS]

Except for the relationships and investments set forth below, I hereby certify to the best of my knowledge that neither I, nor any of my family members or related entities, (i) has a *material* ownership interest in, or is directly employed by, any Investment Advisor engaged by the Trust or any Investment Manager with which the Trust invests, as named above,

- is a client of any Investment Advisor engaged by the Trust, or (iii) has an investment in
- any of the funds in which the Trust is invested, as set forth above, or in any fund managed by the same Investment Managers named above, or (b) any separate investment account with any of the Investment Managers with which the Trust invests, as named above. I hereby certify that I have received a copy of the Trust's current conflict-of-interest policy applicable to investments, have read and understand the policy, and agree to abide by it.
-

Signature: _____ Print Name: _____ Date: _____

PLEASE LIST ANY EXCEPTIONS BELOW:

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Wayfinding and Signage Program Update

Department: Administration

Presented by: Sam A. Huddleston, Assistant City Manager & Joel Aguilera, Planner

Summary

Wayfinding and Signage Program update and discussions with Council.

Background Information

KMA Design has been advancing design concepts for the Wayfinding and Signage Program, which encompasses the downtown and City Core Overlay district. The draft design options will be presented to City Council during the workshop for further direction. Once a design option has been selected, City staff and the design team will move forward with the final Wayfinding and Signage program, in order to report back to City Council for its review.

Council Priorities Served

Improve economic development

The improvements included in the Wayfinding and Signage Program will aid in making the downtown an attractive place to live and invest and further will help residents and visitors to identify public parking structures and other civic destinations that they may wish to utilize.

Establish strong City brand

This program will enhance the existing civic brand by creating a wayfinding program that is consistent, uniform, and clear in design, which complements the downtown landscape.

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: CUD and City General Water Line Relocation Agreement
Department: Administration
Presented by: Darren Gore

Summary

Review a draft agreement between Consolidated Utility District of Rutherford County (CUD) and the City for waterline relocations associated with new City roadway or roadway widening construction projects that defines a pro rata cost sharing percentage by the City based on the age of the asset.

Background Information

In the past, the City has assumed all or 100% of the engineering design costs, relocation construction costs, and new easement costs assumed for CUD water line relocations in conjunction with City roadway projects.

The draft agreement sets forth A more equitable cost-sharing arrangements, that can be summarized as follows:

- Caps reimbursement of engineering design fees to 4% of the cost of water line relocation construction and bidding and contract administration to 2% of the cost of the water line relocation costs.
- Reimburses the costs to CUD for any land acquisition associated with water line easements at the original cost incurred by CUD plus a 3% annual time-value-of-money inflationary escalator.
- Affords CUD an easement inside the City's road right-of-way where CUD is afforded the opportunity to make dig in the City's roadway to make repairs provided:
 - The City is provided a much notice as possible prior to the repair activity
 - CUD follows uniform traffic control standards (MUTCD)
 - CUD provides temporary means for the road to be safe and travelable after repairs are made.
 - The City will provide permanent repairs to paving surface, storm drainage, curb and gutter or sidewalk repairs and/or replacement.
- The City shall pay a pro rata share based on the water lines depreciated value using the participation percentage itemized in Exhibit 1 of the attached draft agreement.
- In the event that CUD increases pipe size, CUD will be responsible for the total difference in cost for the betterment.

- In the event that CUD's waterline is pre-existing inside City road right-of-way, CUD shall be responsible for all the costs associated with the relocation.

Council Priorities Served

Responsible budgeting

Cost sharing agreements with our utility providers as part of construction projects provide a repeatable and predictable means to plan for capital improvement projects involving roadway construction.

Fiscal Impacts

The City expects to be afforded savings in future roadway projects involving needed water line relocations.

Attachments

General Waterline Relocation Agreement CUD and City

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AGREEMENT REGARDING WATER UTILITY RELOCATIONS

This Agreement Regarding Water Utility Relocations is effective this ___ day of _____, 2023 by and between the City of Murfreesboro (“City”) and the Consolidated Utility District of Rutherford County, Tennessee (“CUD”).

WITNESSETH

WHEREAS, the City undertakes certain road and improvement projects (collectively “City Project”) which may necessitate the relocation of existing water utility lines and appurtenances thereto; and

WHEREAS, the City and CUD have agreed to coordinate the City and CUD’s respective responsibilities regarding City Projects; and

WHEREAS, the City and CUD have agreed to general terms concerning the relocation of existing water utility and appurtenances thereto (“CUD Facilities”) subject to specific City Project details which shall be further defined within a separate instrument.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and CUD agree:

1. In the event that a City Project, as designed, renders the relocation of existing CUD Facilities reasonably necessary as determined by the City and CUD in order to complete the City Project and the relocation would not be necessary in the absence of the City Project, the general terms of this Agreement shall govern the respective obligations of the City and CUD.

2. CUD agrees, at its sole time and expense, to engineer, design and prepare relevant documents relating to the work required for the relocation of CUD Facilities as necessary in a timely manner to not impede the progress of the City Project. This includes, but is not limited to, preparation of documents involving the CUD Facilities pertaining to permits the City will be procuring and acquisition of easements for the CUD Facilities to be relocated.

3. The City shall, at its sole expense, include the CUD Facilities relocation plans within the City’s engineering plans for the City Project in order to facilitate the City’s and CUD’s work and to minimize the risk of any conflicting plans.

4. The City agrees to bid the work required under the CUD Facilities relocation plans under line items identified as “WATERLINE ITEMS” together with the road construction plans prepared by the City’s Consultant Engineer.

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5. CUD shall, at its sole time and expense, provide construction inspection for the CUD Facilities relocation work and determine whether the work and materials are consistent with CUD required specifications. CUD shall also review shop drawings and submittals pertaining to the CUD Facilities relocation work to determine whether said drawings and submittals are acceptable.

6. CUD recognizes that the City may, at its discretion and in accordance with applicable federal, state, and local laws, regulations, and ordinances, make the selection of the Prime General Contractor responsible for the construction of the City Project. The City further represents, and CUD acknowledges, that the City selects said contractor on the basis of the lowest responsive and responsible bidder. In order to assist the City in the selection process, CUD may provide the City with evidence that: (i) a bid or proposal is not responsive to the water utility portion of the City Project; or (ii) a bidder for contractor or proposed water utility subcontractor is not responsible pursuant to the City's guidelines.

7. (a). In those instances where CUD Facilities which are being relocated were originally in private easements, prescriptive easements, or outside public road right of ways, and subject to Section 8 below, City agrees to reimburse CUD for the costs to relocate CUD Facilities for the City Project. These costs shall include, but not be limited to:

(i). Engineering and design fees which shall be four percent (4%) of the cost for the materials and labor for the relocation of CUD Facilities; and

(ii). Fees for bidding services and construction administration services pertaining to the relocation of CUD Facilities shall be two percent (2%) of the actual costs for the relocation of CUD Facilities; and

(iii). Reimbursement of the cost for any pre-existing easements that are taken due to right-of-way needs of the City, including, but not limited to, documented acquisition payments to land-owners, with a 3% annual inflationary adjustment to the amount paid by CUD between the time of the CUD easement acquisition and the City right-of-way acquisition; and

(iv). Material and labor costs relating to the relocation of CUD Facilities based on its depreciated value using the participation percentage as itemized in Exhibit 1.

(b). The City will also provide an easement to CUD within City right-of-way for any relocated CUD Facilities.

(i) This easement agreement shall provide CUD with the ability to repair, operate, or

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maintain any CUD Facility within the City's right-of-way, given that CUD provides adequate as much advance notice to the City's Traffic Department and maintains traffic control per MUTCD standards during the maintenance or repair activity, and replaces suitable material (e.g., crushed stone, cold-mix, etc.) such that the roadway is travelable after the maintenance or repair activity.

(ii) Inside CUD's easement within the City's right-of-way, the City will be responsible for providing permanent replacement of roadway appurtenances such as storm drainage pipe or inlets, curb and gutter, sidewalk, and surface milling, and replacement of base stone, asphaltic binder and topping courses.

(c). City shall pay CUD for said costs within 60 days of receipt of all corresponding invoices. Construction inspection of the relocation work on CUD Facilities shall be performed by CUD, or its designee, and shall not be reimbursed by the City.

(d). In those instances where CUD Facilities which are being relocated are within the public right of way, CUD shall be responsible for all costs associated with said relocation. In the event the City, as part of the City Project, pays any costs associated with relocating CUD facilities, CUD shall reimburse the City for said costs within 60 days of receipt of all corresponding invoices.

8. Notwithstanding the above, in the event CUD determines to increase the size of CUD Facilities affected by the City Project or otherwise, CUD shall be responsible for the difference in materials and labor costs relating to the betterment. The betterment costs for which CUD shall be responsible shall be determined based on a percentage of the overall costs for the relocation of CUD Facilities agreed to by both City and CUD in the preliminary design phase for the City Project.

9. Any and all notices between the City and CUD regarding this Agreement shall be delivered to the following addresses by personal delivery, United State postal service, or overnight national carrier such as Federal Express or United Parcel Service to the respective addresses below, or such other address as either party submits to the other in writing as a new notice address:

“CITY

The City of Murfreesboro TN
Attn: City Manager
111 West Vine Street
Murfreesboro TN 37130

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With a copy to:
The City of Murfreesboro TN
Attn: City Attorney
111 West Vine Street
Murfreesboro TN 37130

“CUD”

Consolidated Utility District of Rutherford County, Tennessee
Attn: General Manager
709 New Salem Highway
Murfreesboro TN 37133-3307

10. This Agreement may be terminated as follows:

(a) By either party for cause, in the event a party breaches any of the terms of this Agreement and such breach is not remedied within 10 business days of service of notice regarding said breach;

(b) By either party for convenience, by service of notice of termination no less than 120 days prior to the proposed effective date of termination; or

(c) By agreement of the parties, upon such agreement termination shall be effective immediately or upon such other terms as the parties shall agree in writing.

(d) In the event of termination of this Agreement, the provisions of this Agreement shall survive termination and continue in full force and effect for any City Project under construction at the time of termination.

11. This Agreement shall be binding on the parties hereto, their successors, and assigns.

12. In the event of a dispute, the parties agree to negotiate in good faith to attempt to resolve the matter. In the event of litigation, the laws of the State of Tennessee shall apply, and venue shall be in the Courts of Rutherford County, Tennessee. In such event, the substantially prevailing party shall be entitled to recover, in addition to any other monetary or equitable recovery, its reasonable attorney fees.

13. This Agreement may not be amended except in writing as approved by the City and CUD.

14. This Agreement may be executed in multiple counterparts which shall constitute a single original.

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(EXECUTION ON FOLLOWING PAGE)

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EXECUTED effective the Date first written above.

“CUD”

CONSOLIDATED UTILITY DISTRICT

BY: _____

Carter Woodruff

ITS: Chairman, Board of Directors

STATE OF _____)

: ss

COUNTY OF _____)

Before me, the undersigned notary public, personally appeared **Carter Woodruff**, the within named bargainor(s), with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged such person(s) to be the Chairman of the Board of Directors of **CONSOLIDATED UTILITY DISTRICT**, and that such person executed the within instrument for the purposes therein contained.

Witness my hand and seal, this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

(SEAL)

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Exhibit 1 – 40-yr Depreciation Schedule (w/ 3% annual inflation adjustment)

Age of Asset (yrs)	City Participation % on Replacement Costs	City % Credit on Replacement Costs
1	97.6%	2.4%
2	95.2%	4.8%
3	92.9%	7.1%
4	90.5%	9.5%
5	88.2%	11.8%
6	85.9%	14.1%
7	83.6%	16.4%
8	81.2%	18.8%
9	78.9%	21.1%
10	76.6%	23.4%
11	74.3%	25.7%
12	72.0%	28.0%
13	69.7%	30.3%
14	67.5%	32.5%
15	65.2%	34.8%
16	62.9%	37.1%
17	60.6%	39.4%
18	58.4%	41.6%
19	56.1%	43.9%
20	53.9%	46.1%
21	51.7%	48.3%
22	49.4%	50.6%
23	47.2%	52.8%
24	45.0%	55.0%
25	42.8%	57.2%
26	40.6%	59.4%
27	38.4%	61.6%
28	36.3%	63.7%
29	34.1%	65.9%
30	32.0%	68.0%
31	29.8%	70.2%
32	27.7%	72.3%
33	25.6%	74.4%
34	23.5%	76.5%
35	21.4%	78.6%
36	19.3%	80.7%
37	17.2%	82.8%
38	15.2%	84.8%
39	13.1%	86.9%
40	11.1%	88.9%

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Reorganization of City Courts
Department: Administration
Presented by: Darren Gore

Summary

Review changes in the City's organizational chart to optimize the efficiency and effectiveness of City Courts.

Background Information

Staff was requested to review the organizational structure of City Courts given the expectation of a full-time judge. During that assessment, staff discovered the following:

1. The volume of work currently being processed through the City Courts did not warrant the capacity of a full-time judge, and
2. The Court Clerk is isolated in certain ways to the organization considering directly reporting to a judge that is not working a full-time 5-day workweek.

Understanding that the City currently has a part-time judge who is not under contract and is being provided full vacation, sick, medical and pension benefits, city administration determined a new organizational structure was necessary to optimize the workflow in city courts by reassigning the Court Clerk to the Assistant City Manager Mr. Sam Huddleston along with redefining the role of a city judge with more commensurate benefits of a part-time employee only working 2-3 days a week. The attached organizational chart indicates the proposed restructuring defined above.

Unless Council requires additional information, staff intends to direct the Legal Department to prepare an employee contract for consideration by Council to set proper expectations, including employment terms and conditions given the expectation that the newly defined requirements and associated benefits are commensurate for a part-time position.

Council Priorities Served

Responsible budgeting

Assessing organizational structure and re-organizing to optimize efficiency and effectiveness is critical in providing the highest return at the lowest costs.

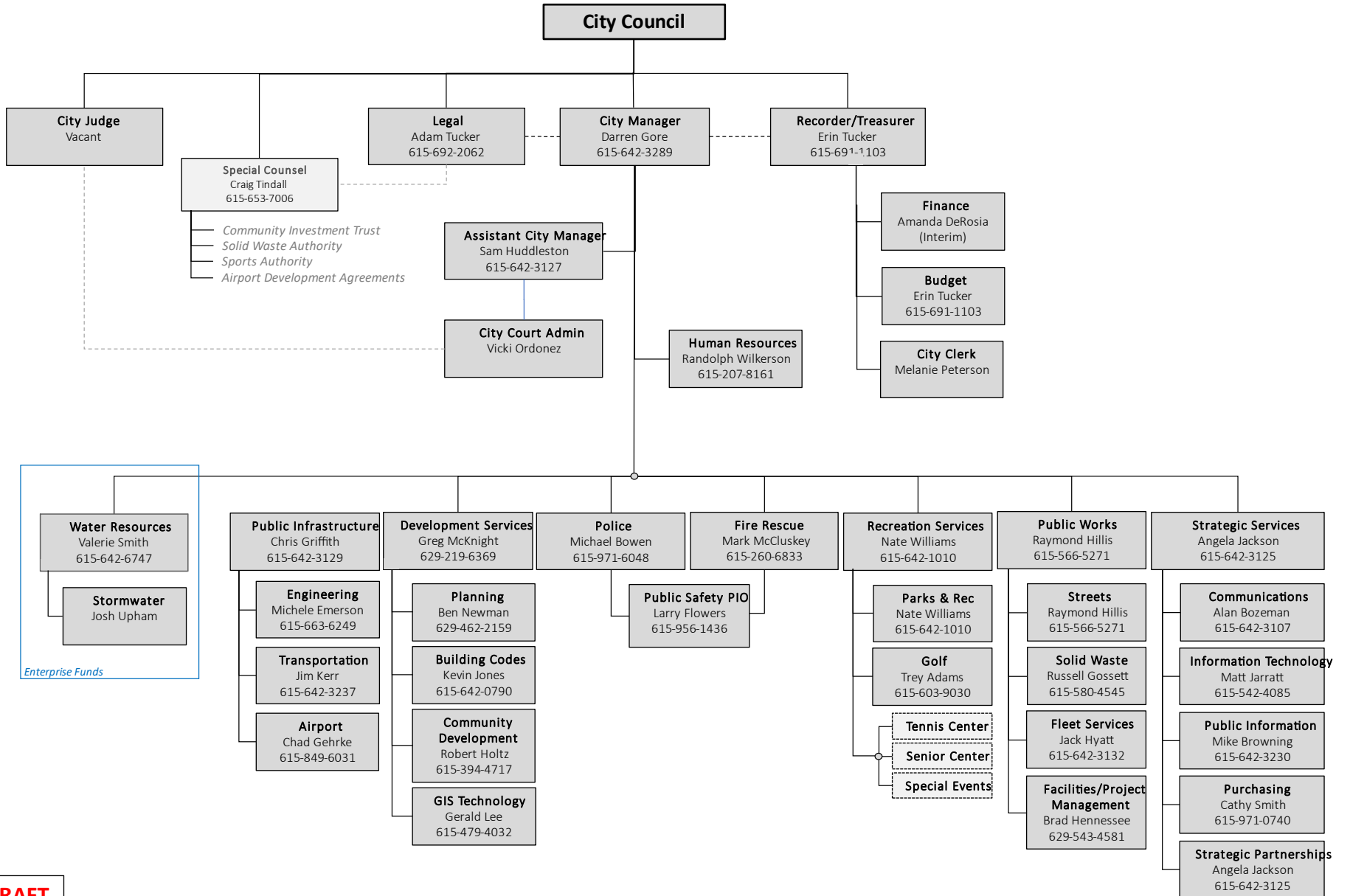
Fiscal Impacts

No fiscal impact

Attachments

Proposed City organizational chart

ATTACHMENT 1



DRAFT
July 2024

COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: Reorganization of Tax & Finance Department

Department: Water Resources

Presented by: Darren Gore

Requested Council Action:

- Ordinance
 - Resolution
 - Motion
 - Direction
 - Information
-

Summary

Review changes in the City’s organizational chart to optimize the responsibility and effectiveness in the Tax and Finance Department.

Staff Recommendation

Direct the Legal Department to develop an employment contract for Erin Tucker to assume the role of City Recorder/City Treasurer.

Background Information

Upon reviewing the significant responsibilities the city has required of the Finance Director, including oversight of the Tax and Finance department along with charter defined City Recorder and City Treasurer duties, staff has determined the workload is too burdensome for one person to continue to undertake. Therefore, staff is proposing a reorganization of the aforementioned job positions to more evenly distribute the amount of work entailed while at the same time optimizing the delivery of services that the Tax and Finance department currently provides the public and other city departments.

The attached organizational charts indicate the proposed restructuring defined above.

Should the Council appoint Ms. Tucker as the new City Recorder/City Treasurer, Ms. Tucker intends for at least the next year to also continue acting as the Budget Director. Additionally, the Finance Director position will be posted and advertised externally to the City as no internal qualified candidates are interested in this position.

Council Priorities Served

Responsible budgeting

Assessing organizational structure and re-organizing to optimize efficiency and effectiveness is critical in providing the highest return at the lowest costs.

Fiscal Impacts

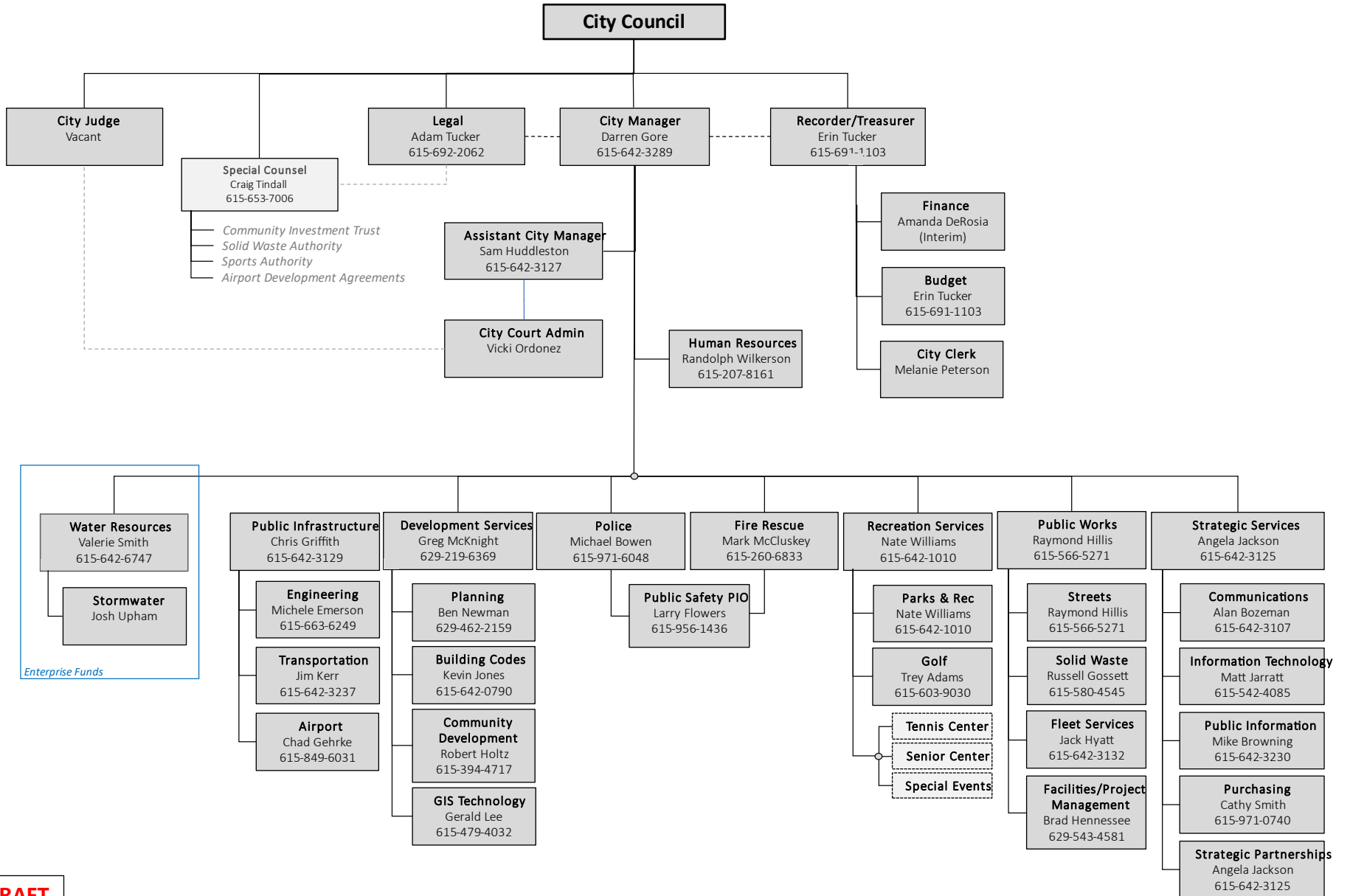
No new headcount is proposed as part of this re-organization; however, future budgets may require an additional employee to divide the duties between the City Recorder/Treasurer and the Budget Director positions.

Attachments

Attachment 1: City organizational chart

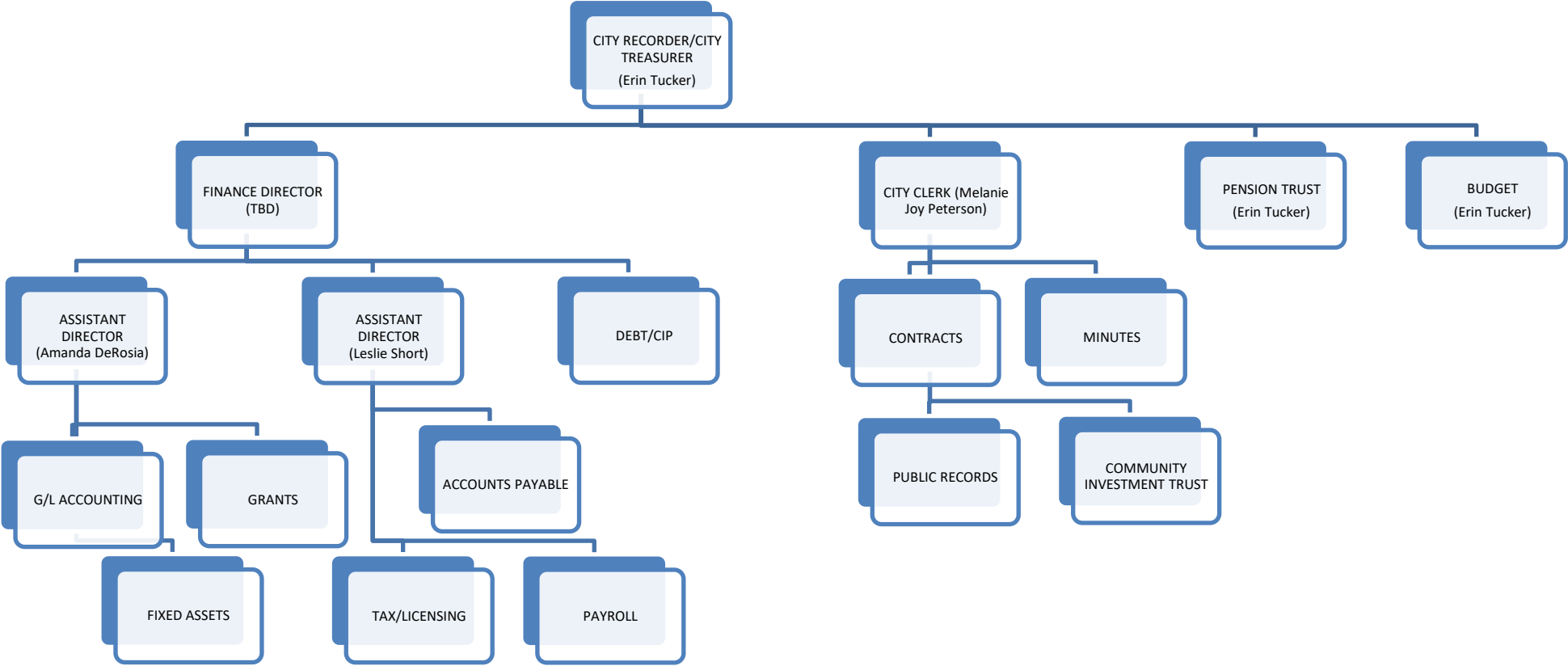
Attachment 2: Tax and Finance organizational chart

ATTACHMENT 1



DRAFT
July 2024

ATTACHMENT 2



COUNCIL COMMUNICATION

Meeting Date: 08/08/2024

Item Title: June 2024 Dashboard
Department: Administration
Presented by: Erin Tucker, Budget Director

Summary

June 2024 Dashboard packet

Background Information

Dashboard information includes relevant Financial, Building & Codes, Risk Management and Construction data.

Council Priorities Served

Responsible budgeting

Providing Council with assessable financial information on a regular-basis assists in critical decision-making about the fiscal affairs of the City.

Fiscal Impacts

None

Attachments:

1. June 2024 Dashboard
2. June Impact Fee Report
3. City Schools June Dashboard

JUNE 2024 DASHBOARD

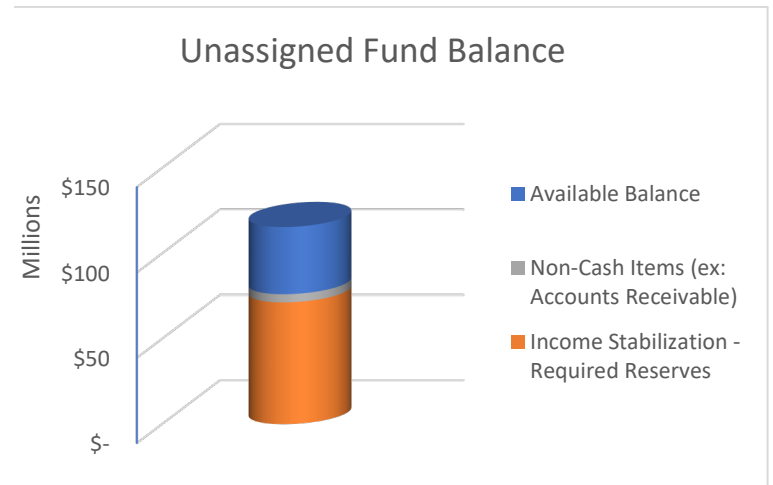
FUND BALANCE

The City's Fund Balance policy requires a reserve of 15-30% of General Fund revenues. This reserve is maintained in the Unassigned Fund Balance within General Fund. Other components of this account include non-spendable assets, including Accounts Receivable. The remaining funds are available for use, generally for one-time, non-recurring expenses. Examples include economic development related expenses and capital spending for land, buildings and equipment.

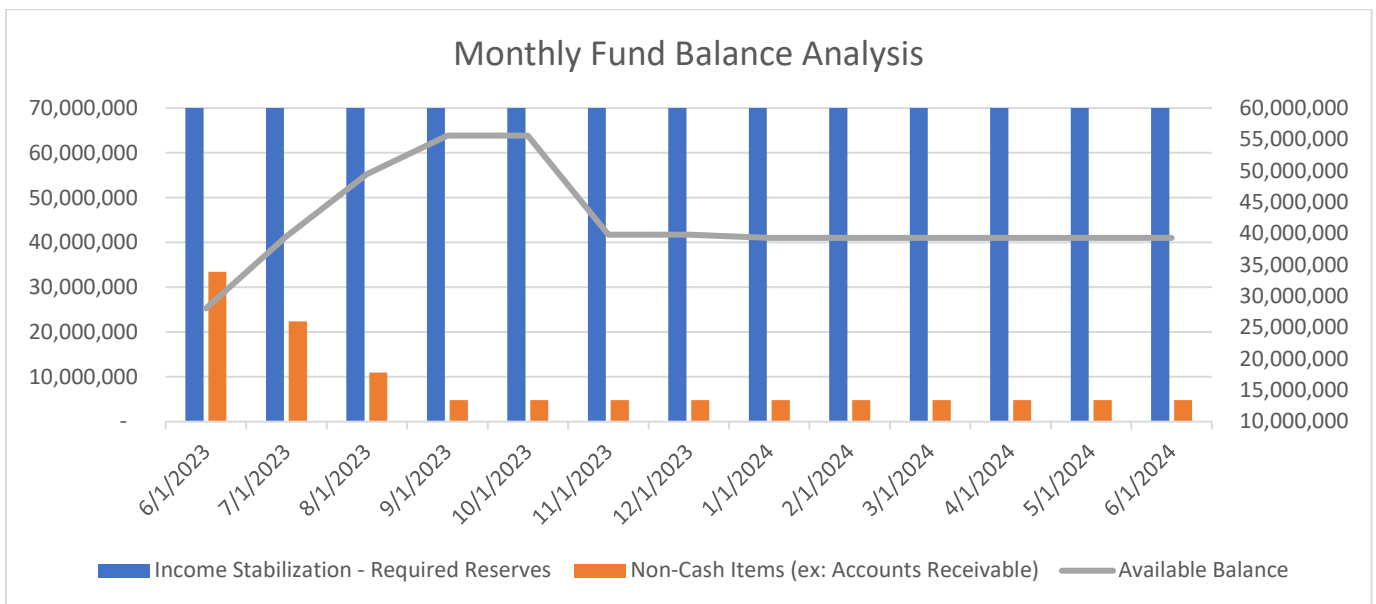
The graph and chart below reflects the total Unassigned Fund Balance categorized by required reserves, non-cash items, and available balance. The maximum reserve (30% of General Fund operating revenues) is used. These amounts are unaudited.

Unassigned Fund Balance	
6/30/2024	
Available Balance	39,323,975
Non-Cash Items (ex: Accounts Receivable)	4,804,460
Income Stabilization - Required Reserves	71,400,000
	115,528,435

June	
PY Carryforward	622,820
One-time	465,000
Unforeseen	826,115
FY24 CIP	15,000,000
Legal Expenses	500,000
	17,413,935



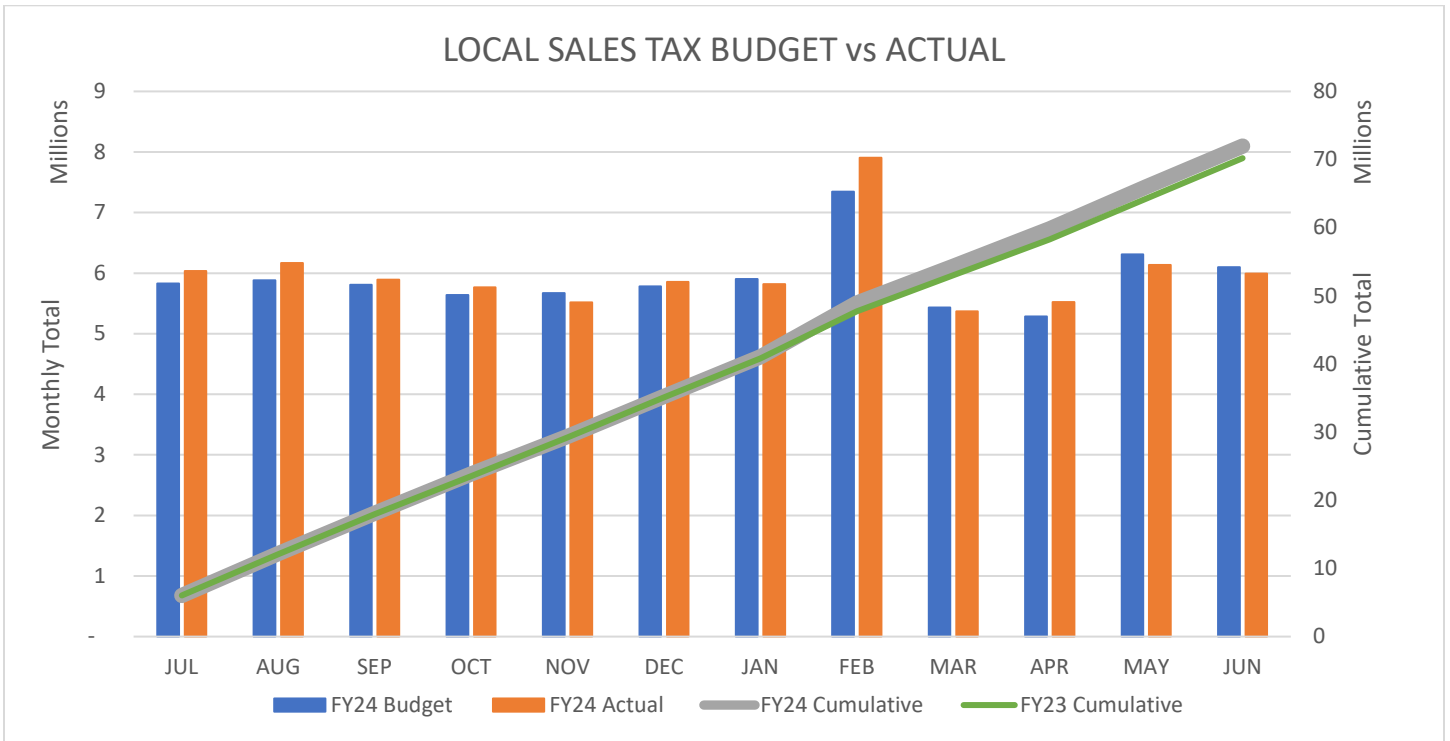
The chart below displays the changes in use of Unassigned Fund Balance by month.



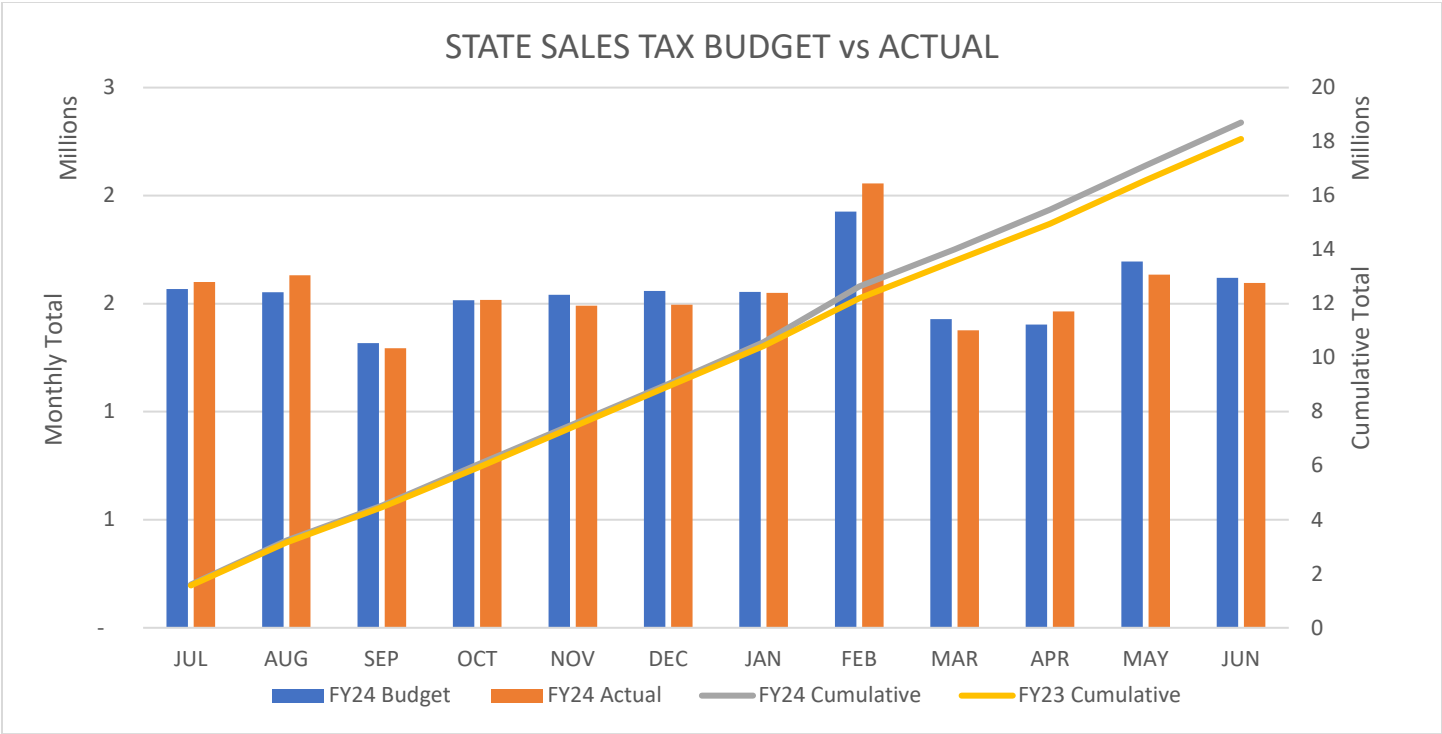
REVENUES



Property Tax notices were mailed in early October. The FY24 budget reflects a 2.7% increase over FY23, while actual results came in slightly higher at 3.03% over FY23.

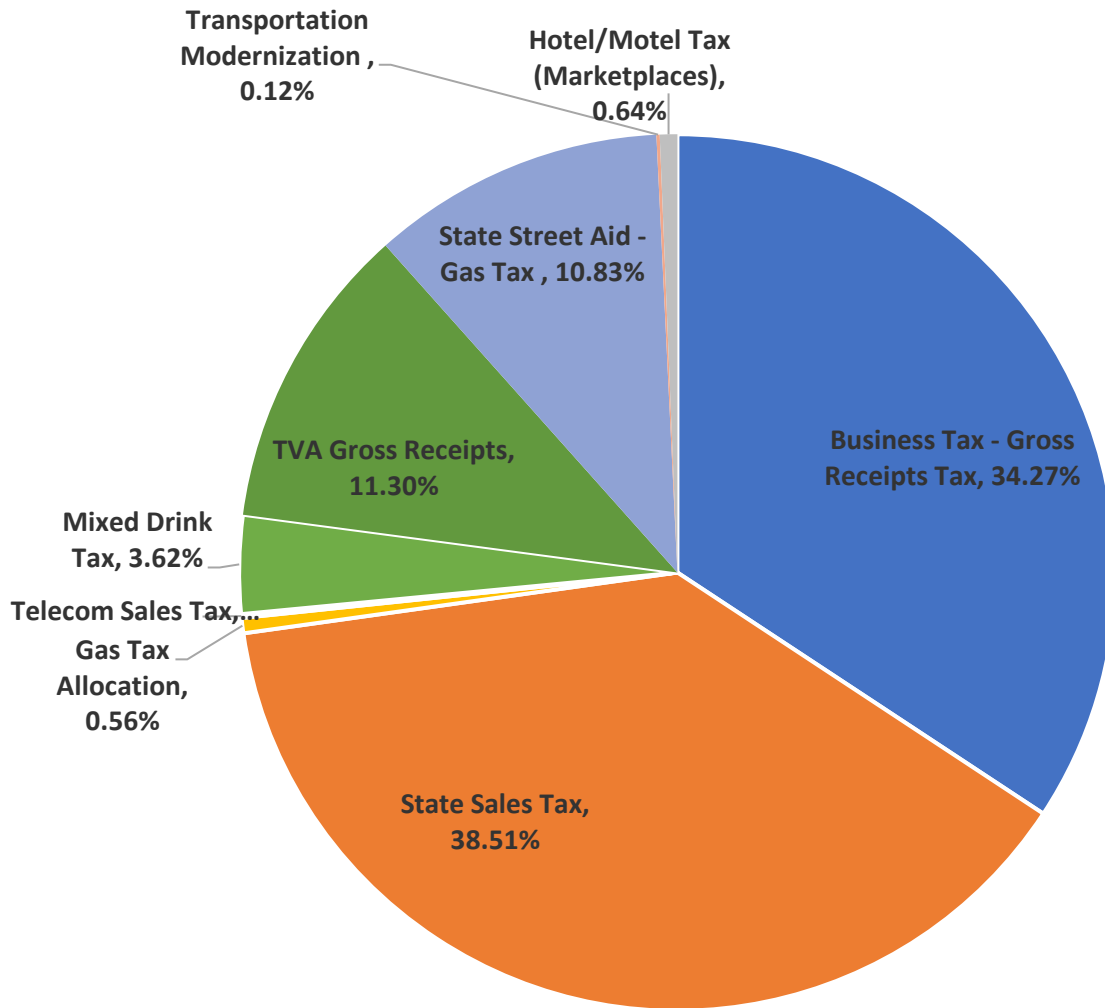


FY24 Local Sales Tax collections were budgeted flat with FY23 budgeted amounts. FY23 fell short of budgeted expectations by \$672k on accrual basis and \$779k on cash basis. June 2024 receipts (reflecting April sales) reflect \$58k more (1% increase) than June 2023 receipts. For the year, this revenue shows a \$1.7m (2.5%) cumulative increase over FY23 and are up from budgeted projections by \$999k (1.4%).

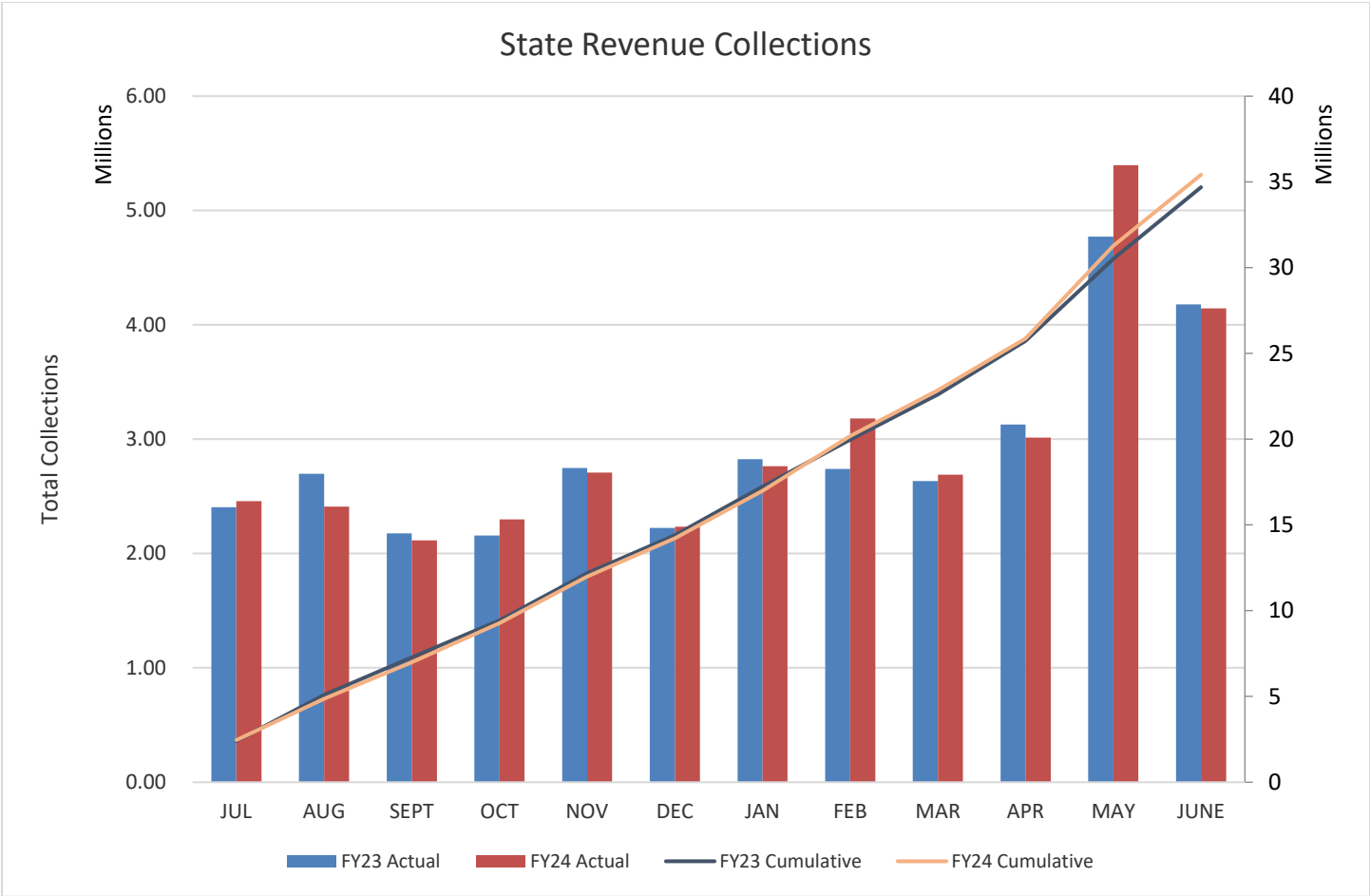


FY24 State Sales Tax collections were budgeted at 2% over FY23. June receipts, for April sales, were up 4.5% compared to last year. Cumulative results show approximately 3.3% growth for the year compared to last year. This revenue source is being closely monitored.

% of Total Current Month Collections

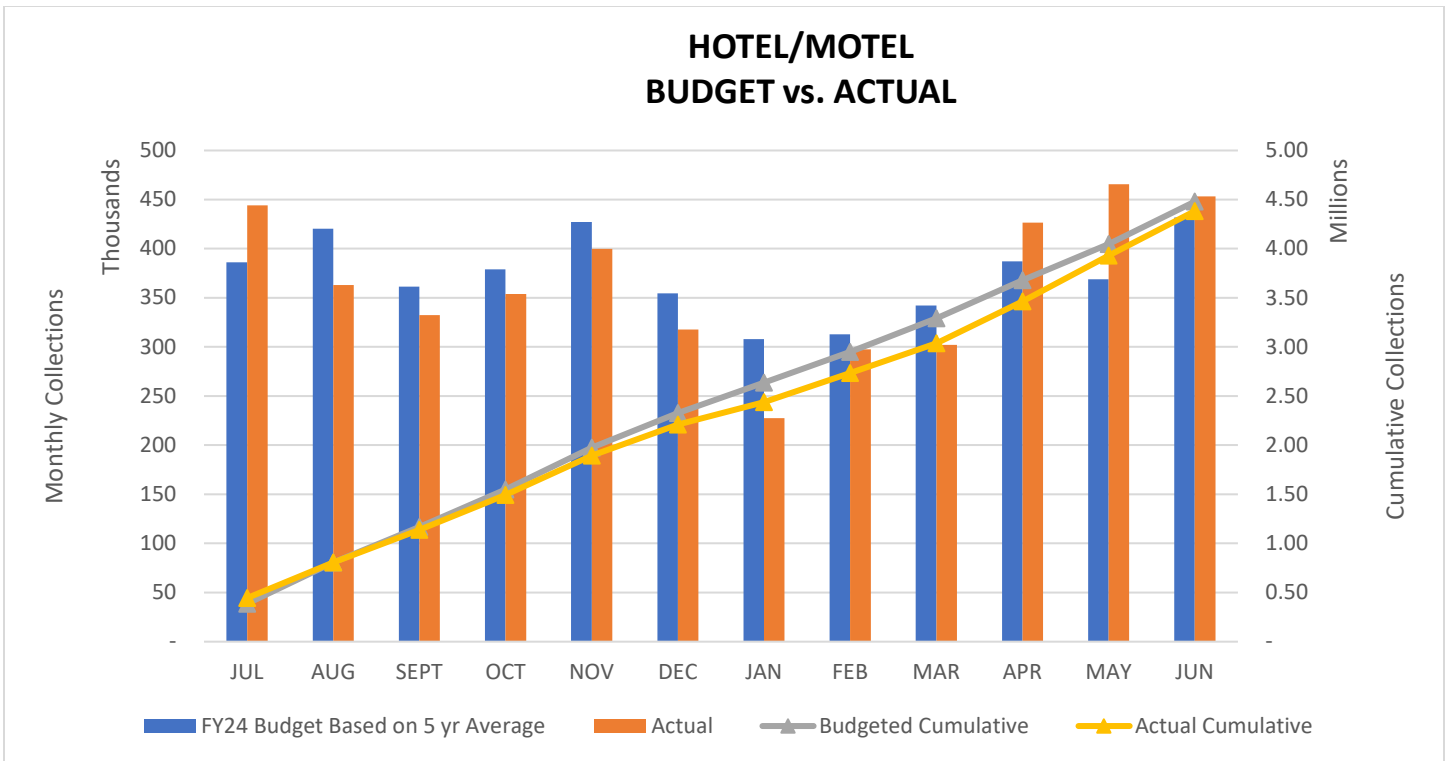


For June, Sales Tax made up 39% of State revenues. Business Tax receipts made up 34%. TVA Gross Receipts and State Street Aid (restricted to road improvements) made up 11% of the month's receipts. Mixed Drink tax totaled 4% for the month. The remaining revenues were made up with other miscellaneous taxes, including telecom and miscellaneous gas tax revenues.



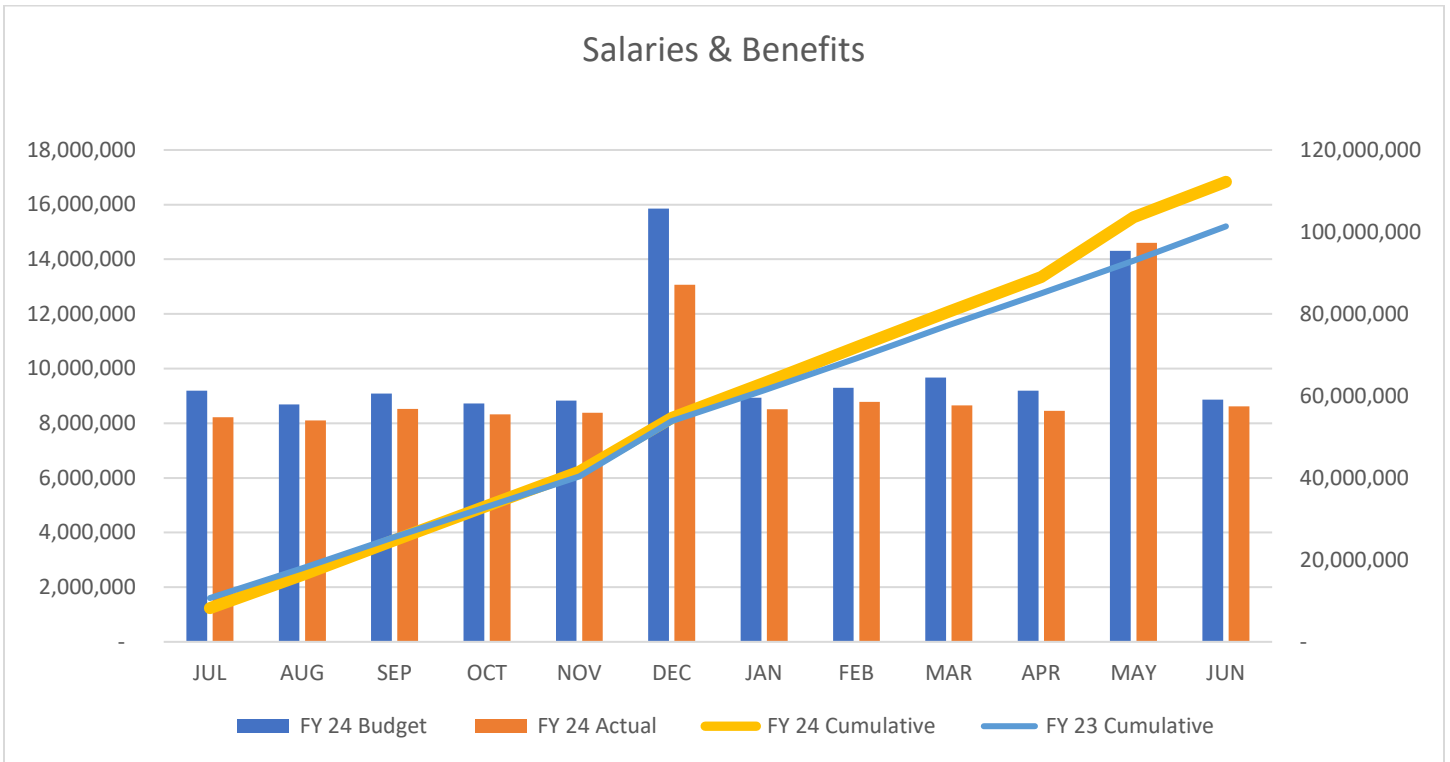
Overall, State Shared Revenue collections showed slight (<1%) decrease compared to June 2023. Business License (Gross Receipts) Taxes are down 7% (\$115k) for the month and cumulatively are showing a drop compared to last year of 3% (\$220k). While this tax can fluctuate depending on when returns are filed, there were also changes to the filing requirements that have impacted revenues. Sales Taxes receipts reflect growth of 4% increase as compared to June 2023. Mixed drink taxes are down 1% for the month and down 4% cumulatively compared to last year. State Street Aid Gas Tax reflects a 6% decrease compared to June 2023 and flat cumulative results. These revenues are restricted and can only be spent on eligible roadway maintenance and construction projects.

HOTEL/MOTEL BUDGET vs. ACTUAL



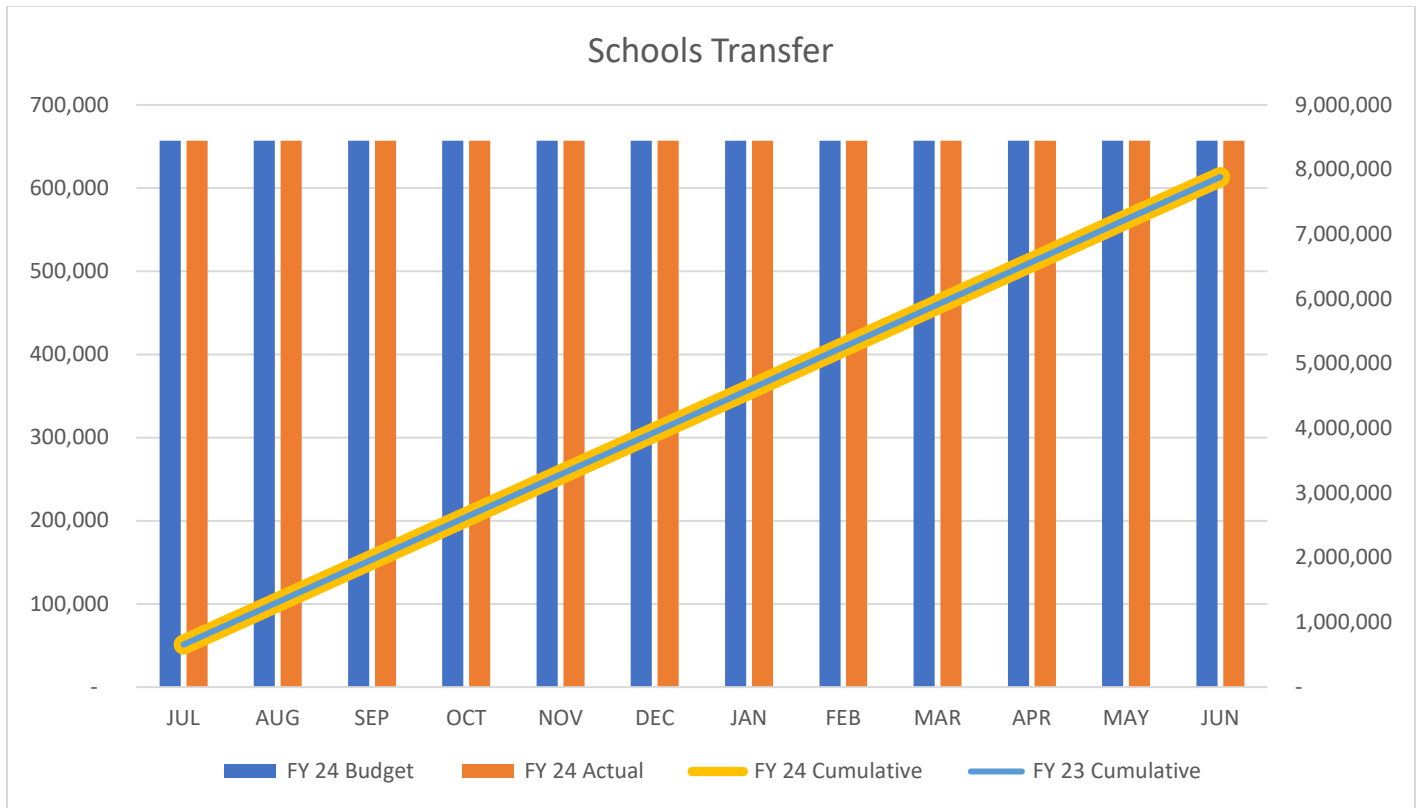
FY24 Hotel/Motel Taxes were budgeted to include a 3% increase over FY23 budget. June results reflect a 4% increase compared to last year for the month, and a 2% cumulative budget deficit. The Finance Department will conduct an audit of the City's hotels and motels in the coming year to ensure accurate and timely reporting.

EXPENSES

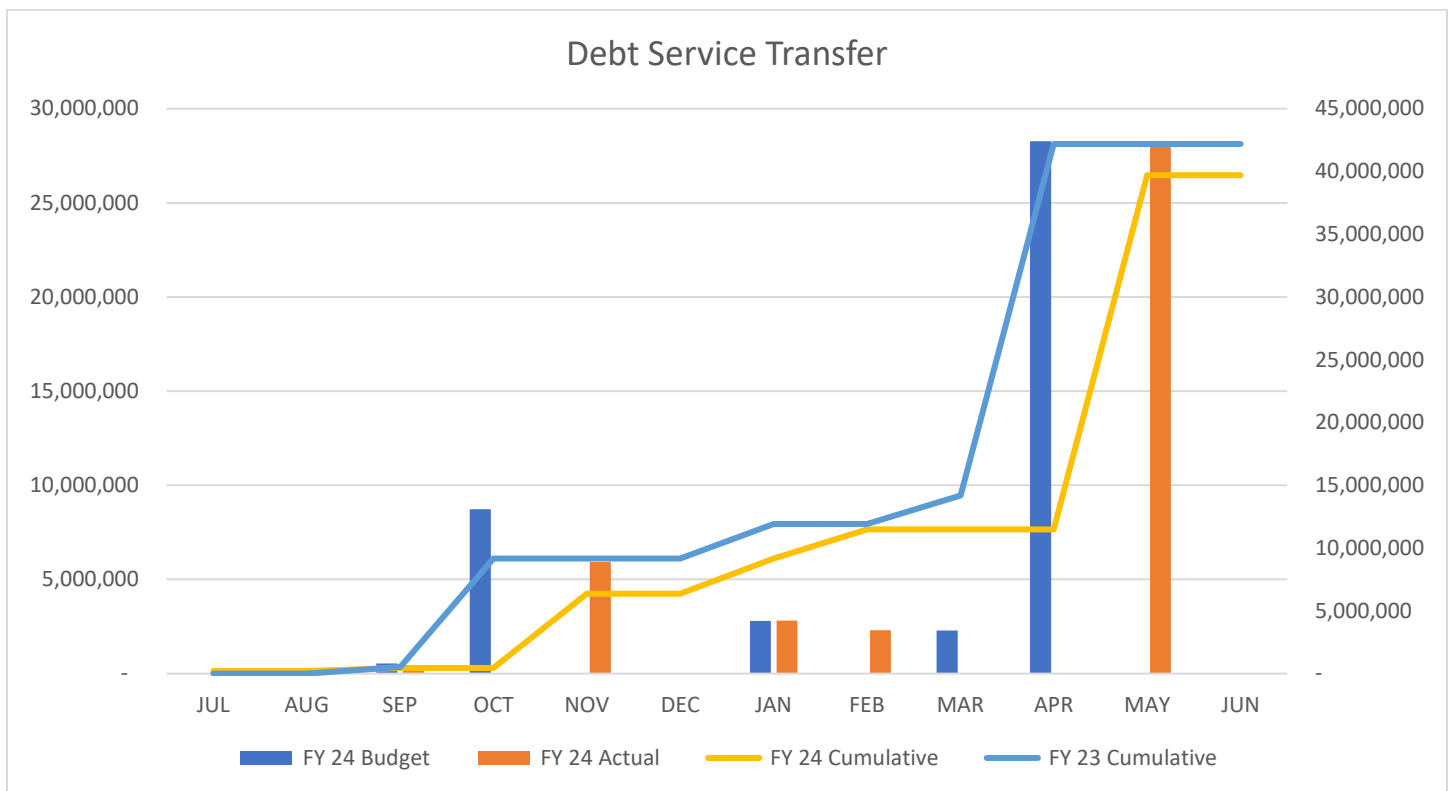


Salaries & Benefits make up more than 40% of General Fund’s budget. The FY24 budget included 16 additional full-time positions, increasing full-time approved positions from 1,086 to 1,102 positions. Mid-year, an additional Deputy Police Chief position and a new IT Business Systems Manager was added, bringing the total number of approved positions to 1,104.

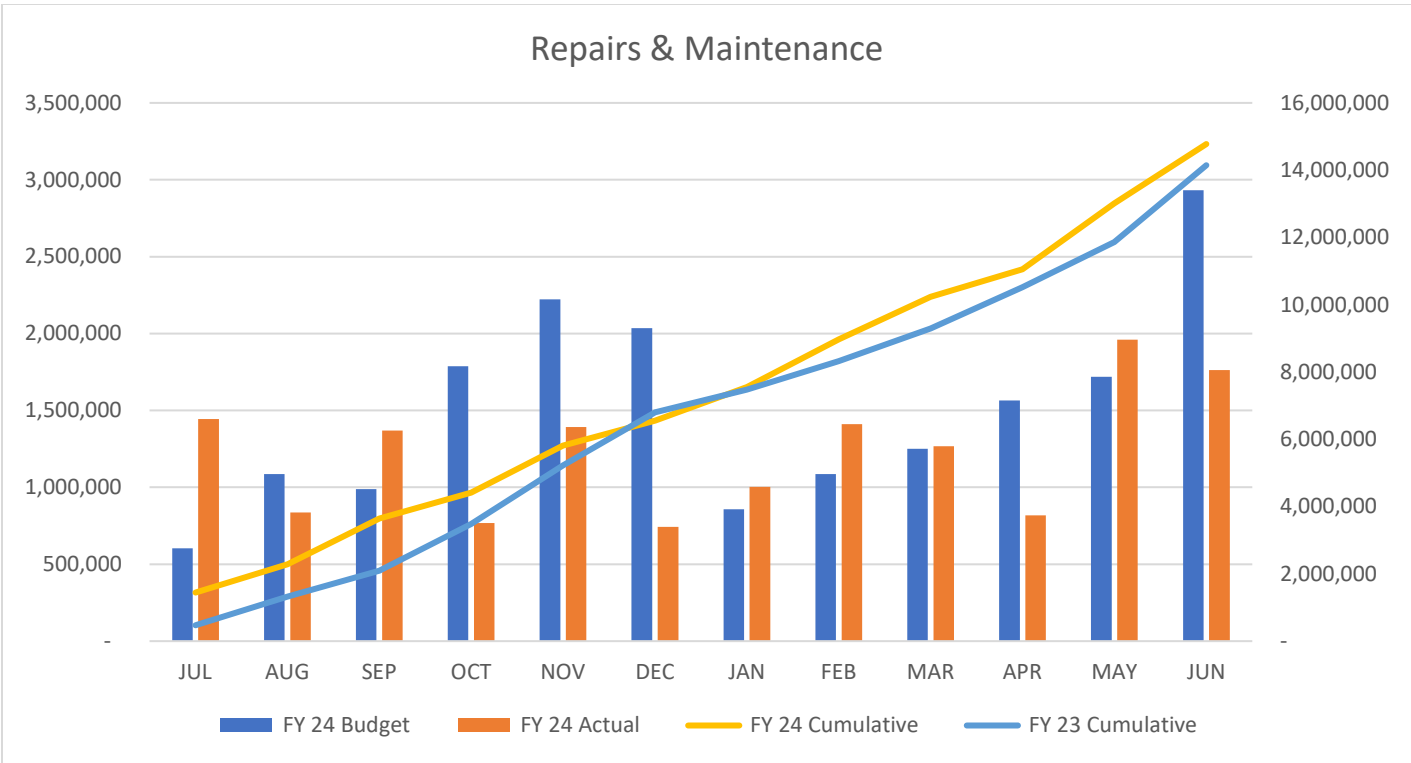
As of 6/30/24, there were 1,033 filled full-time positions and 71 vacancies (a decrease of 4 vacancies from last month). Police had 34 open positions at the end of June, including 23 sworn officer positions, the same as May. The spike on last month’s graph is related to the annual workers compensation insurance payment of \$1.8m. Last year’s payment occurred in December, but this year’s payment was processed in May. Overall, salary savings are down compared to budget by 7% and up over last year by 10.7%.



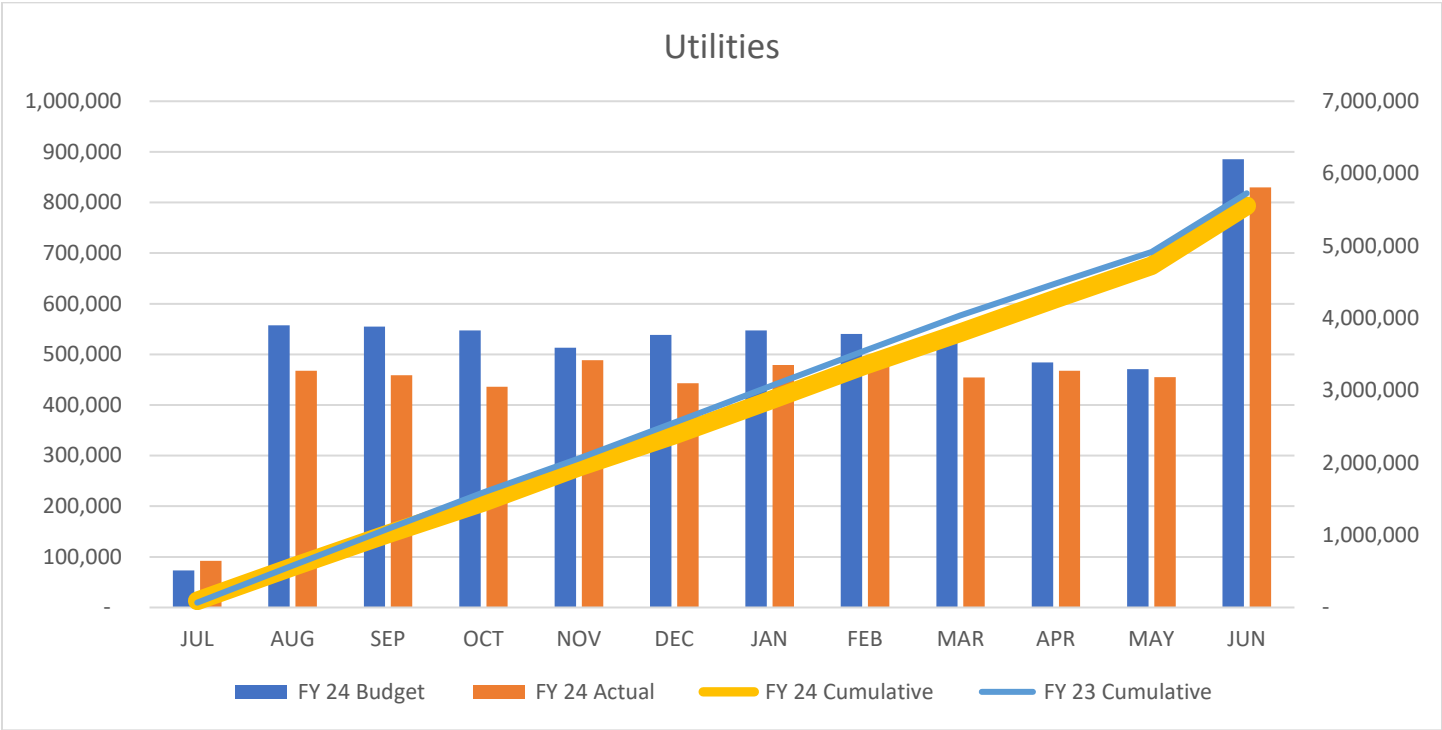
Transfers to City Schools makes up 3% of General Fund’s budget. Budgeted Transfers to City Schools is budgeted at \$7.885M. This transfer is made in monthly increments evenly distributed throughout the year.



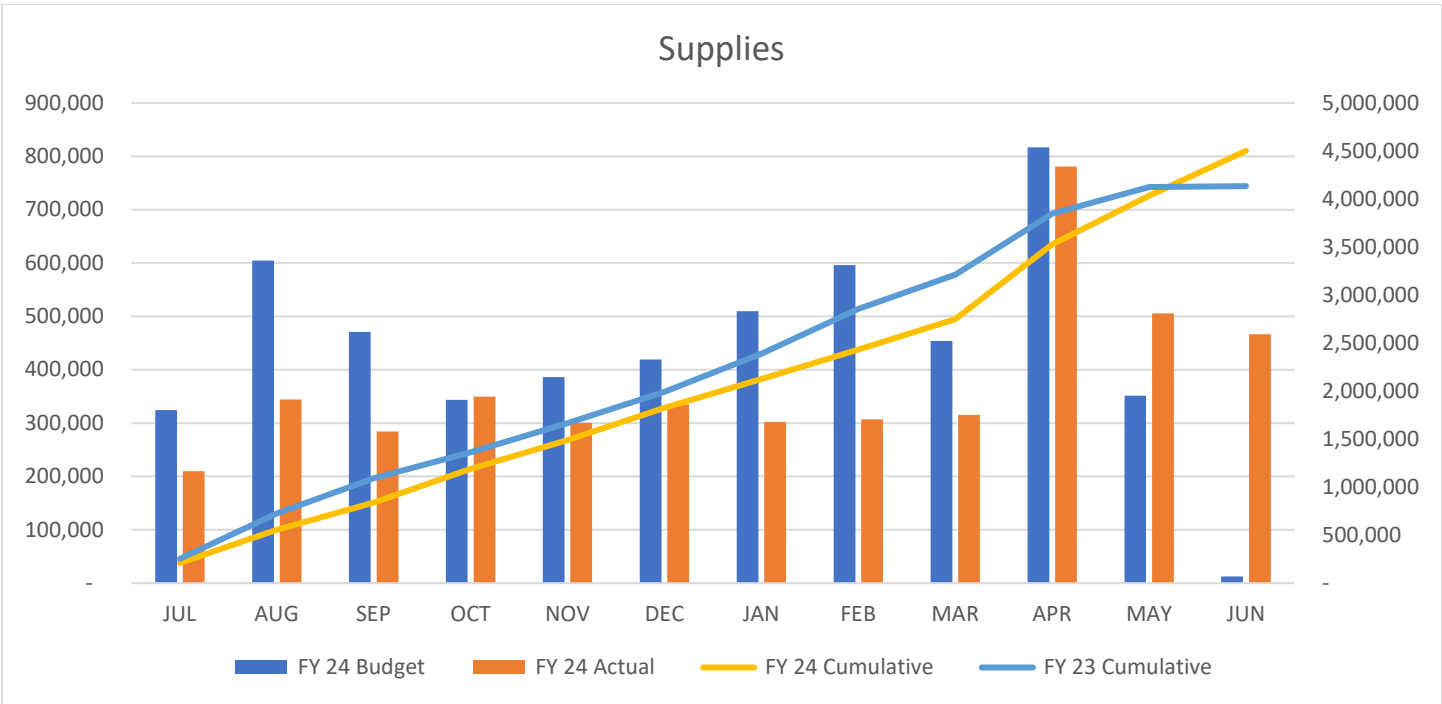
Budgeted Debt Service makes up 15% of General Fund’s budget. Since there were no additional borrowings or debt roll-off scheduled for this year, the budgeted Debt Service Transfer is flat compared to FY23. A bond issuance is anticipated for FY25, with resulting debt service impacting the FY25 budget.



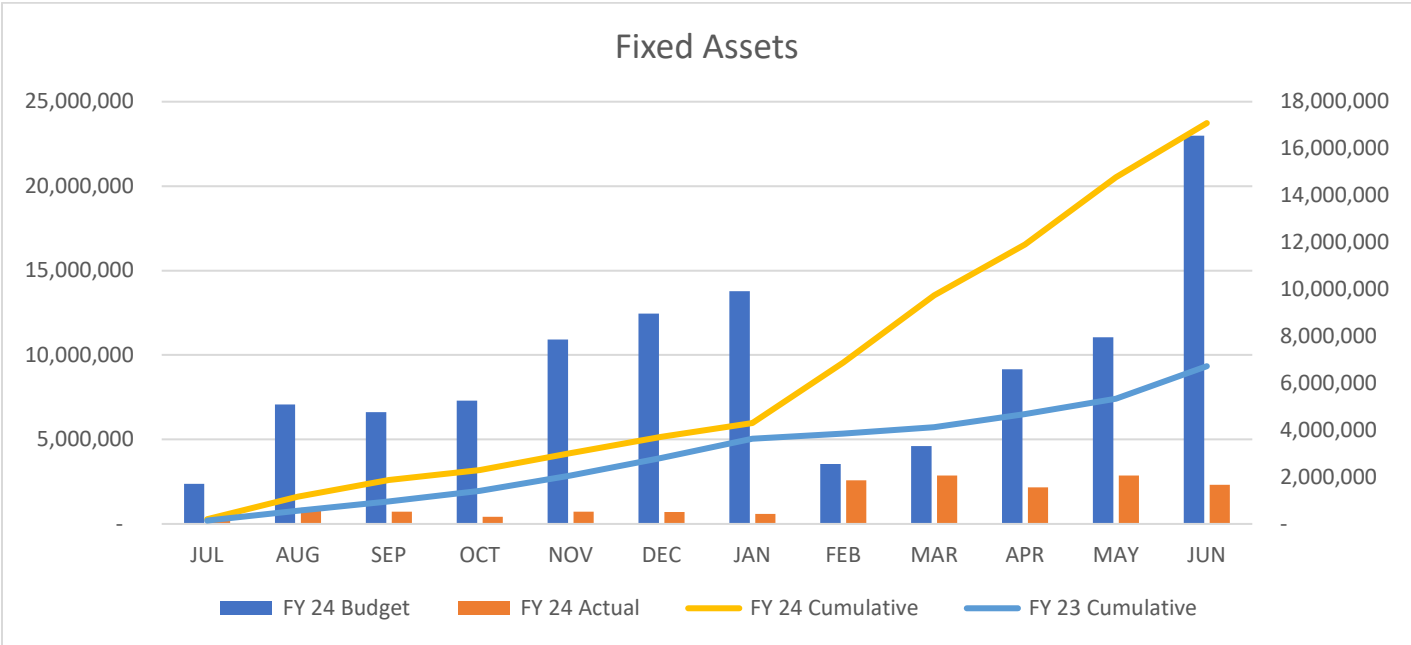
Repairs & Maintenance make up 6% of General Fund budgeted expenses. This includes technology maintenance (software, network & hardware) (\$4.2M), fleet services (\$5M), and Police R&M for radios, mobile data terminals, etc. (\$1M). State Street Aid R&M of streets, markings and right of way totals \$1M. While monthly budgeted amounts are based on last year’s actual results, these expenses are seasonal and fluctuate depending on contract timing and timing of repairs. Repair & Maintenance costs are up 4% compared to last year through June. Overall, costs are down 19% compared to budget for the year.



Utilities make up 2% of General Fund’s budget. Results are down 3% as compared to FY23 and are running about \$685k (11%) under budget through June. These costs tend to fluctuate with fuel increases, so more fluctuations are anticipated this year.



Supplies make up 2% of General Fund’s budget. Through June, expenses are running 15% under budget and are 9% over last year.



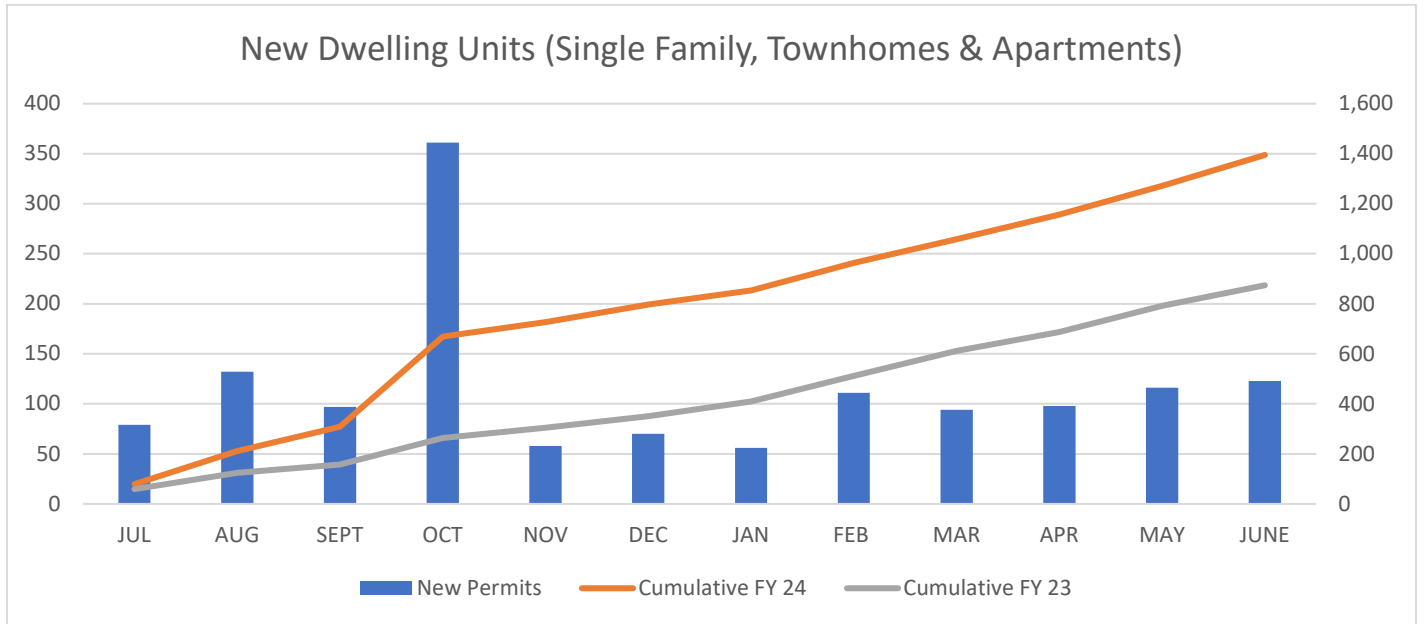
Fixed Assets make up 18% of General Fund’s budget, totaling \$54M These items include:

- \$13.7M – ARPA funded projects
- \$15M – Infrastructure for grant & MED funded road construction
- \$4.8M – Transit Facility
- \$8.0M – Community West Park
- \$5.6M – Towne Creek
- \$911k – Public Safety Equipment
- \$1.8M – Transit Buses
- \$760K – Transit equipment
- \$760k – Skate Park

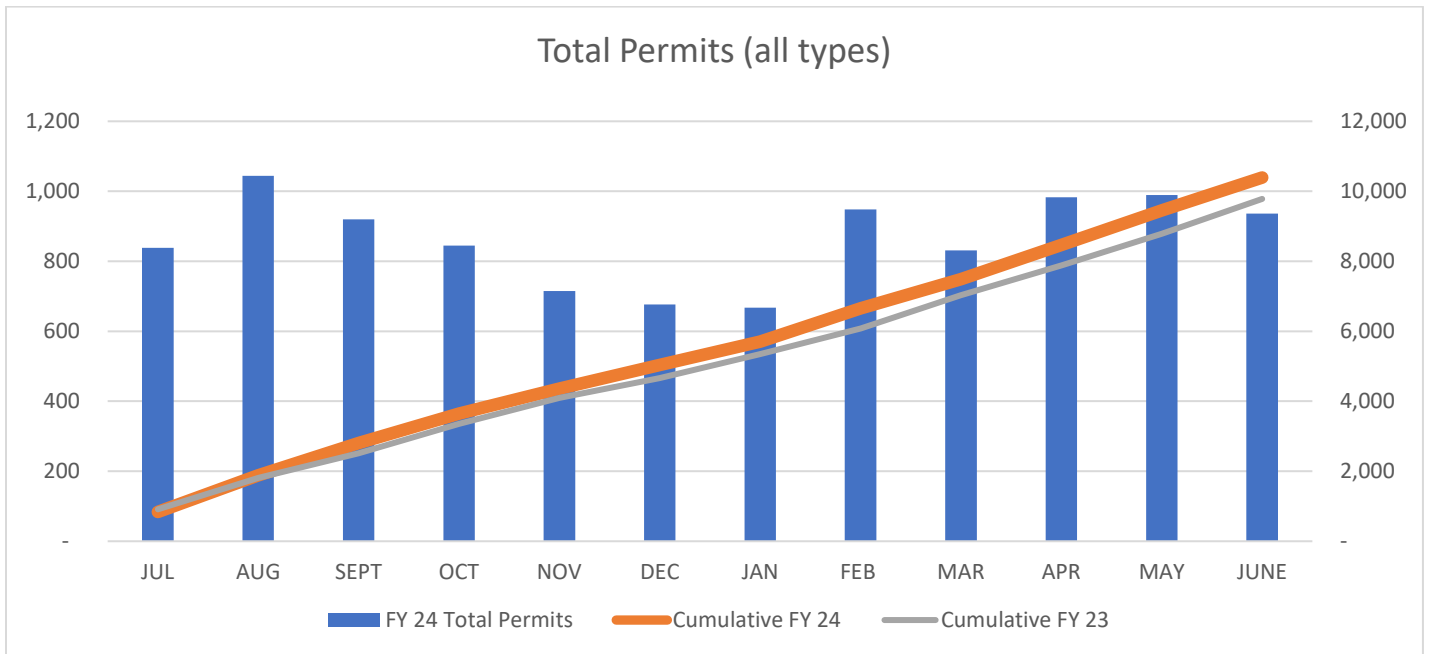
Timing on spending in Fixed Assets is also seasonal and can fluctuate based on the construction schedules and delivery of equipment. There are also several significant construction projects funded in the operating budget. Fixed asset spending was up 154% compared to last year’s expenses through June but down 85% compared to budget. This is due to delays in construction.

BUILDING & CODES

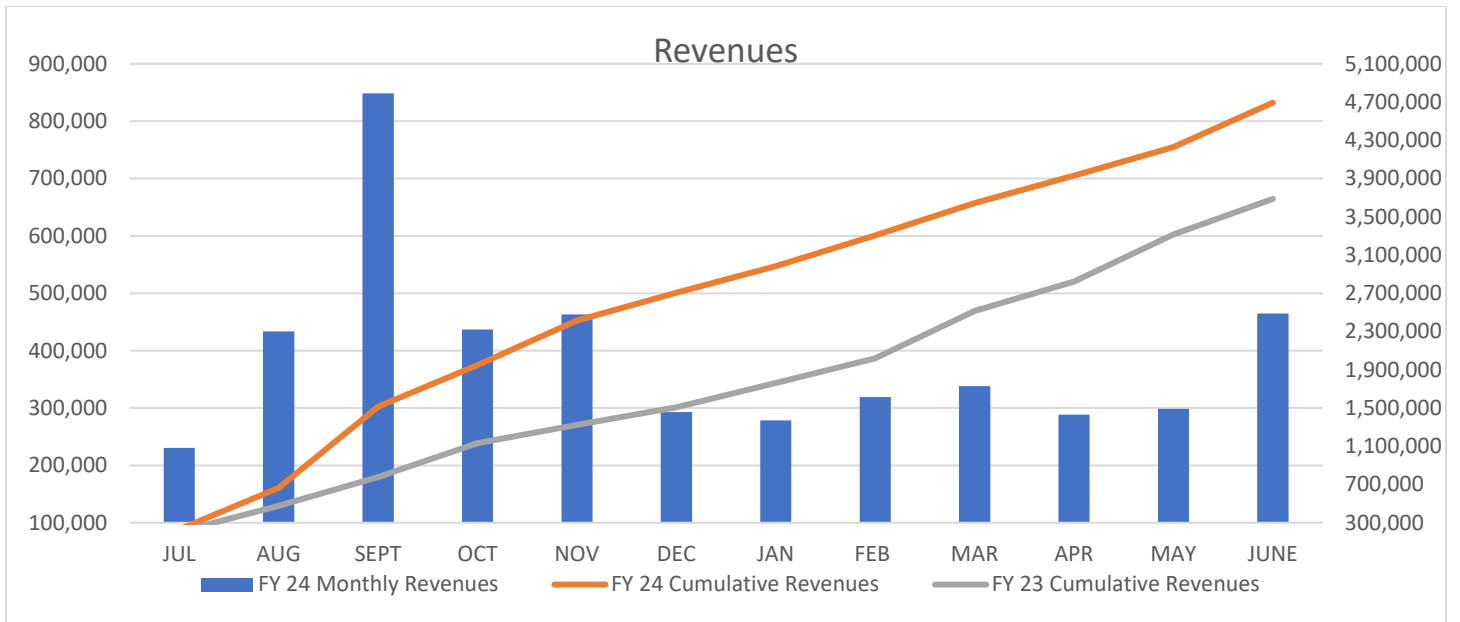
Building & Codes budgeted revenues are flat with FY23 budget and reflect a 63% increase as compared to FY23's actual results. This is largely due to new commercial activity in FY24. Residential activity is showing an increase due to a large apartment complex permit issued in October.



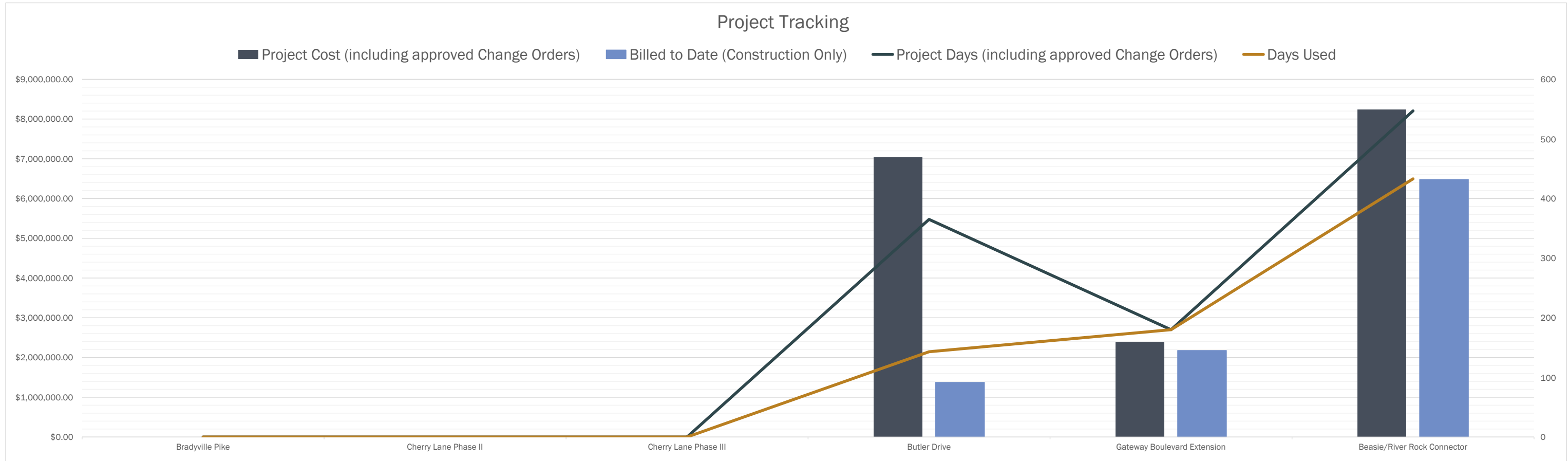
June new dwelling permits reflect a 50% increase from last June for the month and 60% cumulative increase for the year.



Total permits were trending up from last year by 6.25% through June.



Through June, revenues are up 27% as compared to last year and 25% for the month.



Project Name	Project Limits			Project Cost (including approved Change Orders)	Billed to Date (Construction Only)	Project Days (including approved Change Orders)	Days Used	Percent Days	Estimated Substantial Completion	N.T.P.
	From	To	Distance							
Bradyville Pike	SE Broad Street	S Rutherford Blvd	2.10 Miles	\$22,500,000 (Est Cost)	\$0.00	0	0	0%		
Cherry Lane Phase II	Siegel Soccer Park	Sulphur Springs Road	1.73 Miles	\$26,500,000 (Est Cost)	\$0.00	0	0	0%		
Cherry Lane Phase III	Broad Street	Memorial Blvd (231)	1.10 Miles	\$73,500,000 (Est Cost)	\$0.00	0	0	0%		
Butler Drive	1000 Butler Drive	Joe B Jackson	.88 Miles	\$7,039,011	\$1,375,465.47	365	143	39%	1/22/2025	1/22/2024
Gateway Boulevard Extension	Gateway	Robert Rose	.3 Miles	\$2,387,982	\$2,177,442.18	180	180	100%	12/23/2023	6/26/2023
Beasie/River Rock Connector	River Rock	Beasie Rd	.3 Miles	\$8,244,535	\$6,479,136.36	547	433	79%	8/30/2024	4/7/2023
Total				\$140,171,528	\$10,032,044					

Impact Fee Report for New Development in the City of Murfreesboro

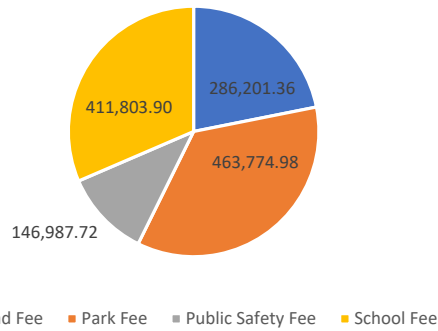
Month of June 2024

Land Use Type	Total Impact Fee Assessed	Road Fee	Park Fee	Public Safety Fee	School Fee
Single-Family Residential	176,202.00	38,531.85	62,438.92	19,789.28	55,441.95
SFR-Townhomes	-	-	-	-	-
Multi-Family Residential	-	-	-	-	-
Retail/Commercial	-	-	-	-	-
Office	-	-	-	-	-
Public/Institutional	-	-	-	-	-
Industrial	-	-	-	-	-
Total	176,202.00	38,531.85	62,438.92	19,789.28	55,441.95

Fiscal Year 2024 to Date

Land Use Type	Total Impact Fee Assessed	Road Fee	Park Fee	Public Safety Fee	School Fee
Single-Family Residential	1,308,767.97	286,201.36	463,774.98	146,987.72	411,803.90
SFR-Townhomes	11,338.50	2,479.50	4,017.91	1,273.43	3,567.66
Multi-Family Residential	-	-	-	-	-
Retail/Commercial	-	-	-	-	-
Office	-	-	-	-	-
Public/Institutional	-	-	-	-	-
Industrial	-	-	-	-	-
Total	1,320,106.47	288,680.86	467,792.89	148,261.15	415,371.56

Fiscal Year 2024 Distribution of Assessed Fees



COUNCIL COMMUNICATION

Meeting Date: 8/8/2024

Item Title: June 2024 MCS Cash Flow Statement and Estimated Revenue and Estimated Expenditure Budget Comparison Reports

Department: Murfreesboro City Schools

Presented by: Daniel Owens

Requested Council Action:

- Ordinance
 - Resolution
 - Motion
 - Direction
 - Information
-

Summary

FY24 Cash Flow Statement (June 2024)

FY24 Estimated Revenue and Estimated Expenditure Budget Comparison Reports (June 2024)

Background Information

The State has recommended the Schools provide a Cash Flow Statement to the City Council on a monthly basis to indicate enough cash reserves are forecasted to be available to pay monthly expenses. We also will be including Revenue and Expenditure Budget Comparison Reports, that is provided to the Murfreesboro City School Board each month. This information will be included in the Wednesday agenda each month. A formal presentation will not be made each month, however there will be an opportunity for questions and comments.

Council Priorities Served

Strong and Sustainable Financial and Economic Health

Fiscal Impact

None

Attachments

June 2024 MCS Cash Flow Statement

June 2024 MCS Estimated Revenue and Estimated Expenditure Budget Comparison Reports

**Cash Flow Forecast Schedule **
FY 2024-General Purpose**

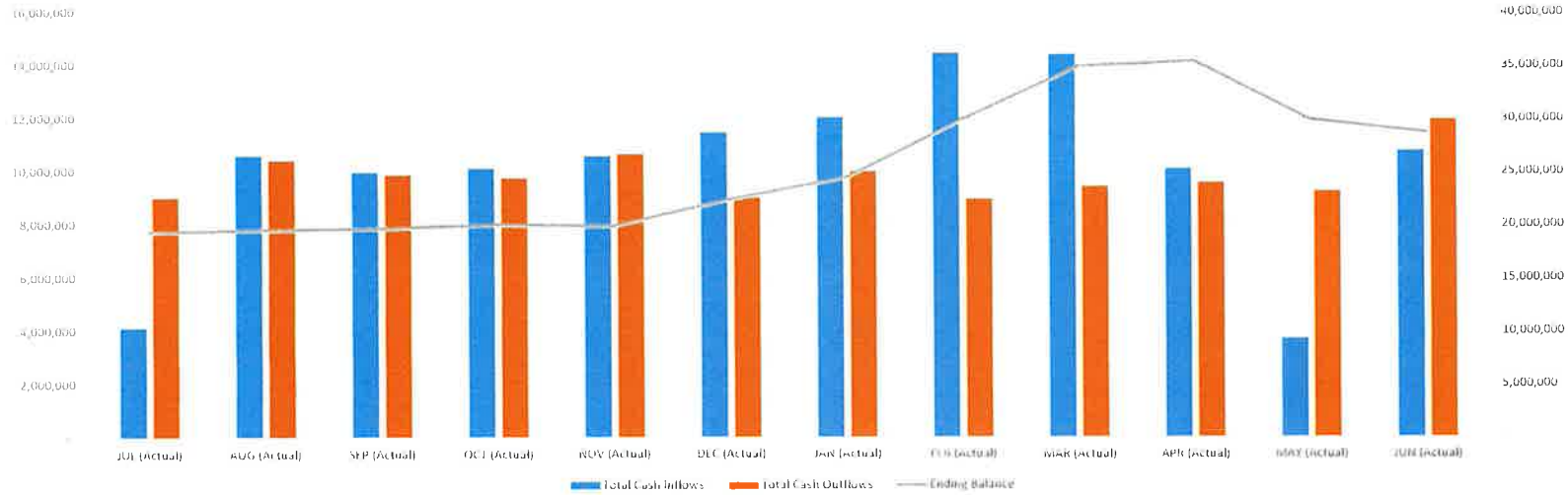
City or Town of:

Murfreesboro

Fund Name	JUL (Actual)	AUG (Actual)	SEP (Actual)	OCT (Actual)	NOV (Actual)	DEC (Actual)	JAN (Actual)	FEB (Actual)	MAR (Actual)	APR (Actual)	MAY (Actual)	JUN (Actual)	TOTAL
Cash Receipts	\$ 4,139,430	\$ 10,609,812	\$ 9,986,023	\$ 10,132,605	\$ 10,600,538	\$ 11,491,300	\$ 12,053,432	\$ 14,485,545	\$ 14,430,071	\$ 10,114,824	\$ 3,715,866	\$ 10,794,806	\$ 122,554,252
Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	4,139,430	10,609,812	9,986,023	10,132,605	10,600,538	11,491,300	12,053,432	14,485,545	14,430,071	10,114,824	3,715,866	10,794,806	122,554,252
Beg Cash Bal	24,253,399	19,363,390	19,530,386	19,628,115	19,990,004	19,898,529	22,369,238	24,410,611	29,927,105	34,917,424	35,436,390	29,885,786	
Available Cash	28,392,829	29,973,202	29,516,409	29,760,720	30,590,542	31,389,829	34,422,670	38,896,156	44,357,176	45,032,248	39,152,255	40,680,592	
Cash Payments	\$ 9,013,889	\$ 10,427,265	\$ 9,872,743	\$ 9,755,165	\$ 10,676,462	\$ 9,005,040	\$ 9,996,508	\$ 8,953,500	\$ 9,424,201	\$ 9,580,307	\$ 9,219,920	\$ 11,959,071	117,884,071
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	15,551	15,551	15,551	15,551	15,551	15,551	15,551	15,551	15,551	15,551	46,549	15,551	217,610
Total Cash Outflows	9,029,440	10,442,816	9,888,294	9,770,716	10,692,013	9,020,591	10,012,059	8,969,051	9,439,752	9,595,858	9,266,469	11,974,622	118,101,681
Ending Balance	19,363,390	19,530,386	19,628,115	19,990,004	19,898,529	22,369,238	24,410,611	29,927,105	34,917,424	35,436,390	29,885,786	28,705,970	
Cash Inflows - Outflows	\$ (4,890,009)	\$ 166,996	\$ 97,729	\$ 361,889	\$ (91,475)	\$ 2,470,709	\$ 2,041,373	\$ 5,516,495	\$ 4,990,319	\$ 518,966	\$ (5,550,604)	\$ (1,179,817)	\$ 4,452,571

** This schedule is only required for certain funds. Please refer to the **Information Tab** to see if this schedule is required for your local government.

Cash Flow Forecast



COMPARISON OF BUDGET TOTALS
July 1, 2023 Through June 30, 2024

TOTAL ESTIMATED INCOME	7/1/23 - 6/30/24	\$	106,821,078
TOTAL ESTIMATED EXPENSES	7/1/23 - 6/30/24		102,518,163
			<hr/>
ESTIMATED NET INCOME	6/30/24	\$	4,302,915
			<hr/>

JUNE 2024 ESTIMATED

YEAR-TO-DATE REVENUE COMPARISON

	BUDGET CLASS.	2022-23 BUDGET	2022-23 YTD REV.	2022-23 OVR/(UNDR) BUDGET	2022-23 % Received	2023-24 BUDGET	2023-24 YTD REV.	2023-24 OVR/(UNDR) BUDGET	2023-24 % Received
1	40110-Current Prop. Tax	15,000,000	14,952,361	(47,639)	99.7%	15,000,000	13,338,037	(1,661,963)	88.9%
2	40210-Local Option Sales Tax	14,300,000	17,205,396	2,905,396	120.3%	14,300,000	17,678,391	3,378,391	123.6%
3	40000-41110-Other County Rev	1,761,800	2,170,655	408,855	123.2%	1,761,800	1,874,858	113,058	106.4%
4	43300-44000-Other Local Revenue (Interest, Tuition)	950,926	943,481	(7,445)	99.2%	1,175,926	1,243,943	68,017	105.8%
	SUBTOTAL LOCAL REVENUE	\$ 32,012,726	\$ 35,271,893	\$ 3,259,167		\$ 32,237,726	\$ 34,135,229	\$ 1,897,503	
5	46310-Project Diabetes Grant	142,600	142,591	(9)	100.0%	93,900	93,900	-	100.0%
6	46510-TISA	52,851,000	52,987,982	136,982	100.3%	59,992,037	60,661,872	669,835	101.1%
7	46515-Early Childhood Ed. (VPK Grant)	1,063,812	1,061,719	(2,093)	99.8%	1,326,895	1,220,867	(106,028)	92.0%
8	46590-Other State Education (Summer Learning Grant)	1,521,737	835,537	(686,200)	54.9%	1,851,909	1,110,947	(740,962)	60.0%
9	46610-Career Ladder Program	82,000	70,728	(11,272)	86.3%	57,146	63,551	6,405	111.2%
10	46591-Coordinated School Health (ended FY23)	100,000	100,000	-	100.0%	-	-	-	N/A
11	46595-Family Resource (ended FY23)	29,600	29,612	12	100.0%	-	-	-	N/A
12	46800-46990-Safe Schools and Public School Security Grant	302,513	148,337	(154,176)	49.0%	768,542	809,580	41,038	105.3%
	SUBTOTAL STATE REVENUES	\$ 56,093,262	\$ 55,376,506	\$ (716,756)		\$ 64,090,429	\$ 63,960,717	\$ (129,712)	
13	47000- Federal Funds	516,921	307,432	(209,489)	59.5%	274,582	165,105	(109,477)	60.1%
	SUBTOTAL FEDERAL REVENUES	\$ 516,921	\$ 307,432	\$ (209,489)		\$ 274,582	\$ 165,105	\$ (109,477)	
14	49100-49800 Insurance Recovery/Indirect Costs	455,000	427,875	(27,125)	94.0%	460,000	509,490	49,490	110.8%
15	49810-City of Murfreesboro Allocation	7,885,103	7,885,103	-	100.0%	7,885,103	7,885,103	-	100.0%
16	49820-City TN All Corp Grant	500,000	334,565	(165,435)	66.9%	165,435	165,435	(0)	100.0%
	SUBTOTAL OPERATING TRANSFERS	\$ 8,840,103	\$ 8,647,543	\$ (192,560)		\$ 8,510,538	\$ 8,560,027	\$ 49,489	
	TOTAL REVENUES	\$ 97,463,012	\$ 99,603,374	\$ 2,140,362	102.2%	\$ 105,113,275	\$ 106,821,078	\$ 1,707,803	101.6%

YEAR-TO-DATE EXPENDITURE COMPARISON

JUNE 2024 ESTIMATED

	BUDGET CLASS.	2022-23 BUDGET	2022-23 YTD EXP.	2022-23 OVR/(UNDR) BUDGET	2022-23 %	2023-24 BUDGET	2023-24 YTD EXP.	2023-24 OVR/(UNDR) BUDGET	2023-24 %
1	71100-Reg. Instruction	54,131,308	51,789,009	(2,342,299)	95.7%	57,249,035	\$ 54,650,895	(2,598,140)	95.5%
2	71200-Sp. Ed. Instruction	11,069,380	10,699,666	(369,714)	96.7%	12,674,470	12,118,895	(555,575)	95.6%
3	71400-Student Body Ed.	-	-	-	N/A	-	-	-	N/A
4	72110-Attendance	182,175	156,196	(25,979)	85.7%	160,965	155,839	(5,126)	96.8%
5	72120-Health Services	618,920	306,278	(312,642)	49.5%	1,098,216	998,243	(99,973)	90.9%
6	72130-Guidance	3,310,196	2,985,540	(324,656)	90.2%	3,623,785	3,374,170	(249,615)	93.1%
7	72210-Reg. Instr. Support	2,391,127	2,005,514	(385,613)	83.9%	2,548,064	2,359,122	(188,942)	92.6%
8	72220-Sp. Ed. Support	1,826,392	1,720,107	(106,285)	94.2%	1,999,863	1,782,442	(217,421)	89.1%
9	72250-Technology	2,464,180	2,295,169	(169,011)	93.1%	2,674,265	2,339,057	(335,208)	87.5%
10	72310-Bd. Of Education	1,751,350	1,622,885	(128,465)	92.7%	1,966,681	1,871,948	(94,733)	95.2%
11	72320-Office of Supt.	423,750	374,356	(49,394)	88.3%	440,109	388,421	(51,688)	88.3%
12	72410-Office of Principal	5,217,780	5,003,959	(213,821)	95.9%	5,703,089	5,605,461	(97,628)	98.3%
13	72510-Fiscal Services	754,345	720,899	(33,446)	95.6%	886,045	822,666	(63,379)	92.8%
14	72520-Personnel Services	505,320	451,494	(53,826)	89.3%	594,415	552,861	(41,554)	93.0%
15	72610-Oper. Of Plant	6,691,130	6,321,700	(369,430)	94.5%	6,402,482	5,981,819	(420,663)	93.4%
16	72620-Maint. Of Plant	3,092,033	2,553,200	(538,833)	82.6%	4,608,543	3,732,034	(876,509)	81.0%
17	72710-Pupil Transp.	4,092,271	3,486,788	(605,483)	85.2%	4,544,354	3,866,947	(677,407)	85.1%
18	73300-Community Service	444,655	402,113	(42,542)	90.4%	522,655	467,990	(54,665)	89.5%
19	73400-Early Childhood Educ.	1,166,640	1,038,971	(127,669)	89.1%	1,108,368	1,084,434	(23,934)	97.8%
20	76100-Reg. Cap. Outlay	130,000	80,468	(49,532)	61.9%	171,872	147,310	(24,562)	85.7%
21	82130-Education Debt Serv.	-	-	-	N/A	-	-	-	N/A
22	99100-Operating Transfers	776,800	268,705	(508,095)	34.6%	217,610	217,609	(1)	100.0%
	TOTALS	101,039,752	94,283,018	\$ (6,756,734)	93.3%	109,194,886	102,518,163	\$ (6,676,723)	93.9%

No Items.