
MEETING MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
THURSDAY, JANUARY 19, 2012 @ 4:00 P.M.

Committee Members

Alderman Ann Petersen, Chair P
Alderman Beverly Burger, Vice Chair P
Alderman Brandy Blanton P
Alderman Michael Skinner P

Other Attendees

Eric Stuckey, City Administrator P
Russell Truell, ACA Finance & Administration P
David Parker, City Engineer/CIP Executive P
Mike Lowe, Controller P
Steve Sims, Assistant City Recorder P
Brian Wilcox, Purchasing Manager P
Kristen Corn, Staff Attorney P
Mayor Ken Moore P
Alderman Margaret Martin P
Lanaï Benne, Assistant City Recorder P
Linda Fulwider, Board Recording Secretary P

1. Call to Order

Alderman Petersen, Chair, called the meeting to order at 4:00 p.m., Thursday, January 19, 2012.

2. Approval of the Minutes

Alderman Burger moved to approve the November 29, 2011 minutes as presented. Seconded by Alderman Blanton. Motion carried unanimously.

3. Consideration of Proposed FY 2012-2013 Budget Calendar

One adjustment made; To keep all public works together, Solid Waste was moved from February to the March 15 meeting.

There was discussion on the way budget changes are presented to the Committee after the initial review. Mr. Truell indicated a narrative could be provided.

Alderman Blanton moved to accept the Budget Calendar including the move of Solid Waste from February to the March meeting. Seconded by Alderman Skinner. Motion carried unanimously.

4. Consideration of Minor Text Changes to Federal Tax Compliance Policies Related to Bond Issue

Russ Truell, ACA Finance & Administration

The City's bond counsel recommends adopting the updates to the policies adopted in 2009.

Alderman Burger moved to approve and forward to BOMA. Seconded by Alderman Blanton. Motion carried unanimously.

5. **Consideration of Renewal of Revolving Loan Agreement with the Industrial Development Board (IDB) Regarding Nissan Project**

Russ Truell, ACA Finance & Administration

The letter of credit is up for renewal and the lending bank requests an updated agreement clarifying the amount of the potential loan and the term of the loan. The loan, including accrued interest, will be paid with proceeds from the Tax Increment Financing (TIF) proceeds from the Nissan property and other properties in the immediate area (TIF district). The changes are minor and staff recommends adopting the updates to section 7 of the revolving loan agreement.

Alderman Burger moved to approve and forward to BOMA. Seconded by Alderman Blanton. Motion carried unanimously.

6. **Discussion of Debt Collection for City Court**

Steve Sims, Assistant City Recorder

The additional information requested last meeting has been provided. Staff would to go forward with the request to use a collection agency for the collection of bad debts, particularly for outstanding court obligations.

Discussion:

- The State allows going back 10 years to collect debt
- Before 2002 - \$120,000 debt
- Other communities successfully use collection agencies
- Process that leads up to turning debt over to a collection agency reviewed
- Law Department working on revisions to letters to customers
- Non-payment of traffic violations are not flagged in information police pull up during a traffic stop
- Approximate \$550,000 in outstanding obligations owed the Court last fiscal year that could be pursued by a collection agency
- Alderman Blanton said going back 6 years to collect debt was fairer than 10 years. She also stated she would like to have input in this process.

Alternatives:

1. Continue the same course and not pursue outstanding court fees through a collection agent
2. Pursue legal actions using our Legal Department
3. Pursue using a competitively bid contract to pursue outstanding obligations

Alderman Skinner moved to approve option #3 and the issuance of an RFP, and forward recommendation to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

7. **Consideration of Changes to City Policy on the City Doing Business with Employees of the City**

**Shirley Harmon, Human Resources Director
Brian Wilcox, Purchasing Manager**

Per memo submitted to committee:

"If the Board of Mayor and Aldermen chooses to continue to allow the City to do business with City employees and certain relatives of City employees, but subject to certain stipulations, then staff would recommend the Board of Mayor and Alderman consider revising Article XXII ("General Policies and Procedures"), Section E (Business Dealings"), of the City of Franklin Human Resources Manual by expanding the focus of that provision to include both goods and services instead of only services, as follows (text marked with strikethrough would be deleted; text marked with underline would be added):

Regular full-time, regular part-time and temporary employees of the City may, subject to the approval of the City Administrator, ~~contract to perform services for the City~~ be awarded a purchase by the City for the provision of goods and/or the rendering of services by meeting the following criteria: (1) the ~~service performed must not be~~ purchase must not include any service which the employee might provide in the normal scope of their regular duties; (2) the employee would be required to bid or submit a proposal in the same manner as any other prospective ~~provider of service~~ vendor for the City; and (3) ~~the any~~ service performed must not present a conflict of interest nor a conflict of time with the employee's regular duties."

Lengthy discussion ensued.

Alderman Skinner moved to forward this item to a Work Session for full Board discussion. Seconded by Alderman Blanton. Motion approved Unanimously.

8. **Consideration of RESOLUTION No. 2012-05, A Resolution to Repeal Resolution 2009-25 and to Authorize the City Administrator to Execute Contracts and Agreements on Behalf of the City for Amounts of \$25,000.00 or Less Without First Seeking Approval from the Board of Mayor and Aldermen, Effective July 1, 2012**

Eric Stuckey, City Administrator

This proposal is to once again align with the amount for formal sealed bid requirements that changed from \$10,000 to \$25,000 on July 1, 2011. To do so would allow efficiency in transactions; all transactions are reported to the Board. Items deemed to need Board attention would be taken to the Board as has been done with the \$10,000 limit. Items are always within the budget.

Alderman Burger moved to approve and forward recommendation to BOMA. Seconded by Alderman Skinner. Motion carried unanimously.

9. **Consideration of a Professional Services Agreement with Waller Lansden Dortch & Davis, LLP for the Development of Franklin's Standard Construction Front-End Documents at a Cost of \$49,000.00**

David Parker, City Engineer/CIP Executive

After trying to develop City of Franklin Standard Construction Front-End Documents, it became clear to the Law Department and City Engineer that time constraints for research of legal issues needed and drafting of the documents would prevent staff from completing these documents in a timely manner. Construction has become very complicated and the use of redline versions of contracts developed for someone else is cumbersome and prone to errors. The City has significant capital projects on the horizon. The cost of this contract development could be recaptured over time as a cost element charged to various construction projects, allocating this cost over time to the projects (and funding sources)

that will benefit from the contract framework.

Alderman Burger moved to approve Option B, Custom Document Suite, at a flat rate of \$49,000, and forward recommendation to BOMA. Seconded by Alderman Skinner. Motion carried unanimously.

10. Monthly Reports (Information Only)

a) Sales Tax Report – November 2011

Local sales tax for January was \$1,998,723 compared to \$1,892,149 for the same month in 2011, an increase of \$106,573 or 5.6%

b) Property Tax Report – Month of December 2011

c) Construction Activities Report – Month of November 2011

d) Transit System Report – Months of November and December 2011

e) Conference Center Report – Months of November and December 2011

f) Fuel Hedging Report – December 2011

Reports filed with the minutes

ADJOURN

Alderman Skinner moved to adjourn.

Meeting adjourned 5:49 p.m.

Ann Petersen, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office - 4/23/2012 1:20 PM