
MEETING MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
THURSDAY, MAY 17, 2012 @ 3:00 P.M.

Committee Members

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

Other Attendees

P	Eric Stuckey, City Administrator	P
P	Russell Truell, ACA Finance & Administration	P
P	Mike Lowe, Comptroller	P
P	Mayor Ken Moore	P
	Lanaii Benne, Assistant City Recorder	P
	Linda Fulwider, Board Recording Secretary	P

1. Call to Order

Alderman Ann Petersen, Chair, called the meeting to order at 3:00 p.m.

2. Approval of the Minutes

Alderman Skinner moved to approve the April 19, 2012 minutes as submitted. Seconded by Alderman Blanton. Motion carried unanimously 3-0 (Alderman Burger was not yet present)

The April 26, 2012 Special Meeting minutes were not available for approval.

3. Discussion of Third Quarter Budget Report

Mike Lowe, Comptroller

Highlights:

- Anticipate being able to add to the Fund Balance in the General Fund
- Due to accrual of medical and dental claims paid in May back to the month of March, these amounts were not available for inclusion in this report
- General Fund Expenditures through March have decreased by 4% compared to last year
- City Revenues are slightly above last year
- General Fund shows a surplus at March 2012 of approximately \$1.5 million
- Page 2 Summary of All Funds shows what impact and why a fund balance went up or down
- Page 3 Amended Budget was added to the report to track budget amendments and ties to next agenda item, the third quarter budget amendments

No action required.

4. Consideration of Third Quarter Budget Amendments

Mike Lowe, Comptroller

Proposed 3rd Quarter Amendments:

1. Transfer of acquisition cost, \$2,354,788, of the Public Works Facility from General Fund

to Capital Projects Fund. The cost was initially included in the General Fund until adoption of the Capital Improvements Program.

2. The legal judgment is from the U.S. District Court for plaintiff's attorney fees, \$300,000, paid in November 2011.
3. Additional funds of \$4,200 for a replacement mower for Parks Department. With trade-in of a mower purchased in 2009 that has been malfunctioning, the replacement cost is \$12,700. With \$8,500 of funds already available within its current budget, the \$4,200 of additional funds will cover the \$12,700 acquisition cost.
4. Additional funds of \$5,000 for wages and benefits in the Streets Department for needed temporary assistance to cover duties of its administrative secretary, who is currently assigned to maintain street assets in the City's asset system (Hansen).
5. \$33,846 for mold repair/remediation at Century Court that began in August 2011.

- ★ Alderman Burger joined the meeting.

Alderman Blanton moved to approve and forward recommendation to BOMA as an Ordinance. Seconded by Alderman Skinner. Motion carried unanimously.

5. Consideration of 2012 Pension Cost-of-Living Adjustment (COLA)

Russ Truell, ACA Finance/Administration

BOMA has the authority to approve adjustments to the benefit levels of those retired under the City Pension Plan. For several years, the Board has followed the policy for cost of living increases used by the State of Tennessee Consolidated Retirement Plan. The parameters used previously call for a cost of living increase that matches the increase in the "core" Consumer Price Index (CPI) for all items, excluding food and energy, subject to a 3% maximum. The measure is to be evaluated based on the April CPI, which will be available on May 15th. Based on the year-to-date information, the increase will be approximately 2.25%-2.3%.

Alderman Blanton moved to approve a 2.3% COLA for retirees effective July 1, 2012, and forward recommendation to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

Mr. Truell noted that going forward staff would like to compare March to March to allow 60 days for the trustee to implement the increases in the July 1 checks. US Bank has indicated there will be ample time to include the increase in the July 1, 2012 checks.

6. Consideration of RESOLUTION 2012-30, A Resolution Declaring the Intent of The City of Franklin to Reimburse Itself for Certain Expenditures Relating to Public Works Projects with the Proceeds of Bonds or Other Debt Obligations to be Issued by the City of Franklin in an Approximate Amount of \$20,000,000

Russ Truell, ACA Finance/Administration

Mr. Truell said he had sent a 2-page memo to the aldermen on three types of bond resolutions.

- Reimbursement Bonds: Reimburse self (City) if money is spent on projects
- The amount in Resolution 2012-30 is the group of projects approved in the CIP plan with funding plan (9 projects plus design work on Carothers). The Resolution doesn't bind the City to do it, but it is there if the Board chooses to go ahead. Costs incurred can be future bond issues.
- The \$20,000,000 is ample to cover the projects in the CIP, typically costs for the projects are written as "not to exceed" an amount. Again, this is not a commitment to do anything.
- Bond Counsel recommended the amount and PFM was in agreement.
- The Plan shows additional money for Hillsboro Road as well, and a portion of this would fold in the rest of Hillsboro Road.
- This does not include refunding. A refunding resolution cannot be done without permission from the State Comptroller.

Alderman Burger moved to approve Resolution 2012-30 and forward recommendation to BOMA. Seconded by Alderman Skinner. Motion carried unanimously.

7. Consideration of FY 2012-2013 Operating Budget

Eric Stuckey, City Administrator

Russ Truell, ACA Finance/Administration

Updated pages for Budget Goals and Transit were distributed to replace the pages in the budget binders. The proposed budget is on the City's website and will be updated with these pages. During the May 14th meeting a question was asked about the purpose of the \$500 budgeted in General Expense for public relations. In 2012, it has been used for the cost of the city planners' tour.

Alderman Burger moved to approve the FY 2012-2013 Budget and forward recommendation to BOMA. Seconded by Alderman Skinner. Motion carried unanimously.

8. Consideration of Rescheduling Budget & Finance Committee Meetings to the First Thursday of Each Month

Russ Truell, ACA Finance & Administration

There was discussion on changing the meeting dates from the third Thursday to another day as there have been conflicts from time to time with the Thursday meetings. It was ultimately decided to keep the meeting on the third Thursday of the month @ 4:00. Known exceptions are in November and December.

9. Monthly Reports (Information Only)

- Sales Tax Report – March 2012**
- Property Tax Report – Month of April**
- Construction Activities Report – Month of April**
- Transit System Report – Month of April**
- Conference Center Report – Month of April**
- Fuel Hedging Report – April 2012**

Prices locked a year in advance @ \$2.50 and \$2.60 on a couple of contracts. Didn't hedge as much, 40% hedged for year beginning in July (about 60% before). Some proceeds budgeted as well.

Reports filed with the minutes

ADJOURN

Alderman Blanton moved to adjourn. Seconded by Alderman Burger. Motion carried unanimously.

Meeting adjourned @ 3:44 p.m.

Ann Petersen, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office - 6/22/2012 10:38 AM