
MEETING MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
WEDNESDAY, JANUARY 23, 2013 @ 4:00 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	Vernon Gerth, ACA Community & Economic Dev.	P
P	Mike Lowe, Comptroller	P
	Fred Banner, MIT Director	P
	Becky Caldwell, Solid Waste Director	P
	Steve Sims, Assistant City Recorder	P
	Mayor Ken Moore	P
	Alderman Margaret Martin	P
	Lanaii Benne, Assistant City Recorder	
	Linda Fulwider, Board Recording Secretary	P

1. Call to Order

Alderman Ann Petersen, Chair, called the meeting to order at 4:00 p.m.

2. Approval of the Minutes

Alderman Burger moved to approve the November 28, 2012 minutes as presented. Seconded by Alderman Blanton. Motion carried unanimously.

3. Election of 2013 Committee Chair and Vice Chair

Alderman Blanton nominated Alderman Petersen for a second year as chairman of the committee. Seconded by Alderman Skinner. Motion carried unanimously.

Alderman Skinner nominated Alderman Burger to serve as Vice Chair of the committee. Seconded by Alderman Blanton. Motion carried unanimously.

4. Recognition of Certified Municipal Finance Officer (CMFO) Graduates

Mike Lowe, Comptroller

Mike Lowe related four individuals became Certified Municipal Finance Officers on December 4, 2012. MTAS and the State of Tennessee Comptroller's Office developed the program objectives and content for the two-year program. Katie Marra, Finance Department, Dawn Wildrick, Finance Department, and DeAnn Kraft, Revenue Management were present. The fourth graduate, Stacey Woodard, Finance Department, was out of the office for the day. They were congratulated and received a round of applause for their accomplishment.

5. **Consideration of Proposed FY 2013-2014 Budget Calendar**

Eric Stuckey, City Administrator

Eric Stuckey reviewed the proposed calendar noting the process is starting one month earlier this year. He asked if the committee would consider changing the next meeting to February 20 instead of the regularly scheduled February 27 due to some of the scheduled presenters being unavailable the 27th. Following discussion, meetings were scheduled on **Wednesday, February 20, 2013 at 3:00 p.m., Wednesday, March 20, 2013 at 3:00 p.m.** and the regularly scheduled date of **April 24, 2013 at 3:00 p.m.** Mr. Stuckey will check with the other Board and staff to see if these dates and earlier meeting times conflict with their schedules.

6. **Consideration of Proposed FY 2013-2014 Budget Goals**

Eric Stuckey, City Administrator

Mr. Stuckey noted this is a reiteration of past goals. He asked if the aldermen wanted to streamline the list to fewer goals or add any goals.

Alderman Burger offered some changes:

- Under Financial Goals, last bullet, "Leverage local funds through the pursuit of grant opportunities", add "grants that are advantageous to the City". She doesn't like the way some grants tie the City's hands.
- Explore and develop a plan to use if budgets can be reduced during a fiscal year due to uncertain economic conditions.
- Under Non-Financial Goals, fourth bullet, "Develop, adopt, and implement programs and policies which promote, protect, and preserve the health, safety and welfare of the community, and thereby enhance the high quality of life enjoyed by all residents of the City." Add the word "explore".
- Under Specific Fiscal Year 2014 Initiatives, fourth bullet, regarding progress on the completion of road projects; needs to be cleaned up and existing CIP added.
- She has asked for a housing study and trending analysis be presented to BOMA. She wants to know where the City is going with multiple apartments being built.

Mr. Stuckey related the Development Report will be presented to BOMA at a Work Session in February or March.

Alderman Petersen referred to Financial Goals, fourth bullet, and would like Hotel/Motel Tax revenue considered as additional revenue since it no longer has a dedicated use. Alderman Blanton asked if any of the "wish list" items from the strategic planning session would be added. Mr. Stuckey responded they will try to include some of those. A draft will be brought back to the February meeting.

7. **Revenue Preview**

Steve Sims, Assistant City Recorder/Court Clerk

Top Ten Revenue Sources

General Fund Revenue Source	% of GF Revenue (FY12 Actual)	Projected Range for Growth
Local Sales Tax	47.5%	3.5% to 8%
Property Tax (Including Local In-Lieu)	13.4%	0% to 4%
State Shared (Including Sales & TVA)	9.8%	2% to 4%
Alcohol Taxes	6.1%	4% to 8%
Business Tax	6.0%	2% to 5%
Billed Services (Including Internal Charges)	4.4%	0% to 4%
Franchise Fees	3.7%	1% to 4%
Builder & Development Fees	3.3%	0% to 10%
Court Fees & Fines	1.8%	0% to 10%
State Income (Hall) Tax	1.6%	0% to 10%

Revenue Preview	2012	2013	2014 Low	2014 Moderate	2014 High
Local Sales Tax	\$ 22,720,666	\$ 24,197,413	\$ 26,660,000	\$ 27,250,000	\$ 27,800,000
Property Tax	\$ 6,426,577	\$ 6,732,285	\$ 6,253,000	\$ 6,505,000	\$ 6,737,000
State Shared Sales	\$ 4,242,695	\$ 4,375,000	\$ 4,565,000	\$ 4,510,000	\$ 4,655,000
Beer & Excise	\$ 45,934	\$ 61,000	\$ 62,000	\$ 63,000	\$ 64,000
TVA	\$ 722,090	\$ 758,100	\$ 729,000	\$ 736,000	\$ 744,000
Wholesale Beer	\$ 1,503,877	\$ 1,546,000	\$ 1,650,000	\$ 1,690,000	\$ 1,725,000
Beer Privilege	\$ 21,195	\$ 21,000	\$ 22,000	\$ 23,000	\$ 24,000
Wholesale Liquor	\$ 915,105	\$ 976,700	\$ 1,030,000	\$ 1,050,000	\$ 1,070,000
Liquor Privilege	\$ 75,205	\$ 80,000	\$ 83,000	\$ 85,000	\$ 86,000
Mixed Drink	\$ 568,754	\$ 570,000	\$ 61,000	\$ 625,000	\$ 635,000
Business	\$ 3,050,512	\$ 2,875,000	\$ 3,200,000	\$ 3,250,000	\$ 3,300,000
Billed Services	\$ 2,262,765	\$ 2,958,450	\$ 2,957,000	\$ 3,015,000	\$ 3,075,000
Franchise	\$ 1,900,254	\$ 2,187,400	\$ 2,245,000	\$ 2,275,000	\$ 2,310,000
Development	\$ 1,709,194	\$ 1,740,610	\$ 1,751,000	\$ 1,840,000	\$ 1,925,000
Court Fees	\$ 911,058	\$ 1,021,450	\$ 973,500	\$ 1,020,000	\$ 1,070,000
Hall Tax	\$ 793,173	\$ 1,246,000	\$ 793,173	\$ 793,173	\$ 793,173
Total	\$ 47,869,054	\$ 51,346,408	\$ 53,034,673	\$ 54,830,173	\$ 56,013,173
Change (FY14-FY13)			\$ 1,688,265	\$ 3,483,765	\$ 4,666,765

Russ Truell commented that revenues should be up \$1-\$3 million. Mr. Stuckey commented that in doing budgets, it is better to stay on the lower end of the low, moderate and high estimates. There was some discussion on conducting a special census, then doing them on a regular cycle.

Alderman Martin thought the sales tax a bit disturbing. Also, as the population grows a different kind of housing is targeting younger single families that do their shopping on line, and that is a threat to sales tax revenue. Apartments attract a younger population without as much disposable income. If developers continue to build smaller, more affordable houses will that affect property taxes in future? Mr. Sims explained that a home that is less expensive will have less tax; however there would be more units. Alderman Martin asked if the City gets more taxes from single family homes or from apartments. The answer to both questions was that it would be hard to say. Generally adding value with these developments.

8. Budget Presentation – Solid Waste Fund

Becky Caldwell, Solid Waste Director

June 30, 2013 ends the 3-year pilot program for recycling. Since the percentage of recyclers is at 50%, Ms. Caldwell would like to change the current four divisions of the department (Administration, Collection, Disposal, Recycling) to three divisions, Administration, Collection (Residential, Commercial, Recycling), and Disposal.

Administration Division:

- ✦ Household Hazardous Waste Facility
 - \$250,000 Grant from TDEC
 - \$100,000 commitment from Williamson County
 - \$100,000 budgeted
 - (design and construction phases of this project)
- ✦ Personnel
 - Option 1: Add 1 full-time Public Education Coordinator
 - Add 1 Full-time Safety Coordinator
 - Option 2: Fund Assistant Solid Waste Director

Preferred – fold Option 1 into Option 2

Collection Division:

- ✦ Move Recycling Division into Collection Division (account for recycling individually)
- ✦ No additional personnel requested
- ✦ Automatic Vehicle Locator (AVL) units
- ✦ BOPAE Services – expand to include 1 Saturday monthly
- ✦ Added training
- ▲ Capital:
 - Replace Pick-up Truck (2)
 - Replace Knuckleboom truck
 - Replace Automated Side Load truck (2)
 - Replace Container Delivery truck
 - Add Split-Body Rear Load truck (Facilities Tax)

Disposal Division:

- ✦ 14-year agreement for landfill services
- ✦ Added savings in daily operations expenses
- ▲ Capital:
 - Add Backhoe (Facilities Tax)

Glass Recycling Update:

Glass could be collected. The problem lies in what to do with glass once it is collected. It would cost more to haul it to Ashland City than to landfill it. There is no end market for glass. Some municipalities have had it pulverized into small particles akin to sand. However, when it was used to “sand” icy or snowy roads, it still glittered like glass and although safe to use

as such, residents were not comfortable with it. An additional problem would be getting the glass pulverized. It would be costly. There is no way to know if the City would collect the volume of glass to make it worthwhile.

Department Name Change:

Option 1: Department of Sanitation

Option 2: Department of Environmental Services

Option 3: Department of Sanitation & Environmental Services

There was some discussion regarding "environmental services" being misleading. BOMA will have the ultimate say on what the department proposes.

Beyond FY 2014:

- ✦ Daily operations for HHW facility
- ✦ Capital – fleet replacements & additions

Municipal Services Complex Debt Service:

- ✦ FY 2017 – dramatic decrease
- ✦ FY 2018 – debt service paid in full

Fees will not be increased in FY 2013-2014, although the department must one day become self-sufficient.

9. Consideration of Amendment to Lease Agreement with U.S. Bank for Additional Eligible Items

Russ Truell, ACA Finance & Administration

Since the 2012-2013 budget was adopted, the need for additional equipment has arisen. The items can be added to the lease agreement at the same 1% interest rate with a 3-year payback from the individual department budgets. The total amount is approximately \$700,000. The equipment to be lease-purchased: 1 brush chipper (Parks), 1 front-end loading refuse collection truck, 1 automated side loader mounted on a 2014 Mack chassis (Solid Waste), and power source equipment needed for moving power source (IT).

Alderman Burger moved to approve the amendment to the Lease Agreement with U.S. Bank and forward recommendation to BOMA. Seconded by Alderman Skinner. Motion carried unanimously.

10. Discussion of Utility Billing System Implementation

Steve Sims, Assistant City Recorder/Court Clerk

Steve Sims introduced Jordan Shaw and Ed Stewart who are part of the team working on this project.

Mr. Shaw gave a PowerPoint presentation:

Case for Change

- Current tools are not integrated
- Work flow has multiple data entry requirements
- Customer requirements (external and internal)
 - More timely and accurate data
 - Faster response to changes
 - Electronic access to billing data
 - Work integration
 - Cost containment
 - Revenue capture
 - Electronic work requests

Utility Billing

Goal – deploy INFOR Utility Billing

- DataQuest – in use by COF since 1995
 - Nonintegrated tool using old technology
 - Utility Billing (UB) – manage customer billing and collections for recurring utility service bills
 - Miscellaneous Receipts (MR) – record transactions for nonrecurring payment, including utility payments
 - CTRAC – track data (e.g. taps)
 - POS – receipting tool used for all DQ applications
- INFOR/Hansen – used for permitting, licensing, asset management, work management, inventory management
- OnBase – document imaging and retrieval
- City's Public Website – information and online payments (utility bills can be paid online using 3rd party application)

Where are We?

- Currently running parallel with the current Utility Billing software to verify everything is setup properly
- Working directly with Revenue Management for sign-off on all of their processes
- Training users on using new system
- Go live with INFOR Public Sector Utility Billing on July 1, 2013

Mr. Shaw added that INFOR allows more efficiency and better serves the customers. Employees in the field able to pull up information without coming back to City Hall, thus reducing trips. The system can customize data so a user can log in to information customized to the user's experience. Data need only be entered once. On an account screen, the user can see past experience. The addresses are fed from GIS and the system displays the services available at each address.

Mr. Stuckey said Steve Sims was pulled from his regular duties over a year ago to accomplish the task of a utility billing system. He recognized Mr. Sims for the special effort it has taken to get the system to this point. Mr. Sims commented the ultimate goal as the City continues to grow is to give customers the opportunity to conduct business electronically; 80% of bills are done electronically now. He added that Clay Matthews and the team have done well in that respect, but it needs integration. The system recognizes the difference in classifications as well. The system will allow customer representatives to accomplish more with greater accuracy.

- * Alderman Blanton left the meeting at 5:47 p.m.

11. Discussion of Banking and Related Services RFP Process

Mike Lowe, Comptroller

The 4-year contract with Pinnacle Bank ends June 30, 2013. Since the new utility billing

system goes live July 1, 2013, it was recommended to continue this contract past the end of the fiscal year. FYI. No action required.

12. Monthly Reports (Information Only)

a) Sales Tax Report – October & November 2012

No questions or comments

b) Property Tax Report – December 2012

No questions or comments

c) Transit System Report – November & December 2012

No questions or comments

d) Conference Center Report – November & December 2012

Low one month; however, this bounces back and forth. Still in good shape.

e) Construction Activities Report – December 2012

Road Impact Fees have picked up. Still running a little behind, but better than this time last year.

f) Fuel Hedging Report – December 2012

Fully hedged through June. The prices stayed higher than target, but still falling. May be the first budget in three or four years not hedged because it isn't sensible to do it now.

g) Investment Report – December 2012

No questions or comments

h) First Quarter Budget Report – July-September 2012

Report is on the City Website

Reports filed with the minutes

13. Other Business

Question of meeting date addressed in item 5.

ADJOURN

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

Meeting adjourned @ 5:54 p.m.

Ann Petersen, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office - updated 12/5/2012 9:33 AM