
MEETING MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
WEDNESDAY, DECEMBER 4, 2013 @ 4:00 P.M.

Committee Members

Alderman Clyde Barnhill, Chair P
Alderman Dana McLendon, Vice Chair P

Alderman Pearl Bransford P
Alderman Margaret Martin P

Other Attendees

Eric Stuckey, City Administrator P
Russell Truell, ACA Finance & Administration P
Mike Lowe, Comptroller P
Mayor Ken Moore P
Becky Caldwell, SES Director P
Lisa Clayton, Parks Director P
Steve Sims, Business Process Improvement Manager P
Brian Wilcox, Purchasing Manager P
Alderman Ann Petersen P
Alderman Michael Skinner P
Lanaii Benne, Assistant City Recorder P
Linda Fulwider, Board Recording Secretary P

CALL TO ORDER

Alderman Pearl Bransford called the meeting to order at 4:00 p.m. and turned the meeting over to Eric Stuckey.

1. Approval of the Minutes

Alderman Barnhill moved to approve the September 25, 2013 Joint Budget & Finance Committee & Capital Investment Committee, and the October 23, 2013 Budget & Finance Committee minutes as submitted. Seconded by Alderman Bransford. Motion carried unanimously.

2. Elect Chairman of Budget & Finance Committee for 2014

Eric Stuckey, City Administrator

Alderman Martin nominated Clyde Barnhill for Committee Chair. Seconded by Alderman Bransford. Motion carried unanimously.

Alderman Barnhill called for nomination of Vice Chair.

Alderman Martin nominated Dana McLendon for Vice Chair. Seconded by Alderman Bransford. Motion carried unanimously.

3. Presentation of Fiscal Year 2012-2013 Audit Report

Dan Miller, Crosslin & Associates

Eric Stuckey noted the Budget & Finance Committee is also the Audit Committee.

Dan Miller reviewed the results of the 2013 Audit of the City of Franklin.

- Audit Adjustments: The City recorded an adjustment of approximately \$990,000 to increase street acceptances. This adjustment related to two streets that had not been included in the street listing.
- Significant Accounting Policies: The City implemented several new accounting pronouncements during fiscal year 2013. The City's significant accounting policies appear to be appropriate and comprehensive under U.S. generally accepted accounting principles.
- Two major grant programs were tested and had no material exceptions
- GASB statements 61, 63, and 65 (accounting pronouncements) implemented in 2013. Upcoming pronouncements are GASB Statement 67 and Statement 68 (pension plans)
- The Auditors recommend the City establish a more formal policy for street valuation to ensure that it has thorough documentation to support the value recorded within the financial statements.
- City's net position increased by \$222 million over 10 years. During that time, sales tax went from \$18 million to \$26 million
- In compliance with regulations, No findings, a clean audit. Overall, the City is in good shape

4. Presentation of Fiscal Year 2012-2013 Conference Center Audit Report

Dan Miller, Crosslin & Associates

The Conference Center Audit Report was reviewed in the same manner as the City Audit:

- One audit adjustment to record depreciation expense –
 - Depreciation expense \$521,049
 - Accumulated depreciation \$4,362,914
- No disagreements or difficulties performing the audit
- Increased competition affected revenue and management predicting that will continue
- Fewer events held at the Conference Center
- Contributions to Williamson County and City of Franklin decreased as well.

Mike Lowe indicated that although the audits indicate they are in draft form, these are the final numbers.

BOMA will acknowledge acceptance of these audits at the December 10, 2013 meeting.

5. **Consideration of RESOLUTION 2013-78, Reclassification of One (1) Full-Time Sanitation and Environmental Services (SES) Driver/Operator To One (1) Full-Time Technical Support Analyst Within the SES Department Organization**

Becky Caldwell, Sanitation & Environmental Services Director

This reclassification will cost approximately \$8,260; the difference in the minimum annual salary of a pay grade C and the minimum annual salary of Grade E. It is expected that this amount will be absorbed within the existing SES budget. The person filling the reclassified position will be responsible for the department's website, computer software, etc. It is the repurposing of a vacancy within the existing budget.

Alderman Bransford moved to approve Resolution 2013-78 and forward recommendation to BOMA. Seconded by Alderman McLendon. Motion carried unanimously.

6. **Consideration of RESOLUTION 2013-79, Personnel Change from Seasonal Employee(s) to Full-Time Employment**

Lisa Clayton, Parks Director

This request is due to changes within the Affordable Healthcare Reform Act and will be absorbed in the FY 2013-14 budget. The department has always had seasonal workers; however, the Fair Labor Act changed and they no longer recognize seasonal workers. Three seasonal workers are in the current budget @ approximately \$62,000. The proposal is to turn the three seasonal worker positions into two full-time positions, one Landscape Worker and one Grounds Worker for \$87,000 for the two positions. An adjustment will be necessary for the \$25,000 difference.

Alderman Bransford moved to approve Resolution 2013-79 and forward recommendation to BOMA. Seconded by Alderman Martin. Motion carried unanimously.

7. **Discussion Regarding Comprehensive Parks Master Plan**

Lisa Clayton, Parks Director

The City anticipates significant growth over the next ten years. A Comprehensive Parks Master Plan will provide the framework to accommodate that growth. The Plan will be designed to sync with the various plans and documents previously developed throughout the City. A large portion of the plan shall provide a needs assessment and nexus to afford guidance of where and what type of recreation should be planned and implemented. The total budget impact would be a range of \$115,000-\$125,000. The Parks Department recommends this comprehensive plan be funded through the Hotel/Motel Tax fund.

Discussion ensued. No action required at this time.

8. Consideration of ORDINANCE 2013-64, An Ordinance of FY 2014 First Quarter Budget Amendments

Mike Lowe, Comptroller

The amendment reflects that interfund services provided by the General Fund to other funds currently shown as revenue in the General Fund budget should be presented as reductions of departmental expenditures in the General Fund. This amendment reflects guidance received from the State Comptroller's Office regarding inter-fund support. It reduces budgeted Administrative Services Revenue from \$2,355,000 to zero, and reduces budgeted departmental expenditures by \$2,355,000. For Revenue Management this reduction (due to its services provided for utility billing) is approximately 87% of its budget. For the other departments, it is approximately 20% of their budgets.

Alderman Martin moved to approve Ordinance 2013-64 and forward recommendation to BOMA. Seconded by Alderman Bransford. Motion carried unanimously.

9. Discussion Regarding Acceptance of Electronic Payments (Credit Cards)

Steve Sims, Business Process Improvement Manager

Steve Sims provided an update of the City's plan to issue a new Proposal (RFP) to accept credit cards. Staff recommends delaying the issuance of the RFP until closer to deploying and accepting monies using the INFOR suite for permits and licenses administered through the CDR module and for utility billing (UB) fees administered using the UB module. Anticipate continuing to use the current payment processor for accepting credit card payments using the existing contract. This allows reduction of the costs for conversion incurred by the City, the INFOR vendor and the payment processor. The RFP should be issued in late spring or summer.

10. Discussion of Proposed Revisions to the City's Purchasing Policy

Brian Wilcox, Purchasing Manager

The last update to this policy was in July 2011 by resolution. Brian Wilcox reviewed two proposed revisions to comply with the state statute that requires more specificity regarding approval by the Board of Mayor and Aldermen and the methodologies best suited for the intended procurement.

Revisions on page one of the Purchasing Policy lists four primary tools, while a paragraph on the appropriate use of the RFP is added on page 10. This clarifies the procedure, but does not change it.

If the proposed revisions are endorsed by this Committee, staff will prepare a resolution to attach to the changes, for submittal to BOMA.

Alderman Martin moved to endorse the proposed changes to the Purchasing Policy to be added to a Resolution to submit to BOMA. Seconded by Alderman Bransford. Motion carried unanimously.

11. Discussion of Proposed Revisions to the City's Vendor Protest Procedure

Brian Wilcox, Purchasing Manager

This policy was last updated March 2011 by resolution. Following are six of the more significant changes proposed at this time:

1. Use language consistent with the Purchasing Policy to differentiate procurement pertaining to new construction ("design and/or construction of new infrastructure and facilities") and procurement not pertaining to new construction.
2. The proposed revisions clarify that the Vendor Protest Procedure only applies when a formal procurement solicitation involving public advertisement and sealed submittals is involved, and when the bid or contract amount is equal to or greater than \$25,000.
3. Clarify the categories of topics that may be protested.
4. Increase from three to seven calendar days the allotted time for filing a protest.
5. Increase from three City business days to seven calendar days the allotted time for other parties to respond to a protest.
6. Increase from three to ten City business days the allotted time for the Purchasing Manager to respond to a protest.

Mr. Wilcox said the changes are appropriate and more accommodating.

Alderman Bransford moved to endorse the proposed revisions to the Vendor Protest Procedure paired with a resolution, and forward recommendation to BOMA. Seconded by Alderman Martin. Motion carried unanimously.

12. Discussion of Establishing Policy and Procedure for Suspension and Debarment of Vendors and Contractors as Needed

Brian Wilcox, Purchasing Manager

Mr. Wilcox defined suspension and debarment: "Typically, debarment involves excluding a person for cause from consideration for award of contracts, usually for a period of not more than three years, while suspension involves excluding a person from consideration for award of contracts if there is probable cause for debarment, usually for a period significantly shorter than three years. Suspension and debarment normally would only apply to procurement which exceeds the threshold for a competitive process involving public advertisement and sealed submittals, currently \$25,000."

The causes for debarment or suspension were listed and discussed. Alderman McLendon thought some of the reasons should be expanded; one being to encompass general dishonesty not just business dishonesty. Additionally, add to the list as cause for debarment or suspension, anyone who has ever sued the City/cost the City money by creating liability

for the City. He also suggested that bankruptcy not be a cause because bankruptcy is not always attributable to deliberate malfeasance. A standard question should be if the person has any debarment with any other government agencies.

Because there is due process involved, this policy and procedure will be by ordinance. Staff will use suggestions and comments in preparing a draft policy and ordinance.

13. Consideration of Proposal to Utilize the Services of Vendor Registry as an Alternative Means for Vendors Seeking to Express Interest in Doing Business with the City

Brian Wilcox, Purchasing Manager

Vendor Registry provides a service to buyers and sellers as a means for local governments to maintain contact with vendors who show interest in doing business with the City at no cost to the City. It could be considered a pilot program.

Staff recommends that the City post on the City’s website a link to the Vendor Registry registration process that would be activated for the City of Franklin and offer the Vendor Registry service as an optional alternative to the City’s in-house online vendor registration system.

14. Monthly Reports

a) Sales Tax Report	September 2013	
b) Property Tax Report	October 2013	
c) Conference Center Report	October 2013	
d) Construction Activities Report	October 2013	
e) Transit Report	October 2013	Alderman Petersen asked why their public relations were so high. She also commented seeing their vehicles at different times of the day with zero riders.
f) Fuel Hedging Report	October 2013	
g) Investment Report	October 2013	
h) FY 2014 First Quarter Report		Mr. Truell and Mr. Lowe explained the quarterly report.

15. Discussion of Budget & Finance Committee Meeting Dates for 2014

Eric Stuckey, City Administrator

The Committee will meet on the second Thursdays @ 4:00 p.m. January 9, 2014 is the next meeting.

16. Other Business

Mr. Stuckey reported Moody and Standard & Poor’s bond ratings for the City remain AAA.

ADJOURN

Alderman Bransford moved to adjourn. Seconded by Alderman Barnhill. Motion carried unanimously.

Meeting adjourned 6:09 p.m.

Clyde Barnhill, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office - updated 1/17/2014 12:07 PM