



HISTORIC  
FRANKLIN  
TENNESSEE

BUDGET & FINANCE  
ITEM #6  
9-11-14

## MEMORANDUM

**DATE:** September 4, 2014

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator  
Russell Truell, Assistant City Administrator  
Mike Lowe, Comptroller

**SUBJECT:** Consideration of Ordinance 2014-30, 1<sup>st</sup> Quarter 2015 Budget Amendments

### Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning budget amendments for the 1<sup>st</sup> Quarter of Fiscal Year 2015.

### Background

The State Comptroller has provided guidance that budget amendments are to be on the cash basis and occur within the fiscal year.

In accordance with this guidance, amendments for the 1<sup>st</sup> Quarter of fiscal year 2015 are as follows:

1. **Creation of a new special revenue fund, In Lieu of Park Land Fund, with transfer of \$2,280,119 of in lieu of park land collections currently in the fund balance of the General Fund.** This fee in lieu of the dedication of park land are provided for in the City's zoning ordinance. Once the fund is in place, subsequent in lieu of park land collections would be deposited to this new fund and use of the monies would be by budget authorization similar to other special revenue funds.
2. **Increase individual department budgets for personnel cost increases originally budgeted in General Expenses in the General Fund.** This includes reallocation of \$652,500 for the 2% cost of living increases and \$649,285 for Phase II, the final phase, of the classification/compensation pay plan.
3. **Decrease individual department budgets by \$275,447 of savings from retirement contributions for 2015.** Preliminary retirement contributions for 2015 calculated by the pension actuary showed \$2,289,314 would be needed from the General Fund. Due to increased investment returns on pension assets, the actual amount from the General Fund was \$2,013,867.
4. **Increase individual department budgets by \$382,841 to purchase outright items under \$25,000 originally budgeted as lease/purchases.** Due to the savings above, funds were available to allow departments to be able to purchase outright several items under \$25,000 originally budgeted as lease/purchases. This available funding streamlined the number of items the City needed to



acquire and track through the JPMorgan Chase Bank master lease approved by BOMA on August 26, 2014.

5. **Contingent on BOMA approval of bid award, increase Streets-Maintenance budget in General Fund by \$11,518 for landscape maintenance truck.** As noted at the August 25, 2014 Work Session, the recommended bid is \$59,518, or \$11,518 over current budget authorization of \$48,000 to be financed by the 2015 master lease with JPMorgan Chase Bank.
6. **Increase IT budget in General Fund by \$93,535 for 1<sup>st</sup> year of lease payments for Infor software funding of \$250,000.** The change order was approved by BOMA on July 8, 2014.
7. **Increase Transfer to Transit Fund of \$169,808 to fund the remainder of its 2014 operating expenditures.** At the close of fiscal year 2014, the City had paid to the Transit Authority the full amount (\$1,423,550) appropriated for transit operating expenditures. Due to additional grant and fare revenue received, Transit is requesting \$169,808 to fund the remainder of its 2014 operating expenditures. Funds are available from the reallocations above to fund this transfer.
8. **Contingent on BOMA approval of bid award, increase Streets-Maintenance budget in Stormwater Fund by \$16,627 for dump truck.** As noted at the August 25, 2014 Work Session, the recommended bid is \$106,627, or \$16,627 over current budget authorization of \$90,000.
9. **To assist tracking of Stormwater activity, split Stormwater Fund budget into 2 divisions: Stormwater-Streets and Stormwater-Engineering.** No additional funding is requested. The 2015 Stormwater budget of \$4,785,812 would be split into \$1,777,079 for Stormwater-Streets and \$3,008,733 for Stormwater-Engineering. Also, the positions of Stormwater Coordinator and Water Quality Specialists would be included under Stormwater-Engineering. Reporting will be available at both the fund and division levels.
10. **Increase Hotel/Motel Tax Fund budget by \$45,000 for parks master plan.** The bid amount as approved by BOMA on August 12, 2014 was \$150,000. The current 2015 budget for the master plan is \$105,000.
11. **Increase CDBG Fund revenues and expenditures by \$72,504 for updated funding agreement received from the federal government after adoption of the budget.** Funding was estimated during the budget process as \$192,125. The updated funding from the U.S. Department of Housing and Urban Development (HUD) is \$264,629.



### **Financial Impact**

The amendments, as proposed, would result in:

- A. For amendment 1, decrease of fund balance in the General Fund of \$2,280,119, with this amount becoming the beginning fund balance of the new In Lieu of Park Land Fund.
- B. For amendments 2 through 7, there is no change in total budgeted expenditures in the General Fund for these reallocations.
- C. For amendment 8, decrease of fund balance in the Stormwater Fund of \$16,627. There is sufficient fund balance available to cover this additional amount.
- D. For amendment 9, there is no change in total budgeted expenditures in the Stormwater Fund for this split of the fund into 2 divisions.
- E. For amendment 10, decrease of fund balance in the Hotel/Motel Tax Fund of \$45,000. There is sufficient fund balance available to cover this additional amount.
- F. For amendment 11, there is no change to the CDBG fund balance as both revenue and expenditures are increased by the updated funding amount.

***Please note: A worksheet is included with this memorandum to show the effect of the amendments on each fund and department budget.***

### **Options**

1. Approve amendment(s) as proposed and forward to BOMA.
2. Make changes to the amendment(s) where desired and forward to BOMA.

### **Recommendation**

Staff recommends approval of the amendments.

CITY OF FRANKLIN  
 1ST QUARTER BUDGET AMENDMENTS WORKSHEET  
 FISCAL YEAR 2015

FUND	DEPT NAME	Amendment 1	Amendment 2	Amendment 3	Amendment 4	Amendment 5	Amendment 6	Amendment 7	Amendment 8	Amendment 9	Amendment 10	Amendment 11	Totals for Budget Ordinance
GENERAL	COURT		\$4,768										\$4,258
GENERAL	ADMINISTRATION		\$7,156										\$7,645
GENERAL	CIP		\$3,503										\$2,993
GENERAL	REVENUE MANAGEMENT		\$12,052										\$7,459
GENERAL	PROJECT & FACILITIES MGMT		\$8,618										\$5,046
GENERAL	COMMUNICATIONS		\$5,156										\$3,625
GENERAL	PURCHASING		\$2,894										\$1,873
GENERAL	IT		\$50,078				\$93,535						\$135,453
GENERAL	LEGAL		\$9,215										\$7,173
GENERAL	FINANCE		\$14,584										\$10,502
GENERAL	ENGINEERING		\$13,319		\$27,540								\$35,245
GENERAL	TOC		\$2,300										\$769
GENERAL	HUMAN RESOURCES		\$12,711										\$9,139
GENERAL	PLANNING & SUSTAINABILITY		\$15,667										\$5,508
GENERAL	BNS		\$37,023		\$55,604								\$77,827
GENERAL	POLICE		\$299,211		\$15,508								\$228,468
GENERAL	FIRE		\$307,780		\$82,166								\$357,607
GENERAL	STREETS-MAINTENANCE		\$43,385		\$16,841								\$70,509
GENERAL	STREETS-TRAFFIC		\$21,278		\$5,103								\$16,175
GENERAL	STREETS-FLEET MAINT		\$16,053		\$5,103								\$10,950
GENERAL	PARKS		\$32,779		\$18,775								\$133,753
GENERAL	GENERAL EXPENSES		\$1,301,785										(\$1,301,785)
GENERAL	TRANSFERS TO OTHER FUNDS	\$2,280,119						\$169,808					\$2,449,927
	Net Increase (Decrease)	\$2,280,119	(\$382,255)	(\$275,447)	\$382,841	\$11,518	\$93,535	\$169,808	\$0	\$0	\$0	\$0	\$2,280,119
STORMWATER	STORMWATER-STREETS								\$16,627	(\$3,008,733)			(\$2,992,106)
STORMWATER	STORMWATER-ENGIN									\$3,008,733			\$3,008,733
	Net Increase (Decrease)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,627	\$0	\$0	\$0	\$16,627
HOTEL/MOTEL	HOTEL/MOTEL TAX										\$45,000		\$45,000
	Net Increase (Decrease)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000	\$0	\$45,000
TRANSIT	TRANSFER FROM GENERAL							(\$169,808)					(\$169,808)
TRANSIT	TRANSIT							\$169,808					\$169,808
	Net Increase (Decrease)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CDBG	GRANT REVENUE												
CDBG	GRANT EXPENDITURES												(\$72,504)
	Net Increase (Decrease)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,504
IN LIEU OF PARK LAND	TRANSFER FROM GENERAL	(\$2,280,119)											(\$2,280,119)
	Total Net Increase (Decrease)	\$0	(\$382,255)	(\$275,447)	\$382,841	\$11,518	\$93,535	\$169,808	\$16,627	\$0	\$45,000	\$0	\$61,627

**ORDINANCE NO. 2014 – 30**

**WHEREAS**, the City Charter, Article VIII, provides for adoption of an annual budget for departments of the City of Franklin, and

**WHEREAS**, an annual budget process appropriating funds to the various departments and divisions of the City government for the fiscal year beginning July 1, 2014 has been completed in accordance with state law and local ordinances,

**NOW, THEREFORE BE IT ORDAINED**, by the Board of Mayor and Aldermen of the City of Franklin, Tennessee:

**SECTION I:** That the annual budget for the City of Franklin for the Fiscal Year 2014-2015 shall be amended and does allocate and appropriate additional funding as follows:

**GENERAL FUND**  
**REVENUE**

**EXPENDITURES**

Court	Increase	\$	4,258
Administration	Increase	\$	7,645
CIP	Increase	\$	2,993
Revenue Management	Increase	\$	7,459
Project & Facilities Management	Increase	\$	5,046
Communications	Increase	\$	3,625
Purchasing	Increase	\$	1,873
IT	Increase	\$	135,453
Legal	Increase	\$	7,173
Finance	Increase	\$	10,502
Engineering	Increase	\$	35,245
TOC	Increase	\$	769
Human Resources	Increase	\$	9,139
Planning & Sustainability	Increase	\$	5,508
BNS	Increase	\$	77,827
Police	Increase	\$	228,468
Fire	Increase	\$	357,607
Streets-Maintenance	Increase	\$	70,509
Streets-Traffic	Increase	\$	16,175
Streets-Fleet	Increase	\$	10,950
Parks	Increase	\$	133,753
General Expenses (re-allocate 2% COLA and Phase II)	Decrease	(\$	1,301,785)
Transfer to In Lieu of Park Land Fund (new fund)	Increase	\$	2,280,119
Transfer to Transit	Increase	\$	169,808

<b>Net Increase (Decrease) to Total General Fund Balance</b>	<b>(\$2,280,119)</b>
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**STORMWATER FUND**  
**REVENUE**

**EXPENDITURES**

Stormwater-Streets (additional amount for dump truck)	Increase	\$	16,627
Stormwater-Streets (reallocate to Stormwater-Engin)	Decrease	(\$	3,008,733)
Stormwater-Engineering (new division)	Increase	\$	3,008,733

<b>Net Increase (Decrease) to Total Stormwater Fund Balance</b>	<b>(\$ 16,627)</b>
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**HOTEL/MOTEL TAX FUND  
REVENUE**

**EXPENDITURES**

Hotel/Motel (additional amount for Parks Master Plan)	Increase	\$ 45,000
<b>Net Increase (Decrease) to Total Hotel/Motel Tax Fund Balance</b>		<b>(\$45,000)</b>

**TRANSIT FUND  
REVENUE**

Transfer from General	Increase	\$169,808
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**EXPENDITURES**

Transit (additional funding request)	Increase	\$169,808
<b>Net Increase (Decrease) to Transit Fund Balance</b>		<b>\$ 0</b>

**CDBG FUND  
REVENUE**

Grant Revenue	Increase	\$ 72,504
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**EXPENDITURES**

Grant Expenditures	Increase	\$ 72,504
<b>Net Increase (Decrease) to CDBG Fund Balance</b>		<b>\$ 0</b>

**IN LIEU OF PARK LAND FUND (new fund)**

**REVENUE**

Transfer from General	Increase	\$2,280,119
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**EXPENDITURES**

<b>Net Increase (Decrease) to In Lieu of Park Land Fund Balance</b>		<b>\$2,280,119</b>
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**SECTION II:** That each department of the City shall limit its expenditures to the amount appropriated; that any changes or amendments to the appropriations set forth in the budget shall be made in accordance with the City Code, Article VIII.

**SECTION III:** That this Ordinance shall take effect on September 30, 2014, from and after the passage on Second and Final Reading; the health, safety and welfare of the citizens of the City of Franklin requiring it.

**ATTEST:**

**CITY OF FRANKLIN, TENNESSEE**

By: \_\_\_\_\_  
**ERIC S. STUCKEY**  
City Administrator

By: \_\_\_\_\_  
**DR. KEN MOORE**  
Mayor

**PASSED FIRST READING:** \_\_\_\_\_  
**PUBLIC HEARING:** \_\_\_\_\_  
**PASSED SECOND READING:** \_\_\_\_\_