### MINUTES OF THE WORK SESSION **BOARD OF MAYOR AND ALDERMEN** FRANKLIN, TENNESSEE CITY HALL BOARDROOM

TUESDAY, SEPTEMBER 23, 2014 - 5:00 P.M.

Board Members			
Mayor Ken Moore	P		
Vice Mayor Ann Petersen	P	Alderman Beverly Burger	P
Alderman Clyde Barnhill	P	Alderman Dana McLendon	P
Alderman Brandy Blanton	P	Alderman Margaret Martin	P
Alderman Pearl Bransford	P	Alderman Michael Skinner	P
Department Directors/Staff			
Eric Stuckey, City Administrator	P	Lisa Clayton, Parks Director	P
Vernon Gerth, ACA Community/Economic Dev.		Shirley Harmon, Human Resources Director	Р
Russell Truell, ACA Finance & Administration	P	Mark Hilty, Water Management Director	Р
David Parker, City Engineer/CIP Executive	P	Paul Holzen, Engineering Director	P
Shauna Billingsley, City Attorney	P	Catherine Powers, Planning & Sustainability Director	P
Rocky Garzarek, Fire Chief	P	Joe York, Streets Director	P
Deb Faulkner, Police Chief	Р	Brad Wilson, Facilities Project Manager	P
Fred Banner, IT Director	Р	Lanaii Benne, Assistant City Recorder	P
Chris Bridgewater, BNS Director		Linda Fulwider, Board Recording Secretary	Р
Becky Caldwell, SES Director			

#### 1. Call to Order

Mayor Ken Moore called the Work Session to order at 5:00 p.m.

#### Citizen Comments 2.

None

#### **WORK SESSION DISCUSSION ITEMS**

Presentation of Scheduled Events for the 150th Anniversary of the Battle of Franklin and 3. Reenactment.

> Eric Jacobson, CEO Battle of Franklin Trust Ellie Westman Chin, CVB President Lisa Clayton, Parks Director Monique McCullough, Public Outreach Specialist

Lisa Clayton noted the information that was distributed covers the events that will take place during the next two months for the 150th Anniversary of the Battle of Franklin and Reenactment. Events begin in October with the Signature Event Thursday and Friday November 13 and 14, 2104.

Ellie Westman Chin, CVB President, gave an overview of the November 13th kick-off and the many activities on November 14th. There will be exhibits, lectures, and music along with many other activities. Information can be found on the Franklin 150 page on Facebook and 150thfranklin.com.

Eric Jacobson, CEO of Battle of Franklin Trust, said, although not an official event, they will kick-off on October 16th. Their running theme is to get \$150,000 to buy a property adjacent to the Carter House. Reenactments, demonstrations, etc. include Blue & Gray Days at Carnton, the Carter House, and Eastern Flank Battlefield Park. They expect 700 school children to attend. The reenactments on Saturday and Sunday, November 15th and 16th are by pre-purchase ticket sales since they are capping

the number of people at 5,000 each day. There will be over 900 individuals participating in reenactments. They have hired people for parking and security. Trolleys will provide rides to and from events as well. November 30<sup>th</sup> is the commemoration of the Battle of Franklin along Columbia Avenue, and the luminaries at Eastern Flank will be on until 9:30 p.m.

4. Consideration of Event Permit for Franklin Cowboys Homecoming Parade on October 17, 2014 at 6:00 p.m. in Downtown Franklin

Deb Faulkner, Police Chief

This parade has gone back to its traditional route.

5. Consideration of Landscape Agreement with First Bank (COF Contract 2014-0233).

Brad Wilson, Facilities Project Manager

First Bank at Five Points approached Eric Stuckey with a request to extend the landscaping at no cost to the City, and this is the agreement.

6. Consideration of Contract Award to Total Administrative Services Corp. (TASC) of Madison, Wisconsin in the Amount of \$4.50 Per Participant Per Month (\$200 Minimum Fee Per Month) for Section 125 Plan Administration Services for a Four-Year Two-Year Term of Service to be Effective January 1, 2015, with Two (2) Options to Extend the Term of Service, Each Time for Up to One (1) Additional Year, for a Maximum Possible Term of Service of Five (5) Four (4) Years Total, for the Human Resources Department (Purchasing Office Procurement Solicitation No. 2015-008A; Contract No. 2014-0245).

#### Shirley Harmon, Human Resources Director

7. Consideration of Contract Award to Unum of Franklin, TN for Voluntary Employee Benefits for a Three-Year Term of Service to be Effective January 1, 2015, with Two (2) Options to Extend the Term of Service, Each Time for Up to One (1) Additional Year, for a Maximum Possible Term of Service of Five (5) Years Total, for the Human Resources Department) Purchasing Office Procurement Solicitation No. 2015-008B; Contract No. 2014-0246).

#### Shirley Harmon, Human Resources Director

Items 6 and 7 were taken together. Please note an error in the caption of Item 6 has been corrected.

Shirley Harmon, Tammie Pitts and Jay Brown, Cowan Benefit Services Inc. consultant addressed these items.

Tammie Pitts explained the Section 125 Plan administration fees are currently not budgeted inasmuch that service is currently provided at no additional charge by the current voluntary benefits carrier. At the current usage rate and the rate of \$4.50 per participant per month quoted by TASC, staff estimates the annual fee for Section 125 plan administration services would be approximately \$6,912 per year for the initial term of the award. Section 125 allows employees to put aside money during the year for certain pre-tax benefits such as dental, medical, and childcare.

As to the voluntary plans, the goals were to utilize Kronos for online enrollment to reduce paper and eliminate the one-on-one meetings with employees. Voluntary benefits include group term life (additional life insurance at the employee's expense), short-term disability, accident and critical illness insurance. The overall choices have not changed. The one-on-one meetings will be replaced by group meetings.

Alderman Bransford asked if the aldermen have life insurance with the City. Shirley Harmon responded that they each have a \$10,000 policy.

8.\* Consideration of RESOLUTION 2014-67, A Resolution Authorizing the City of Franklin, TN Mayor and City Administrator to Purchase Lot 4300 as Shown on the Westhaven Section 25 & Section 15 (lot 4001) Final Subdivision Plat of Record.

Eric Stuckey, City Administrator Shauna Billingsley, City Attorney The Mayor and City Administrator are not authorized to sign the closing documents without approval from the Board of Mayor and Aldermen. There is no financial impact. The Westhaven Development is required to dedicate this property.

The motion for this item, during the voting meeting, should include two separate items, one for authorization and the second for the bid award contingent on acquiring the property.

# 9. Consideration of Water and Sanitary Sewer Rate Design Mark Hilty, Water Management Director

Jim Marshall of Jackson Thornton gave a presentation on how to approach the first two years of the approved Five Year Plan, Option A:

Water - Five Year Approach

	Rate Requirement		Change		\$ Change Rate Revenue		Proposed Rate Change	Additional Revenue		Revenue Requirement		
Actual 2013	\$	9,200,339				\$	9,319,189					
Budget 2015	\$	8,960,197	-2.6 %	\$	(240,142)	\$	9,645,361	3.50%	\$	326,172	\$	685,164
Budget 2016	\$	9,191,988	2.6%	\$	231,791	\$	9,982,948	3.50%	\$	337,588	\$	790,960
Budget 2017	\$	10,110,411	10.0%	\$	918,423	\$	10,332,352	3.50%	\$	349,403	\$	221,941
Budget 2018	\$	10,538,044	4.2%	\$	427,633	\$	10,693,984	3.50%	\$	361,632	\$	155,940
Budget 2019	\$	11,020,720	4.6%	\$	482,676	\$	11,068,273	3.50%	\$	374,289	\$	47,553

## Water Rate Option A – Consumption Only Increase

#### Years One and Two:

- \$0.24 Annual increase in Consumption Charge per kGal for Inside Customers
- \$0.37 Annual increase in Consumption Charge per kGal for Outside customers

Option A would generate approximately \$711,000 in additional revenue over the two year period.

Water - Option A Residential Inside

	Cost	Cost of Service		Current		Proposed	Difference
Availability Charge (1,000 Gal)	\$	9.51	\$	11.86	\$	11.86	\$ *****
Next 9,000 Gallons	\$	4.58	\$	3.98	\$	4.22	\$ 0.24
Next 15,000 Gallons			\$	4.91	\$	5.15	\$ 0.24
All Additional			\$	5.84	\$	6.08	\$ 0.24

#### Water - Option A Residential Inside

Usage	cos	Current	Proposed	Monthly	Daily	cos	Current	Proposed	Change/
(kGal)	Rates	Rates	Rates	Change	Change	Rate/kGal	Rate/kGal	Rate/kGal	kGal
1	\$ 14.09	\$ 11.86	\$ 11.86	\$	\$	\$ 14.09	\$ 11.86	\$ 11.86	\$
3	\$ 23.25	\$ 19.82	\$ 20.30	\$ 0.48	\$ 0.02	\$ 7.75	\$ 6.61	\$ 6.77	\$ 0.16
6	\$ 36.99	\$ 31.76	\$ 32.96	\$ 1.20	\$ 0.04	\$ 6.17	\$ 5.29	\$ 5.49	\$ 0.20
7	\$ 41.57	\$ 35.74	\$ 37.18	\$ 1.44	\$ 0.05	\$ 5.94	\$ 5.11	\$ 5.31	\$ 0.21
9	\$ 50.74	\$ 43.70	\$ 45.62	\$ 1.92	\$ 0.06	\$ 5.64	\$ 4.86	\$ 5.07	\$ 0.21
12	\$ 64.48	\$ 57.50	\$ 60.14	\$ 2.64	\$ 0.09	\$ 5.37	\$ 4.79	\$ 5.01	\$ 0.22
15	\$ 78.22	\$ 72.23	\$ 75.59	\$ 3.36	\$ 0.11	\$ 5.21	\$ 4.82	\$ 5.04	\$ 0.22
20	\$ 101.12	\$ 96.78	\$ 101.34	\$ 4.56	\$ 0.15	\$ 5.06	\$ 4.84	\$ 5.07	\$ 0.23
30	\$ 146.93	\$ 150.53	\$ 157.49	\$ 6.96	\$ 0.23	\$ 4.90	\$ 5.02	\$ 5.25	\$ 0.23
40	\$ 192.74	\$ 208.93	\$ 218.29	\$ 9.36	\$ 0.31	\$ 4.82	\$ 5.22	\$ 5.46	\$ 0.23
	Average Usa	ge 6.271							

#### Water - Option A Residential Outside

	Cost	Cost of Service		Cost of Service		Cost of Service		Cost of Service		Cost of Service		Cost of Service		Cost of Service		Cost of Service		Cost of Service		Current	Proposed	Difference
Availability Charge (1,000 Gal)	\$	9.50	\$	14.30	\$ 14.30	\$ 																
Next 9,000 Gallons	\$	4.60	\$	6.16	\$ 6.53	\$ 0.37																
Next 15,000 Gallons			\$	6.74	\$ 7.11	\$ 0.37																
All Additional			\$	7,32	\$ 7.69	\$ 0.37																

#### Water - Option A Residential Outside

Usage	cos	Current	Proposed	Monthly	Daily	cos	Current	Proposed	Change/
(kGal)	Rates	Rates	Rates	Change	Change	Rate/kGal	Rate/kGal	Rate/kGal	kGal
1	\$ 14.11	\$ 14.30	\$ 14.30	\$	\$	\$ 14.11	\$ 14.30	\$ 14.30	\$
3	\$ 23.31	\$ 26.62	\$ 27.36	\$ 0.74	\$ 0.02	\$ 7.77	\$ 8.87	\$ 9.12	\$ 0.25
6	\$ 37.11	\$ 45.10	\$ 46.96	\$ 1.86	\$ 0.06	\$ 6.18	\$ 7.52	\$ 7.83	\$ 0.31
7	\$ 41.71	\$ 51.26	\$ 53.49	\$ 2.23	\$ 0.07	\$ 5.96	\$ 7.32	\$ 7.64	\$ 0.32
9	\$ 50.91	\$ 63.58	\$ 66.56	\$ 2.98	\$ 0.10	\$ 5.66	\$ 7.06	\$ 7.40	\$ 0.33
12	\$ 64.71	\$ 83.22	\$ 87.31	\$ 4.09	\$ 0.14	\$ 5.39	\$ 6.94	\$ 7.28	\$ 0.34
15	\$ 78.51	\$ 103.44	\$ 108.65	\$ 5.21	\$ 0.17	\$ 5.23	\$ 6.90	\$ 7.24	\$ 0.35
20	\$ 101.51	\$ 137.14	\$ 144.21	\$ 7.07	\$ 0.24	\$ 5.08	\$ 6.86	\$ 7.21	\$ 0.35
30	\$ 147.52	\$ 207.44	\$ 218.23	\$ 10.79	\$ 0.36	\$ 4.92	\$ 6.91	\$ 7.27	\$ 0.36
40	\$ 193.53	\$ 280.64	\$ 295.15	\$ 14.51	\$ 0.48	\$ 4.84	\$ 7.02	\$ 7.38	\$ 0.36
	Average Usa	ge 6.158			-				

#### Summary - Water

3.5% Increase in Revenue Generated	d								
		Option A							
		Rate Adjustment		Revenue Generated					
Consumption Charge Adjustment									
Residential In									
Year One	\$	0.24	\$	220,153					
Year Two	\$	0.24	\$	220,153					
Residential Out									
Year One	\$	0.37	\$	60,173					
Year Two	\$	0.37	\$	60,173					
Commercial In									
Year One	\$	0.24	\$	67,170					
Year Two	\$	0.24	\$	67,170					
Commercial Out									
Year One	\$	0.37	\$	8,033					
Year Two	\$	0.37	\$	8,033					
Total Additional Revenue - Two Year	rs		\$	711,057					

#### Sewer - Adopted Five Year Approach

		Rate	%	Π	\$		Rate	Proposed	I	Additional		Revenue
	F	Requirement	Change		Change	inge Revenue		Rate Change	Revenue		R	equirement
Actual 2013	\$	11,200,848				\$	13,536,361					
Budget 2015	\$	12,047,735	7.6%	\$	846,887	\$	14,450,065	6.75%	\$	913,704	\$	2,402,331
Budget 2016	\$	12,405,874	3.0%	\$	358,139	\$	15,425,445	6.75%	\$	975,379	\$	3,019,571
Budget 2017	\$	12,858,683	3.6%	\$	452,809	\$	16,466,662	6.75%	\$	1,041,218	\$	3,607,980
Budget 2018	\$	18,084,857	40.6%	\$	5,226,174	\$	17,578,162	6.75%	\$	1,111,500	\$	(506,695)
Budget 2019	\$	18,582,881	2.8%	\$	498,024	\$	18,764,688	6.75%	\$	1,186,526	\$	181,807

#### Sewer Rate Option A - Consumption Only Increase

#### Years One and Two:

- \$0.46 Annual increase in Consumption Charge per kGal for Inside Customers
- \$0.72 Annual increase in Consumption Charge per kGal for Outside Customers

Option A would generate approximately \$1,938,000 in additional revenue over the two year period.

#### Sewer - Option A Residential Inside

	T	Cost of Service		Current	Proposed	Difference		
Availability Charge (1,000 Gal)	\$	15.96	\$	16.55	\$ 16.55	\$	******	
Next 14,000 Gallons	\$	2.95	\$	4.17	\$ 4.63	\$	0.46	
All Additional	T		\$	3.38	\$ 3.84	\$	0.46	

#### Sewer - Option A Residential Inside

Usage	COS	Current	Proposed	Monthly	Daily	COS	Current	Proposed	Change/
(kGal)	Rates	Rates	Rates	Change	Change	Rate/kGal	Rate/kGal	Rate/kGal	kGal
1	\$ 18.90	\$ 16.55	\$ 16.55	\$	\$	\$ 18.90	\$ 16.55	\$ 16.55	\$
3	\$ 24.80	\$ 24.89	\$ 25.81	\$ 0.92	\$ 0.03	\$ 8.27	\$ 8.30	\$ 8.60	\$ 0.31
6	\$ 33.64	\$ 37.40	\$ 39.70	\$ 2.30	\$ 0.08	\$ 5.61	\$ 6.23	\$ 6.62	\$ 0.38
7	\$ 36.59	\$ 41.57	\$ 44.33	\$ 2.76	\$ 0.09	\$ 5.23	\$ 5.94	\$ 6.33	\$ 0.39
9	\$ 42.49	\$ 49.91	\$ 53.59	\$ 3.68	\$ 0.12	\$ 4.72	\$ 5.55	\$ 5.95	\$ 0.41
12	\$ 51.33	\$ 62.42	\$ 67.48	\$ 5.06	\$ 0.17	\$ 4.28	\$ 5.20	\$ 5.62	\$ 0.42
15	\$ 60.17	\$ 74.93	\$ 81.37	\$ 6.44	\$ 0.21	\$ 4.01	\$ 5.00	\$ 5.42	\$ 0.43
20	\$ 74.91	\$ 91.83	\$ 100.57	\$ 8.74	\$ 0.29	\$ 3.75	\$ 4.59	\$ 5.03	\$ 0.44
30	\$ 104.39	\$ 125.63	\$ 138.97	\$ 13.34	\$ 0.44	\$ 3.48	\$ 4.19	\$ 4.63	\$ 0.44
40	\$ 133.87	\$ 159.43	\$ 177.37	\$ 17.94	\$ 0.60	\$ 3.35	\$ 3.99	\$ 4.43	\$ 0.45
	Average Usa	ge 6.619							

Sewer - Option A Residential Outside

	Cost of Service	Current	Proposed	Difference		
Availability Charge (1,000 Gal)	\$ 14.81	\$ 21.63	\$	21.63	\$	Art
Next 14,000 Gallons	\$ 2.95	\$ 6.54	\$	7.26	\$	.72
All Additional		\$ 5.39	\$	6.11	\$	.72

### Sewer - Option A Residential Outside

Usage	cos	Current	Proposed	Monthly	Daily	COS	Current	Proposed	Change/
(kGal)	Rates	Rates	Rates	Change	Change	Rate/kGal	Rate/kGal	Rate/kGal	kGal
1	\$ 17.76	\$ 21.63	\$ 21.63	\$	\$	\$ 17.76	\$ 21.63	\$ 21.63	\$
3	\$ 23.65	\$ 34.71	\$ 36.15	\$ 1.44	\$ 0.05	\$ 7.88	\$ 11.57	\$ 12.05	\$ 0.48
6	\$ 26.60	\$ 41.25	\$ 43.40	\$ 2.15	\$ 0.07	\$ 6.65	\$ 10.31	\$ 10.85	\$ 0.54
7	\$ 35.45	\$ 60.87	\$ 65.18	\$ 4.31	\$ 0.14	\$ 5.06	\$ 8.70	\$ 9.31	\$ 0.62
9	\$ 41.34	\$ 73.95	\$ 79.69	\$ 5.74	\$ 0.19	\$ 4.59	\$ 8.22	\$ 8.85	\$ 0.64
12	\$ 50.18	\$ 93.57	\$ 101.46	\$ 7.89	\$ 0.26	\$ 4.18	\$ 7.80	\$ 8.46	\$ 0.66
15	\$ 59.03	\$ 113.19	\$ 123.24	\$ 10.05	\$ 0.33	\$ 3.94	\$ 7.55	\$ 8.22	\$ 0.67
20	\$ 73.77	\$ 140.14	\$ 153.77	\$ 13.63	\$ 0.45	\$ 3.69	\$ 7.01	\$ 7.69	\$ 0.68
30	\$ 103.24	\$ 194.04	\$ 214.85	\$ 20.81	\$ 0.69	\$ 3.44	\$ 6.47	\$ 7.16	\$ 0.69
40	\$ 132.72	\$ 247.94	\$ 275.93	\$ 27.99	\$ 0.93	\$ 3.32	\$ 6.20	\$ 6.90	\$ 0.70
	Average Usa	ge 3.883							

#### Summary Sewer

6.75% Increase in Revenue General	ted				
		Option A			
		Rate Adjustment		Revenue Generated	
Consumption Charge Adjustment					
Residential In					
Year One	\$	0.46	\$	596,994	
Year Two	\$	0.46	\$	596,994	
Residential Out	***************************************				
Year One	\$	0.72	\$	10,871	
Year Two	\$	0.72	\$	10,871	
Commercial In					
Year One	\$	0.46	\$	337,070	
Year Two	\$	0.46	\$	337,070	
Commercial Out					
Year One	\$	0.72	\$	24,038	
Year Two	\$	0.72	\$	24,038	
Total Additional Revenue – Two Yea	rs		\$	1,937,947	

Combined Impact to Residential Customers

	Monthly	Impact	Combined Impact
	Water	Sewer	Monthly
Residential Inside			
1 kGal	\$	\$	\$
7 kGal (Ave. Res.)	\$ 1.44	\$ 2.76	\$ 4.20
Residential Outside			
1 kGal	\$	\$	\$
7 kGal	\$ 2.23	\$ 4.31	\$ 6.54

The Five Year Approach was adopted to keep the increases small and regular, and manageable for ratepayers, rather than one large increase all at one time. It is for rate stability. The debt service begins in years 2017 and 2018. The rate plan will be revisited on an annual basis to see if the target is where it needs to be.

The first 1,000 gallons is the availability charge. After that, the cost is driven by the amount of water used. The first 1,000 gallons or under, the bill will remain the same. Compared to other water utilities in the region, the City of Franklin still has the lowest cost.

Vice Mayor Petersen said it looks like at least \$2 million more than needed is being collected in 2015 and in 2016, with about \$3 million more than needed in 2017. That is a lot to have up-front. She took issue with that much being paid by ratepayers before it is needed.

Discussion ensued on Vice Mayor Petersen's concern, and about the money for debt service. It was reiterated that the Five Year Approach is for rate stability, and that it will be revisited each year to see if it needs to be updated.

# 10. Discussion of Replacement for DEPFA Bank as Standby Credit Provider Russ Truell, ACA Finance & Administration

After reviewing the information with the City, PFM recommends PNC's five (5) year Direct Purchase option to the City. While the five (5) year Direct Purchase may be slightly more expensive than the three (3) year SBPA, PFM's recommendation is based also on the City's ability to secure a longer term option for the Series 101-A-1 Bonds at a manageable cost. Bond counsel is working on the resolution for the Standby Credit Provider.

## 11. Consideration of Creating Special Event Valet Parking Program

### Vernon Gerth, ACA Planning & Community Development Monique McCullough, Public Outreach Specialist

This topic was discussed several months ago when the Downtown Franklin Association (DFA) requested consideration to allow valet parking downtown. The issue has resurfaced at the request of two downtown businesses that held special events.

Valet parking benefits businesses and their patrons by alleviating perceived parking deficiencies, enhancing customer service, and encouraging maximum use of less accessible parking spaces such as the upper levels of the parking garages.

The purpose of creating a Special Event Valet Parking Program is to allow business owners to offer visitors the conveniences associated with valet parking while regulating the undesirable effects that impact public areas or public safety. Examples of application and operating standards to be included in an ordinance:

- · Application Process
- · Minimum Liability Coverage and Certificate of Insurance Requirements
- · Limitations on the number of Special Events Valet Parking Permits (2 per calendar year)
- · Guidelines for the placement of temporary directional signs

- · Minimum and Maximum number of on-street parking spaces used for valet parking
- · Restricted area of valet parking where vehicular or pedestrian traffic is known to be a safety concern
- · . Guidelines for the placement of cones and signage before the valet parking stations open
- Requirement for the number of valet parking attendants needed to keep travel lanes open, with a minimum of two attendants at all times while the valet parking station is open
- · City discretion, depending on the number of people attending the Special Event, that requires the applicant to hire an off-duty police officer to monitor the valet parking operation and traffic flow while the valet service is operating
- · Requirement for the placement of the valet parking station adjacent to the business it serves
- · Guidelines for suspending or revoking valet parking operations

#### Staff requests feedback from BOMA:

- The permits are tied to the property. Two per property per year.
- A number of cities provide valet service. It helps businesses and brings in tax dollars.
- Make the number of permits 4 or 5 per year.
- Trying to meet a special event need. Trying to keep the number limited.
- The City will use discretion if more than one business applies for a permit for the same night.
- There will no reserved parking spaces in the garages.
- Three spaces in front of a venue would be needed for valets.
- How many hours before an event will the three spaces be blocked off?
- Impacts parking for the businesses around the permitted venue.
- Not in favor of doing this too frequently.

Consensus to have staff draft a Special Event Valet Parking Ordinance that includes the permit application and operating standards described above for future consideration by BOMA.

#### **ADJOURN**

Work Session adjourned @ 6:18 p.m.

Dr. Ken Moore, Mayor

Minutes prepared by: Linda Fulwider, Board Recording Secretary, City Administrator's Office - updated 10/29/2014 1:57 PM