
MEETING MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
THURSDAY, JANUARY 21, 2010 @ 5:00 P.M.

Committee Members

Alderman Ann Petersen, Chair P
Alderman Ken Moore, Vice Chair P
Alderman Beverly Burger P
Alderman Michael Skinner P

Other Attendees

Eric Stuckey, City Administrator P
Russell Truell, ACA Finance & Administration P
Vernon Gerth, ACA Community & Economic Development P
Mayor John Schroer P
Jackie Moore, Police Chief P
Joe York, Streets Director P
Lanaii Benne, Assistant City Recorder P
Linda Fulwider, Board Recording Secretary P

1. Call to Order

Alderman Petersen called the meeting to order at 5:00 p.m. in the Boardroom.

2. Approval of the Minutes

Alderman Moore moved to approve the December 17, 2009 meeting minutes as presented. Seconded by Alderman Skinner. Motion carried unanimously.

3. Discussion of the Auditor's Report for Fiscal Year 2009

Russ Truell, ACA Finance & Administration

The auditor will attend the February meeting to review the Report. This will give the committee ample time to thoroughly review the report.

Mr. Truell asked committee members to submit questions to him. He will forward them to Mr. Hewitt prior to February meeting. He will ask the other aldermen to do so as well. Questions about City finances can be answered by the Finance Department; technical questions will be forwarded to Mr. Hewitt.

4. Consideration of ORDINANCE 2010-01, FY 2009-2010 Budget Amendment – Adjustment of Beginning Balances Based on FY 2009 Audit Report

Russ Truell, ACA Finance & Administration

Adjusting journal entries are required at the end of each audit period. Some are errors caught by staff during closing while others are the auditor's recommendations. There are no changes to budgeted expenditures, only to the starting balances.

Alderman Moore moved to recommend Ordinance 2010-01 to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

5. Report on ARRA Stimulus Funding Grant Reporting

Russ Truell, ACA Finance & Administration

Mr. Truell advised reports must be submitted to the State when the City receives direct federal grants. The State then reports to the federal government. Reports on three items were sent as of January 10. Indirect grants have been added to the reporting and will be on the new website.

Alderman Skinner asked about the County stimulus back bond funding. Mr. Truell explained it was postponed until February to give Spring Hill and Fairview an opportunity to apply. Time constraints may keep them from completing the requirements. Thompson's Station opted out. The approximately \$4.2 million for Franklin has been approved and will be used on the Hillsboro Road and Columbia Avenue projects.

6. Consideration of ORDINANCE 2010-06, FY 2009-2010 Budget Amendment-Adjustment of Appropriation to Animal Control

Russ Truell, ACA Finance & Administration

During the budget process, all services in Appropriations were reduced by an average of 10%, Animal Control included. After the fact it was discovered the County's appropriation was not reduced. It was also learned there is an existing contract with the County that designates the level of the City's participation. To meet the contractual obligation, the budget for Animal Control must be increased by \$5,248 to restore the level of funding in the prior year.

Alderman Skinner moved to recommend Ordinance 2010-06 to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

7. Consideration of ORDINANCE 2010-07, FY 2009-2010 Budget Amendment-Transfer of Fleet Maintenance Operations from Solid Waste Fund to General Fund

Russ Truell, ACA Finance & Administration

Mr. Truell explained the amendments being addressed are to clean up reports and make them accurate.

Fleet Maintenance was moved from supervision in Solid Waste to Streets. Because Solid Waste and Streets are in different funds, the budgeted amounts need to move to the General Fund.

Alderman Moore moved to recommend Ordinance 2010-07 to BOMA. Seconded by Alderman Burger.

There was discussion on a study that was done. Some of the critical items from the consultant's report were done. Alderman Skinner asked that the Study be brought forward again.

Motion to recommend carried unanimously.

8. Consideration of Budget Transfer-Adjustment for Establishment of Assistant Chief Position in Police Department

Russ Truell, ACA Finance & Administration

The transfer to personnel is from a reduction in budgeted miscellaneous expenses. No Committee action required.

Mr. Stuckey pointed out that due to under-spending in the wages category a transfer of this nature may not be necessary.

9. Consideration of Budget Transfer-Adjustment for I-65 Replacement Poles

Russ Truell, ACA Finance & Administration

Allocation to repair poles is a result of accidents on I-65 (Any recoveries would go into the Street-Traffic budget as an offset to the expenditure) The transfer is from Utilities, which is under-spent year-to-date. Mr. Truell commented money may be needed in next year's budget for pole damage. Joe York said the lights are right off the shoulder and are part of McEwen interchange; eight poles damaged thus far.

Alderman Petersen asked about insurance money from those who damage the poles. Tennessee Highway Patrol (THP) reports are sent directly to TDOT and not to the City. Risk Manager Rodney Escobar is looking into getting reports sent to the City. Committee action not required.

10. Consideration of ORDINANCE 2010-08, FY 2009-2010 Budget Amendment-Adjustment of Expenditure for ~~Debt Service Fund~~ a Compost Screener

Russ Truell, ACA Finance & Administration

Alderman Petersen noted the caption should read, "Expenditure for a Compost Screener". There is also a discrepancy between the ordinance number in the caption, 2010-08, and the number on the ordinance, 2010-10. Corrections will be made prior to the January 26 Work Session.

Alderman Moore moved to recommend the purchase of a compost screener to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

11. Consideration of ORDINANCE 2010-09, FY 2009-2010 Budget Amendment-Solid Waste Landfill Fees

Russell Truell, ACA Finance & Administration

During the December meeting it was reported the cost per ton of disposal at Middlepoint Landfill increased 25%. That cost cannot be absorbed in the existing Solid Waste Disposal budget. Estimated increase in expenditure (subsidy) from the Reserve Fund is \$125,000. The ordinance number in the caption 2010-09 does not coincide with the number on the ordinance 2010-11. Corrections will be made prior to the January 26 Work Session.

Alderman Moore moved to recommend the subsidy to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

12. Consideration of ORDINANCE 2010-10, FY 2009-2010 Budget Amendment-Clovercroft Improvements

Russ Truell, ACA Finance & Administration

The City's portion of this project is 25% and the County's portion is 75% of costs to improve Clovercroft Road. Signalization will not occur unless road improvement does not correct the safety issues. The ordinance number in the caption, 2010-10, does not match the number 2010-12 on the ordinance. Corrections will be made prior to the January 26 Work Session.

Alderman Burger moved to recommend the budget amendment for Clovercroft Road improvements to BOMA. Seconded by Alderman Skinner. Motion carried unanimously.

13. Consideration of Ordinance 2010-11, FY 2009-2010 Budget Amendment-South Carothers Right of Way

Russ Truell, ACA Finance & Administration

The Board previously approved to move forward and purchase right-of-way up to \$500,000. It is anticipated the condemnation process will require deposits by the City before the end of the fiscal year. There is a discrepancy in ordinance numbers. The ordinance in this item is shown as 2010-11 in the caption and on the ordinance. Item #11 reflects the ordinance number as 2010-11. Corrections will be made before the January 26 Work Session.

Alderman Skinner moved to recommend the amendment for South Carothers ROW to BOMA. Seconded by Alderman Moore. Motion carried unanimously.

14. Consideration of Budget Calendar for FY 2010-2011 Budget

Russ Truell, ACA Finance & Administration

Budget presentations will be given at the regularly scheduled budget meetings February 18, March 18,

and April 15. The special meeting scheduled on April 22 conflicts with the Planning Commission meeting. Budget & Finance will hold the special meeting on Tuesday, April 20. All meetings will begin at 5:00 p.m.

15. Consideration of Contract Amendment with State Street Global Advisors (for Pension Plan)

Russ Truell, ACA Finance & Administration

The City pension plan has funds invested with State Street. In light of recent financial events, State Street has limited the withdrawal rates for accounts with the securities lending feature. On the advice of the plan's independent financial advisor, State Street has been asked to amend the contract for all future investments to exclude securities lending. The amendment puts new money in a different account with different administrative rules offering greater flexibility with new money. The investments remain the same.

Alderman Moore moved to recommend the amendment to BOMA. Seconded by Alderman Skinner. Motion carried unanimously.

16. Consideration of Contract with Landmark Partners (for Pension Plan)

Russ Truell, ACA Finance & Administration

This item is to consider investment in private equity funds, secondary market, as recommended by the Pension Committee. In November the Pension Committee voted to invest up to 5% of plan assets in private equity funds. Two firms were selected through a screening process by the plan's financial advisor. Landmark Partners was chosen because of their experience and they are a well-established firm. The Committee designated \$1 million (2.7% of the assets of the Plan) for the initial investment in this category. Landmark will buy secondary fund long-term investments to move away from the less prosperous bonds. The contract with Landmark is what the Board will look at.

Alderman Moore moved to recommend the contract to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

17. Report on Comptroller's Model Debt Policy

Russ Truell, ACA Finance & Administration

Mr. Truell referred to concerns about the Comptroller's Model Debt Policy discussed at the December meeting. The Model contradicted some things in the City's policy. Since then the Comptroller sent notification that the policy is being pulled for revisions and indicated the revisions would make the policy more flexible and not treat cities that have policies, such as Franklin, the same as those that need restrictions.

ADJOURN

Alderman Moore moved to adjourn and motion carried unanimously.

Meeting adjourned @ 5:56 p.m.

Ann Petersen, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office – 3/10/2010 10:58 AM