
MEETING MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
MONDAY, APRIL 26, 2010 @ 6:00 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
Shauna Billingsley & Kristen Corn, Law Department P
Fred Banner, MIT Director P
Lisa Clayton, Parks Director P
Candace Connell, Tammie Pitts, Rodney Escobar, HR P
Mike Lowe, Comptroller P
Steve Sims, Assistant City Recorder P
Joe York, Streets Director P
Mayor John Schroer P
Alderman Clyde Barnhill P
Alderman Margaret Martin 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 6:00 p.m. in the Boardroom.

Alderman Petersen announced two items would be taken out of order following item 2: item 15 Franklin Transit and item 19 Report from United way. (Please note: items recorded in agenda order)

2. Approval of the Minutes

The following corrections were made to the March 18, 2010 Minutes (additions in **bold** and deletions ~~striketrough~~)

Item 11: This item amends the resolution for the bond issue in December to include the \$5.7 million in ~~recovery~~ **allocation** from Williamson County.

Item 12: **State** government expedited this to May. Not all counties took the money. The City made application for the \$10 million that was to be borrowed next year as this year includes a 45% rebate. The difference between doing this as recovery **zone bonds** instead of tax exempt is 20-25%.

Alderman Moore moved to approve the March 18, 2010 minutes as amended. Seconded by Alderman Burger. Motion carried unanimously.

3. Update on Recovery Zone Bonds

(Item taken following item 19)

Russ Truell, ACA Finance & Administration

Mr. Truell mentioned the \$15.7 million in Super Build America Bonds and the competitive rate. Funds used for Columbia Avenue, Third Avenue Extension, and Highway 96 to Del Rio Pike. Closing expected in May. In the interim, the IRS is sending a questionnaire. Bond counsel recommended adoption of the Policies and Procedures. Committee consensus was to forward to the Board for adoption at the May 11, 2010 meeting.

Eric Stuckey reported an amendment was made to the Columbia Avenue project regarding compliance issues (City in compliance; needed to be in writing).

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

Discussion ensued on rates, savings, and term of the bonds. Mr. Truell will provide figures on interest to be paid vs. savings as requested by Alderman Petersen.

4. Consideration of Utility Billing Software Purchase

Russ Truell, Mark Hilty, Steve Sims, Fred Banner

Steve Sims and Fred Banner addressed this item. This is the last major piece in Hansen connecting the permitting and processing of financial transactions of the City and the City's customers. Mr. Truell said it is the biggest single priority that cannot wait another year. The advantage is it can be paid from Enterprise funds. Will lease over three years interest-free.

Alderman Moore recommended the Utility Billing Software purchase be forwarded to BOMA for approval. Seconded by Alderman Burger.

By using Hansen-savvy staff for training, consulting services could possibly be cut by 50%-75%. Staff is ready to commit to and devote the next six months to ramping up the process. There was some discussion on maintenance costs.

Motion to recommend purchase of Utility Billing Software to BOMA carried unanimously.

5. Consideration of Extension of Fuel Hedging Program

Russ Truell, ACA Finance & Administration

Numbers and savings reviewed. Mr. Truell recommended the City extend the program for another year.

Alderman Moore moved to extend the Fuel Hedging Program an additional year. Seconded by Alderman Skinner. Motion Carried unanimously.

6. Consideration of Bid Award to Temple, Inc. of Decatur, AL in the Total Amount of \$58,801.00 for Supply and Delivery of Internally Illuminated Street Name Signs for Five (5) Specified Intersections for the Traffic Division of the Streets Department (Purchasing Office Procurement Solicitation No. 2010-029; \$80,000.00 Budgeted in 110-89470-43110 for Fiscal Year 2010)

Joe York, Streets Director

Joe York referred to the memo recommending acceptance of the apparent lowest best bid for 26 new internally illuminated street name signs for five specified intersections for the amount \$58,801.00. He explained these are replacements for failed signs and it is a safety issue. Life of

the new signs should be five years.

Alderman Moore moved to approve the purchase of 26 internally illuminated street name signs, and forward recommendation to BOMA. Seconded by Alderman Burger. Motion carried unanimously.

7. **Consideration of Bid Award to Vermeer Heartland-Tennessee of Murfreesboro, TN in the Amount of \$112,550.00 for Supply and Delivery of One (1) Trommel Compost Screener with "Overs" Conveyor for the Maintenance Division of the Streets Department (Purchasing Office Procurement Solicitation No. 2010-034; an Intent-to-Amend the Streets Department General Fund Budget for the Current Fiscal Year to Provide Funding for Lease/Purchase of a Compost Screener was Approved by BOMA on December 8, 2009)**

Joe York, Streets Director

Mr. York noted four bids were received with the Vermeer bid being the apparent lowest best bid. Three options provided.

Alderman Burger asked if the City intended to sell compost in future rather than give it away. Mr. York explained that now the compost goes through a dirt screener. The new composter would produce quality compost that could be bagged and sold.

Alderman Moore moved to approve Option 1 - accept the apparent lowest best bid and include lease payments beginning in the FY2011 budget. Seconded by Alderman Burger.

A question arose on which would be the most frugal, outright purchase or lease. Mr. Truell explained why leasing is the best option.

Mr. Stuckey reported communication from another bidder was received with comments about the bid specs. This was looked into with the result being there was nothing to merit changing the bid process. Vermeer was the lowest bid that met the specs and needs of the City.

Motion to approve Option 1 and accept the apparent lowest best bid carried unanimously.

8. **Consideration of Bid Award to Maury Fence Company of Columbia, TN in the Amount of \$120,000 (\$90,000 in FY 2010; \$30,000 in FY 2011 if budgeted) for Supply, Delivery and Installation of Fencing at Fieldstone Park Ball Fields for the Parks Department (Purchasing Office Procurement Solicitation No. 2010-035; \$90,000.00 Budgeted in 110-89530-44700 for Fiscal Year 2010)**

Lisa Clayton, Parks Director

Lisa Clayton reported there were three bids to install fencing at these ball fields built in 1986. The lowest best bid is \$30,000 each for three fields. The fourth field could be funded in FY 2011 if at \$30,000. TML recommended replacement of the fencing due to safety issues. Galvanized fencing is recommended for baseball and softball fields rather than coated because players running into fences damage the coating.

Alderman Burger moved to approve and recommend to BOMA the acceptance of the bid for the fencing of three ball fields @ \$30,000 each. Seconded by Alderman Skinner. Motion carried unanimously.

9. Budget Presentation: Law Department

Shauna Billingsley, City Attorney

Shauna Billingsley and Kristen Corn presented the Budget for the Law Department. Reports were submitted showing YTD total number of tasks per month and total tasks by department. Ms. Billingsley noted there is potential to add an assistant attorney since the paralegal position was converted to staff attorney (Ms. Corn). Adding an attorney could reduce the amount spent on outside consultants. Two of the attorneys could be dedicated to specific departments.

Alderman Burger thought the Board should see the numbers before any decisions are made. Use of outside counsel could not be eliminated, as expertise in certain specialties will always be needed. Aldermen Burger and Petersen expressed concern about adding to the budget when all departments have been asked to make additional cuts.

Mr. Stuckey noted that position is budgeted in this current budget. Another savings would be to consolidate all legal services billing through the attorneys. Alderman Petersen asked about comparisons to other like-size cities as to staffing, funding, and activity level. Mr. Stuckey responded benchmarks could be obtained. Discussion ensued on the level of legal services needed by individual departments, the number of meetings the attorneys must attend, and CLEs.

10. Budget Presentation: Human Resources Department

Shirley Harmon, Human Resources Director

Candace Connell, Tammie Pitts, and Rodney Escobar gave a power point presentation.

- Percent change in Operating Expenses FY2006-FY2010 is -40.7%
- In 2009, employee tuition program taken from Administration Budget and included in HR Budget. Change in operating expenses if exclude tuition -148.1%
- Budgeted positions increased 14.1% from 2006-2010 – 592 to 689
- Currently have .83 FTE's devoted to HR per 100 employees [.68 if the vacancy (Analyst) is not filled]. ICMA average for cities under 100,000 population of .98 FTE's
- Benefits and Risk – First benefits position added in 1994 when there were 274 budgeted full-time positions compared to 689 positions today. One position manages benefits. Risk Manager added in 1997 when there were 327 positions. Now 1 Risk Manager and one HR Technician (50% in Risk/50% in HR). Legal and regulatory obligations have grown significantly (health care reform, FACTA, etc.)
- Personnel Request: add 1 FTE to reorganize – benefits associate
- A great number of tasks are performed in HR without benefit of comprehensive software program. Some require multiple entries.
- Software used: OnBase is used for record retention, FMLA Tracker, Great Plains to enter employee info for payroll track applicants. Most data in multiple Excel Spreadsheets.
- OnBase Workflow software could automate 8 of 14 steps to process a claim resulting in more than \$10,000/year savings. Currently done manually.
- Goals reviewed
- Summit Training: provides unlimited access to over 150 online safety courses. Costs: annual online fee of \$7,500 – average annual cost \$11.48 per employee

The aldermen want to be assured employees using the tuition assistance program are taking

courses that are related to their jobs with the City. There were questions about Workmen's Comp and that topic will be discussed later.

11. Budget Presentation: Purchasing Department

Brian Wilcox, Purchasing Manager

Russ Truell presented the Purchasing budget in the absence of Brian Wilcox. The budget is almost identical to last year's budget. There are two staff people and \$6,000 of non-personnel costs.

12. Budget Presentation: Revenue Management/City Court

Steve Sims, Assistant City Recorder

Mr. Sims noted the Revenue budget of approximately \$1.2 million is driven by personnel costs. It costs around \$250,000 to present bills each year (processing, mailing, envelopes, and return envelopes). Anticipate utility district fees of \$100,000 next year. Many customers prefer making payments by credit card, and there are fees associated with those payments. Propose to move to a core of part-time employees to supplement full-time staff. Eric Stuckey added this would provide the ability to staff busier times and meet peak workloads.

Court budget remains virtually the same.

13. Budget Presentation: MIT Department

Fred Banner, MIT Director

Mr. Banner referred to a spreadsheet for Contractual Services. The numbers are up and the City will be paying for Disaster Recovery. The 800 MHz Radio will probably increase 5%-10% per year. Maintenance budgeted for all departments. Microsoft support dropped from \$122,000 to \$72,000. Personnel remain the same with 17 full-time and 2 part-time positions.

14. Budget Presentation: Finance Department

Mike Lowe, Comptroller

Mike Lowe presented the Finance budget. The City has saved over \$10,000 in fuel costs with the Fuel Hedging initiative with Davidson County. The program will continue another year. Department performance measures were reviewed. Sustainable initiatives: when the Police Department moves to the new headquarters in May, the Finance Department will electronically send vendor invoices via AP Workflow software. After coding and approval for payment, the invoices will be returned to Finance electronically for payment. Will expand to other departments to save gas and time for City staff. Goals include a proposal for three achievement levels for Financial Technician staff based upon certification. The department has two vacant Financial Manager positions: will leave one unfunded and staff the second on a part-time basis. Operating costs reduced by 42% in 2011 and capital costs reduced by \$10,000.

15. Budget Presentation: Transit System Fund

(Item taken after item 2)

Debbie Henry, Transit Authority/TMA

Debbie Henry noted the 6% decrease requested of all departments is not reflected in the packet, but the transfer from General Fund was reduced to \$531,100. Successes include a 50% reduction in maintenance costs resulting in \$89,800.99 returned to the City's General Fund. Grant funding: over \$126,460 in Jobs Access Reverse Commute and \$75,000 in New Freedom Funds enabled expansion of transit service hours and routes by 29% without increasing the budget. Stimulus funds of \$310,000 used for software to modernize dispatching and scheduling. ADA-compliant

transit shelters purchased. Secured all available funding to FTA into grants and contracts with Federal Transit Administration and TDOT. Extended TODD service to meet the 20.3% increase in trips and extended service radius to 2.5 miles from fixed route service. Purchase of three efficient smaller vehicles enable transit vehicles to be interchangeable between routes. Twilight TODD (safe rides home service) partnership with DFA for after hours events initiated. Sustainability efforts reviewed.

Alderman Petersen asked if they would be able to make changes to allow a reduction to City funding. Alderman Burger asked if fuel costs had been locked in. Ms. Henry responded they had not but that she would check with TDOT.

Safe Ride Home provides revenue, as tickets are \$6.00 roundtrip. They were sold out for the recent Brew Fest and have had over 4,450 riders with nine vehicles providing service.

Maintenance costs will be less each year, but nothing close to the \$90,000 reduction. There is a need to expand the evening service, especially for those in the service industry and hospital staff. The new commuter express runs bring people to Franklin as well.

16. Budget Presentation: Elected Officials

Eric Stuckey, City Administrator

Amount budgeted for cell phone service reduced to \$1,200. Some money budgeted for registration and travel expense for national type conferences. Alderman Burger was of the opinion the cell phone service amount should not be cut as sometimes aldermen submit overages to the City.

17. Budget Presentation: Administration Department, Communications, CIP

Eric Stuckey, City Administrator

City Administrator, Communications, and CIP consolidated into Administration. Eric Stuckey provided a brief power point presentation that reviewed cost containment efforts and other aspects of the budget.

18. Review of Budget Goals/Status/Timetable

Eric Stuckey, City Administrator

Mr. Stuckey reviewed the 2010-11 Budget Goals that include continuing to pursue options for revenue diversification among property taxes, sales taxes, fees, interest earnings, other income, and state shared revenues with expenditure growth reviewed annually in terms of population increases and desired public service levels. Another goal is to maintain an undesignated reserve fund in compliance with the Board of Mayor and Aldermen's adopted policy.

Some of the Non-financial Goals:

- Avoid employee layoffs and other actions that would negatively impact the delivery of City services.
- Focus on the delivery of roadway projects approved through the Board's Capital Investment Funding Plan
- Develop, adopt, and implement programs and policies that create and sustain a positive economic environment with the City of Franklin.
- Maintain and continue to enhance the compensation and benefit plan for employees within

our financial capabilities to retain qualified and motivated employees in a highly competitive market.

- Continue commitment to the vitality of the downtown area and individual historical areas.

Included in specific Fiscal Year 2011 Initiatives:

- Determine an action plan to implement the long-term assessment of City Hall facilities and operational needs due to growth, service requirements, and technology.
- Implement a citywide curbside recycling program (Blue Bag program) in July 2010, tracking the participation and operational cost impact of the pilot program.
- Continue to identify opportunities to expand and enhance the City's communication with the public through various strategies and mediums.
- Support the sustainability efforts identified by staff and the City's Sustainability Commission.

There was discussion on making budget decisions looking at actual numbers, and the fund balance.

The regularly scheduled Committee meeting would be Thursday, May 20. It was determined budget work sessions should be scheduled the week of May 17: Monday, May 17 @ 4:00 p.m., Tuesday, May 18 @ 4:00 p.m., and Wednesday, May 19 @ 4:00 p.m. A work session to discuss the pension plan was set for Thursday, May 20 @ 4:00 p.m.

19. Report from United Way Committee

(Item taken after item 15)

Pam Bryant, United Way

Pam Bryant reviewed the recommendations made by the United Way volunteer panel. Agencies remain the same as last year. Ms. Bryant advised they had been told to cut 6% the same as City departments. Funding recommended on critical needs.

Alderman Petersen noted most agencies were cut 5% or 6%, while Bridges increased 4% and J.L. Clay cut 15%.

Eric Stuckey explained Bridges and Gap both receive funding from the City through the Emergency Shelter Grant. Ms. Bryant advised they were not aware of the Bridges grant for \$24,000.

BOMA will discuss the allocations when the proposed budget is submitted, which should be around May 7. Budget hearings will occur the week of May 17.

Alderman Petersen asked what kind of cut it would take to make the projected expenses meet total revenues in the entire budget. Mr. Stuckey responded that would need to be discussed to get to the \$50-\$51 million range. Discussion ensued regarding numbers not being accurate as expenses, etc. are not up-to-date as they will be when the entire budget is brought forward. Mr. Stuckey explained the numbers are just estimates on the balance of this year and projections for next year. They need to be updated and fine-tuned.

Ms. Bryant answered questions about the process and each agency's ability for fund raising.

There was further discussion on moving expenses closer to revenues.

20. Budget Presentation: Appropriations, Economic Development

Russ Truell, ACA Finance & Administration

The United Way allocations comprise the bulk of appropriations. The others are government agencies and dues. Mr. Stuckey advised the 6% decrease was applied on all appropriates except animal control.

21. Consideration of Special Meeting Date for Pension Issues

Eric Stuckey, City Administrator

Thursday, May 20 @ 4:00 was set as the special meeting to discuss pension issues. The Pension Committee will meet on Thursday, May 27 @ 3:00 p.m.

22. Informational Reports

- April Local Sales Tax Report
- March 2010 Preliminary Budget Report
- February 2010 Budget Report
- Fuel Usage Report
- Rolling T-Bill Investment Program
- Five-Year TIPS Ladder Investment Program

Reports submitted for review. No action required.

ADJOURN

Aldermen Burger and Skinner moved and seconded to adjourn. Motion carried unanimously.

Meeting adjourned 9:44 p.m.

Ann Petersen, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office – 7/12/2010 11:25 AM