
**MINUTES OF THE WORK SESSION
BOARD OF MAYOR AND ALDERMEN
FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
TUESDAY, MARCH 22, 2011 – 5:30 P.M.**

Board Members

Mayor Ken Moore	P	Alderman Margaret Martin	P
Alderman Clyde Barnhill	P	Alderman Dana McLendon	A
Alderman Pearl Bransford	P	Alderman Ann Petersen	P
Alderman Beverly Burger	P	Alderman Michael Skinner	P

Department Directors/Staff

Eric Stuckey, City Administrator		Eric Gardner, Engineering Director	P
Vernon Gerth, ACA Community/Economic Development		Shirley Harmon, HR Director	P
Russell Truell, ACA Finance & Administration	P	Mark Hilty, Water Management Director	P
David Parker, City Engineer	P	Gary Luffman, BNS Director	
Shauna Billingsley, City Attorney	P	Catherine Powers, Planning & Sustainability Dir	P
Rocky Garzarek, Fire Chief		Joe York, Streets Director	P
David Rahinsky, Interim Police Chief	P	Brad Wilson, Facilities Project Manager	P
Fred Banner, MIT Director	P	Lanaji Benne, Assistant City Recorder	P
Becky Caldwell, Solid Waste Director	P	Linda Fulwider, Board Recording Secretary	P
Lisa Clayton, Parks Director	P		

1. Call to Order

Mayor Ken Moore called the BOMA Work Session to order at 5:30 p.m. on Tuesday, March 22, 2011 in the City Hall Boardroom.

2. Citizen Comments

None

WORK SESSION DISCUSSION ITEMS

(Items 7 through 10 taken together prior to item 3)

3. Presentation of Blue Bag PSA (Public Service Announcement)

Milissa Reiersen, Communications Manager

Becky Caldwell, Solid Waste Director

Courtenay Rogers and Milissa Reiersen presented their project from Leadership Franklin Class of 2010-2011. Two members of their group were not present, Dr. Shanna Jackson and Dr. Ray White.

The Plan

- Raise diversion rate and participation
 - ◊ current stats:
 - 38.14% participation

- 12.20% diversion rate

(It costs \$700 per trip to take trash to the dump in Murfreesboro; thus, as the diversion rate rises, the number of trips lessens)

- Create a video with a celebrity
- Reach out to local schools
- Develop a magnet for citizens to reference easily
- Post on City's YouTube and other social media sites

The Release

- Recent Vanderbilt survey about the City of Franklin Bluebag Recycling program the question, "What keeps you from recycling?" was asked of residents. Forty-two percent responded with the answer, "I don't know what items are recyclable."
- Video shot and edited by Columbia State's Film Crew Technology Program Williamson County Campus.
- Distributed to the Franklin Special School District schools and is being aired on their morning video updates. The group also hopes to reach approximately 10,000 people through a social media marketing campaign. The video can be seen at <http://www.youtube.com/CityofFranklin>.
- Recruited News Channel 5 anchor and Franklin resident Steve Hayslip
- The City paid for the magnets.

The Stats

- 2 newspaper articles (and counting)
- 1 television story (and counting)
 - Viewership – 225,415
 - Publicity value - \$4,407
- 2 radio interviews – 40,000 listeners
- Reached 37,000 via social media
- 260 YouTube views
- 7 local elementary schools

The video received a round of applause.

4. Presentation on the Oil Supply and Price Environment

Kerry Perkinson

Mayor Moore commented that this presentation was timely because of rising gas prices, and the City's fuel hedging program. Mr. Perkinson is a Vice President at Tennessee Bank & Trust and sits on the Transit Alliance Board. He was formerly in the oil and gas business in Franklin.

Mr. Perkinson shared several quotes regarding oil supplies:

- David J. O'Reilly, Chairman & CEO, Chevron Corporation and Vice Chairman – National Petroleum Council.
"One thing is clear: the era of easy oil is over", "It took us 125 years to use the first trillion barrels of oil....we'll use the next trillion in 30." and "We can wait until a crisis forces us to do something. Or we can commit to working together."
- At an ASPO-USA Oil Conference in Washington, DC, on November 1, 2010, Dr. James Schlesinger, former U.S. Secretary of Energy:
"...given projected world decline curves, running from 4% to 6% and the projected increase in demand during the next quarter century, we shall require the new capacity equivalents of five Saudi Arabias."
- Lord Ron Oxburgh, former chairman of Shell, October 2008
"It is pretty clear that there is not much chance of finding any significant quantity of new cheap oil. Any new or unconventional oil is going to be expensive."

- William J. Cummings, Exxon-Mobil Company spokesman, December 2005
 "All the easy oil and gas in the world has pretty much been found. Now comes the harder work...finding and producing oil from more challenging environments and areas."
- U.S. Military Joint Forces Command, 2010 Joint Operating Environment (JOE) Report, February 18, 2010
 "The discovery rate of new petroleum & gas fields over the past two decades provides little reason for optimism that future efforts will find major new fields."

Mr. Perkinson spoke on the history of oil fields, reservoir depths, evolution of oil and gas.

World Field Discoveries by Decade

- 1960's – Most OIL
- 1980's – Most FIELDS
- 1990's – Fewest WELLS
- 2000 to 2006 – LOWEST RESULTS since 1920's
- Peak Oil (Per U.S. Energy Information Administration) U.S. Crude Oil Production peaked in 1970
- Are the world's oil estimates accurate? (Per "The End of Cheap Oil", Colin Campbell and Jean Laherrare) "...a suspicious jump in reserves reported by 6 OPEC nations adding 300 Billion Barrels of Oil to their tallies of reserves following no major discoveries."
- "...Backdating the field revisions to the year in which the fields were discovered reveals that reserves have been failing because of a steady decline in newfound oil."
- What is the status of our largest producing fields?
- In 2004, there were 4 oil fields in the world producing over 1 million barrels per day
 - 1) Ghawar (Saudi Arabia) – 4.5 Million BOPD & **Today** 5+ Million BOPD (+0.5)
 - 2) Cantarell (Mexico) – 2.0 Million BOPD & **Today** 464,000 BOPD (-1.5)
 - 3) Burgan (Kuwait) – 1.7 Million BOPD & **Today** 1.5 Million BOPD (-0.2)
 - 4) Da Qing (China) – 1.0 Million BOPD & **Today** 1.0 Million BOPD (Unchanged)
- Top 20 Giant Oil Fields = 25% world's production
- Who do we blame for high gas prices?
 - Congress and/or the President for not keeping prices in check
 - Saudi Arabia and OPEC members for not producing enough oil
 - Oil companies for making record profits
 - Wall Street Speculators who bet on higher oil prices
 - Some small groups blame the American driver's thirst for gasoline
- Even the Government admits oil prices could trigger the next recession
- Oil price shocks precede recessions
- The USA and 63 other countries are past their peak

SUPPLY

- Oil Supply peaked in 2005
- World is declining at ±5% per year
- 2 of the 3 largest fields in the world, Burgan & Cantarell, are in decline, and Ghawar is showing its age
- Easy (cheap) oil is gone, expensive oil is coming!

PRICE

- Gas & diesel account for 80% of all U.S. Transportation (people & products)
- Price of Gasoline must rise as we take more risks, and drill deeper and deeper
- Expect \$5.00/gallon gasoline within next 2-3 years

Mr. Perkinson supports mass transit and alternative vehicles.

5. **Discussion and Consideration of ICMA Additional Investment Option for Employees
 Shirley Harmon, Human Resources Director
 Russ Truell, ACA Finance & Administration**

The Pension Committee voted in favor of adding the option. Steve Varner of ICMA said the fund is unique that it converts retirement savings into a stream of income. Eventually can put all money in fund for retirement income and for spouse.

6.* **Consideration of Change Order No. 2 with W. L. Hailey for a Time Extension for the Simmons Ridge Interceptor Sanitary Sewer Project (COF Contract No. 2009-0098)**

David Parker, City Engineer/CIP Executive

Staff recommends approval of Change Order No. 2 to add 47 days to the contract as well as granting a work stoppage until the Harpeth River is at a more manageable level of flow. Staff will notify the Board when the actual date of stoppage is determined and subsequently, the new estimated project completion date. This will not cause any problems with other projects.

7. **Consideration of Event Permit for Run for Moms 5K on May 21, 2011**

David Rahinsky, Interim Police Chief

8. **Consideration of Event Permit for Mellow Mushroom Spring Bash to be Held in Downtown Franklin on May 21-22, 2011**

David Rahinsky, Interim Police Chief

9. **Consideration of Event Permit for FUMC Fiddlin Fish 5K on May 21, 2011**

David Rahinsky, Interim Police Chief

10. **Consideration of Event Permit for Main Street Festival to be Held in Downtown Franklin on April 30-May 1, 2011**

David Rahinsky, Interim Police Chief

No comments on items 7 through 10

11. **Consideration of Updated Goals for FY 2011-2012 Budget**

Eric Stuckey, City Administrator

Russ Truell, ACA Finance & Administration

Alderman Petersen suggested two new goals and the reasons why they are important:

1. Maintain and enhance infrastructure to improve quality of life
2. Maintain compliance with the Board of Mayor and Aldermen's adopted policy on debt service as a percent of operating expenditures.

She noted that some of the other goals should be tweaked.

Russ Truell related the budget goals would not be approved until the Budget is adopted. Until that time, send him any comments or suggestions.

12. **Consideration of Bid Award to Trigreen Equipment, LLC of Franklin in the Total Net Amount of \$16,750.00 for New Mower Equipment, the Purchase of Which Would be Offset in Part by Credit for Surplus Mower Equipment being Offered by the City for Trade-In, for the Parks Department (Purchasing Office Procurement Solicitation No. 2011-024; Not Separately Budgeted in 110-83530-44700 for Fiscal Year 2011)**

Lisa Clayton, Parks Director

No questions or comments

13. Consideration of Sale of Surplus Compost

Joe York, Streets Director

Mr. York provided copies of the new Compost Voucher for citizens to use when purchasing the City's surplus compost. Compost will be sold for \$20.00 per cubic yard with a three cubic yard limit per day. This will allow the City to recapture some of the investment involved in establishing the compost program. To purchase the compost, residents will go to the Revenue Department in City Hall to pay and receive a voucher to present at the compost site. They must provide their own conveyance.

ADJOURN

Alderman Burger moved to enter Executive Session @ 6:32 p.m. Seconded by Alderman Martin. Motion carried unanimously.

Work Session adjourned 6:32 p.m.

Mayor Ken Moore

Minutes prepared by: Linda Fulwider, Board Recording Secretary, City Administrator's Office – 3/30/2011 3:24 PM