City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615) 791-3217

Meeting Agenda

Work Session

Tuesday, November 23, 2021	5:00 PM	Board Room

CALL TO ORDER

CITIZEN COMMENTS

Comments on agenda items may be made in person at City Hall or by emailing recorder@franklintn.gov before noon on the day of the meeting. Comments will be submitted for the record.

WORK SESSION DISCUSSION ITEMS

1. Discussion Of Traffic Calming Devices To Be Installed On Boyd Mill Avenue Between 11th Avenue North And Culberson Boulevard.
   CIC 10/28/21, forwarded for further discussion

   Sponsors: Paul Holzen, Jonathan Marston, Adam Moser

2. *Consideration Of Resolution 2021-138, A Resolution Declaring An Existing Section Of Right-Of-Way Known As Simmons Ridge Drive Generally Located East Of South Carothers Road And North Of Longpoint Way As Surplus.
   CIC 10/28/21, no vote

   Sponsors: Paul Holzen, Jimmy Wiseman

3. *Consideration Of COF Contract No. 2021-0271, A Professional Services Agreement with Ground Penetrating Radar Systems, LLC For Advanced Underground Utility Investigations For The Liberty Pike - Mallory Lane Intersection Improvements Project At A Cost Of $44,250.
   CIC 10/28/21, no vote

   Sponsors: Paul Holzen, Jonathan Marston, David Hodnett

4. Consideration Of Resolution 2021-160, A Resolution To Accept The Streets In Trent Park, Section K, Of Fieldstone Farms As Public Roadways And Rights Of Way.

   Sponsors: Mark Hilty

5. Consideration Of Ordinance 2021-39, An Ordinance To Amend Title 16, Chapter 1, Section 16 Of The Franklin Municipal Code Relative To Maintenance Of Street Trees In The Right-Of-Way.

   Sponsors: Mark Hilty

6. Consideration Of Change Order 8 To COF Contract No. 2017-0264, With Kiewit Infrastructure South Co. For The Water Reclamation Facility Modifications & Expansion Project.

   Sponsors: Michelle Hatcher, Brian Goodwin

7. Consideration Of Amendment 1 To COF Contract No. 2016-0046, Interlocal With Williamson County and Williamson County Emergency Communications District Regarding Dispatch Services.

Sponsors: Kristine Brock, Shauna Billingsley

8. Consideration Of Resolution 2021-171, A Resolution To Approve The Tennessee State Opioid Abatement Agreement.

Sponsors: Shauna Billingsley

9. Consideration Of Procurement Award To SiteMed North America, LLC Of Garner, North Carolina, In The Total Estimated Annual Amount Of $99,665 During The Initial One-Year Term Of Award For Firefighter Annual Physical Medical Exam Services For Uniformed Personnel Of The Franklin Fire Department (Purchasing Office Procurement Solicitation No. 2022-009; Contract No. 2021-0329).

Sponsors: Glenn Johnson

10. Consideration Of Resolution No. 2021-168, A Resolution Authorizing The Use Of The Competitive Sealed Proposal Procurement Method For Choosing The Service Provider For Comprehensive Banking Services, Including General Banking And Lockbox Processing For The Finance And Revenue Management Departments (Purchasing Office Procurement Solicitation No. 2022-014).

Sponsors: Kristine Brock, Mike Lowe, Jessica Davey

11. Discussion Of Proposed Amendment To Closed Pension Plan That Could Benefit Employees Who Have Been Injured On The Job That Are Near Retirement By Authorizing A Modification To Retirement Formula.

Sponsors: Kevin Townsel, Sara Sylvis

12. Discussion Of Williamson County Growth Plan Update.
WS 5/11/21; 8/12/21; 10/12/21; 11/9/21

Sponsors: Emily Wright, Andrew Orr

13. Discussion Regarding COVID-19 Sick Pay.

Sponsors: Eric Stuckey

14. Discussion Regarding Employee Compensation.

Sponsors: Kevin Townsel, Kristine Brock, Michael Walters Young

OTHER BUSINESS

ADJOURN

Anyone needing accommodations due to disabilities please contact the ADA Coordinator at 615-791-3277 at least 24 hours prior to the meeting.

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-02624

DATE: November 10, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Brock, Asst. City Administrator/CFO
Shauna Billingsley, City Attorney

SUBJECT:

Consideration Of Amendment 1 To COF Contract No. 2016-0046, Interlocal With Williamson County and Williamson County Emergency Communications District Regarding Dispatch Services.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the approval of Amendment 1 to the Interlocal with Williamson County and Williamson County Emergency Communications District.

BACKGROUND/STAFF COMMENTS:

In 2016, the City, County, and Williamson County Emergency Communications District (ECD) agreed to consolidate our emergency communication services. The City agreed to fund 14 employees (most of which were current City employees who were being transferred to the County). The arrangement has worked very well for the City and the County. The parties would like to extend the agreement for an additional ten (10) years whereby the County and the ECD would continue to provide emergency communication services for the City, the City would reimburse the ECD the salaries for 15 employees starting in the amount of $546,000, and the user Group created in the original Interlocal Agreement will continue but will meet twice a year.

FINANCIAL IMPACT:

The City agrees to reimburse the ECD for 15 positions, starting at $546,000. This payment is fully funded in the City's FY2022 general fund operating budget.

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen approve Amendment 1 to COF Contract No. 2016-0046.

AMENDMENT NO. 1
INTERLOCAL AGREEMENT BETWEEN
WILLIAMSON COUNTY, TENNESSEE, AND THE CITY OF FRANKLIN, TENNESSEE
COF Contract No 2016-0046

THIS AMENDMENT TO THE INTERLOCAL AGREEMENT, ("Amendment"), is made and entered into pursuant to Tennessee law, by and between **WILLIAMSON COUNTY, TENNESSEE,** (hereinafter "County"), **WILLIAMSON COUNTY EMERGENCY COMMUNICATIONS DISTRICT** (hereinafter "ECD"), and the **CITY OF FRANKLIN**, **TENNESSEE**, (hereinafter "City"), concerning the transition of City emergency communications/dispatch employees' positions and equipment, if applicable, to the County, whereby the City would cease dispatch services altogether.

WHEREAS, the City and County are currently parties to an Interlocal Agreement concerning the transition of City emergency communications/dispatch employees and equipment and for the County to provide emergency communication on behalf of the City; and

WHEREAS, the parties agree that the current arrangement is beneficial to both parties; and

WHEREAS, the parties wish to amend the Agreement to allow for the continuation of emergency communications to continue at the County's Public Safety Center and the County in exchange for compensation from the City.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. The County and the ECD shall continue to provide emergency communication for the City.

2. The City shall pay to the ECD the Salaries and any Increased Salaries.

3. **TERM.** This Amendment shall extend the Agreement for ten (10) years. This Amendment and the Agreement shall not be extended unless approved by each party's governing body and signed by the parties' authorized representatives.

4. **PAYMENT OF SERVICES**. The City shall pay the ECD for an equivalent of 15 positions, starting in the amount of $546,000 ("Salaries"). This amount may be increased annually when and if the County provides general pay raises to County employees. In no case shall the amount increase annually more than 5% without approval from the City Administrator. The County shall notify the City by April 1 of each year if it intends to provide raises and the total amount due (collectively, "Increased Salaries").

5. <u>USER GROUP MEETINGS.</u> The parties agree continue the User Group consisting of the City Administrator, Police Chief, Fire Chief, the Williamson County Public Safety Director, Emergency Management Director, Sheriff, Emergency Communications Director and others as deemed necessary, who will meet at least twice per year to discuss issues concerning dispatch, equipment, or any other related issue of concern of the parties. All policies and procedures shall be reviewed by the User Group prior to implementation to ensure that the City maintains compliance with CALEA standards, fire accreditation standards, ISO accreditation and compliance with NFPA 1221 and NFPA 1710. Any policies and procedures concerning or related to answering or transferring 911 calls shall be subject to final approval by the ECD to be effective. The User Group shall not take any actions or approve any policies or procedures that may result in the statewide emergency communications board withholding any revenue due to the ECD.

6. All other terms set forth in the Agreement not modified or amended above remains in full force and effect.

[Signature Page to Follow]

IN WITNESS WHEREOF, each party has caused this Amendment to be executed by an authorized person effective as of the date and year written below.

Williamson County, Tennessee:

By: ______________________________

Date: __________________

City of Franklin:

By: _________________________________

Date: _________________

Attest:

By: _________________________________

Date: _________________________________

Approved as to form and legality:

____
Robert Cook
County Attorney

Approved as to form and legality:

____
Shauna R. Billingsley
City Attorney

Williamson County Emergency Communications District

By: ________________________________

Date: ______________________________

Approved as to form and legality:

____
Ken Young
Counsel

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-02625

DATE: November 10, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Shauna Billingsley, City Attorney

SUBJECT:

Consideration Of Resolution 2021-171, A Resolution To Approve The Tennessee State Opioid Abatement Agreement.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution 2021-171 authorizing the Mayor to execute the settlement agreements and associated documents for the Opioid Settlement.

BACKGROUND/STAFF COMMENTS:

Tennessee has joined a broad coalition of states and subdivisions in reaching a $26 billion settlement with four companies to resolve legal claims for their role in the opioid crisis. Tennessee's share of the settlement funds is expected to exceed $600 million over 18 years. The settlement consists of two agreements. One agreement is with the three major pharmaceutical distributors: AmerisourceBergen Corporation, Cardinal Health, Inc., and McKesson Corporation. The second agreement is with an opioid manufacturer: Janssen, a subsidiary of Johnson & Johnson.

To become effective, a critical mass of states and political subdivisions must agree to participate in the settlements. Tennessee has joined a substantial majority of states in agreeing to participate and the companies have determined that there is sufficient state joinder to move forward with the subdivision sign-on period. Subdivisions will have until January 2, 2022 to become initial participating subdivisions.

In addition to the two settlement agreements, subdivisions are encouraged to join the Tennessee State-Subdivision Opioid Abatement Agreement. This Tennessee-specific agreement, negotiated with representatives of the state's subdivisions, addresses the allocation provisions in the two settlements and sets out a structure for the distribution of abatement funds from pending bankruptcy plans.

If the settlements become effective, Tennessee will be eligible to receive more than $613 million over 18 years, with these maximum payments dependent on all settlement incentives being reached. Payments could begin as soon as April 2022. Most funds will be dedicated to future opioid abatement and remediation programs, benefiting all regions of the state. The allocation and use of funds from these settlements are controlled by the settlement agreements, recent legislation, and the proposed Tennessee State-Subdivision Opioid Abatement Agreement. Under the agreements, certain municipalities are eligible to receive direct settlement payments in addition to benefitting from programs funded by their counties and the independent Tennessee Opioid Abatement Council. Those eligible are municipalities (of any size) that are litigating against these companies and all other municipalities with populations of 30,000 or greater. (“Direct Payment Municipalities”)1 If maximum payments are earned, up to $92 million of the settlement funds would be paid directly to Tennessee counties and the Direct Payment Municipalities from the Subdivision Fund. Tennessee is committed to maximizing the payments from these settlements, which are highly incentive-based and contain several potential penalties and offsets. Close to full subdivision joinder is anticipated, which would earn most incentives. Additionally, the recent legislation also allows for the release of all state and subdivision claims against these companies if the settlements become effective and this process should ensure maximum payments. It is vital that Direct Payment Municipalities join the settlements before the January 2, 2022, deadline. Not only does joinder help reach the critical mass of subdivision participation needed for the settlements to become effective, but it also makes the municipality eligible for its maximum payments. Joinder by the deadline protects against the risk of missing initial payments or having all payments reduced because of a failure to join before the statutory release of claims is implemented. Municipalities are also encouraged to join the State-Subdivision Agreement.

FINANCIAL IMPACT:

By approving this resolution authorizing the Mayor to execute settlement agreement relating to opioid class actions, the City will receive some portion of the settlement amount.

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen approve Resolution 2021-171.

RESOLUTION NO. 2021-171

A RESOLUTION AUTHORIZING THE CITY OF FRANKLIN TO JOIN THE STATE OF TENNESSEE AND OTHER LOCAL GOVERNMENTS AS PARTICIPANTS IN THE TENNESSEE STATE-SUBDIVISION OPIOID ABATEMENT AGREEMENT AND APPROVING THE RELATED SETTLEMENT AGREEMENTS

WHEREAS, the opioid epidemic continues to impact communities in the United States, the State of Tennessee, and Williamson County, Tennessee and Franklin, Tennessee.

WHEREAS, the City of Franklin has suffered harm and will continue to suffer harm as a result of the opioid epidemic;

WHEREAS, the State of Tennessee and some Tennessee local governments have filed lawsuits against opioid manufacturers, distributors, and retailers, including many federal lawsuits by Tennessee counties and cities that are pending in the litigation captioned In re: National Prescription Opiate Litigation, MDL No. 2804 (N.D. Ohio) (the MDL case is referred to as the "Opioid Litigation");

WHEREAS, certain pharmaceutical distributors and a manufacturer have proposed settlements that the City of Franklin find acceptable and in the best interest of the community;

WHEREAS, the Tennessee legislature enacted Public Chapter No. 491 during the 2021 Regular Session of the 112th Tennessee General Assembly and was signed into law by Governor Bill Lee on May 24, 2021, which addresses the allocation of funds from certain proposed opioid litigation settlements;

WHEREAS, the State of Tennessee, non-litigating counties, and representatives of various local governments involved in the Opioid Litigation have proposed a unified plan for the allocation and use of certain prospective settlement and bankruptcy funds from opioid related litigation ("Settlement Funds");

WHEREAS, the Tennessee State-Subdivision Opioid Abatement Agreement (the "Tennessee Plan"), attached hereto as "Exhibit A," sets forth a framework of a unified plan for the proposed allocation and use of the Settlement Funds; and

WHEREAS, participation in the settlements and Tennessee Plan by a large majority of Tennessee cities and counties will materially increase the amount of settlement funds that Tennessee will receive from pending proposed opioid settlements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN FOR THE CITY OF FRANKLIN, TENNESSEE,

Section 1. That the City of Franklin finds that participation in the Tennessee Plan is in the best interest of the City and its citizens because such a plan would ensure an effective structure for the commitment of Settlement Funds to abate and seek to resolve the opioid epidemic.

Section 2. That the City of Franklin hereby expresses its support for a unified plan for the allocation and use of Settlement Funds as generally described in the Tennessee Plan.

Section 3. That the City of Franklin's Mayor is hereby expressly authorized to execute the Tennessee Plan in substantially the form attached as Exhibit "A" and the County Mayor is hereby authorized to execute any formal agreements necessary to implement a unified plan for the allocation and use of Settlement Funds that is substantially consistent with the Tennessee Plan and this Resolution.

Section 4. That the City of Franklin's Mayor is hereby expressly authorized to execute any formal agreement and related documents evidencing the City of Franklin's agreement to the settlement of claims and litigation specifically related to AmerisourceBergen Corporation, Cardinal Health, Inc, McKesson Corporation, Janssen Pharmaceuticals, Inc, and Johnson & Johnson.

Section 5. That the City of Franklin's Mayor is authorized to take such other action as necessary and appropriate to effectuate the City of Franklin's participation in the Tennessee Plan and these settlements.

Section 6. This Resolution is effective upon adoption, the welfare of the City of Franklin, Tennessee requiring it.

IT IS SO RESOLVED AND DONE on this ____ day of _______________, 20__.

ATTEST:

By:______________________________
Eric S. Stuckey
City Administrator

CITY OF FRANKLIN, TENNESSEE:

By:____________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________
Shauna R. Billingsley
City Attorney

Law Dept. approved 11.11.21

Tennessee State-Subdivision Opioid Abatement Agreement

I. Definitions

For all sections of this Agreement, the definitions for terms set out in this Section I apply. The Agreement also uses additional terms that are defined in the Distributor/J&J Settlements and other agreements. In such instances, which are clearly stated, those terms are defined by those agreements.

A. "2021 Legislation." Public Chapter No. 491 passed during the 2021 Regular Session of the 112th Tennessee General Assembly and signed into law by Governor Bill Lee on May 24, 2021. For ease of reference purposes only, a copy of Public Chapter No. 491 is attached.

B. "Agreement." This document, the Tennessee State-Subdivision Opioid Abatement Agreement, a "state-subdivision opioid abatement agreement" as defined in the 2021 Legislation, Section 5(7) and Section 13(6). This Agreement is also a "State-Subdivision Agreement" as defined in the Distributor/J&J Settlement Agreements and a "Statewide Abatement Agreement" as defined in the Purdue Pharma L.P. and Mallinckrodt PLC bankruptcy plans.

C. "Distributor/J&J Settlements." The settlements consisting of the joint settlement agreement with distributors McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation and their subsidiaries and other related entities and the settlement agreement with manufacturer Johnson & Johnson, its Janssen subsidiaries and other subsidiaries and related entities. Both settlements qualify as Statewide Opioid Settlement Agreements.

D. "Joint Abatement Bankruptcy Plan." A plan confirmed in federal bankruptcy court under Title 11 of the United States Code that resolves state and subdivision claims related to the manufacture, marketing, distribution, dispensing, or sale of opioids in a manner that allocates funds for abatement jointly to the state and its subdivisions. The plans in the Purdue Pharma L.P. and Mallinckrodt PLC bankruptcy cases are examples of Joint Abatement Bankruptcy Plans.

E. "Opioid Abatement Council." The council created by the 2021 Legislation, Sections 3-9.

F. "Relevant Funds." Funds that, pursuant to a Joint Abatement Bankruptcy Plan, are allocated to the State for the claims of the State and its Subdivisions and that must be dedicated to opioid abatement programs.

G. "State." The State of Tennessee.

H. "State-Only Opioid Settlement Agreement." A settlement agreement entered into by the State and one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids in which there are not provisions for Subdivision joinder.

I. “State Opioid Judgment.” A judgment obtained by the State against one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids.

J. “Statewide Opioid Settlement Agreement.” A settlement agreement entered into by the State and one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids in which subdivision claims are addressed.

K. “Statutory Bar.” A law barring all subdivisions (not limited to counties and municipalities) in the state from maintaining released claims against released entities, either through a direct bar or through a grant of authority to release claims. The 2021 Legislation, Sections 10-19 establishes a grant of authority process for a statutory bar to be enacted for the entities addressed in the Distributor/J&J Settlements.

L. “Subdivision.” A Tennessee county or municipality.

M. “Subdivision-Only Opioid Settlement Agreement” A settlement agreement between one or more Subdivisions and one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids that does not include the State as a party.

N. “Subdivision Opioid Judgment.” A judgment obtained by one or more Subdivisions against one or more entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids.

O. “Tennessee Opioid Abatement Fund.” The opioid abatement trust fund established by the 2021 Legislation, Sections 1-2.

II. Interaction of this Agreement with Settlements, Bankruptcy Plans and Legislation

This Agreement replaces certain default provisions in specified State Opioid Settlement Agreements and Joint Abatement Bankruptcy Plans. Certain default provisions are also replaced by the 2021 Legislation and consent judgments will be filed for State Opioid Settlement Agreements. Thus, there will be multiple sources of authority for the application of each settlement agreement or bankruptcy plan. While parts of the 2021 Legislation are described in this Agreement, such descriptions do not supersede the statutory language, which is controlling.

III. Allocation of Funds in the Distributor/J&J Settlements

The Distributor/J&J Settlements allow for payment and allocation default provisions to be replaced by state-subdivision agreements, by statute, and other means. As referenced below, the 2021 Legislation addressed some of the default provisions in these settlements. This Agreement makes a few additional changes to the default provisions. As described below, some default provisions remain in place.

A. Allocation among three sub-funds. The Distributor/J&J Settlements initially allocate the vast majority of settlement funds among three sub-funds for each state: the "State Fund," the "Abatement Accounts Fund," and the "Subdivision Fund."[1] Subject to the terms of the specific settlement agreements and assuming full subdivision participation and maximum payments, allocation among the three Tennessee sub-funds shall remain the same as with the default provision: 15% to the State Fund, 70% to the Abatement Accounts Fund, and 15% to the Subdivision Fund.

B. Use of funds. The Distributor/J&J Settlements have provisions concerning the use of funds and those are controlling.[2] Generally they require that money from all three sub-funds be used for "Opioid Remediation" as that term is defined in those agreements. Such definitions include restitution for past abatement within the definition of remediation.

C. State Fund. The 15% State Fund shall be directed to the State's general fund unless directed to the Tennessee Opioid Abatement Fund by future legislation.

D. Abatement Accounts Fund.

1. The 70% Abatement Accounts Fund shall be directed to the Tennessee Opioid Abatement Fund.

2. The 2021 Legislation fully replaces the default provisions for the Abatement Accounts Fund.[3] Among the legislative provisions is the requirement that for the Distributor/J&J Settlements funds deposited into the Tennessee Opioid Abatement Fund, the Opioid Abatement Council shall disburse 35% of these proceeds to counties that join the settlements to be spent on opioid abatement and remediation pursuant to Subsections 6(q)-(s). 2021 Legislation Section 6(p).

3. The 2021 Legislation allows for a state-subdivision agreement to determine the metrics used in allocating certain funds among participating counties. 2021 Legislation, Section (6)(q). It is agreed that the allocation formula shall use data for fatal and non-fatal opioid overdoses, opioid sales measured by morphine milligram equivalents, and population. Details and agreed terms regarding the metrics, the updating of allocation percentages, and the initial allocation percentages for each county is set out in Exhibit A.

E. Subdivision Fund.

1. The 15% Subdivision Fund shall generally be directed to the Subdivisions participating in the Distributor/J&J Settlements pursuant to the default provisions of those agreements, including the allocation of funds for non-litigating municipalities with populations under 10,000 to their respective counties.

[1] "State Fund," Abatement Accounts Fund," and "Subdivision Fund" are all defined terms in the Distributor/J&J Settlement agreements. They are sub-funds of the settlements' "Settlement Fund" into which the companies make base and incentive payments pursuant to the settlement agreements.
[2] Some examples are distributor agreement Subsections V.B.1-2 and J&J agreement Subsections VI.B. 1-2.
[3] These are mainly found in distributor agreement Section V.E and J&J agreement Section VI.E.

2. The default provisions are adjusted for non-litigating municipalities in participating counties that both (1) have populations of 10,000 to 30,000 per the 2019 U.S. Census estimate and (2) have a Subdivision Fund allocation percentage less than 0.5%.[4] The allocations for such municipalities shall be directed to their respective counties if the county is a participating subdivision. (If the county is not a participating subdivision, the funds are not redirected to the county.) The reallocation for such municipalities located in multiple counties will be divided among those counties pursuant to the data used in Exhibit G of the Distributor/J&J Settlements. These redirected funds to certain counties shall be spent on future opioid abatement and shall be subject to the same statutory requirements as the Abatement Accounts Fund money the county receives from the Tennessee Opioid Abatement Fund. These redirected funds to certain counties are in addition to the funds allocated to participating counties pursuant to 2021 Legislation Section 6(p) and should not be included in calculating or disbursing the 35% amount allocated to participating counties. Such redirected funds should also not be viewed as an additional recovery by the county for purposes of calculating any contingency fees agreements.

F. Attorneys' fees and costs. The Distributor/J&J Settlements have provisions for funds dedicated to or related to attorneys' fees, costs, and/or expenses. There are also funds for states without outside counsel, identified as "Additional Restitution Funds." Such funds shall be allocated pursuant to such agreements and are not addressed by this Agreement.

IV. Allocation of Funds for other Statewide Opioid Settlement Agreements

A. Application to future settlements. To the extent allowed by such agreement and subject to IV.B.2 of this Agreement, the provisions in Section III above shall replace default provisions in, and apply to, any future Statewide Opioid Settlement Agreement in which Tennessee counties and municipalities are able to join and receive benefits, either directly or indirectly, in exchange for a release of claims.[5] Not all municipalities need to be eligible to join such a settlement for the provisions of this Section IV to apply. Indirect benefits include funds being allocated to counties and/or the Tennessee Opioid Abatement Fund.

B. Exceptions. The application of Section IV.A. is limited, as follows:

1. The directing of 35% of Abatement Funds to the counties pursuant to the 2021 Legislation Section 6(p) shall not apply to any Statewide Opioid Settlement Agreement that includes an incentive or other benefit for a Statutory Bar unless (a) Section 19 of the 2021 Legislation is amended to specifically allow a Statewide Opioid Settlement Agreement release for the settling entity or entities or (b) another statute that qualifies as a Statutory Bar for such settlement is enacted. Should such settlement become effective prior

[4] For the avoidance of doubt, a non-litigating municipality with a population between 10,000 and 30,000 that has a Subdivision Fund allocation percentage of 0.5% or greater is not affected by this subsection and receives its direct allocation from the Subdivision Fund.

[5] For the avoidance of doubt, the Section III provisions include the 15%/70%/15% allocation of settlement funds among the three sub-funds.

to the enactment of a Statutory Bar addressing claims against the settling entity or entities, 35% of the funds directed to the Tennessee Opioid Abatement Fund shall be withheld and not allocated until the earlier of (1) the enactment of such a Statutory Bar or (2) a full regular session of the Tennessee General Assembly has occurred.

2. Section IV.A shall not apply to any Statewide Opioid Settlement Agreement unless the application of this Agreement to such settlement is approved by a majority of (a) counties and (b) municipalities having a population over 30,000 after such settlement is negotiated and provided to such subdivisions. Whether there is majority approval shall be measured by population of the relevant subdivisions. Population figures shall be from the most recently published U.S. Census population figures (actual count or estimate) for a year for which data is available for both counties and municipalities.

3. Section IV.A shall not apply to any Statewide Opioid Settlement Agreement with Endo International plc. or its subsidiaries.

C. Statutory provisions. The language in this section does not address or control whether any default provisions in a Statewide Opioid Settlement Agreement are replaced by the 2021 Legislation or any other statutory provision if Section IV.A does not apply to such settlement.

V. Allocation of Funds for Opioid-Related Claims in Joint Abatement Bankruptcy Plans

A. Relevant Funds. Multiple opioid manufacturers have filed for bankruptcy in actions for which the State and many Subdivisions are creditors for opioid-related claims. These companies include Purdue and Mallinckrodt. It is anticipated that other entities involved in activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids may also file for bankruptcy and that the State and one or more Subdivisions will pursue opioid-related claims in those actions. Funds allocated to the State and Subdivisions for such claims shall be disbursed pursuant to the confirmed bankruptcy plan for the relevant entity, including requirements for funds to be used for future abatement. It is anticipated that one or more of such plans shall include the allocation of Relevant Funds that must be dedicated to opioid abatement programs. All Relevant Funds shall be placed in the Tennessee Opioid Abatement Fund and allocated pursuant to Sections V.B. Relevant Funds do not include funds disbursed through bankruptcy plans that are not restricted to abatement or that are disbursed for claims that are unrelated to the opioid crisis.

B. Allocation of Relevant Funds. To the extent permissible under the subject bankruptcy plan, Relevant Funds from Joint Abatement Bankruptcy Plans shall be allocated in the same manner as the Abatement Account Funds from the Distributor/J&J Settlements are disbursed under Section III.D and the 2021 Legislation. Thus, the Opioid Abatement Council shall disburse 35% of the proceeds from such bankruptcy plans to the counties subject to 2021 Legislation

Subsections 6(q)-(s). All default provisions related to Relevant Funds in such bankruptcy plans are replaced by this Agreement.[6]

C. Exception. Section V shall not apply to any bankruptcy plan for Endo International plc. or its subsidiaries.

D. Statutory provisions. The language in this section does not address or control whether any default provisions in a Joint Abatement Bankruptcy Plan are replaced by the 2021 Legislation or any other statutory provision if Sections V.A-B do not apply to such bankruptcy plans.

VI. No Application to Other Funds

A. State-Only Opioid Settlement Agreements and State Opioid Judgments. The Attorney General may direct funds from a State-Only Opioid Settlement Agreement or a State Opioid Judgment to the Tennessee Opioid Abatement Fund. Subject to the terms of specific agreements and any conditions placed on the funds prior to their being placed in the Tennessee Opioid Abatement Fund, the funds shall be allocated by the Opioid Abatement Council pursuant to the 2021 Legislation. The allocation and other provisions in this Agreement that apply to certain Statewide Opioid Settlement Agreements and to certain funds from Joint Abatement Bankruptcy Plans do not apply to funds from State-Only Opioid Settlement Agreements or State Opioid Judgments.

B. Subdivision-Only Settlement Agreements and Subdivision Judgments. The allocation and other provisions in this Agreement that apply to certain Statewide Opioid Settlement Agreements and to certain funds from Joint Abatement Bankruptcy Plans do not apply to funds from Subdivision-Only Opioid Settlement Agreements or Subdivision Opioid Judgments.

VII. Adoption and Amendment of Agreement

A. Controlling Authority. For this Agreement to replace default provisions in the Distributor/J&J Settlements, it must be adopted by statute or approved by the State and a sufficient number of Subdivisions as set forth in Exhibit O of those settlements. For this Agreement to replace default provisions in the Purdue and other bankruptcy plans, it is anticipated that it will need to be approved by the State and a sufficient number of Subdivisions as set forth in the specific bankruptcy plans. There are similar requirements for amending state-subdivision agreements such as this Agreement. It is understood that the approval process and participation requirements set out in this Section VII meet the requirements of these settlement agreements and anticipated bankruptcy plans. For any settlement agreement or bankruptcy plan that allows for a state-subdivision agreement to determine the requirements for amendment of a state-subdivision

[6] For example, the provisions related to the default "Government Participation Mechanism" in the Purdue bankruptcy plan are not applicable with the adoption of this Agreement (which incorporates the Opioid Abatement Council).

agreement, the approval process and participation requirements set out in this Section VII for an amended agreement shall control. Similarly, if this Agreement is adopted by statute, the approval process and participation requirements set out in this Section VII for an amended agreement shall control.

B. Adoption of Agreement. This Agreement is adopted if it is approved by the Attorney General, on behalf of the State, and either (1) Subdivisions whose aggregate "Population Percentages," determined as set forth below, total more than 60%, or (2) Subdivisions whose aggregate Population Percentages total more than 50%, provided that these Subdivisions also represent 15% or more of the counties, by number.

C. Population Percentage Calculation. Population Percentages shall be determined as follows: The Population Percentage of each county shall be deemed to be equal to (1) (a) 200% of the population of such county minus (b) the aggregate population of all Primary Municipalities located in such county, divided by (2) 200% of the state's population. A Primary Municipality means a municipality with a population of at least 25,000. The Population Percentage of each Primary Municipality shall be equal to its population divided by 200% of the state's population. (The result of these calculations is that every person is counted twice: everyone in a Primary Municipality is counted once for that municipality; everyone is counted at least once for their county; and those not in a Primary Municipality are counted a second time for their county.) Except as required by a specific settlement agreement or bankruptcy plan, the population figures for these calculations shall be the 2020 U.S. Census counts for the initial adoption of the Agreement and, for adoption of an amended agreement, the most recently published U.S. Census population figures (actual count or estimate) for a year for which data is available for both counties and municipalities.

D. Amendment of Agreement. This Agreement may be amended if that amended agreement is approved by the Attorney General, on behalf of the State, and either (1) Subdivisions whose aggregate Population Percentages, determined as set forth above, total more than 60%, or (2) Subdivisions whose aggregate Population Percentages total more than 50% provided that these Subdivisions also represent 15% or more of the counties, by number.

VIII. Effect of Agreement

Nothing in this Agreement is intended to abridge or enlarge the authority of the Attorney General, the State, or the subdivisions, except as expressly stated herein.

Exhibit A: County Allocation for Opioid Abatement Fund

Certain abatement funds are allocated by county pursuant to the 2021 Legislation and/or the provisions of this Agreement. The allocations shall be set consistent with the 2021 Legislation and as set forth below.

A. County Allocation Data. The following data shall be used in the county allocation calculations:

1. Fatal opioid overdose data collected by the Tennessee Department of Health. The aggregate figures for the most recent three years of available data shall be used when allocation calculations are performed.

2. Non-fatal opioid overdose data collected by the Tennessee Department of Health. The aggregate figures for the most recent three years of available data shall be used when allocation calculations are performed.

3. Opioid sales as measured by morphine milligram equivalents ("MME"). The aggregate figures for the most recent three years of available data shall be used when allocation calculations are performed.

4. County population. The 2020 U.S. Census counts will be used for the initial allocations. For future allocation calculations, the most recent population estimate or actual count data published by the U.S. Census shall be used.

B. Weighting of Data. In calculating the county allocation percentages, the data shall be weighted as follows:

1. Fatal opioid overdose data shall be weighted at 12.5%.

2. Non-fatal opioid overdose data shall be weighted at 12.5%.

3. Opioid sales as measured by MME shall be weighted at 25%.

4. Population shall be weighted at 50%.

C. Updating of Allocations. The county allocations shall be updated pursuant to statute. The 2021 Legislation requires updating every four years and addresses what happens if a data set used in the initial allocations is unavailable.

D. Allocation Process. The State shall make the initial data and allocable share calculations available to the counties to review for 30 days in order to identify and correct any mathematical or data entry errors. The Opioid Abatement Council will allow for similar review for future reallocations.

E. Holdback Share. It is recognized that, particularly for some very small counties, there could be limits on the ability of the data to capture the scope of the opioid crisis in the county. For example, a large segment of a county's population may fill prescriptions in a neighboring county, resulting in MME data that dramatically underrepresents the level of opioids prescribed to the residents of the county. To address limited situations such as this, 2% of the abatement funds allocated to counties shall be initially held back until the Opioid Abatement Council can consider county requests for adjustments to their allocation percentages due to such data issues. However, such requests will only be granted when there is a finding that the data limitations substantially affected the county's overall allocation. The Council may only adjust allocation percentages upwards through the use of the 2% holdback fund and may find that no adjustments are needed. Any portion of the 2% holdback fund not used to adjust county allocations pursuant to this process will be released to the counties pursuant to their allocations, including any adjusted allocation percentages.

F. Initial County Allocation Percentages.

[TABLE TO BE INSERTED ONCE UPDATED DATA AVAILABLE]

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-02565

DATE: October 31, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Glenn Johnson, Asst. Fire Chief

SUBJECT:

Consideration Of Procurement Award To SiteMed North America, LLC Of Garner, North Carolina, In The Total Estimated Annual Amount Of $99,665 During The Initial One-Year Term Of Award For Firefighter Annual Physical Medical Exam Services For Uniformed Personnel Of The Franklin Fire Department (Purchasing Office Procurement Solicitation No. 2022-009; Contract No. 2021-0329).

PURPOSE:

The purpose of this procurement is to purchase firefighter annual physical medical exam services for uniformed personnel of the Franklin Fire Department for a term of award of one (1) year, tentatively effective January 1, 2022, with four (4) options to extend, each time for up to one (1) additional year. These services are sought so the City may continue to comply with (a) the requirements of NFPA 1582 (2013 edition), (b) applicable OSHA standards and (c) applicable State of Tennessee presumptive legislation.

BACKGROUND/STAFF COMMENTS:

The City published on October 7, 2021 a Notice to Proposers in the *Williamson Herald* for firefighter annual physical medical exam services for uniformed personnel of the Franklin Fire Department. In addition, solicitation documents were sent on or about the same date directly to twelve (12) potential proposers known or thought to be interested in this solicitation. Proposals from two (2) service providers were publicly opened at the submittal opening held on November 9, 2021. A tabulation of the proposals received for this solicitation is attached.

Using evaluation criteria included in the request for proposals, the proposal evaluation team, consisting of four staff of the Fire Department, recommends the City select the firm submitting the proposal ranked highest by the proposal evaluation team, namely SiteMed North America, LLC of Garner, North Carolina. The evaluation criteria included in the request for proposals consisted of (a) competency, experience and qualifications (30%), (b) capabilities; unique strengths of the proposer/proposal (10%), (c) thoroughness and quality of proposal (10%), (d) methodology, approach and schedule; pricing and payment clarity (20%), and (e) fee for proposed products and services (30%).

A reference check by staff for SiteMed North America, LLC has yielded favorable feedback.

FINANCIAL IMPACT:

The proposal ranked highest by the proposal evaluation team, from SiteMed North America, LLC of Garner, North Carolina, is in the total estimated annual amount of $99,665 during the initial one-year term of award for firefighter annual physical medical exam services for uniformed personnel of the Franklin Fire Department. The Fire Department budget for fiscal year 2022 allocates $125,670 out of the General Fund for the purchase of physicals and preventive medical care.

RECOMMENDATION:

Staff recommends that the City accept, contingent upon Law Department and City Administrator approval of City Contract No. 2021-0329, the proposal ranked highest by the proposal evaluation team, from SiteMed North America, LLC of Garner, North Carolina, in the total estimated annual amount of $99,665 during the initial one-year term of award for firefighter annual physical medical exam services for uniformed personnel of the Franklin Fire Department, and award this procurement to this proposer. The City's Purchasing Manager believes the prepared solicitation documents as distributed allowed for competition among multiple service providers, and that the staff recommendation appears to be made in a fair and impartial manner based upon the proposals received. Pursuant to authority previously granted by the Board of Mayor and Aldermen, Contract No. 2021-0329 has been prepared for execution by the City Administrator pending approval by the Board of Mayor and Aldermen of the staff recommendation to accept the proposal from and award the procurement to SiteMed North America, LLC.

City of Franklin, Tennessee

Tabulation of Submittals*

Purchasing Office Solicitation No.:	2022-009 (firefighter annual physical medical exam services for uniformed personnel of the Franklin Fire Department)
Notice to proposers published in the *Williamson Herald* on:	10/7/21
Number of potential proposers that were notified of / that submitted a proposal in response to this request for proposals:	12 / 2
Date and time proposal due and publicly opened:	11/9/21 2:00 PM
Present at opening of proposals:	Sarah Glenn and Glenn Johnson of the City of Franklin Fire Department; Rachael DuVall, Leslie Pewitt and Brian Wilcox of the City of Franklin Purchasing Office
Target meeting of BOMA at which recommendation is scheduled to be considered:	12/14/21

Proposals received from:	Does the proposal include all required documents?	Does the proposal take any exceptions to the City's procurement solicitation? / If so, how many?	Average points allocated by proposal evaluation team (out of a possible 100, utilizing evaluation criteria as listed in RFP):	Calculated grand total proposal pricing during first year based on quoted unit pricing and quantities estimated in RFP:	Payment terms:	Proposal is offered through:
Ascension Saint Thomas 102 Woodmont Blvd., Suite 800 Nashville, TN 37205 Ms. Christy Martin, Director, Business Development 318-265-0225 christy.martin2@ascension.org	Yes	Proposer takes no exceptions	82.00	$178,525.00	net 30 days	12/31/2021
SiteMed North America, LLC 112 Donmoor Court Garner, NC 27529 Karen Strange, Business Development 888-837-4819, ext. 707 kstrange@sitemed.net	Yes	Proposer takes no exceptions	97.25	$99,665.00	net 30 days	12/31/2021

*Shaded submittal is the submittal scored highest by the interview team

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-02602

DATE: November 8, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Brock, Asst. City Administrator/CFO
Mike Lowe, Comptroller
Jessica Davey, Revenue & Licensing Manager

SUBJECT:

Consideration Of Resolution No. 2021-168, A Resolution Authorizing The Use Of The Competitive Sealed Proposal Procurement Method For Choosing The Service Provider For Comprehensive Banking Services, Including General Banking And Lockbox Processing For The Finance And Revenue Management Departments (Purchasing Office Procurement Solicitation No. 2022-014).

PURPOSE:

The purpose of this resolution would be to authorize the use of the competitive sealed proposal procurement method for choosing the service provider for comprehensive banking services, including general banking and lockbox processing, for a term of award, for the Finance and Revenue Management Departments.

BACKGROUND/STAFF COMMENTS:

Tennessee law and City ordinance both require the Board of Mayor and Aldermen to authorize use of the competitive sealed proposal procurement method for choosing suppliers and/or service providers whenever the Board determines that the uses of competitive sealed bidding is either not practicable or not advantageous for the City.

For the planned procurement of comprehensive banking services, including general banking and lockbox processing, for a term of award, competitive sealed bidding is either not practicable or not advantageous to the City because qualifications, experience, and competence are more important than price in making the purchase, and because there is more than one solution to this purchasing issue and the competitive sealed proposal procurement method will assist in choosing the best solution and service provider.

FINANCIAL IMPACT:

The financial impact of the procurement remains to be determined.

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen approve Resolution No. 2021-168, a resolution authorizing the use of the competitive sealed proposal procurement method for choosing the service provider for comprehensive banking services, including general banking and lockbox processing for the Finance and Revenue Management Departments.

RESOLUTION 2021-168

A RESOLUTION AUTHORIZING THE USE OF THE COMPETITIVE SEALED PROPOSAL PROCUREMENT METHOD FOR CHOOSING THE SERVICE PROVIDER FOR COMPREHENSIVE BANKING SERVICES, INCLUDING GENERAL BANKING AND LOCKBOX PROCESSING, FOR A TERM OF AWARD

WHEREAS, pursuant to Tenn. Code Ann. § 12-3-1207 the City may use competitive sealed proposals rather than competitive sealed bids when the City adopts a process for the use of competitive sealed proposals and determines that the use of competitive sealed bidding is either not practicable or not advantageous to the City; and

WHEREAS, the City passed Ordinance 2019-24 on August 13, 2019, authorizing the use of the competitive sealed proposal procurement method; and

WHEREAS, should the City choose to pursue conducting its own competitive process for establishing the basis of pricing pursuant to sealed submittals and published legal notice, then City staff requests authority to use the competitive sealed proposal procurement method for determining which service provider to recommend for award of comprehensive banking services, including general banking and lockbox processing, for a term of award; and

WHEREAS, the Board of Mayor and Aldermen find that the use of the competitive sealed proposal procurement method is advantageous to the City because qualifications, experience, and competence are more important than price in making the purchase, and because there is more than one solution to this purchasing issue and the competitive sealed proposal procurement method will assist in choosing the best solution and service provider.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Should the City choose to pursue conducting its own competitive process for establishing the basis of pricing pursuant to sealed submittals and published legal notice, then the City is authorized to use the competitive sealed proposal procurement method pursuant to the standards set forth in Municipal Code § 5-504 for determining which service provider to recommend for award of comprehensive banking services, including general banking and lockbox processing, for a term of award because qualifications, experience, and competence are more important than price in making the purchase, and because there is more than one solution to this purchasing issue and the competitive sealed proposal procurement method will assist in choosing the best solution and service provider.

IT IS SO RESOLVED AND DONE on this ____ day of _______________, 20____.

ATTEST:

By: ______________________________________
Eric S. Stuckey
City Administrator

CITY OF FRANKLIN, TENNESSEE:

By: ______________________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________________
Maricruz R. Fincher
Staff Attorney

Law Dept. approved 11.11.21

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-02627

DATE: November 11, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kevin Townsel, Director of Human Resources
Sara Sylvis, Benefits Manager

SUBJECT:

Discussion Of Proposed Amendment To Closed Pension Plan That Could Benefit Employees Who Have Been Injured On The Job That Are Near Retirement By Authorizing A Modification To Retirement Formula.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a proposed amendment to the City's closed pension plan that could benefit employees who have been injured on the job that are near retirement by authorizing a modification to retirement formula.

BACKGROUND/STAFF COMMENTS:

The formula for our closed pension plan for employees hired before February 16, 2010 is their average final compensation (AFC) times years of service times two percent. Their average final compensation (AFC) is averaged from their three highest consecutive years of salary history. Our summary plan document doesn't address any alternative forms of the calculation if an employee has been injured on the job and cannot return to work either on full duty or light duty until their treating physician has cleared them for duty.

City Staff would like to propose a modification to the retirement formula for those employees that might become injured on the job while preparing to retire within three years. The modification would be to allow that employee to drop one of the three highest consecutive years of salary and pick up the next consecutive year below. For example, an employee that is retiring this year has a normal retirement formula of AFC x 2% (standard multiplier) x 25 (years of service). Their AFC would be 2021, 2020, and 2019. This employee didn't earn as much in 2020 due to a work-related injury. With our proposed modification, we would allow this employee's AFC to be calculated from 2021, 2019, and 2018.

FINANCIAL IMPACT:

The financial impact is minimal as we do not have many instances of an employee getting injured close to retirement.

RECOMMENDATION:

Staff recommends approval of the proposed plan amendment.

RESOLUTION 2021-173

A RESOLUTION APPROVING A SECOND AMENDMENT TO THE CITY OF FRANKLIN AMENDED AND RESTATED EMPLOYEES' PENSION PLAN DATED EFFECTIVE AS OF JANUARY 1, 2018

WHEREAS, the City of Franklin (the "City") has previously established and currently maintains the City of Franklin Employees' Pension Plan (the "Plan"); and

WHEREAS, the City has amended and restated the Plan effective as of January 1, 2018; and

WHEREAS, the City approved that certain First Amendment to the Plan by Resolution dated the 14th day of August 2018; and

WHEREAS, the City retains the right to amend the Plan; and

WHEREAS, the City is satisfied that it is in the best interest of the Plan and its participants to amend the Plan as provided in this resolution; and

WHEREAS, the Pension Committee has reviewed the amendment and recommended adoption of same.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

1. Section 1.9 "Average Compensation" shall be amended and restated in its entirety to provide as follows:

   Section 1.9 "Average Compensation" shall mean the average of the Participant's Compensation over the three (3) consecutive whole calendar years of a Participant's Employment during which his Compensation was the greatest out of the last ten (10) calendar years or over a lesser number of Years of Employment actually served, provided, however, that for a Participant who was first hired by the City on or after February 15, 2010, "Average Compensation" shall mean the average of the Participant's Compensation over the five (5) consecutive whole calendar years of a Participant's Employment during which his Compensation was the greatest out of the last ten (10) calendar years or over a lesser number of Years of Employment actually served (the "Measuring Period"). Notwithstanding the foregoing, if the amount of Compensation in the whole or partial year in which the Participant terminates Employment is greater than the amount of Compensation for the first whole or partial year which would be used in determining the average hereunder, then the first whole year of actual Compensation shall be used in determining such Participant's Average Compensation.

   Notwithstanding the foregoing, if in any year in the Measuring Period (i) in lieu of Compensation from the City the Participant was receiving payments under a plan with a third party vendor maintained by the City solely for the purpose of complying with applicable workers compensation, unemployment compensation, or substantially equivalent disability insurance laws for disabilities incurred in the course of an employee's duties with the City (a "Workers Compensation Year") <u>and</u> (ii) the Participant's

Compensation in such Workers Compensation Year is less than the Participant's Compensation in the immediately preceding year that is not a Workers Compensation Year, the Workers Compensation Year shall be excluded from the Measuring Period. In order to comprise a full Measuring Period, in lieu of the excluded Workers Compensation Year there shall be substituted the Participant's Compensation in the immediately preceding year of the Participant's employment with the City that is not a Workers Compensation Year.

2. This second amendment shall be effective for Plan Years commencing January 1, 2021.

It is so resolved and done on this __ day of _______________, 2021.

ATTEST:

By: _________________________
Eric S. Stuckey
City Administrator

CITY OF FRANKLIN, TENNESSEE:

by: ___________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ________________________
Shauna R. Billingsley
City Attorney

Law Dept. approved 11.16.21

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-02617

DATE: November 10, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Emily Wright, Planning Director
Andrew Orr, Long Range Planning Supervisor

SUBJECT:

Discussion Of Williamson County Growth Plan Update.
WS 5/11/21; 8/12/21; 10/12/21; 11/9/21

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the Urban Growth Boundary (UGB) Update.

BACKGROUND/STAFF COMMENTS:

In early 2021, the County engaged all of the municipalities in Williamson County and initiated an update to the Williamson County Growth Plan that was adopted in 2001. The City of Franklin formed an interdisciplinary internal working group to review the current UGB. A proposed working draft boundary was created by the staff using the criteria outlined by the state statute, such as the feasibility of providing city services and infrastructure, proximity to existing city limits, land suitability, and the likelihood of future growth and development over the next twenty years. The staff heavily weighed the ability to extend gravity sewer when formulating the working draft boundary and reviewed the UGB by drainage basin. The staff also examined needed roadway projects and their projected costs to accommodate future growth and development.

The staff is recommending an expansion of the UGB in the Goose Creek area due to the ability to extend sewer, the recent annexation of over 800 acres outside of the UGB, and the increasing growth and development pressure.

At the October 12, 2021 BOMA Work Session, the staff received feedback from the aldermen that primarily directed staff to keep certain areas in the UGB, rather than reduce parts of it. The staff revised the draft map in response to this feedback.

The staff is seeking continued input on the working draft boundary and will continue to make refinements, as needed. The staff is also working to fulfill its reporting obligations and will make information available upon completion.

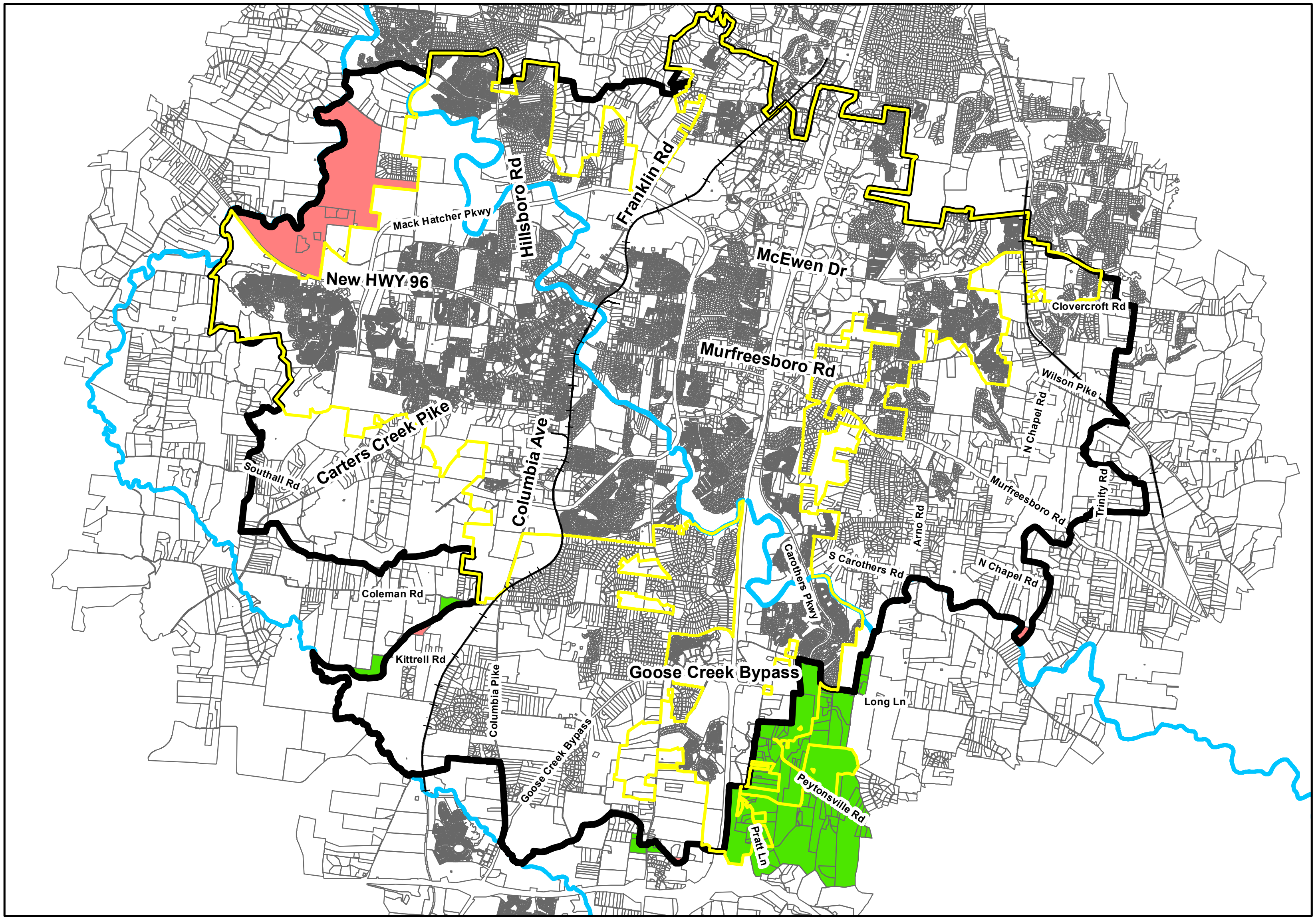
FINANCIAL IMPACT:

Unknown.

RECOMMENDATION:

Staff recommends that the Board of Mayor and Aldermen acknowledge the Williamson County Growth Plan Update.

Urban Growth Boundary Working Draft 10/21/2021



Legend

Current Franklin UGB

Parcels

Railroad Centerline

Harpeth River

Recommended to be Added to UGB

Recommended to be Removed from UGB

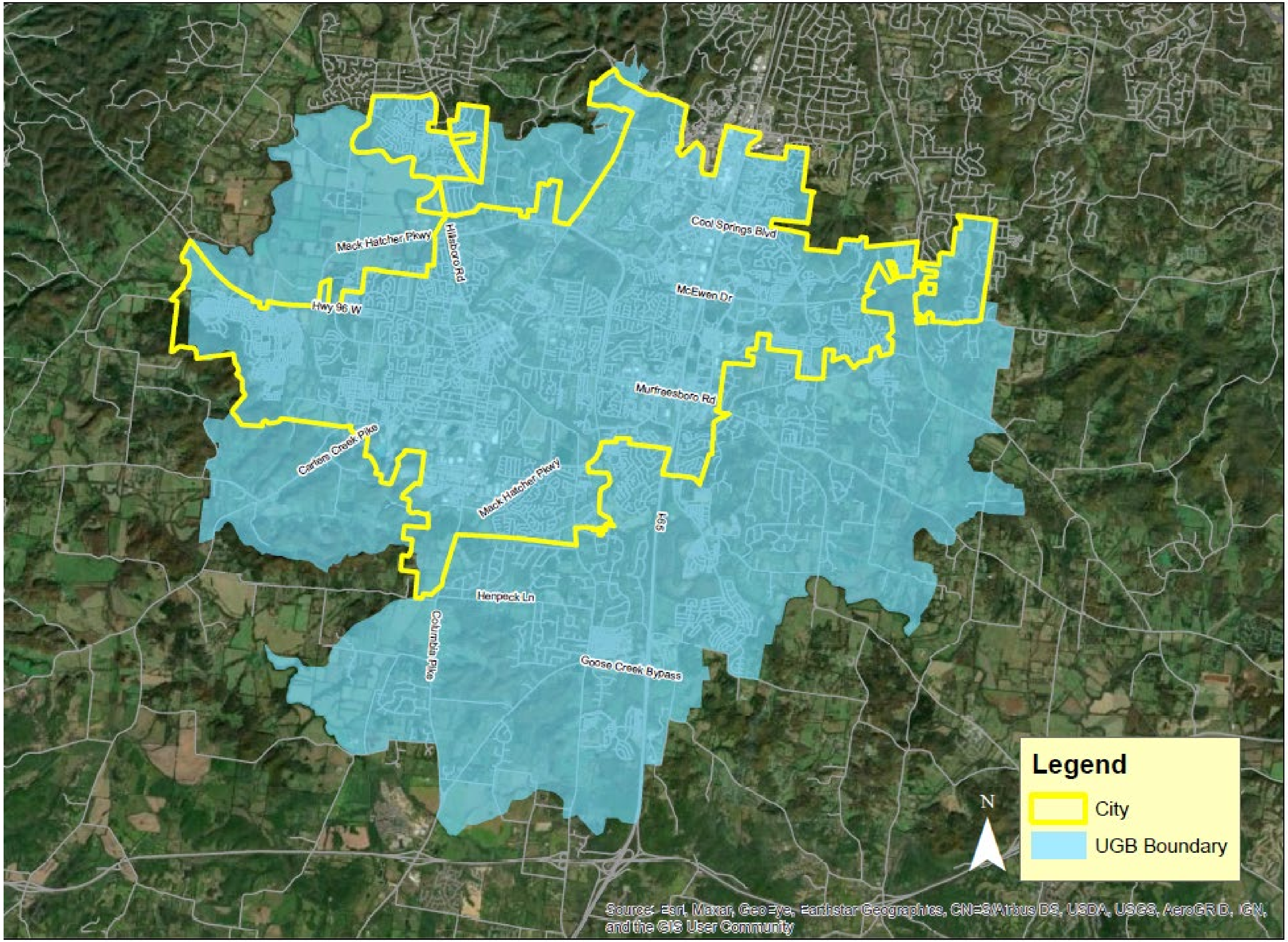
City Limits

WILLIAMSON COUNTY GROWTH PLAN UPDATE

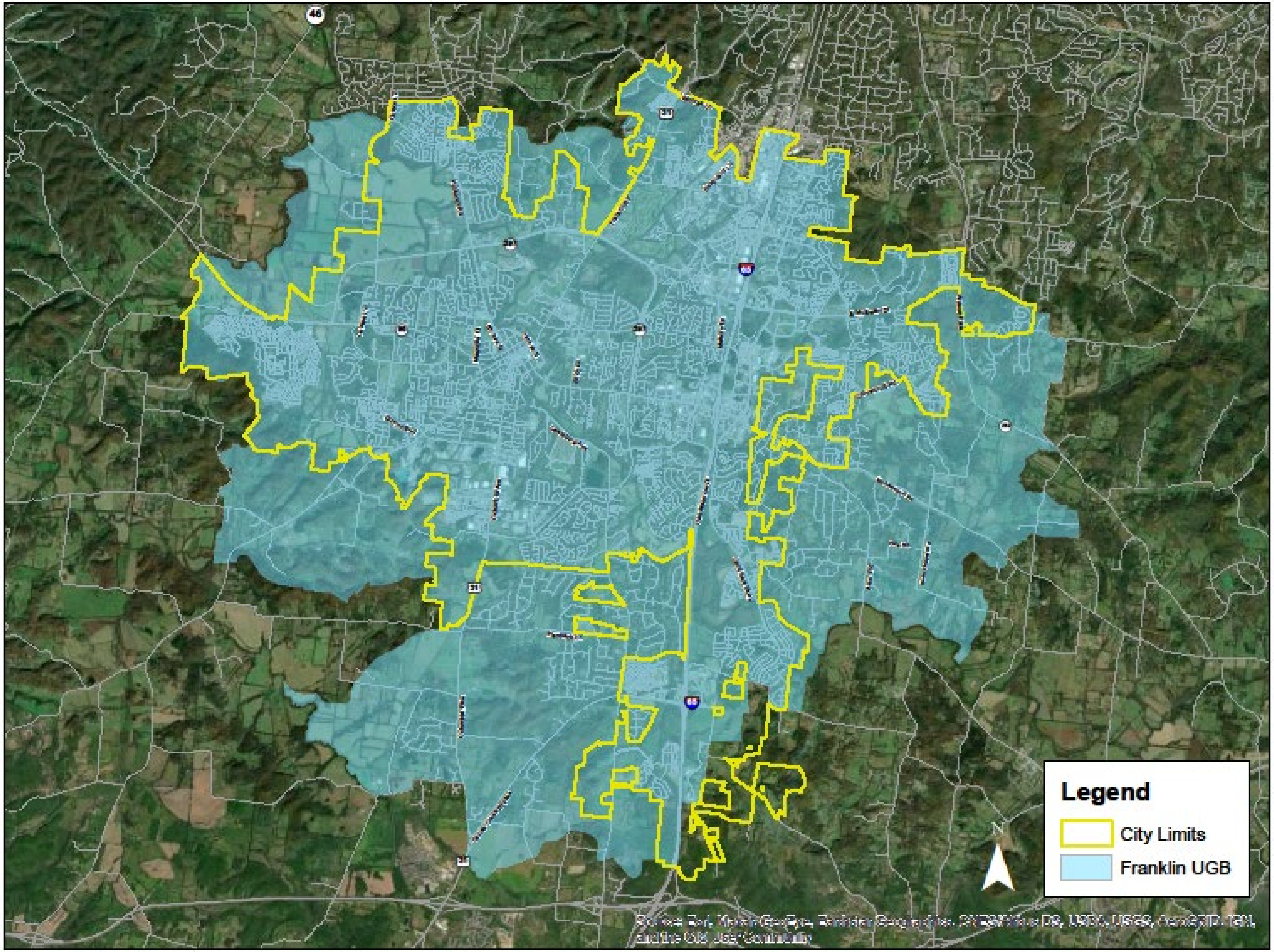
City of Franklin Urban Growth Boundary Update

November 9, 2021 BOMA Work Session

2004 City Limits and UGB



City Limits and Urban Growth Boundary



POPULATION & ACREAGE CHANGES OVER TIME (FROM 2000)

RESIDENTIAL AND NONRESIDENTIAL ACREAGE AND PROJECTED NEEDS					
BASED ON PROJECTED POPULATION					
From CY 2000					
Year	Type	Population	Residential Acres	Commercial/Industrial Acres*	Total Acres
1990	Census	20,098	2,396	1,008	3,404
2000	Est.	42,100	4,162	1,858	6,020
2010	Proj.	60,000	6,018	2,782	8,800
2020	Proj.	78,000	7,755	3,668	11,423
2020 Actual	Census	83,454	8,376	3,292	11,668
Note: * Excludes public and recreational land uses.					
Sources: U.S. Bureau of the Census, 1990, 2020. Franklin Planning Department, Franklin, TN 2000 and 2020					

POPULATION PROJECTIONS

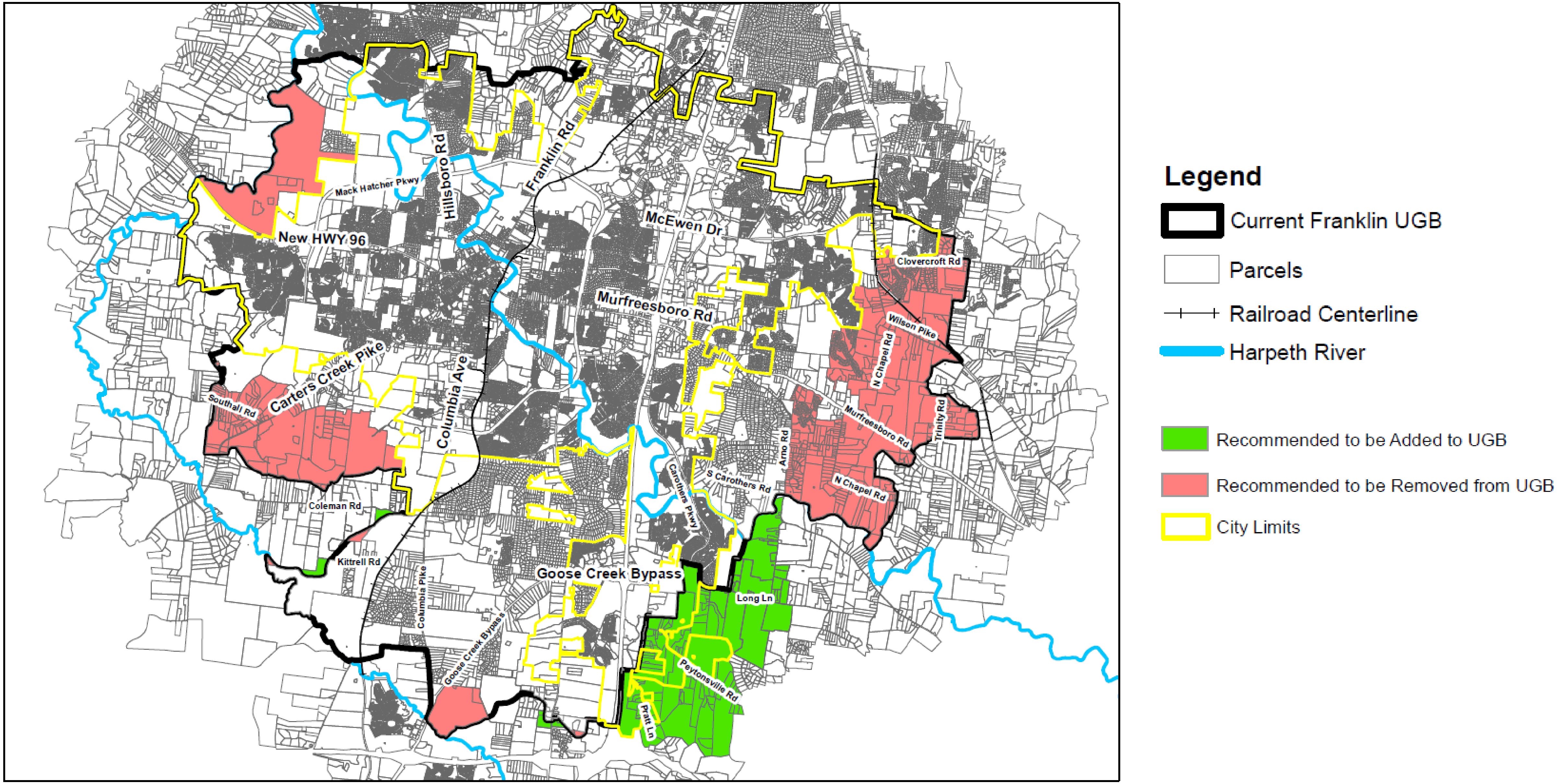
University of TN- County Projections

Year	Williamson County Projection	Franklin Projection	Percentage
2018	231,729	79,608	34.35%
2020	244,052	83,832	34.35%
2030	304,687	104,660	34.35%
2040	361,562	124,197	34.35%

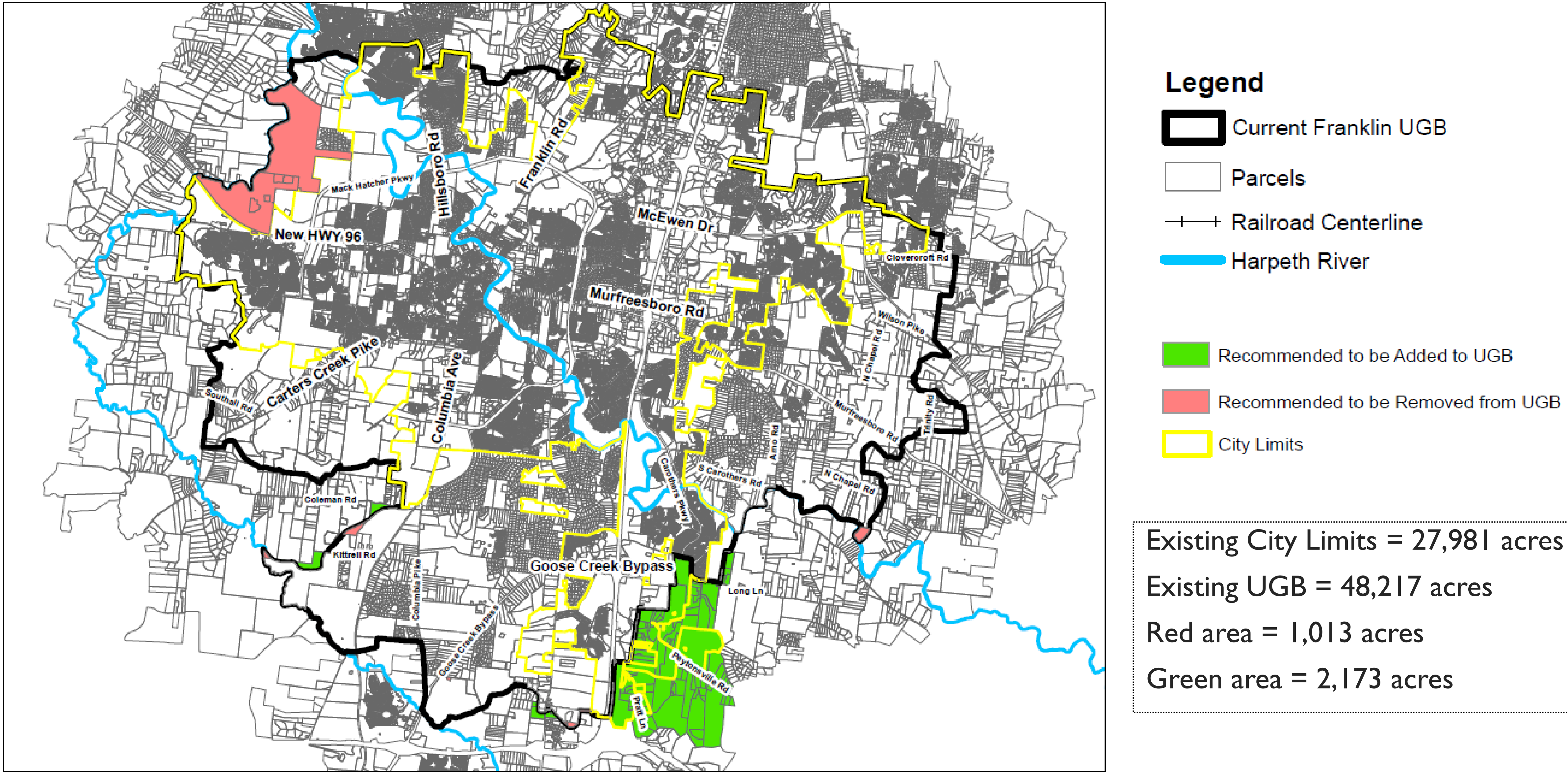
City Staff Projections

Year	Franklin's Population Projection
2020	83,852
2030	105,032
2040	126,212

Urban Growth Boundary Working Draft 9/21/2021



Urban Growth Boundary Working Draft 10/21/2021



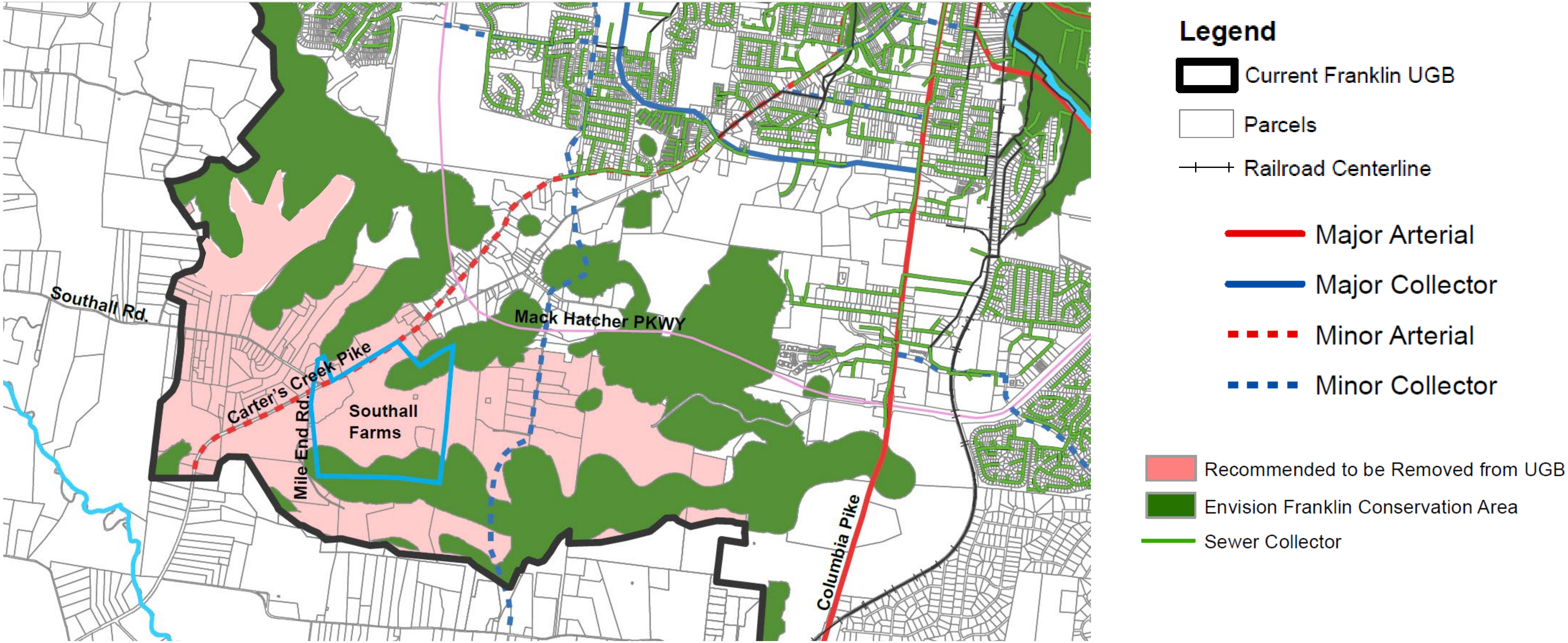
Existing City Limits = 27,981 acres

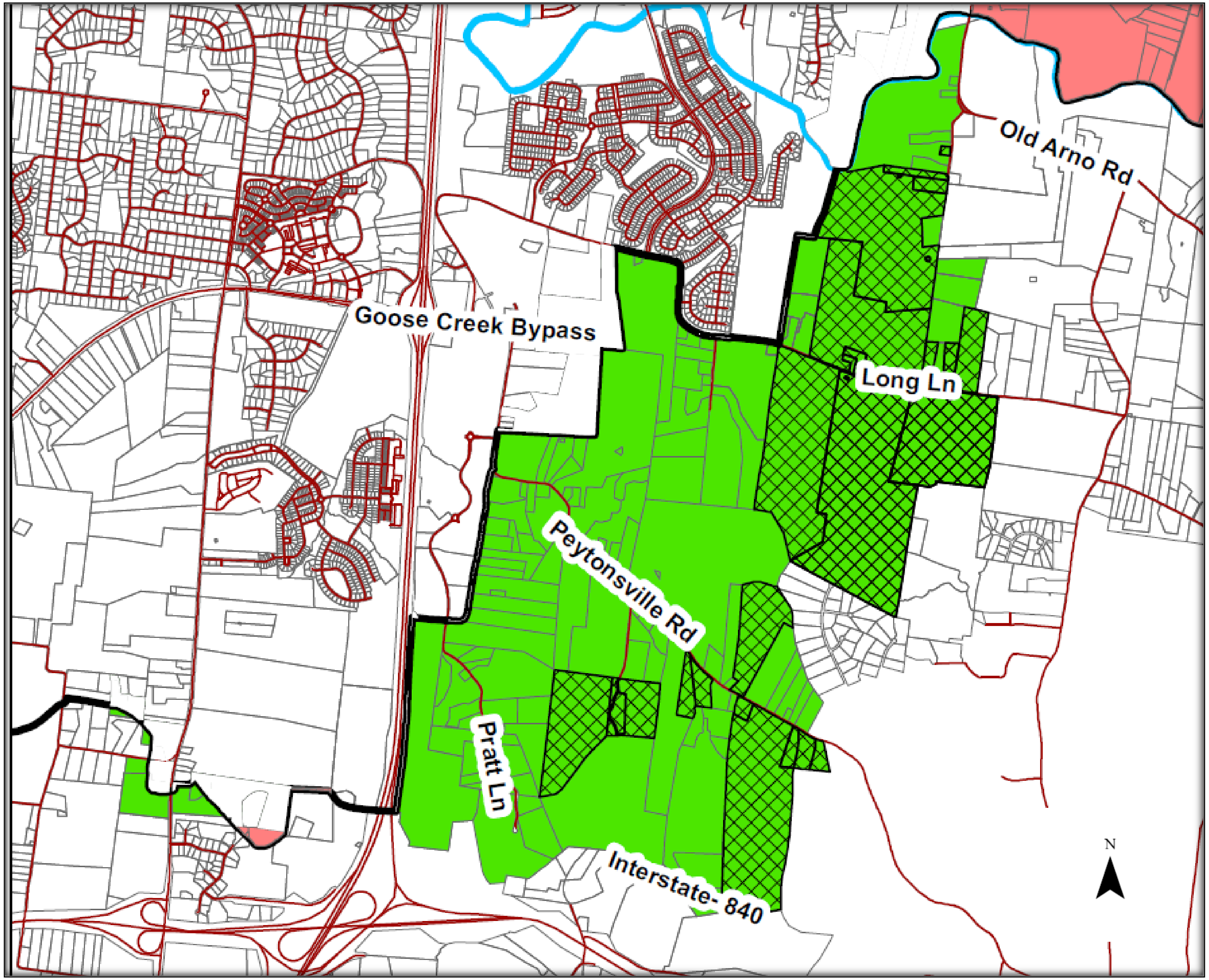
Existing UGB = 48,217 acres

Red area = 1,013 acres

Green area = 2,173 acres

Southwest Basin 4 Carters Creek Pike and Southall Road





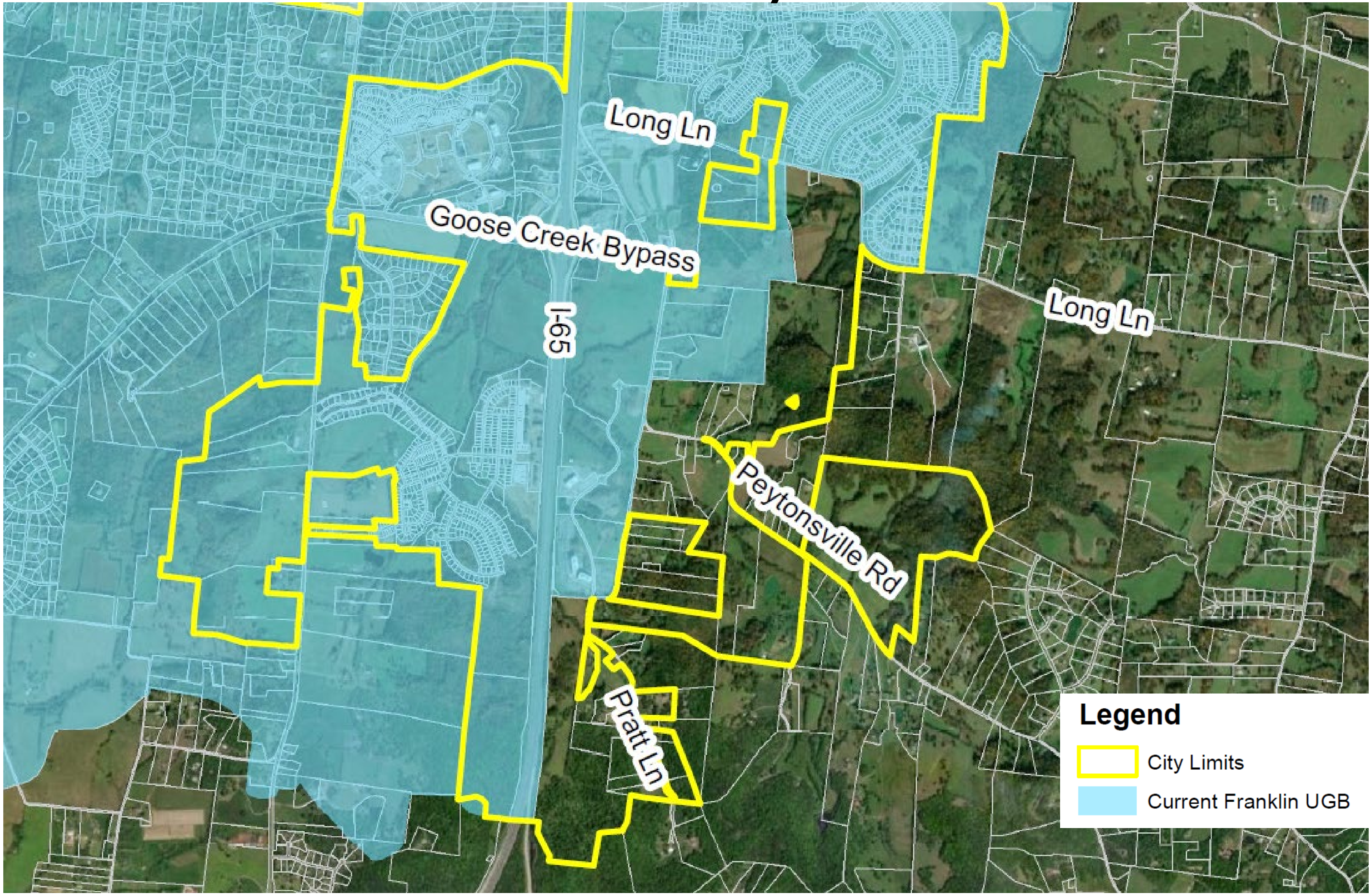
Goose Creek Area

Legend

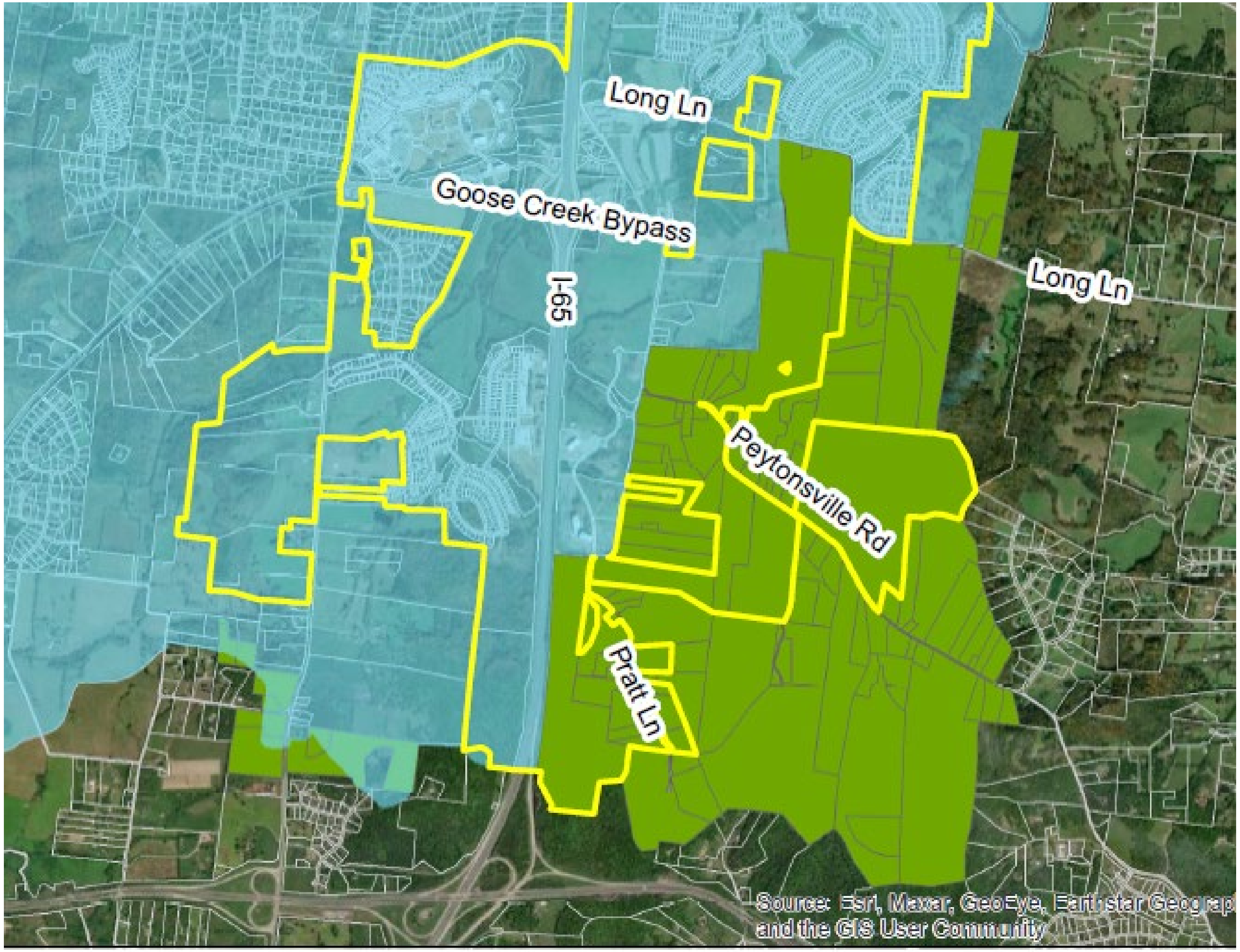
- Current Franklin UGB
- Parcels
- Railroad Centerline
- Harpeth River

- Recommended to be Added to UGB
- Recommended to be Removed from UGB
- Requested to be Removed from Potential UGB Boundary

Goose Creek Area City Limits



Updated Goose Creek Area

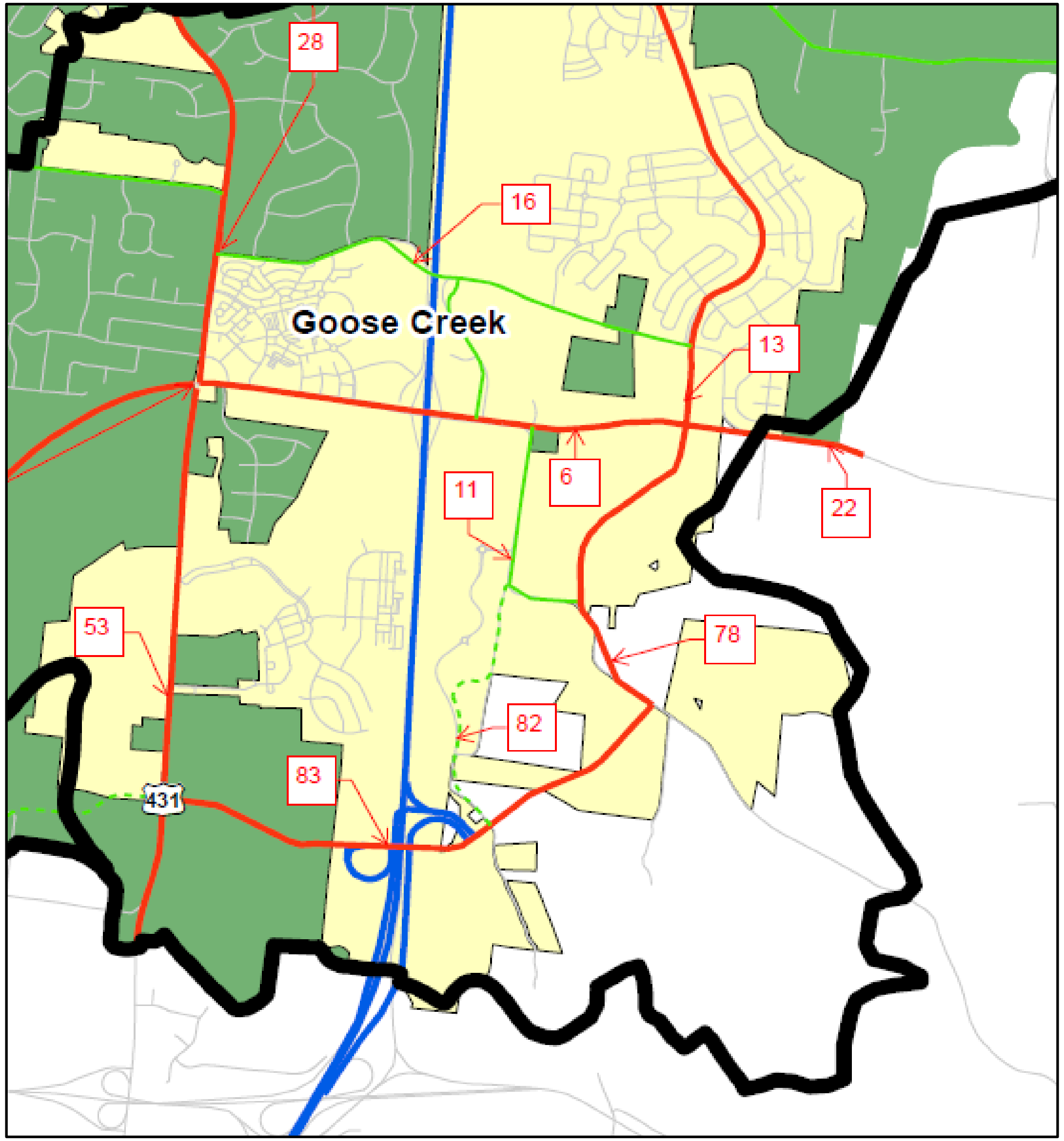


Legend

- Current Franklin UGB
- Parcels
- Railroad Centerline
- Harpeth River
- Recommended to be Added to UGB

N

Transportation Improvements



Goose Creek Basin Area			
Connect Franklin Projects			
Connect Franklin Project #	**Project Name**	**Estimated Cost from MTP**	**Est. Cost w/ 20% contingency**
6	Goose Creek Bypass (SR-248) Extension	$16,587,648	$20,000,000.00
11	Peytonsville Road	$19,846,377	$23,900,000.00
13	Carothers Parkway	$7,857,037	$9,500,000.00
16	Long Lane Overpass	$30,621,205	$36,800,000.00
22	Goose Creek Bypass (SR-248) Extension	$7,360,000	$9,200,000.00
82	Pratt Lane Improvements	$6,423,919	$7,800,000.00
83	I-65 Interchange Connector Road	$43,025,606	$51,700,000.00
78	Carothers Parkway (South Extension)	$32,201,242	$38,700,000.00
	Total Cost =	**$163,923,034**	**$197,600,000.00**

DISCUSSION

Staff would like BOMA's feedback and discussion tonight:

1. Do you support **keeping** or **removing** the Carters Creek Pike and Southall Road areas in the UGB?
2. Do you support adding the proposed Goose Creek area as shown?
3. Do you have concerns about other areas of proposed changes on the draft UGB map?
4. Any additional comments

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-02650

DATE: November 16, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator

SUBJECT:

Discussion Regarding COVID-19 Sick Pay.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning COVID-19 Sick Pay.

BACKGROUND/STAFF COMMENTS:

The Families First Coronavirus Response Act ("FFCRA") required certain employers, including the City of Franklin, to provide employees with paid sick leave for specified reasons related to COVID-19 through December 31, 2020. The City of Franklin extended the use of the temporary COVID-19 sick leave through March 31, 2021 for its employees. Due to the increased availability of COVID-19 vaccinations and the downward trend of positive cases for a period of time, the City discontinued the use of paid COVID-19 leave on April 1, 2021. Employees who missed work beginning April 1, 2021 due to COVID-19 were paid in full by using their accrued sick leave. As the active and breakthrough cases continued to rise, the City proposed the re-establishment of a version of COVID-19 sick pay to the Board of Mayor and Aldermen. Beginning August 1, 2021, the City of Franklin has provided paid leave when an employee tests positive for COVID-19.The City will pay up to 10 days of missing work while recovering from COVID-19 for any part-time or full-time employee who tests positive for COVID-19. After the use of the 10 allotted days, employees can use their accrued sick or vacation time for any additional days of missed work. This version of the COVID-19 paid leave is available to employees through December 31, 2021.

FINANCIAL IMPACT:

While the City did not have a paid COVID-19 leave policy from April 1, 2021 through July 31, 2021, fourteen (14) City employees tested positive and used sick leave to cover their absence from work. If the Board of Mayor and Aldermen approves, the City would reinstate their sick or vacation accrual balance for up to 10 days while out with COVID-19. There is not a definitive cost associated with reinstating the sick leave accrual balances of the 14 impacted City employees.

RECOMMENDATION:

Staff recommends that the sick leave time be reinstated for those City employees that used sick leave for documented COVID-19 cases for up to 10 work days during the time period of April 1, 2021 through July 31, 2021. If the Board so directs, a resolution will be drafted for consideration at the December 14th Board of Mayor and Aldermen meeting.

HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

November 15, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Brock, Assistant City Administrator/Chief Financial Officer
Kevin Townsel, Human Resources Director
Michael Walters Young, Budget & Strategic Innovation Manager

SUBJECT: Employee Compensation

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider modifications to the City of Franklin's employee compensation plan to address the impact of inflation and to strengthen the City of Franklin's competitive position as an "employer of choice" in the region.

Summary

It has been a core value of City government that people working for the City of Franklin are the City's most important asset. Over the last decade, the Board has directed a significant amount of financial resources to enhance our ability to recruit, develop and retain high-quality employees. Current labor market conditions – record low levels of unemployment, highly competitive offers across all sectors for employees at all levels, the lingering effects of the global COVID-19 pandemic and ever-present inflation – make it harder than ever to protect that asset.

Background

In 2013, the City of Franklin, working with Burris, Thompson and Associates, conducted a comprehensive Classification and Compensation Study. Jobs were indexed and classified and then compared to market data in both public sector (including specific pay information from 23 other cities) and private sector (where applicable). Market values were established for each position with a target of ensuring that the median of each position was at least at the 70th percentile of pay compared to market data. From this information, each position was grouped into one of 15 pay grades. The Classification and Compensation Study, which included recommendations for the establishment of a new Classification and Compensation Plan was approved in August of 2013.

This system has been reviewed and comprehensively modified twice since 2013. In 2015, the City of Franklin completed implementation of a new, market-based classification and compensation plan. The review found the need to increase all pay grades by 10% to keep up with market conditions in the exceedingly tight labor market of middle Tennessee and Williamson County in particular. It also found the need to implement a progression adjustment component to avoid compression within pay grades between established and newer employees. The new plan focused on making the City highly competitive in terms of attracting and retaining talented staff to serve the community. And as part of the FY18 and FY 19 budgets, a full update of the compensation plan was implemented. This update included two components: 1) an evaluation of the City's pay grades compared to market conditions focusing on maintaining compensation targets at a minimum of the 75th percentile of the market and 2) a department-by-department review of positions compared to the market.

The unique challenges of the COVID-19 pandemic and the resulting economic turmoil forced the City to forgo planned raises or modifications to the compensation plan in FY 2021. In addition, to begin the fiscal year, 27 full-time and 11 part-time positions were frozen and unbudgeted. As economic conditions improved during FY 2021, the City was able to restore 10 of those 27 unbudgeted, and another 8 were restored in the current FY 2022 budget. In addition, "normal" pre-COVID-19 compensation increases were budgeted for FY 2022 – a 2.5% Cost-of-Living Adjustment (COLA) and up to a 2.5% merit-based increase. Over the course of the last decade, the City has been able to provide a COLA annually in addition to merit increases and pay adjustments due to the market study. A comprehensive table of annual compensation adjustments is shown below:

Figure 1: Annual Employee Compensation Increases FY 2013-FY 2022

Employee Compensation Increases - last 10 years

FY	COLA	Merit	Medical Offset	Market Adj.	Medical Increases?
2013	2.5%	N/A		x	**Y**
2014	2%	N/A			**Y**
2015	2%	N/A		x	**Y**
2016	2%	N/A			**Y**
2017	4%	N/A	$ 500		**Y**
2018	2.5%	up to 2.5%		x	**Y**
2019	2.5%	up to 2.5%		x	**Y**
2020	2.5%	up to 2.5%			**Y**
2021*	2%	0%			**N**
2022	2.5%	up to 2.5%			**N**

**Adjustment mid-year*

Labor Market

While many sectors of the U.S., Tennessee and local economy were severely impacted by the onset of the COVID-19 pandemic last spring, this impact was in most cases short-lived. Industries that were shutdown have since reopened, in many cases with as many or more jobs than they had before. As a result of this recovery, local unemployment near or at record lows:

Figure 2: Year-Over-Year Unemployment Rates

	September 2020	Revised August 2021	Preliminary September 2021
United States	7.7%	5.3%	4.6%
State of Tennessee	7.6%	4.3%	3.5%
Nashville MSA	7.2%	3.5%	3.0%
Williamson County	4.5%	2.6%	2.3%
City of Franklin	4.5%	2.5%	2.0%

Source: State of Tennessee Department of Labor & Workforce Development – Labor Market Report - September 2021.
https://www.tn.gov/content/dam/tn/workforce/documents/LMR/LMRSep2021.pdf

The private sector has rapidly moved to attract people to return to the workforce through incentives such as increasing base wages, offering cash bonuses for both skilled & unskilled workers & offering modified work schedules. All these pressures have made recruiting for vacant positions more difficult of the City of Franklin.

Vacancies

All organizations have vacancies. In fact, it is healthy for an organization to have a degree of employee turnover. While we want to recruit, grow, and keep experienced and talented workers, the best organizations have a healthy mix of less and more experienced employees in their workforce. This mixture of experience adds diversity and encourages innovation throughout the organization.

The City of Franklin has noticed this and monitors vacancy rates throughout all departments. Several years ago, now the City monetized this vacancy rate into the annual operating budget by applying a vacancy rate factor of 3.5% to all department wage budgets. This represented the average amount of the workforce which was budgeted but not employed with the City at any given moment of the year. (It should be noted that this considers seasonality of certain workers as well as retirements).

Unfortunately, the current vacancy rates for the City of Franklin are much higher, as shown in Figure 3 below.

Figure 3: Vacancies City-wide as of November 5, 2021

Vacancies		*active payroll as of 11/5/2021*				
		General	**Sanitation**	**Stormwater**	**Water Management**	**City Wide**
A	**Total Employees**	**596**	**46**	**22**	**100**	**764**
B (C+D)	**Total Vacancies**	**56**	**3**	**1**	**19**	**79**
C	Unbudgeted	7	0	0	6	13
D	Budgeted	49	3	1	13	66
E	Planned Vacancy Rate	3.5%	3.5%	3.5%	3.5%	3.5%
F (B/A)	**Actual Vacancy Rate**	**9.4%**	**6.5%**	**4.5%**	**19.0%**	**10.3%**

Current Retirements	*submitted as of 11/5/2021*				
	General	**Sanitation**	**Stormwater**	**Water Management**	**City Wide**
Employees	13	0	0	1	14

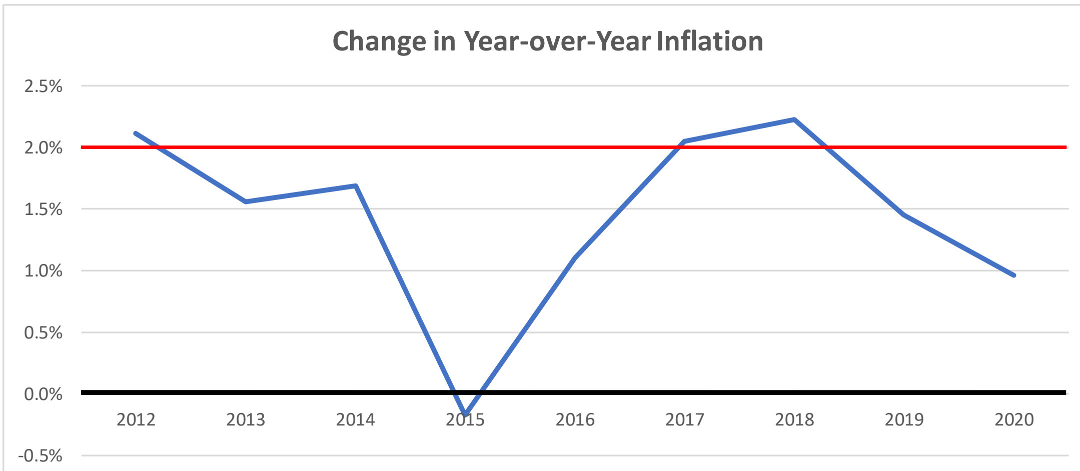
As shown above, the actual vacancy rate for the City of Franklin is nearly 3 times the budgeted amount when including both unbudgeted and budgeted positions. And this number – 79 total vacancies out of 764 authorized employees – ***does not*** consider an additional 14 retirements which have been announced by the end of calendar year 2021.

Inflation Concerns

Since before the Great Recession, one economic factor which we have not, by in large, had to deal with in a demonstrable way is inflation. The Federal Reserve Bank has long set a basic inflationary target of at or near 2%

annually, meaning simply that the general progressive rise in the cost of goods and services increases in a small amount sufficient that modest wage increases can achieve keeping people's purchasing power at or near where it has been. That has worked – by in large - for the last decade:

Figure 4: Year-Over-Year Inflation 2011-2020 for South Region of United States



Calendar Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CPI-U - South Region	218.618	223.242	226.721	230.552	230.147	232.692	237.456	242.737	246.265	248.639
Chng. Yr-over-Yr.	N/A	**2.1%**	**1.6%**	**1.7%**	**-0.2%**	**1.1%**	**2.0%**	**2.2%**	**1.5%**	**1.0%**

Source: U.S. Department of Labor, Bureau of Labor Statistics.
https://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUUR0300SA0,CUUS0300SA0

While inflation was kept in check in the past, in the last six months, however, it has risen dramatically. Some of this is resulting from instability in volatile markets – such as energy – but also is a result of pandemic shortages, supply chain disruptions, record low unemployment and a variety of other factors. The result is the same: prices are higher.

Figure 5: Year-over-Year Inflation for the South Region 2011-2020 vs. 2021 (thus far)

Historic Inflation CPI-U – South Region – last ten years*	
Annual Year-over-year inflation (calendar year)	1.4%
Annual year-over-year inflation (fiscal year)	1.8%
Average increase (year-over-year) last 6 months	5.5%

**Source: U.S. Department of Labor, Bureau of Labor Statistics*

As a result, the City's ability to keep pace with inflation through its annual COLA increases is being challenged. A ten-year comparison is shown below:

Figure 6: Comparison of City of Franklin Cost of Living Adjustment vs. Annualized Inflation over the last decade – FY 2013-2022

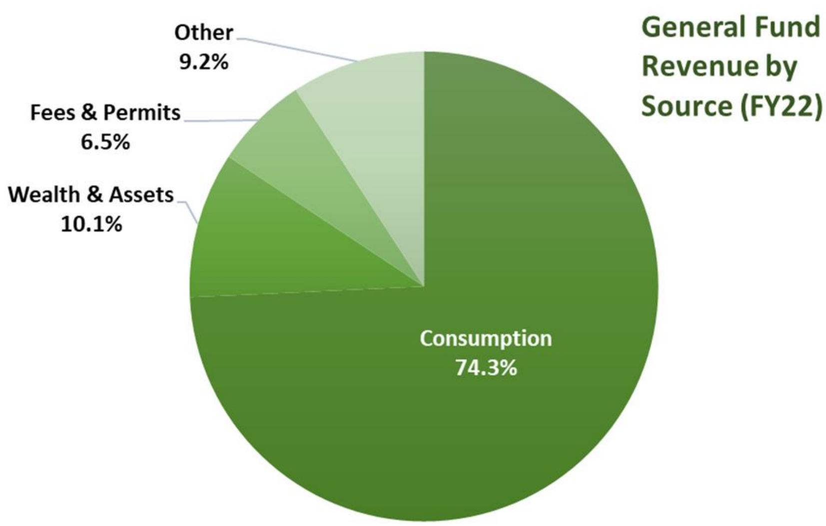
City COLA Offering vs. Inflation - Last 10 Years

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
COLA	2.5%	2.0%	2.0%	2.0%	4.0%	2.5%	2.5%	2.5%	2.0%	2.5%
Inflation	1.6%	1.8%	0.6%	0.4%	1.7%	2.2%	1.7%	1.2%	2.4%	4.2%
Meet?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No

Source: City of Franklin, Tennessee & U.S. Department of Labor, Bureau if Labor Statistics.

Increasing prices are not all negative for the City, however. While it negatively impacts the City's ability to purchase goods and services and reduces the buying power of City employees, it has thus far resulted in increased revenue collections. This is because the City is heavily dependent upon consumption (such as Sales & Alcohol) taxes to fund its General Fund operations. As shown below in Figure 7, nearly three out of every four dollars in General Fund revenue comes from consumption-based taxes:

Figure 7: General Fund Revenues by Source – FY 2022



Source: City of Franklin, Tennessee

As prices go up, the total sales go up. But the rate of taxation on that sale – 9.75% total in Franklin/Williamson County (2.75% of which is remitted to local government and public schools) - remains the same. The result is that the City has seen increases over budget in Local Option Sales Tax collections every month of the Fiscal Year thus far. Through two months of FY 2022, the City of Franklin has collected $1,606,149 more in Local Option Sales Taxes than budgeted.

Options
The City of Franklin is currently conducting another compensation study. The results of that study are not complete and will not be until Spring 2022. The goal will be to take the results of that study and recommend any further adjustments to the Board of Mayor and Aldermen during the FY 2023 Budget Process.

In the meantime, inflation continues to rise monthly and is a growing burden on all City staff. One option to alleviate that increase in inflation would be to implement a mid-year Cost of Living Adjustment. The costs of implementing such an adjustment are shown below at the fund level.

Figure 8: Costs of Implementing a Mid-Year COLA Increase by Fund (both annualized and mid-year)

Summary - Mid-Year COLA Increase FY 2022 by Fund							*active payroll as of 11/5/2021*
Fund	Annual Budget*	Annualized Cost			6-mo. / remainder FY 2022 Cost		
		1.50%	2.00%	2.50%	1.50%	2.00%	2.50%
General							
Total - General Fund	$ 47,479,168	$ 712,188	$ 949,583	$ 1,186,979	$ 356,094	$ 474,792	$ 593,490
Sanitation							
Total - Sanitation Fund	$ 2,844,737	$ 42,671	$ 56,895	$ 71,118	$ 21,336	$ 28,447	$ 35,559
Stormwater							
Total - Stormwater	$ 1,444,455	$ 21,667	$ 28,889	$ 36,111	$ 10,833	$ 14,445	$ 18,056
Water Management							
Total - Water Management	$ 5,912,945	$ 88,694	$ 118,259	$ 147,824	$ 44,347	$ 59,129	$ 73,912
Total City-Wide	$ 57,681,305	$ 865,220	$ 1,153,626	$ 1,442,033	$ 432,610	$ 576,813	$ 721,016

**Annual Budget includes all compensation lines which are impacted via a wage adjustment, including: Regular Wages, Overtime, FICA, Retirement and Workers Compensation.*

Figure 8 provides a range of costs for a 1.5%, 2.0% and 2.5% Cost of Living Adjustment by fund. It also details the cost for a full fiscal year in the center of the figure and the actual impact on the remainder of FY 2022 on the right. This proposal would be implemented effective the first payroll of January 2022.

There is one additional concern which will need to be addressed. Over 40 employees have “topped out” – meaning that they are at the maximum salary of the pay grade they are assigned to. As a result, any ongoing compensation proposal (such as proposed above) could only be given as a one-time payment to those individuals. As part of the compensation study, it is anticipated that the ranges will need to increase to keep up with market conditions and accommodate future annual pay increases. As part of this proposal, staff would also recommend that the BOMA increase all minimum and maximum pay ranges by 5% to accommodate the wage increase and tackle additional compression issues within certain ranges.

Recommendation
Given the ability to pay for additional compensation with increased revenues and a need to remain competitive in the marketplace and take care of our most important resource (our City team members), staff recommends a 2.5% mid-year across-the-board COLA increase, effective January 1, 2022.

Figure 9: Recommended Cost of Living Adjustment effective January 1, 2022

City COLA Offering vs. Inflation - Last 10 Years

FY	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
COLA	2.5%	2.0%	2.0%	2.0%	4.0%	2.5%	2.5%	2.5%	2.0%	2.5%
Inflation	1.6%	1.8%	0.6%	0.4%	1.7%	2.2%	1.7%	1.2%	2.4%	4.2%
Meet?	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**No**
Off Target Amount									*0.4%*	*1.7%*
Total amount off									$\underbrace{\quad}_{\textit{2.1\%}}$	

Recommended COLA Increase (1/1) 2.50%

In addition, staff further recommends the increase of all pay ranges City-wide by 5% to accommodate increases for those employees who have reached top of their respective pay scales.

FY 2022 Mid-Year Cost of Living Adjustment

November 23, 2021
Board of Mayor and Aldermen Work Session

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2022 Operating Budget

Overview:

- Labor market is incredibly tight and tightening.
- Vacancy rates City-wide significantly higher than normal.
- Inflation is much higher than anticipated.
- Revenues are outpacing expectations.
- City compensation adequate but lagging.

City of Franklin, Tennessee
FY 2022 Operating Budget

Our Focus is to build a "Stronger Franklin" in the wake of the challenges of the past year by focusing on:

Pandemic - Pandemic response will continue with the guidance of medical, public health, and science experts.

People – Our focus remains on serving the people of Franklin and maintain a strong City team. Also, focused on a healthy community in terms of valuing diversity and inclusion.

Projects – Delivery of infrastructure improvement projects is vital to maintaining quality of life and the needs of our growing community.

Possibilities – Building capacity (financial and otherwise) to respond to community needs and make the most of future opportunities.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee
FY 2022 Operating Budget

Labor Market:

- Recovery continues in earnest from the worst of the pandemic; local unemployment near or at record lows
- Latest unemployment data – State of Tennessee

	September 2020	Revised August 2021	Preliminary September 2021
United States	7.7%	5.3%	4.6%
State of Tennessee	7.6%	4.3%	3.5%
Nashville MSA	7.2%	3.5%	3.0%
Williamson County	4.5%	2.6%	2.3%
City of Franklin	4.5%	2.5%	2.0%

- Private sector increasing base wages & incentives rapidly to attract workers

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee
FY 2022 Operating Budget

City Vacancies:

- Budgeted 3.5% vacancy rate across departments to account for seasonality and historic trends; actual much higher
- Retirements will increase the number of overall vacancies

Vacancies						*active payroll as of 11/5/2021*
		General	Sanitation	Stormwater	Water Management	City Wide
A	**Total Employees**	**596**	**46**	**22**	**100**	**764**
B (C+D)	**Total Vacancies**	**56**	**3**	**1**	**19**	**79**
C	Unbudgeted	7	0	0	6	13
D	Budgeted	49	3	1	13	66
E	Planned Vacancy Rate	3.5%	3.5%	3.5%	3.5%	3.5%
F (B/A)	**Actual Vacancy Rate**	**9.4%**	**6.5%**	**4.5%**	**19.0%**	**10.3%**

Current Retirements					*submitted as of 11/5/2021*
	General	Sanitation	Stormwater	Water Management	City Wide
Employees	13	0	0	1	14

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2022 Operating Budget

Inflation:

- Historically City has provided cost of living adjustments for City employees annually since the Great Recession.
- For most of the last decade, this has kept pace.

Historic Inflation CPI-U – South Region – last ten years*	
Annual Year-over-year inflation (calendar year)	1.4%
Annual year-over-year inflation (fiscal year)	1.8%
Average increase (year-over-year) last 6 months	5.5%

**Source: U.S. Department of Labor, Bureau of Labor Statistics*

City Compensation:

- City has provided for either a COLA or both COLA/Merit increases along with market adjustments as necessary over the last decade.

Employee Compensation Increases - last 10 years

FY	COLA	Merit	Medical Offset	Market Adj.	Medical Increases?
2013	2.5%	N/A		x	**Y**
2014	2%	N/A			**Y**
2015	2%	N/A		x	**Y**
2016	2%	N/A			**Y**
2017	4%	N/A	$ 500		**Y**
2018	2.5%	up to 2.5%		x	**Y**
2019	2.5%	up to 2.5%		x	**Y**
2020	2.5%	up to 2.5%			**Y**
2021*	2%	0%			**N**
2022	2.5%	up to 2.5%			**N**

**Adjustment mid-year*

FY 2022 Budget Included:

- A general pay increase for City team members was effective the first pay period of July 2021. The budget included a general pay increase of 2.5% plus an additional performance-based pay increase of up to 2.5%.
- The budget also included a one-time pay supplement of $1,000 to all City team members (full-time and permanent part-time employees) partially funded through a portion of the City of Franklin's American Rescue Plan allocation.
- For the second consecutive year, health insurance premiums for City team members remained unchanged in FY22.

City Compensation:

- Historically, City has kept pace with inflation through annual cost of living adjustments; trend is not continuing

City COLA Offering vs. Inflation - Last 10 Years

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
COLA	2.5%	2.0%	2.0%	2.0%	4.0%	2.5%	2.5%	2.5%	2.0%	2.5%
Inflation	1.6%	1.8%	0.6%	0.4%	1.7%	2.2%	1.7%	1.2%	2.4%	4.2%
Meet?	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**No**	**No**

Revenues are Exceeding Estimates:

- Primarily in the General Fund, and namely in Local Option Sales Tax.
- As prices have risen, so to have sales tax collections. There is a natural relationality in this case; as inflation hits, consumption based taxes will increase so long as consumer activity does change dramatically.
- Price increases have effected most everything, but certainly the items which the City directly receives sales tax on.
- Local Options Sales Tax estimates for FY 2022 so far have exceeded estimates by over $1.6 million. The budget will will be revised upward to capture these already received collections in the next budget amendment.

City of Franklin, Tennessee
FY 2022 Operating Budget

Potential Options:

- Provide a mid-year cost of living adjustment for all employees effective January 1, 2022. The costs for potential increases are summarized below by fund:

Summary - Mid-Year COLA Increase FY 2022 by Fund *active payroll as of 11/5/2021*

Fund	Annual Budget*	Annualized Cost			6-mo. / remainder FY 2022 Cost		
		1.50%	2.00%	2.50%	1.50%	2.00%	2.50%
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**Annual Budget includes all compensation lines which are impacted via a wage adjustment, including: Regular Wages, Overtime, FICA, Retirement and Workers Compensation.*

City of Franklin, Tennessee
FY 2022 Operating Budget

Recommendation:

- Given the ability to pay for additional compensation with increased revenues and a need to remain competitive in the marketplace and take care of our most important resource, staff recommends a 2.5% mid-year increase, effective 1/1/22.

City COLA Offering vs. Inflation - Last 10 Years

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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Inflation	1.6%	1.8%	0.6%	0.4%	1.7%	2.2%	1.7%	1.2%	2.4%	4.2%
Meet?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Off Target Amount									*0.4%*	*1.7%*
Total amount off									*2.1%*	
Recommended COLA Increase (1/1)									**2.50%**	

HISTORIC FRANKLIN TENNESSEE

MEMORANDUM

November 15, 2021

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Brock, Assistant City Administrator/Chief Financial Officer
Kevin Townsel, Human Resources Director
Michael Walters Young, Budget & Strategic Innovation Manager

SUBJECT: Employee Compensation

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider modifications to the City of Franklin's employee compensation plan to address the impact of inflation and to strengthen the City of Franklin's competitive position as an "employer of choice" in the region.

Summary

It has been a core value of City government that people working for the City of Franklin are the City's most important asset. Over the last decade, the Board has directed a significant amount of financial resources to enhance our ability to recruit, develop and retain high-quality employees. Current labor market conditions – record low levels of unemployment, highly competitive offers across all sectors for employees at all levels, the lingering effects of the global COVID-19 pandemic and ever-present inflation – make it harder than ever to protect that asset.

Background

In 2013, the City of Franklin, working with Burris, Thompson and Associates, conducted a comprehensive Classification and Compensation Study. Jobs were indexed and classified and then compared to market data in both public sector (including specific pay information from 23 other cities) and private sector (where applicable). Market values were established for each position with a target of ensuring that the median of each position was at least at the 70th percentile of pay compared to market data. From this information, each position was grouped into one of 15 pay grades. The Classification and Compensation Study, which included recommendations for the establishment of a new Classification and Compensation Plan was approved in August of 2013.

This system has been reviewed and comprehensively modified twice since 2013. In 2015, the City of Franklin completed implementation of a new, market-based classification and compensation plan. The review found the need to increase all pay grades by 10% to keep up with market conditions in the exceedingly tight labor market of middle Tennessee and Williamson County in particular. It also found the need to implement a progression adjustment component to avoid compression within pay grades between established and newer employees. The new plan focused on making the City highly competitive in terms of attracting and retaining talented staff to serve the community. And as part of the FY18 and FY 19 budgets, a full update of the compensation plan was implemented. This update included two components: 1) an evaluation of the City's pay grades compared to market conditions focusing on maintaining compensation targets at a minimum of the 75th percentile of the market and 2) a department-by-department review of positions compared to the market.

The unique challenges of the COVID-19 pandemic and the resulting economic turmoil forced the City to forgo planned raises or modifications to the compensation plan in FY 2021. In addition, to begin the fiscal year, 27 full-time and 11 part-time positions were frozen and unbudgeted. As economic conditions improved during FY 2021, the City was able to restore 10 of those 27 unbudgeted, and another 8 were restored in the current FY 2022 budget. In addition, "normal" pre-COVID-19 compensation increases were budgeted for FY 2022 – a 2.5% Cost-of-Living Adjustment (COLA) and up to a 2.5% merit-based increase. Over the course of the last decade, the City has been able to provide a COLA annually in addition to merit increases and pay adjustments due to the market study. A comprehensive table of annual compensation adjustments is shown below:

Figure 1: Annual Employee Compensation Increases FY 2013-FY 2022

Employee Compensation Increases - last 10 years

FY	COLA	Merit	Medical Offset	Market Adj.	Medical Increases?
2013	2.5%	N/A		x	**Y**
2014	2%	N/A			**Y**
2015	2%	N/A		x	**Y**
2016	2%	N/A			**Y**
2017	4%	N/A	$ 500		**Y**
2018	2.5%	up to 2.5%		x	**Y**
2019	2.5%	up to 2.5%		x	**Y**
2020	2.5%	up to 2.5%			**Y**
2021*	2%	0%			**N**
2022	2.5%	up to 2.5%			**N**

**Adjustment mid-year*

Labor Market

While many sectors of the U.S., Tennessee and local economy were severely impacted by the onset of the COVID-19 pandemic last spring, this impact was in most cases short-lived. Industries that were shutdown have since reopened, in many cases with as many or more jobs than they had before. As a result of this recovery, local unemployment near or at record lows:

Figure 2: Year-Over-Year Unemployment Rates

	September 2020	Revised August 2021	Preliminary September 2021
United States	7.7%	5.3%	4.6%
State of Tennessee	7.6%	4.3%	3.5%
Nashville MSA	7.2%	3.5%	3.0%
Williamson County	4.5%	2.6%	2.3%
City of Franklin	4.5%	2.5%	2.0%

Source: State of Tennessee Department of Labor & Workforce Development – Labor Market Report - September 2021.
https://www.tn.gov/content/dam/tn/workforce/documents/LMR/LMRSep2021.pdf

The private sector has rapidly moved to attract people to return to the workforce through incentives such as increasing base wages, offering cash bonuses for both skilled & unskilled workers & offering modified work schedules. All these pressures have made recruiting for vacant positions more difficult of the City of Franklin.

Vacancies

All organizations have vacancies. In fact, it is healthy for an organization to have a degree of employee turnover. While we want to recruit, grow, and keep experienced and talented workers, the best organizations have a healthy mix of less and more experienced employees in their workforce. This mixture of experience adds diversity and encourages innovation throughout the organization.

The City of Franklin has noticed this and monitors vacancy rates throughout all departments. Several years ago, now the City monetized this vacancy rate into the annual operating budget by applying a vacancy rate factor of 3.5% to all department wage budgets. This represented the average amount of the workforce which was budgeted but not employed with the City at any given moment of the year. (It should be noted that this considers seasonality of certain workers as well as retirements).

Unfortunately, the current vacancy rates for the City of Franklin are much higher, as shown in Figure 3 below.

Figure 3: Vacancies City-wide as of November 5, 2021

Vacancies						*active payroll as of 11/5/2021*
		General	**Sanitation**	**Stormwater**	**Water Management**	**City Wide**
A	**Total Employees**	**596**	**46**	**22**	**100**	**764**
B (C+D)	**Total Vacancies**	**56**	**3**	**1**	**19**	**79**
C	Unbudgeted	7	0	0	6	13
D	Budgeted	49	3	1	13	66
E	Planned Vacancy Rate	3.5%	3.5%	3.5%	3.5%	3.5%
F (B/A)	**Actual Vacancy Rate**	**9.4%**	**6.5%**	**4.5%**	**19.0%**	**10.3%**

Current Retirements					*submitted as of 11/5/2021*
	General	**Sanitation**	**Stormwater**	**Water Management**	**City Wide**
Employees	13	0	0	1	14

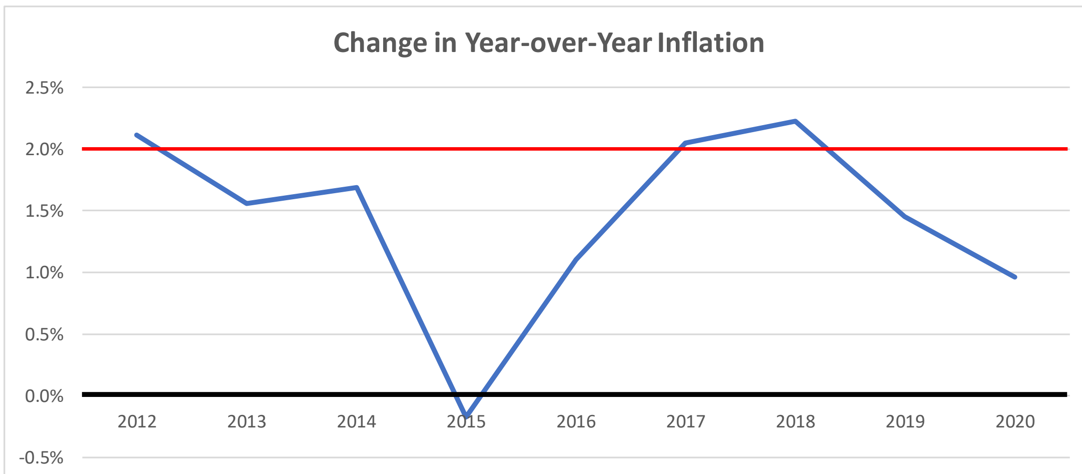
As shown above, the actual vacancy rate for the City of Franklin is nearly 3 times the budgeted amount when including both unbudgeted and budgeted positions. And this number – 79 total vacancies out of 764 authorized employees – ***does not*** consider an additional 14 retirements which have been announced by the end of calendar year 2021.

Inflation Concerns

Since before the Great Recession, one economic factor which we have not, by in large, had to deal with in a demonstrable way is inflation. The Federal Reserve Bank has long set a basic inflationary target of at or near 2%

annually, meaning simply that the general progressive rise in the cost of goods and services increases in a small amount sufficient that modest wage increases can achieve keeping people's purchasing power at or near where it has been. That has worked – by in large - for the last decade:

Figure 4: Year-Over-Year Inflation 2011-2020 for South Region of United States



Calendar Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CPI-U - South Region	218.618	223.242	226.721	230.552	230.147	232.692	237.456	242.737	246.265	248.639
Chng. Yr-over-Yr.	N/A	**2.1%**	**1.6%**	**1.7%**	**-0.2%**	**1.1%**	**2.0%**	**2.2%**	**1.5%**	**1.0%**

Source: U.S. Department of Labor, Bureau of Labor Statistics.
https://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUUR0300SA0,CUUS0300SA0

While inflation was kept in check in the past, in the last six months, however, it has risen dramatically. Some of this is resulting from instability in volatile markets – such as energy – but also is a result of pandemic shortages, supply chain disruptions, record low unemployment and a variety of other factors. The result is the same: prices are higher.

Figure 5: Year-over-Year Inflation for the South Region 2011-2020 vs. 2021 (thus far)

Historic Inflation CPI-U – South Region – last ten years*	
Annual Year-over-year inflation (calendar year)	1.4%
Annual year-over-year inflation (fiscal year)	1.8%
Average increase (year-over-year) last 6 months	5.5%

**Source: U.S. Department of Labor, Bureau of Labor Statistics*

As a result, the City's ability to keep pace with inflation through its annual COLA increases is being challenged. A ten-year comparison is shown below:

Figure 6: Comparison of City of Franklin Cost of Living Adjustment vs. Annualized Inflation over the last decade – FY 2013-2022

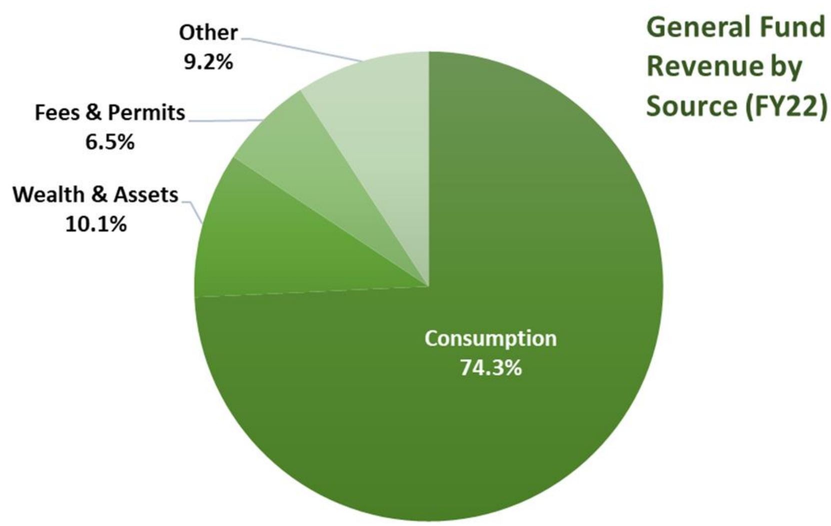
City COLA Offering vs. Inflation - Last 10 Years

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
COLA	2.5%	2.0%	2.0%	2.0%	4.0%	2.5%	2.5%	2.5%	2.0%	2.5%
Inflation	1.6%	1.8%	0.6%	0.4%	1.7%	2.2%	1.7%	1.2%	2.4%	4.2%
Meet?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No

Source: City of Franklin, Tennessee & U.S. Department of Labor, Bureau if Labor Statistics.

Increasing prices are not all negative for the City, however. While it negatively impacts the City's ability to purchase goods and services and reduces the buying power of City employees, it has thus far resulted in increased revenue collections. This is because the City is heavily dependent upon consumption (such as Sales & Alcohol) taxes to fund its General Fund operations. As shown below in Figure 7, nearly three out of every four dollars in General Fund revenue comes from consumption-based taxes:

Figure 7: General Fund Revenues by Source – FY 2022



Source: City of Franklin, Tennessee

As prices go up, the total sales go up. But the rate of taxation on that sale – 9.75% total in Franklin/Williamson County (2.75% of which is remitted to local government and public schools) - remains the same. The result is that the City has seen increases over budget in Local Option Sales Tax collections every month of the Fiscal Year thus far. Through two months of FY 2022, the City of Franklin has collected $1,606,149 more in Local Option Sales Taxes than budgeted.

Options

The City of Franklin is currently conducting another compensation study. The results of that study are not complete and will not be until Spring 2022. The goal will be to take the results of that study and recommend any further adjustments to the Board of Mayor and Aldermen during the FY 2023 Budget Process.

In the meantime, inflation continues to rise monthly and is a growing burden on all City staff. One option to alleviate that increase in inflation would be to implement a mid-year Cost of Living Adjustment. The costs of implementing such an adjustment are shown below at the fund level.

Figure 8: Costs of Implementing a Mid-Year COLA Increase by Fund (both annualized and mid-year)

Summary - Mid-Year COLA Increase FY 2022 by Fund *active payroll as of 11/5/2021*

Fund	Annual Budget*	Annualized Cost			6-mo. / remainder FY 2022 Cost		
		1.50%	2.00%	2.50%	1.50%	2.00%	2.50%
General							
Total - General Fund	$ 47,479,168	$ 712,188	$ 949,583	$ 1,186,979	$ 356,094	$ 474,792	$ 593,490
Sanitation							
Total - Sanitation Fund	$ 2,844,737	$ 42,671	$ 56,895	$ 71,118	$ 21,336	$ 28,447	$ 35,559
Stormwater							
Total - Stormwater	$ 1,444,455	$ 21,667	$ 28,889	$ 36,111	$ 10,833	$ 14,445	$ 18,056
Water Management							
Total - Water Management	$ 5,912,945	$ 88,694	$ 118,259	$ 147,824	$ 44,347	$ 59,129	$ 73,912
Total City-Wide	$ 57,681,305	$ 865,220	$ 1,153,626	$ 1,442,033	$ 432,610	$ 576,813	$ 721,016

**Annual Budget includes all compensation lines which are impacted via a wage adjustment, including: Regular Wages, Overtime, FICA, Retirement and Workers Compensation.*

Figure 8 provides a range of costs for a 1.5%, 2.0% and 2.5% Cost of Living Adjustment by fund. It also details the cost for a full fiscal year in the center of the figure and the actual impact on the remainder of FY 2022 on the right. This proposal would be implemented effective the first payroll of January 2022.

There is one additional concern which will need to be addressed. Over 40 employees have “topped out” – meaning that they are at the maximum salary of the pay grade they are assigned to. As a result, any ongoing compensation proposal (such as proposed above) could only be given as a one-time payment to those individuals. As part of the compensation study, it is anticipated that the ranges will need to increase to keep up with market conditions and accommodate future annual pay increases. As part of this proposal, staff would also recommend that the BOMA increase all minimum and maximum pay ranges by 5% to accommodate the wage increase and tackle additional compression issues within certain ranges.

Recommendation

Given the ability to pay for additional compensation with increased revenues and a need to remain competitive in the marketplace and take care of our most important resource (our City team members), staff recommends a 2.5% mid-year across-the-board COLA increase, effective January 1, 2022.

Figure 9: Recommended Cost of Living Adjustment effective January 1, 2022

City COLA Offering vs. Inflation - Last 10 Years

FY	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
COLA	2.5%	2.0%	2.0%	2.0%	4.0%	2.5%	2.5%	2.5%	2.0%	2.5%
Inflation	1.6%	1.8%	0.6%	0.4%	1.7%	2.2%	1.7%	1.2%	2.4%	4.2%
Meet?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Off Target Amount									*0.4%*	*1.7%*
Total amount off									***2.1%***	

Recommended COLA Increase (1/1)	**2.50%**

In addition, staff further recommends the increase of all pay ranges City-wide by 5% to accommodate increases for those employees who have reached top of their respective pay scales.