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

City of Franklin

Meeting Agenda

Budget & Finance Committee

Thursday, June 16, 2022 | **3:00 PM** | **Board Room**

CALL TO ORDER

APPROVAL OF MINUTES

1. Consideration Of Approval Of Minutes Of The May 12, 2022 Budget & Finance Committee Meeting.

NEW BUSINESS

2. Discussion of Fiscal Year 2022 Audit Planning

   Sponsors: Kristine Brock, Mike Lowe, Margaret Wilson

3. Consideration Of Procurement Award To InfoSend, Inc. Of Anaheim, California, In The Total Estimated Annual Amount Of $192,551.40 For Utility Bill Paper Printing, Mailing And Coordinated Electronic Presentment, Image Archival, Retrieval, E-Mailing And Related Services For A Term Of Award For The Revenue Management Division Of The Administration Department (Purchasing Office Procurement Solicitation No. 2022-005; $175,000 Budgeted In 110-85540-41310 For Fiscal Year 2022; Contract No. 2022-0132).

   Sponsors: Kristine Brock, Jessica Davey

4. Consideration Of Resolution 2022-27, A Resolution Adopting An Uncollectible Accounts Receivable Write-Off Policy For The City Of Franklin.
   Finance 6/10/21, 4-0

   Sponsors: Kristine Brock, Mike Lowe, Jessica Davey

5. Consideration Of Ordinance 2022-20, An Ordinance To Increase From $25,000 To $50,000 The Threshold Over Which Public Advertisement And Sealed Competitive Bids Or Proposals Are Required For Nonemergency, Nonproprietary Purchases.

   Sponsors: Kristine Brock, Brian Wilcox

6. Discussion Of DRAFT Resolution 2022-40, A Resolution To Rescind Certain Resolutions And Granting New Authority For The City Administrator.

   Sponsors: Eric Stuckey, Shauna Billingsley, Kristine Brock, Mike Lowe

7. Consideration Of Resolution 2022-41, A Resolution Adopting A Revised Purchasing Policy For City Of Franklin Procurements Not Pertaining To New Construction.

   Sponsors: Kristine Brock, Brian Wilcox

8. Consideration Of Resolution 2022-42, A Resolution Adopting A Revised Vendor Protest Procedure For City Of Franklin Procurements Not Pertaining To New Construction.

Sponsors: Kristine Brock, Brian Wilcox

9. Financial Report For 3rd Quarter Of FY 2022

Sponsors: Mike Lowe, Margaret Wilson

10. Monthly Reports For June 2022

Sponsors: Mike Lowe, Margaret Wilson

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.

BUDGET & FINANCE COMMITTEE MEETING MINUTES
THURSDAY, MAY 12, 2022 @ 3:00 P.M.
CITY HALL BOARD ROOM
FRANKLIN, TENNESSEE

Committee Members		Other Attendees	
Alderman Clyde Barnhill, Chair	P	Eric Stuckey, City Administrator	P
Alderman Patrick Baggett	P	Kristine Brock, ACA/CFO	P
Alderman Ann Petersen, Vice-Chair	P	Mike Lowe, Comptroller	P
Alderman Jason Potts	P	Margaret Wilson, Financial Analyst	P
		Cayce Anderson Records Technician	P

CALL TO ORDER
Chairman Clyde Barnhill called the meeting to order at 3:02 PM

APPROVAL OF THE MINUTES
1. *A motion was made by Alderman Petersen, seconded by Alderman Potts to approve the minutes from April 13, 2022 and April 14, 2022. The motion passed 3-0.*

NEW BUSINESS
2. **Consideration Of DRAFT Ordinance 2022-11, An Ordinance To Amend The Budget Of The City Of Franklin For Fiscal Year 2021-2022**

Kristine Brock, Michael Walters Young

*Alderman Baggett arrived at 3:04 PM.

Budget Balancing Actions: General Fund Revenues: increase of $6,961,369
- Adjusting revenues: resulting from additional revenues that have been above incurred budget amounts, such as local options sales tax. The City sales tax has been up significantly this year. As well as additional in-state shared sales taxes and business tax collections.
- Reductions: Better guidance of American Rescue Plan Program

General Fund Expenses: increase of $6,961,369
- Major increases are transfers to other funds – including $1.5 million to closed pension fund and Capital Vehicle Replacement Fund
- Major decreases in American Rescue Plan transfers, delays in Traffic Operations Center projects, reductions in budgets due to hiring difficulties and supply shortages

Other funds:
- Sanitation fund- money to transfer station floor
- Road impact fund – church street improvements
- County facilities – capital projects fssd baseball fields
- Hotel/motel tax – major increase compared to this time last year
- Parkland dedication fund: liberty park improvements

Amendment 2: Sanitation fund – Transfer 750k to SES fund if necessary to cover year end cash deficits which may occur due to timing of receipts. This is a state requirement that all operational funds have positive cash and fund balances at fiscal year-end.

A motion was made by Alderman Potts, seconded by Alderman Petersen to Recommend Approval to the Board of Mayor and Alderman. This item is expected on the May 24, 2022 meeting. The motion passed unanimously.

3. **Consideration Of DRAFT Ordinance 2022-12, An Ordinance Of The City Of Franklin, Tennessee Adopting A Budget For The Fiscal Year 2022-2023; Providing An Effective Date.**

Eric Stuckey, Kristine Brock, Michael Walters Young

The Focus:

- Management
  - Policy development and implementation
  - Budget process
  - High quality service levels
  - Department level key performance measures
  - Benchmarking program
  - Capital investment project oversight and delivery
  - Telling "Franklin's story" locally and beyond
- Community development
  - Desired location
  - High development standards
  - Educated workforce
  - Sites ready for development
  - Aggressive state incentives
  - Works with partners at state and Williamson county
  - Play "offense"
- Strong financial base
  - Long-term financial planning
  - Capital investment plan process
  - Multi-year financial planning
  - Healthy reserve levels
  - Triple-A Bond rating from both Moody's and S&P
  - Supports changing service needs

Overview:

- Maintain high quality services
- Preserve capacity to respond to future needs and meet quality of life needs
- invest in and plan for the future
- be a highly competitive community

Budget Overview:

- All funds budget for FY23: $207.1 million
- General fund budget for FY23: $94.9 million

Highlights:

- The budget is balanced
- The budget fully complies with the Board of Mayor and Aldermen's debt and fund reserve policies
- Essential service levels are maintained or enhanced
- There is no property tax increase in the FY23 budget. The City's property tax rate will remain at the current rate of $0.3261 per $100.
- The budget includes 13 new positions and one restored position in the General Fund.
- There are two new positions in the Sanitation Fund and two restored positions in the Water Management Fund.
- The budget includes the full implementation of an updated compensation plan for the City. Due to the disruption of the COVID-19 pandemic, this is the first comprehensive update to the City's compensation

plan in five years. This will include an additional 5% increase in City pay grades starting July 2022.

- A general pay increase for City team members will be effective the first pay period of July 2022. The budget includes a general pay increase of 5%, an additional performance-based pay increase of up to an additional 2.5% and an additional $1,000 pay increase for all employees under $90,000 in annual salary.
- Health insurance premiums for City team members are projected to increase by 5% for FY23, the first increase in premium in 2 years.
- The City will create a separate Capital Vehicle and Equipment Replacement Fund. This approach will provide better updated vehicles to our team in a more efficient manner.
- FY23 budget includes a $1.50 per month increase for residential trash and recycling collection – from $20.50/month to $22/month.
- Funding for the update of Envision Franklin Land Use Plan is in the FY23 budget.
- The budget incorporates performance measures and sustainability initiatives for every department.

General Fund Overview: Revenues (Top 3)

- Local sales tax: 58.8%
- State Shared: 16.3%
- Property Tax: 10.0%

General Fund Overview: Expenses by Major Function/Program (Top 3)

- Public Safety (42.7%)
- Other Operating Expenses (16.5%)
- Public Works (15.1%)

General Fund Overview: Expenses by Category

- Personnel (72%)
- Operations (25%)
- Capital (3%)

Compensation Plan Update:

- First comprehensive update in five years
- Of the City's 275 positions, 187 positions (68%) will increase one or two pay grades
- 594 City team members will increase one or two pay grades (79% of full-time employees)
- The City's two lowest pay grades will be eliminated and moved up
- Increase all pay grades by an additional 5% effective July 1, 2022 and move identified positions into their new pay grades
- Provide all team members with a 5% cost of living/market pay adjustment
- Provide up to a 2.5% merit-based pay increase based on the most recent performance evaluations
- Provide a 3% pay adjustment per pay grade for all team members whose pay grade was reclassified through the compensation study
- All team members whose pay is less than $90,000 will receive an additional $1,000 increase to their annual base pay. This is be added after the 5% increase.

Mr. Stuckey spoke on the City doing a 5-year outlook while preparing the budget to make sure City reserves are stable for the years to come.

General Fund Revenues: Local Sales Tax

- Budgeted to increase in FY23 ($55.7 million)
- Increase of 1% from amended FY22.

General Fund Revenues:

- Intergovernmental: Second largest general fund revenue source ($15.5 million)

- Property Tax: $9.4 million (an 18.7% increase due to result of IDB loan partially paid off)
- Alcohol Tax: $4.8 million
- Building Permits & Licenses: $2.6 million
- Grants: decrease from FY22 with one-time grants for ARPA, state COVID support and projects
- Interest income: decrease from FY22 reflective of much lower earning environment

General Fund: Pension plan
- Pension obligations are fully funded in FY23 budget
- TCRS contribution is 7.22% of salary
- Pension is approximately 12.2% of total payroll

General Fund: Appropriations to Outside Entities
- An increase of $151,109 compared to the FY22 budget. This increase a 5% across the board increases, additional funding for several existing partners and the addition of two new agencies – One Generation Away & Toussaint L'Ouverture Cemetery Organization.

Other Funds:
- Drug Fund
- Community Development Block Grant
- Transit Fund
- Stormwater Fund ($3.4 million)
- Street Air & Transportation Fund – Gas Tax
- Road Impact Fund
- Sanitation & Environmental Services Fund ($12.3 million)
- Water & Sewer Fund
- City Facilities Tax Fund
- County Facilities Tax Fund
- Hotel/Motel Tax Fund
- Debt Service Fund
- Parkland Dedication Fund
- Water/Wastewater Fund ($42.3 million)

Summary:
- Our community and Franklin City government is emerging from the uncertainty and disruption of the past two-years in a strong position
- Capacity is available to support implementation of an updated compensation plan for City employees
- Continued support for funding and delivery of high-priority Capital Investment Projects
- Reserves at year-end well above policy level (75%)

Page 427 – Appendix 8: Alderman Petersen wondered about the $5 million contribution to the TCRS plan.

Aldermen Baggett wondered if the Pension Committee knew about the additional $1.5 million.

A motion was made by Alderman Petersen, seconded by Alderman Potts to Recommend Approval of Ordinance 2022-12 to the Board of Mayor and Aldermen. This item is expected on the May 24, 2022 agenda. The motion passed unanimously.

4. Consideration Of DRAFT Ordinance 2022-13, An Ordinance Of The City Of Franklin, Tennessee Establishing The Municipal Property Tax Levy For The Fiscal Year 2022-2023; Providing An Effective Date.

Eric Stuckey, Kristine Brock, Michael Walters Young

This is a separate ordinance to establish property tax rate of $0.3261 cents per $100.

A motion was made by Alderman Baggett, seconded by Alderman Potts to Recommend Approval of Ordinance 2022-13 to the Board of Mayor and Aldermen. This item is expected on the May 24, 2022 Board of Mayor and Alderman meeting. The motion passed unanimously.

5. **Consideration Of DRAFT Ordinance 2022-14, An Ordinance Of The City Of Franklin, Tennessee To Amend Appendix A - Comprehensive Fees And Penalties, Chapter 17 Refuse And Trash Disposal, Of The Franklin Municipal Code To Increase The Fees For Collection Of Garbage And Refuse.**

Eric Stuckey, Mark Hilty, Kristine Brock, Michael Walters Young

This is a $1.50 increase from $20.50/month to $22.00/month. The Sanitation and Environmental Services is working on a five-year rate plan similar to Water and Sewer. There was a cost of services analysis done approximately two-years ago. In order to recoup expenses, the cost was in the mid-20's. There is a need to do another cost analysis.

A motion was made by Alderman Petersen, seconded by Alderman Baggett to Recommend Approval of Ordinance 2022-14 to the Board of Mayor and Aldermen. This item is expected on the May 24, 2022 Board of Mayor and Alderman meeting. The motion passed unanimously.

6. **Consideration Of DRAFT Resolution 2022-34, A Resolution Of The Board Of Mayor And Aldermen For The City Of Franklin Adopting The Estimate Of Revenues And Expenditures For The Water And Sanitary Sewer Utility Fund For Fiscal Year 2022-2023; Providing An Effective Date.**

Eric Stuckey, Mark Hilty, Kristine Brock, Michael Walters Young

This is for an estimate of revenues and expenses. The fee adjustment has already been approved. This provides an overall budget for utility.

A motion was made by Alderman Potts, seconded by Alderman Petersen to Recommend Approval of Resolution 2022-34 to the Board of Mayor and Aldermen. This item is expected on the May 24, 2022 Board of Mayor and Alderman meeting. The motion passed unanimously.

7. **Monthly Reports For May 2022**

Mike Lowe, Margaret Wilson

The City of Franklin has 11 consecutive months of over $4 million in local sales tax. The gas tax is doing better than this time last year. Hotel/motel tax is 112% higher than this time last year. The Conference Center has shown a strong profit with fewer cancellations. The preliminary General Fund surplus is $12 million. The City's Finance department will have a final number after auditors at the December meeting presentation.

OTHER BUSINESS

ADJOURNMENT

A motion to adjourn was made by Alderman Potts, seconded by Alderman Baggett. The motion passed 4-0.

Meeting Adjourned @ 4:41 PM

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Clyde Barnhill, Chair

Minutes prepared by Cayce Anderson, Records Technician, City Administrator's Office - 6/10/2022 1:36 PM

City of Franklin

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

File #: 21-03306

DATE: June 9, 2022

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Mike Lowe, Comptroller
Margaret Wilson, Financial Analyst

SUBJECT:

Discussion of Fiscal Year 2022 Audit Planning

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee, which serves as the City's audit committee, concerning the audit plan and procedures for fiscal year 2022.

BACKGROUND/STAFF COMMENTS:

This communication by Jennifer Manternach, Principal of Crosslin, PLLC, is to discuss the plan and procedures for auditing the City's financial statements for fiscal year 2022.

FINANCIAL IMPACT:

There is no financial impact from this communication.

RECOMMENDATION:

Discussion only.

City of Franklin, Tennessee

Audit Planning for the Year Ended June 30, 2022

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Table of Contents

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

May 31, 2022

To the Budget and Finance Committee
Board of Mayor and Aldermen of
the City of Franklin, Tennessee

Dear Members:

Thank you very much for the opportunity to continue as your independent auditors. We are pleased to provide the details of our audit plan and procedures for the City of Franklin, Tennessee (the "City") for the fiscal year ended June 30, 2022. This report outlines the scope of our work and what we see as the key considerations affecting our 2022 audit. This communication is a method to validate our understanding of the significant issues that impact the City's financial statements, confirm your current year expectations, and align our efforts with your expectations.

The City of Franklin and Crosslin, PLLC share a commitment to quality. We strive to understand the City's operations and emerging issues in order to mitigate risk. Our commitment to quality means we bring technically qualified people to the engagement and reflect quality in every aspect of our work.

We appreciate the opportunity to be of service to the City. If you have any questions or comments, please call Jennifer Manternach, Audit Principal, at (615) 320-5500. Thank you again for this opportunity. We look forward to working with you and everyone at the City of Franklin again this year.

Very truly yours,

Jennifer Manternach
Principal

The Astoria • 3803 Bedford Avenue, Suite 103 • Nashville, Tennessee 37215 • phone: 615-320-5500 • fax: 615-329-9465 • www.crosslinpc.com
An Independent Member of The BDO Alliance USA

Audit Approach and Plan

We are pleased to be of service to City of Franklin, Tennessee (the "City"). The following report describes our plan for the audit of the financial statements for the fiscal year ending June 30, 2022. This report is designed to provide you with a summary of our overall objectives for the audit and the nature and scope of the planned audit work.

Overall, our audit strategy involves extensive audit principal involvement in all aspects of the planning and execution of the audit and is based on our understanding, of the City gained during our prior audits, current year planning procedures, and discussions with management. Our audit strategy includes the following:

- Focus resources on higher risk areas and other areas of concern as identified by management and those charged with governance.
- Consider inherent risk within the City - i.e., the susceptibility of financial statement misstatement due to material error or fraud, before recognizing the effectiveness of the control systems.
- Consider the control environment and the possibility that the control systems and procedures may fail to prevent or detect a material error or fraud.
- Assess internal controls in determining the degree of detail testing required.
- Consider information about systems and the computer environment in which financial records and related systems operate.
- Consider recent results of operations and significant current year events.
- Conduct the audit of the annual financial statements of the City as of and for the year ended June 30, 2022 in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.
- Consult regarding accounting and reporting matters as needed throughout the year.
- Ensure that those charged with governance are kept appropriately informed of the City's financial reporting matters as required by professional standards.

Audit Approach and Plan *(Continued)*

The key element of effective audit planning is a thorough understanding of the City's operations. This includes the operating environment, accounting and internal accounting control structure, and financial position. Our history and experience with the City and other governmental entities, our planning procedures, and our planning discussions with the City's management help us capture the knowledge to develop a detailed understanding of these elements. Therefore, we can effectively identify the nature of significant account balances/transaction classes, assess risk, and design audit tests.

Our audit approach is tailored to meet the specific needs of each customer. We have the leverage of our experience base and build upon our understanding of the City's operations. As conditions change, we will continue to develop our understanding of critical audit areas through comprehensive audit planning and risk assessment.

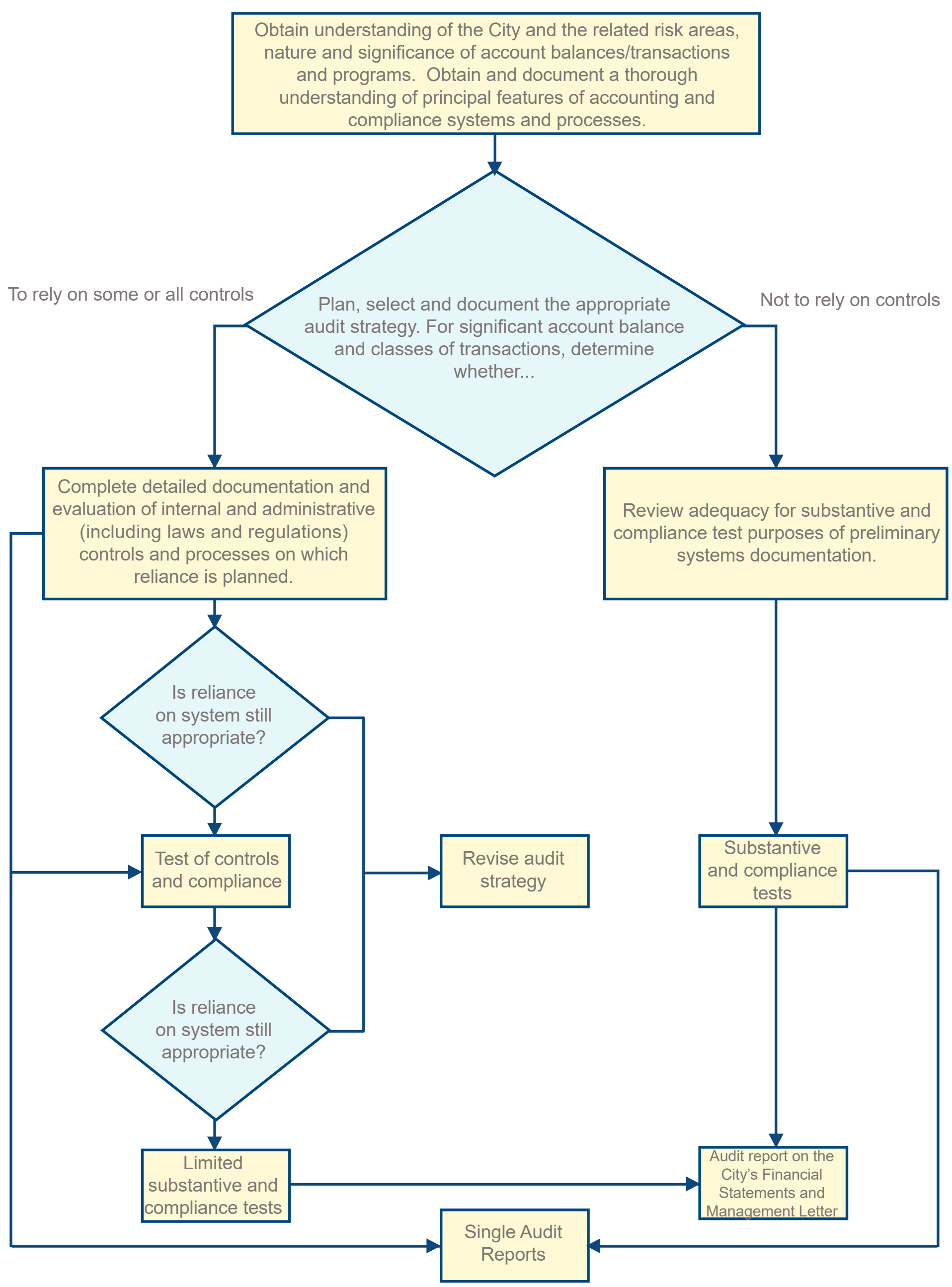
Risk assessment is the essential element in the audit planning process. When reliable risk-assessment decisions are made in the initial planning process, the amount of testing can be correlated with each audit area's relative risk. The result: a more focused, efficient and effective audit.

The following discussion of comprehensive audit planning and risk assessment is necessarily presented in a somewhat static manner. Auditing, however, is a dynamic process. Our audit plan may change during the course of the audit as new information and circumstances come to our attention. Information obtained during a current audit may also affect the planning for future audits. In fact, we generally begin planning the subsequent year's audit at the conclusion of the current year audit. As a result, audit planning is appropriately approached as a continuous process.

Audit Approach and Plan (Continued)

Similar to the prior year, our audit will be performed in three phases, which are represented in the following chart and also described below.

Audit Methodology and Approach



Audit Approach and Plan *(Continued)*

Phase I - Planning

Our Phase I audit procedures include the following:

- Hold an entrance conference with appropriate management personnel.
- Coordinate planning efforts and develop testing methods.
- Complete and submit preliminary customer participation schedule.
- Review correspondence files, budget and related material, organization charts, manuals and programs, governing minutes, financial and other management information, financial statements, and other internal documents.
- Apply preliminary analytical procedures.
- Identify through inquiry and observation the accounting control procedures that prevent or detect errors and fraud.
- Document the internal control structure and the flow of transactions in accordance with U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*.
- Conduct fraud risk interviews (commonly referred to as SAS 99 interviews) with City employees and those charged with governance.
- Make preliminary assessments of control risk and begin planning our substantive procedures.
- Provide details of the audit plan to management and those charged with governance.

Phase II - Substantive Procedures

During Phase II, we perform substantive audit procedures. The results of this work may require us to propose adjustments to account balances, recommend additional disclosures in the financial statements, and make certain comments regarding the City's operations. Our Phase II audit procedures include the following:

- Perform procedures to gather evidence to support management assertions in the financial statements.
- Confirm material account balances and/or transactions with third parties.

Audit Approach and Plan *(Continued)*

- Apply a mixture of analytical procedures and tests of details to achieve audit objectives related to a particular assertion. Some of our analytical procedures can be relied on to significantly reduce or eliminate test of details. At a minimum, our analytical tests will include comparing statement of net position account balances to the prior year and our expectations and comparing actual revenues and expenditures/expenses to prior year's revenues and expenditures/expenses and to budgeted amounts and our expectations.

- Hold progress meetings with the appropriate management personnel.

- Subject all audit tests, resulting conclusions, and working papers to a rigorous in-house quality control review.

Phase III - Reporting and Communication

Communication is an essential part of an effective audit. We want to interact with you as much as possible, not only during the audit, but throughout the year as well. We welcome your questions and comments. During the course of the audit, we will continually meet with financial management personnel to provide a status of the engagement. These status reports will address the progress of our procedures, any problems encountered, open items, and any other issues we believe need to be brought to the attention of management.

Additionally, we will communicate with those charged with governance, as required by professional standards and as necessary to meet our requirements.

Summary of the reporting and communication steps is as follows:

- Discuss all adjusting journal entries proposed by us, if any, with appropriate management personnel.

- Hold an exit conference with management.

- Issue draft and final audit reports and management letter, if applicable.

- Present audit reports, results of the audit, and management letter to those charged with governance.

Areas of Audit Significance

During our audit, we will focus significant resources on the following account balances, related transaction streams and operating matters:

Control Evaluation and Testing, as applicable

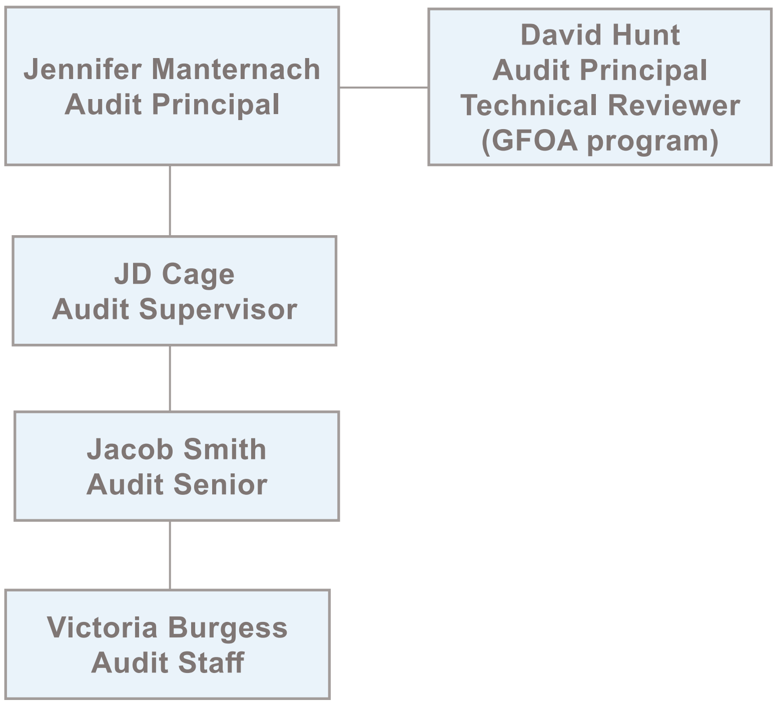
- Cash receipts and revenues
- Property tax billings and receipts
- Purchasing and disbursements
- Employee compensation, including benefit plan
- IT controls over significant accounting systems
- Compliance

Substantive Testing

- Treasury / investments / cash
- Long-lived assets
- GASB 68 considerations for pension recording and reporting
- GASB 75 considerations for postemployment benefits other than pensions (OPEB) recording and reporting
- Accruals
- Property tax, state shared and other revenues, including related receivables
- Grant receipts, disbursements, and revenue
- Utility revenues
- Expenses and budget process
- Debt and deferred outflows of resources
- Net position / fund balance categories including GASB Nos. 34 and 54
- Compliance
- State audit procedures, including the state audit manual
- Implementation of applicable new GASB pronouncements

Customer Service Team

The following is the customer service team:



Independence

- The AICPA's Code of Professional Conduct, Rule 101, sets forth guidance for assurance services provided by accountants under U.S. generally accepted auditing standards. *Government Auditing Standards* also provides guidance for financial audits performed under generally accepted government auditing standards.

- Both sources direct that independence is required both in fact and appearance. Crosslin, PLLC has established quality control policies and procedures to ensure compliance with professional standards, including those related to independence.

- Crosslin, PLLC is independent with respect to the City of Franklin, Tennessee, within the requirements of both the AICPA and *Government Auditing Standards*.

Audit Timeline

The following is our anticipated timing for the 2022 audit. The timing is consistent with the prior year.

TASK	TIMING
Understand the Operations	Ongoing
Assess Overall Controls	Ongoing
Planning Communication	Current
Phase I - Planning and Determine Nature and Extent of Testing	July 2022
Phase I - Commencement Meeting with Management	July 2022
Phase II - Substantive Testing	September - October 2022
Phase III Reporting and Communication	November 2022
Issue Financial Statements	December 2022

Changes in Auditing and Accounting Standards Updates

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin, PLLC is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through its involvement with the AICPA's Government Audit Quality Center and the Government Finance Officers Association (GFOA), including GFOA's Special Review Committee.

We routinely interface with our customers to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise. In addition, we expect to join the Conference Center personnel in relevant discussions to implement all new standards as they arise.

Recent accounting pronouncements including the following. We will analyze these Statements with Conference Center management to ensure appropriate implementation, as applicable.

- **GASB Statement No. 87, Leases**
  Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged.

- **GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***
  Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

- **GASB Statement No. 91, *Conduit Debt Obligations***
  Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. Earlier application is encouraged.

- **The GASB issued Statement No. 92, Omnibus 2020, which is effective as follows:**

  - The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
  - The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2022.
  - The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2022.
  - The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2022.

Changes in Auditing and Accounting Standards Updates (Continued)

- **GASB Statement No. 93, Replacement of Interbank Offered Rates**
  Effective Date: The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2022. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

- **GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements**
  Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- **GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance**
  Effective Date: The requirements of this Statement are effective immediately.

- **GASB Statement No. 96, Subscription-Based Information Technology Arrangements**
  Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- **GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32**
  Effective Date: The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021

Fraud Discussion

SAS 99, *Consideration of Fraud in a Financial Statement Audit*, was issued by the AICPA to heighten the awareness of auditors to the potential for fraud when planning and executing audits. While SAS 99 emphasizes the need for increased professional skepticism throughout the audit engagement, it does not change our responsibilities as auditors. Under SAS 99, we are responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements caused by error or by fraud. However, the extent of required procedures related to the detection of fraud has increased. We approach all audits with an understanding that fraud could occur in any organization at any time and could be perpetrated by anyone.

Gathering Information Needed to Identify Risks of Material Misstatement Due to Fraud

- Engagement team brainstorming discussion.
- Inquiries of management, accounting personnel, and other personnel not directly involved in financial reporting.
- Investigation of unusual or unexpected relationships identified through various analytical procedures.

Responding to Identified Fraud Risks

- Design of the nature, timing, and extent of audit procedures.
- Use of experienced personnel to audit areas of exposure.
- Testing of items below established scopes.

Procedures to Address the Risk of Management Override of Internal Controls

- Review of accounting estimates for bias, including a retrospective review of significant prior year estimates.
- Evaluation of business rationale for significant unusual transactions.
- Inspect and analyze reasonableness of manual adjusting journal entries made during the year.

Evaluating Audit Evidence

- Being cognizant of fraud risk factors throughout audit.
- Being mindful of discrepancies in the accounting records, conflicting or missing audit evidence, and/or problematic or unusual relationships between the auditor and management.

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

File #: 21-03071

DATE: May 2, 2022

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Jessica Davey, Revenue & Licensing Manager

SUBJECT:

Consideration Of Procurement Award To InfoSend, Inc. Of Anaheim, California, In The Total Estimated Annual Amount Of $192,551.40 For Utility Bill Paper Printing, Mailing And Coordinated Electronic Presentment, Image Archival, Retrieval, E-Mailing And Related Services For A Term Of Award For The Revenue Management Division Of The Administration Department (Purchasing Office Procurement Solicitation No. 2022-005; $175,000 Budgeted In 110-85540-41310 For Fiscal Year 2022; Contract No. 2022-0132).

PURPOSE:

The purpose of this procurement is to purchase utility bill paper printing, mailing and coordinated electronic presentment, image archival, retrieval, e-mailing and related services for a term of award of three (3) years, with two (2) options to extend, each time for up to one (1) additional year, for a maximum possible term of award of five (5) years total.

BACKGROUND/STAFF COMMENTS:

The City published on January 13, 2022 a Notice to Proposers in the *Williamson Herald* for utility bill paper printing, mailing and coordinated electronic presentment, image archival, retrieval, e-mailing and related services. In addition, solicitation documents were sent on or about the same date directly to twenty-eight (28) potential proposers known or thought to be interested in this solicitation. Proposals from ten (10) service providers were publicly opened at the submittal opening held on March 1, 2022. 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 staff of the Revenue Management, Finance and Information Technology Departments, recommended the City interview the five firms submitting the proposals ranked highest by the proposal evaluation team. The evaluation criteria included in the request for proposals consisted of (a) competency, experience and qualifications (20%), (b) capabilities; unique strengths of the proposer/proposal (20%), (c) thoroughness and quality of proposal (10%), (d) methodology and approach; pricing and payment clarity (10%), (e) schedule (10%) and (f) fee for proposed products and services (30%). The proposal evaluation team scored five proposals with total average scores greater than 70 of the 100 points eligible and five proposals with total average scores less than 70 of the 100 points eligible.

The five finalists were subsequently invited to interview. All five finalists accepted this invitation. After interviewing the five finalists, using the same evaluation criteria included in the request for proposals, the interview panel, consisting of staff of the Revenue Management and Information Technology Departments, recommends the City select the firm of InfoSend, Inc. of Anaheim, California. Of the five finalists, the interview panel scored the InfoSend proposal top for four of the six evaluation criteria included in the request for proposals, namely (a) competency, experience and qualifications, (b) capabilities; unique strengths of the proposer/proposal, (c) thoroughness and quality of proposal, and (e) schedule, and tied for top for one of the six evaluation criteria, namely (d) methodology and approach; pricing and payment clarity.

For evaluation criterion (f) fee for proposed products and services, staff scored the InfoSend proposal last of the five finalists and seventh of the ten proposals. (This pricing criterion is scored by estimating annual fees based on quoted unit pricing and volumes included in the request for proposals and then applying to the maximum number of points available for the pricing criterion the ratio of the lowest estimated annual fees to each proposer's estimated annual fees. Thus, the proposal with the lowest estimated annual fees is allocated all 30 points available for the pricing criterion and the others are allocated points in proportion to the proposal with the lowest estimated annual fees.) In addition to ranking, following are three other ways to consider how the pricing quoted by InfoSend compares to that of the other nine proposals:

- The pricing quoted by InfoSend is about 20% above the lowest estimated annual fees calculated.
- The pricing quoted by InfoSend is about 3% above the median estimated annual fees calculated.
- The pricing quoted by InfoSend is about 4% below the average estimated annual fees calculated.

One way to interpret the InfoSend proposal being scored overall highest of the five finalists despite the pricing quoted by InfoSend is that InfoSend offers subjective strength sufficient to overcome the pricing it quoted. Subjective strengths noted by the interview panel include the following:

1. a perception that, during and following the interview, InfoSend demonstrated not only a detailed understanding of the needs of the City but also how InfoSend could meet those needs;
2. a perception that InfoSend offers an integration methodology that would align well with how the City recommends its utility customers access their account information;
3. a perception that the InfoSend solution would be intuitive for both the City's customers as well the City itself;
4. a perception that InfoSend brings a broad spectrum of experience with municipal utility clients;
5. a perception that InfoSend brings a deep bench of talent within the InfoSend organization; and
6. a perception that InfoSend offers functionality and solutions to meet the requirements not only as indicated in the request for proposals but also which the City could find beneficial both now and in the future.

A reference check by staff for InfoSend has yielded favorable feedback.

FINANCIAL IMPACT:

The proposal ranked highest by the proposal evaluation team, from InfoSend, Inc. of Anaheim, California, is in the total estimated annual amount of $192,551.40 for utility bill paper printing, mailing and coordinated electronic presentment, image archival, retrieval, e-mailing and related services, for a term of award. The Administration Department Revenue Management Division proposed budget for fiscal year 2022 allocates $185,000 out of the General Fund for the purchase of utility bill print services. The proposal amount for the proposal from InfoSend, Inc. is $7,551.40 (about 4.1%) over budget.

RECOMMENDATION:

Staff recommends that the City accept, contingent upon Law Department and City Administrator approval of City Contract No. 2022-0132, the proposal ranked highest by the interview panel, from InfoSend, Inc. of Anaheim, California, in the total estimated annual amount of $192,551.40 for utility bill paper printing, mailing and coordinated electronic presentment, image archival, retrieval, e-mailing and related services, 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. 2022-0132 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 InfoSend, Inc.

City of Franklin, Tennessee

Tabulation of Submittals*

Purchasing Office Solicitation No.:	**2022-005 (utility bill paper printing, mailing and coordinated electronic presentment, image archival, retrieval, e-mailing and related services)**
Notice to proposers published in the *Williamson Herald* on:	**1/13/22**
Number of potential proposers that were notified of / that submitted a proposal in response to this request for proposals:	**28 / 10**
Date and time proposal due and publicly opened:	**03/01/2022, 2:00 p.m. Central Time**
Present at opening of proposals:	**Rachael DuVall, Suzanne Ward and Brian Wilcox of the City of Franklin Purchasing Office**
Target meeting of BOMA at which recommendation is scheduled to be considered:	**6/28/22**

Proposals received from:	Does the proposal include all required documents? Is the proposal otherwise complete?	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):	Average points allocated by proposal evaluation team for finalists (utilizing same evaluation criteria):	Estimated annual fees based on quoted unit pricing and volumes included in RFP:	Payment terms:	Proposal is offered through:
BMS Direct Inc. 37 Millrace Dr. Lynchburg, VA 24502 Justin Staples, Account Executive (434) 485-7466 Justin.Staples@bmsdirectinc.com	No (proposer did not acknowledge addenda 4 & 5)	Proposer takes no exceptions	72.12	72.45	$188,829.60	net 30 days	8/30/2022
DNI Corp. 711 Spence Lane Nashville, TN 37217 Brian Cooper, Business Development (615) 948-0020 bcooper@dnicorp.com	No (proposer did not acknowledge addenda 1 - 5)	Proposer takes no exceptions (but submitted proposer's Services Agreement for consideration by City)	62.33	(not a finalist)	$244,414.40	net 30 days	6/15/2022
ENCO Utility Services Florida, LLC 572 Appleyard Drive, Suite E Tallahassee, FL 32304 Ruby Irigoyen, Senior Vice President (786) 437-1853 irigoyen@encous.com	No (The Proposal Submittal Form, the Affidavit of Non-Collusion and the Affidavit of Title VI Compliance are missing the form headings.)	Proposer takes no exceptions	57.68	(not a finalist)	$320,179.20	net 30 days	7/15/2022
Fifth Third Bank 38 Fountain Square Plaza Cincinnati, Ohio 45263 Ross Florey, Senior Relationship Mgr. 424 Church Street, Nashville TN 37219 (615) 687-3140 Ross.Florey@53.com	No (proposer did not acknowledge addenda 4 & 5; proposal omitted (1) the City's Standard Procurement Terms and Conditions with proposer's contact information and (2) references.)	Proposer takes no exceptions (but submitted proposer's Master Treasury Management Agreement, Online Channel Access Agreement and Commercial Account Rules for consideration by City)	52.56	(not a finalist)	$206,901.60	net 30 days	8/13/2022
FormMaker Software, Inc. (d/b/a KUBRA) 955 Freeport Parkway Coppell, TX 75019 Nic Lowry, Manager, Regional Sales (214) 679-1325 nic.lowry@kubra.com	No (proposer did not acknowledge addenda 1 - 5; proposal omitted the City's Standard Procurement Terms and Conditions with proposer's contact information)	Yes / 4 (all pertaining to the City's Standard Procurement Terms and Conditions; submitted proposer's Enterprise Services Agreement for consideration by City)	78.12	75.70	$160,494.00	net 30 days	7/26/2022

*Shaded submittal is the submittal scored highest by the proposal evaluation team

City of Franklin, Tennessee

Tabulation of Submittals*

Purchasing Office Solicitation No.:	2022-005 (utility bill paper printing, mailing and coordinated electronic presentment, image archival, retrieval, e-mailing and related services)
Notice to proposers published in the *Williamson Herald* on:	1/13/22
Number of potential proposers that were notified of / that submitted a proposal in response to this request for proposals:	28 / 10
Date and time proposal due and publicly opened:	03/01/2022, 2:00 p.m. Central Time
Present at opening of proposals:	Rachael DuVall, Suzanne Ward and Brian Wilcox of the City of Franklin Purchasing Office
Target meeting of BOMA at which recommendation is scheduled to be considered:	6/28/22

Proposals received from:	Does the proposal include all required documents? Is the proposal otherwise complete?	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):	Average points allocated by proposal evaluation team for finalists (utilizing same evaluation criteria):	Estimated annual fees based on quoted unit pricing and volumes included in RFP:	Payment terms:	Proposal is offered through:
InfoSend, Inc. 4240 E. La Palma Ave. Anaheim, CA 92807 Marty Bielecki, Sales Executive (239) 768-9588 marty.b@infosend.com	Yes	Yes / 5 (various contractual provisions; submitted proposer's Service Level Agreement for consideration by City)	77.46	87.21	$192,551.40	net 30 days	5/31/2022
LexisNexis VitalChek Network, Inc. 6 Cadillac Drive Suite 400 Brentwood, TN 37027 Jeffrey Piefke, VP and General Manager (615) 372-6850 jpiefke@vitalchek.com	Yes	Proposer takes no exceptions (but submitted proposer's Payment Solutions Service Agreement for consideration by City)	61.99	(not a finalist)	$184,977.60	net 30 days	12/31/2022
One2One Communications, LLC d/b/a OneSource 900 Asbury Drive Buffalo Grove, IL 60089 Peter Walsh, VP of Sales (708) 822-6905 peter.walsh@onlyonesource.com	No (proposer did not acknowledge addenda 2 - 5)	Proposer takes no exceptions	63.50	(not a finalist)	$160,221.60	net 30 days	2/1/2023
Sebis Direct, Inc. 6516 West 74th Street Bedford Park, IL 60638 Michael Jasinski, Sr. Account Executive (312) 243-9300 ext.21 mikejasinski@sebis.com	No (proposal omitted references)	Yes / 1 (pricing for paper to be subject to change)	72.87	78.04	$168,446.40	net 30 days	5/31/2022
Williamsburg Mailing Services, Inc. 1414 Sevierville Road Maryville, TN 37804 Billie J. Garrett, Owner (865) 712-3889 SGarrett@williamsburgmail.com	No (proposer did not acknowledge addenda 2 - 5)	Proposer takes no exceptions (but submitted proposer's Mailing Service Agreement for consideration by City)	79.00	83.91	$180,273.60	net 30 days	7/1/2022

*Shaded submittal is the submittal scored highest by the proposal evaluation team

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

File #: 21-03091

DATE: April 29, 2022

TO: Budget & Finance Committee

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

SUBJECT:

Consideration Of Resolution 2022-27, A Resolution Adopting An Uncollectible Accounts Receivable Write-Off Policy For The City Of Franklin.
Finance 6/10/21, 4-0

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution 2021-96 to adopt an accounts receivable write-off policy for the City of Franklin.

BACKGROUND/STAFF COMMENTS:

Similar to other financial policies, the goal of the write-off policy is to follow best financial and compliance practices and to provide City-wide guidance.

This policy will provide guidance to ensure the most efficient use of City's revenue collection resources. This policy would cover utility service bills; fees, fines and penalties (except those from court); and licenses and permits. (Utility service receivables through June 9, 2022 are attached to illustrate the number of accounts, amounts, and receipts coming from accounts sent to collections.)

FINANCIAL IMPACT:

Although no financial impact, the policy will guide the City in financial and compliance considerations regarding actively pursuing collection of past-due accounts, regularly reviewing the status of past-due accounts, and writing off amounts determined to be uncollectible.

RECOMMENDATION:

Staff recommends that Resolution 2022-27 be recommended to the Board of Mayor and Aldermen for approval.

RESOLUTION 2022-27

A RESOLUTION ADOPTING AN UNCOLLECTIBLE ACCOUNTS RECEIVABLE WRITE-OFF POLICY FOR THE CITY OF FRANKLIN, TENNESSEE

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to adopt an Uncollectible Accounts Receivable Write-Off Policy to provide guidance to ensure the most efficient use of City's revenue collection resources.

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

Section 1. An Uncollectible Accounts Receivable Write-Off Policy, which is attached as Exhibit A, is now hereby adopted for the City of Franklin.

Section 2. Changes or revisions to the policy hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin.

Section 3. The effective date of the policy hereby adopted shall be immediate upon passage and adoption of this resolution, the public welfare and the welfare of the City 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 04.29.22

FRANKLIN
UNCOLLECTIBLE ACCOUNTS RECEIVABLE
WRITE-OFF POLICY

I. PURPOSE

The purpose of this policy is to ensure that all reasonable diligence has been used to collect accounts receivable, improve measurement of the City of Franklin's accounts receivable, and ensure the most efficient use of City's revenue collection resources.

II. POLICY

It is the policy of the City of Franklin to actively pursue collection of past-due accounts receivable, regularly review the status of past-due accounts, and write-off amounts determined to be uncollectible.

III. SCOPE

This policy applies to all City of Franklin departments and funds. Types of receivables covered by this policy include but are not limited to:

1. utility service bills (water, wastewater, reclaimed, stormwater, and sanitation), and
2. fees, fines, and penalties (except those from all courts), and
3. licenses and permits.

IV. PROCEDURES

Collection procedures are established by the responsible departments and will vary depending on the nature of the receivable. Accounts receivable should generally be written-off during the fiscal year in which an account is determined to be uncollectible.

1. Designation of an Account as Uncollectible

An account will be considered uncollectible after the appropriate collection procedures have been followed if it meets one or more of the following criteria:

a. the debt is disputed, and the City of Franklin has insufficient documentation to pursue collection efforts,
b. the cost of further collection efforts will exceed the estimated recovery amount,
c. the debtor cannot be located, nor any of the debtor's assets,
d. the debtor has no assets and there is no expectation they will have any in the future,
e. the debtor has died and there is no known estate or guarantor,
f. the debtor is a company which is no longer in business,
g. the debt is discharged through legal action (bankruptcy or court judgment),
h. the amount is under $5 and remains unpaid after one year,

i. the account remains unpaid after 6 years for non-judgments, 10 years for judgments, or the applicable period for commencement of a recovery action (statute of limitations), or after fifteen (15) years.

2. Request for Write-Offs

a. At fiscal year-end, each department will identify any accounts receivable for which it is responsible that meet the criteria for designation as an uncollectible account. A request for write-off of accounts receivable will be prepared by departmental staff and signed by the department head and Assistant City Administrator of the department, if applicable.

The request for write-off of accounts receivable must include an itemized list of the uncollectible accounts to be written off specifying the following:

i. brief description of receivable type,

ii. debtor name,

iii. account number of the receivable in the City's financial system(s),

iv. account balance,

v. due date, and

vi. criteria under this policy which the account was deemed uncollectible.

b. For each uncollectible account, documentation must be attached to the request to support the uncollectible account designation and substantiate that the department has followed its collection procedures and exercised due diligence in its collection efforts. Due diligence documentation could include:

i. invoices, reminder letters, or collection letters (and any documentation that are returned as undeliverable, no known forwarding address, etc.),

ii. referral to the City of Franklin's collection agency,

iii. notice of discontinuation of services,

iv. bankruptcy claim and any related plan or discharge, and/or

v. judgment awarded by a court or settlement agreement.

3. Approval for Write-Offs

Upon receipt of a request for write-off of accounts receivable by the City Comptroller, Finance Department staff will review the request to ensure that it is complete and that all necessary due diligence documentation has been attached. Once Finance Department staff has completed its review of a request, the qualified accounts to be written-off will be presented for approval:

a. To the Assistant City Administrator/CFO for an account or accounts within a criterion aggregating up to $5.000.

b. To the City Administrator for an account or accounts within a type aggregating within a criterion up to $25.000.

c. To the Board of Mayor and Aldermen for an account or accounts within a type aggregating within a criterion more than $25,000.

4. **Reporting of Write-Offs**

Approved write-offs in a fiscal year will be reported at least annually to the Board of Mayor and Aldermen.

Utility Accounts Receivable
as of June 9, 2022

Delinquency Group	Receivable Statuses	Accounts	Percent	AR Amounts	Percent	Payments Jan-Jun 9,2022	Percent
Not Delinquent	Current	17,685	67.2%	$1,714,385	49.3%	$16,777,859	93.0%
Level 1	Delinquent Notice	683	2.6%	$72,575	2.1%	$446,937	2.5%
Level 2	Call Out	72	0.3%	$9,609	0.3%	$41,854	0.2%
Level 3	Cutoff	633	2.4%	$137,271	3.9%	$411,457	2.3%
Level 4	Lock Out	422	1.6%	$200,757	5.8%	$288,190	1.6%
Level 5	Send Collection Letter	298	1.1%	$49,733	1.4%	$40,634	0.2%
Level 6	Sent Collection Letter	72	0.3%	$21,787	0.6%	$11,222	0.1%
Level 7	Collection Agency Eligible	1,216	4.6%	$217,174	6.2%	$16,439	0.1%
Level 8	Sent to Collection Agency	5,227	19.9%	$1,054,528	30.3%	$940	0.0%
		26,308	100.0%	**$3,477,819**	100.0%	**$18,035,532**	100.0%

Level 8 receivables would be evaluated for write-off using the criteria in this proposed policy.

- **Represents 20% of the accounts outstanding.**
- **Represents 30% of the amounts outstanding.**
- **Represents 0% of amounts collected January through June 9, 2022.**

City of Franklin

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

File #: 21-03263

DATE: May 24, 2022

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration Of Ordinance 2022-20, An Ordinance To Increase From $25,000 To $50,000 The Threshold Over Which Public Advertisement And Sealed Competitive Bids Or Proposals Are Required For Nonemergency, Nonproprietary Purchases.

PURPOSE:

The purpose of this memorandum is to provide the Board of Mayor and Aldermen with information to consider an increase to the dollar amounts of the various purchasing thresholds now in effect as permitted by Tennessee law. Because the dollar amount required for public advertisement and competitive bidding is established in Sec. 5-502 of the City of Franklin Municipal Code, an ordinance is required to amend that provision.

BACKGROUND/STAFF COMMENTS:
Tennessee Code Annotated § 12-3-1212 has been amended by 2022 Public Chapter 1016 of the Tennessee General Assembly, permitting certain local governments to increase to an amount not to exceed fifty thousand dollars ($50,000) the threshold over which public advertisement and sealed competitive bids or proposals are required for nonemergency, nonproprietary purchases. The City of Franklin is one of the eligible local governments.

For the following reasons, staff recommends the Board of Mayor and Aldermen approve Ordinance No. 2022-20 which would increase from $25,000 to $50,000 the threshold over which public advertisement and sealed competitive bids or proposals is required for nonemergency, nonproprietary purchases:

1. While sealed bids and proposals is one means of establishing pricing, it is a more cumbersome process and therefore may preclude obtaining best pricing as soon as possible. As a rule, staff seeks to obtain the best pricing possible for all purchases.
2. There are times when writing specifications and taking bids or issuing a request for proposals is not practical, as for example when only one supplier of a product or service is available. Raising the sealed bid/proposal threshold would increase the spectrum of purchases that may be handled without the need for a formal procurement process.

3. The dollar amount required for public advertisement and competitive bidding was last adjusted on November 23, 2020, effective July 1, 2011, by Ordinance No. 2010-72. The purchasing power of the dollar has been reduced by inflation since that time.
4. Raising the sealed bid/proposal threshold would allow City staff to focus more of its attention on higher valued purchases, thereby allowing for increased efficiency and effectiveness of the purchasing function.

The following table displays the current and proposed purchasing thresholds:

Provision	**Current Threshold**	**Proposed Threshold**
At the discretion of the department head, three quotes, if possible, may be obtained; otherwise, no formal requirement for competitive process	Up to $10,000	Up to $20,000
At the discretion of the department head or purchasing manager, sealed bids or proposals, pursuant or not to public notice, may be obtained; otherwise, obtain three quotes, if possible	At least $10,000, up to $25,000	At least $20,000, up to $50,000
Public notice and sealed bids or proposals required	At least $25,000	At least $50,000

Staff has prepared the attached Ordinance No. 2022-20 which, if approved, would, effective July 1, 2022 or upon passage, whichever is later, amend Sec. 5-502 of the Franklin Municipal Code by increasing from $25,000 to $50,000 the threshold over which public advertisement and sealed competitive bids or proposals is required for nonemergency, nonproprietary purchases. Please note that, because of how the state law is written, the dollar amount of purchases at or above which is required three quotes, if possible, would, if Ordinance No. 2022-20 is approved, automatically increase from $10,000 to $20,000, effective simultaneously.

FINANCIAL IMPACT:

Staff is not aware that the revisions proposed above would have a negative financial impact on the City.

RECOMMENDATION:

Staff recommends that Ordinance 2022-20 be recommended for approval by the Board of Mayor and Aldermen.

ORDINANCE 2022-20

AN ORDINANCE TO INCREASE FROM $25,000 TO $50,000 THE THRESHOLD OVER WHICH PUBLIC ADVERTISEMENT AND SEALED COMPETITIVE BIDS OR PROPOSALS ARE REQUIRED FOR NONEMERGENCY, NONPROPRIETARY PURCHASES.

WHEREAS, the City of Franklin is subject to the provisions of Tennessee Code Annotated § 12-3-1201 *et seq.* (Public Property, Printing and Contracts – Public Purchases – Local Governments); and

WHEREAS, Tennessee Code Annotated § 12-3-1212 has been amended by 2022 Public Chapter 1016 of the Tennessee General Assembly, permitting certain local governments to increase the threshold over which public advertisement and sealed competitive bids or proposals are required for nonemergency, nonproprietary purchases to an amount not to exceed fifty thousand dollars ($50,000); and

WHEREAS, the City of Franklin is one of the eligible local governments; and

WHEREAS, the Board of Mayor and Aldermen has determined that it is in the best interest of the City of Franklin to increase to the statutory limit said threshold applicable to the City.

NOW, THEREFORE:

SECTION I. BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, Tennessee, that Section 5-502 of the Franklin Municipal Code be deleted in its entirety and replaced with the following text:

> Sec. 5-502. Public advertisement and sealed competitive bids and proposals. Pursuant to the authority granted to the City by Tennessee Code Annotated. § 12-3-1212, the threshold over which public advertisement and sealed competitive bids or proposals is required for nonemergency, nonproprietary purchases is hereby established to be $50,000.

SECTION II. BE IT FURTHER ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, Tennessee, that this Ordinance shall take effect July 1, 2022, or upon passage on second reading, whichever is later, the public health, safety and welfare requiring it.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE**
BY: ______________________________	BY: ______________________________
Eric S. Stuckey City Administrator	**Dr. Ken Moore** Mayor

Approved as to form:

____

Maricruz R. Fincher
Staff Attorney

PASSED FIRST READING ____

PASSED SECOND READING ____

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

File #: 21-03300

DATE: June 3, 2022

TO: Budget & Finance Committee

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

SUBJECT:

Discussion Of DRAFT Resolution 2022-40, A Resolution To Rescind Certain Resolutions And Granting New Authority For The City Administrator.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution 2022-40.

BACKGROUND/STAFF COMMENTS:

The Tennessee legislature recently adjusted the threshold for public advertisement and competitive bidding from $25,000 to $50,000, effective July 1, 2022. In the interest of maintaining efficiency throughout the City, this resolution seeks to rescind the previous authority provided to the City Administrator to execute contracts and perform duties on items less than or equal to $25,000 and replace such authority with the authority to execute contracts and perform duties on items less than or equal to $50,000.

FINANCIAL IMPACT:

There is no financial impact to this resolution.

RECOMMENDATION:

Staff recommends that Resolution 2022-44 be recommended to the Board of Mayor and Aldermen for approval.

RESOLUTION 2022-40

A RESOLUTION TO RESCIND CERTAIN RESOLUTIONS GRANTING AUTHORITY TO THE CITY ADMINISTRATOR AND REPLACING SAID RESOLUTIONS AS WELL AS GRANTING NEW AUTHORITIES TO THE CITY ADMINISTRATOR

WHEREAS, over years, the Board of Mayor and Aldermen have granted certain authorities to the City Administrator piecemeal through several resolutions; and

WHEREAS, to aid City Staff to better locate the authorities granted it would be in the best interest of the City to rescind certain resolutions and combine them into one single resolution; and

WHEREAS, the resolutions which should be rescinded are as follows: 2009-25, 2012-05, 2015-20, 2018-80; and

WHEREAS, the Board of Mayor and Aldermen granting the City Administrator authority to execute agreements and contracts up to $25,000.00 which was at the time in keeping with legislation regarding bid laws; and

WHEREAS, in this prior legislative session, a bill was passed that changed the $25,000.00 threshold to $50,000.00, and it would be in the best interest of the City to again mirror that legislation (Public Chapter 1016); and

WHEREAS, it was omitted from prior resolutions that the City Administrator should have the authority to terminate a contract pursuant to the terms of the agreement or contract if the City Administrator has the authority to enter into the agreement or contract; and

WHEREAS, it is proposed that the City Administrator have authority to execute parkland impact fee agreements that are fee only agreements; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to rescind certain resolutions and restate the authorities granted and to grant additional authorities.

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

Section I: Resolutions 2009-25, 2012-05, 2015-20, 2018-80 are rescinded.

Section II: The City Administrator shall have the following duties and authorities:

1. Execute Parkland Impact Fee Agreements that are fee only.
2. Execute agreements or contracts that are $50,000.00 for the full contract term or under.
3. Execute grant applications.
4. Overfill positions when needed to provide time for training when the current employee has noticed their intent to terminate employment or resign so long as the

Law Dept approved 06.16.22

overfill is budget neutral. Authority is granted to overfill up to 5 entry level police officer and firefighter positions.

5. Amend departmental organizational charts so long as the changes are budget neutral.

Section III: The City Administrator shall report all actions the City Administrator takes pursuant to this resolution to the Board of Mayor and Alderman on an agenda as soon as possible.

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 06.16.22

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

File #: 21-03266

DATE: May 24, 2022

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration Of Resolution 2022-41, A Resolution Adopting A Revised Purchasing Policy For City Of Franklin Procurements Not Pertaining To New Construction.

PURPOSE:

The purpose of this memorandum is to present Resolution No. 2022-41, a resolution that would adopt a revised Purchasing Policy for City of Franklin procurements not pertaining to new construction.

BACKGROUND/STAFF COMMENTS:
Staff recommends several changes to the Purchasing Policy for City of Franklin procurements not pertaining to new construction as reflected in the attached document, as follows:

- to update the purchasing policy to reflect the new $50,000 threshold over which public advertisement and sealed competitive bids or proposals are required for nonemergency, nonproprietary purchases as established by Ordinance 2022-20;
- to update the purchasing policy to reflect the new $20,000 threshold over which three quotes are required for purchases;
- to clarify that the three quotes for purchases in the three-quote range are to be from different suppliers and service providers; and
- to otherwise update the policy.

Resolution No. 2022-41 as proposed, including the revised policy as proposed, is attached. Also attached is a red-lined version of the revised policy as proposed. This red-lined version has marked all recommended changes to the text of the policy.

FINANCIAL IMPACT:

Staff is not aware of any adverse financial impact of these proposed policy changes.

RECOMMENDATION:

Staff recommends that Resolution 2022-41 be recommended to the Board of Mayor and Aldermen for approval.

RESOLUTION 2022-41

A RESOLUTION ADOPTING A REVISED PURCHASING POLICY FOR CITY OF FRANKLIN, TENNESSEE, PROCUREMENTS NOT PERTAINING TO THE DESIGN AND/OR CONSTRUCTION OF NEW INFRASTRUCTURE AND FACILITIES

WHEREAS, in 2004, the Board of Mayor and Aldermen of the City of Franklin established methods to comply with the Municipal Purchasing Law of 1983, as amended, and to provide for a more formal process for the procurement of equipment, services, and materials for the operation of municipal government but not pertaining to the design and/or construction of new infrastructure and facilities; and

WHEREAS, on July 26, 2011, the Board of Mayor and Aldermen adopted Resolution No. 2011-26, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 14, 2014, the Board of Mayor and Aldermen adopted Resolution No. 2014-06, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 27, 2015, the Board of Mayor and Aldermen adopted Resolution No. 2014-90, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 28, 2016, the Board of Mayor and Aldermen adopted Resolution No. 2016-24, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 27, 2017, the Board of Mayor and Aldermen adopted Resolution No. 2017-41, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 26, 2018, the Board of Mayor and Aldermen adopted Resolution No. 2018-24, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 25, 2019, the Board of Mayor and Aldermen adopted Resolution No. 2019-49, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on September 24, 2019, the Board of Mayor and Aldermen adopted Resolution No. 2019-82, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 23, 2020, the Board of Mayor and Aldermen adopted Resolution No. 2020-69, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 12, 2021, the Board of Mayor and Aldermen adopted Resolution No. 2020-214, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 22, 2021, the Board of Mayor and Aldermen adopted Resolution No. 2021-91, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin for the purchasing policy to be further revised in order to reflect the new threshold over which public advertisement and sealed competitive bids or proposals are required for nonemergency, nonproprietary purchases as established by Ordinance 2022-20 and to otherwise update the policy.

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

Section 1. The purchasing policy for City of Franklin procurements not pertaining to new construction adopted by Resolution No. 2021-91, and all previous versions of that policy and any subsequent changes or revisions thereto, are hereby repealed in their entirety. In place thereof, the purchasing policy for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities, attached as Exhibit A hereto, is adopted.

Section 2. The Purchasing Manager of the City shall be responsible for the administration and enforcement of the policy hereby adopted.

Section 3. Changes or revisions to the policy hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin.

Section 4. The effective date of the policy hereby adopted shall be July 1, 2022, or the effective date of Ordinance No. 2022-20, whichever is later, the public welfare and the welfare of the City requiring it.

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

ATTEST:

By: ______________________________________
Eric S. Stuckey
City Administrator / City Recorder

CITY OF FRANKLIN, TENNESSEE:

By: ______________________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________________
Maricruz R. Fincher
Staff Attorney

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

A. General Provisions

This City of Franklin ("City") Purchasing Policy shall apply to the purchase of materials, supplies, vehicles and equipment, the purchase of services other than those pertaining to the design and/or construction of new infrastructure and facilities, leases and lease-purchases, and the disposal and transfer of surplus personal property, all for the proper conduct of the City's business.

All contracts, leases and lease-purchase agreements are subject to the approval of the Board of Mayor and Aldermen, unless otherwise provided by resolution or ordinance. Any contracts, leases and lease-purchase agreements extending beyond the end of the current fiscal year shall be so noted prior to consideration by the Board of Mayor and Aldermen.

Whenever the City undertakes its own competitive procurement process for the procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities, then the City is hereby authorized to utilize the one or more of the following procurement methodologies best suited for the intended procurement:

- request for quotations (not for purchases valued at $50,000 or more)
- solicitation for bids
- request for proposals
- request for qualifications

This Purchasing Policy is intended to promote the public interest and preserve and enhance the public trust by establishing a transparent procurement system by which the City conducts its non-construction related purchasing, and by providing vendors (including suppliers, service providers and contractors) with a fair forum for competing for City business.

B. Responsibilities of Departments

The following are the responsibility of each department:

1. Departments shall be responsible for purchases and projects valued less than $50,000. (In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered.)
2. Departments shall use pricing established pursuant to City procurement awards or Tennessee statewide contracts (SWCs) if and as available. The use of pricing established by cooperative purchasing arrangements approved by the City Administrator for use by the City, as well as pricing established by other Tennessee local governments pursuant to a competitive process involving "public advertisement" (hereby defined to mean the same as that term is used in T.C.A. § 6-56-301 *et seq.*, the Tennessee Municipal Purchasing Law of 1983, as it may be amended from time to time) and sealed submittals, are acceptable alternatives and may be used in lieu of competitive pricing established by the City or the State.
3. Departments shall coordinate with the Purchasing Office and/or the Finance Department as to the method of payment that best meets the needs of the City.

Purchasing Policy

<u>for City of Franklin procurements not pertaining to new construction</u>

4. Before placing an order for any non-emergency purchase valued at or greater than $20,000, departments shall prepare and submit a requisition, on the form prescribed by the Purchasing Office, and await approval thereof. For orders for emergency purchases valued at or greater than $20,000, the requisition may be completed within ten (10) calendar days after placing the order (see also provision D, "Circumstances under which competitive pricing is not required," subsections 2 and 18, provision K, "Emergency Purchases," and provision Y ("Emergency policies and procedures")).
5. Purchases valued less than $50,000 but not less than $20,000 shall not be made unless and until, wherever possible, the department shall have obtained and forwarded to the Purchasing Manager competitive quotations from at least three (3) vendors, said quotations to be either supplied in writing by the vendor or reduced to writing by the department, accompanied by a tabulation of the comparative aspects of the quotations obtained, a recommendation as to which quotation should be accepted and a requisition for the recommended quotation. As an alternative to obtaining competitive quotes from at least three (3) vendors, departments may use any of the procurement methodologies approved for usage for purchases valued at $50,000 or more.
6. All foreseeable purchases, including those valued less than $20,000, should not be made unless and until the department head or his or her authorized representative is satisfied that the value of the purchase is fairly priced and not more than what would be expected in the current marketplace. At the discretion of the department head or his or her authorized representative, for foreseeable purchases valued less than $20,000, the department should, whenever it is prudent to do so, obtain multiple competitive quotations, said quotations to be either supplied in writing by the vendor or reduced to writing by the department.
7. As soon as practicable but within ten (10) calendar days of receipt of items ordered, departments shall be responsible for verifying that the items conform to the order. The process for taking delivery of items is as follows:
   - **a.** Inspect the goods to verify that they are in acceptable condition.
   - **b.** Verify that all operating manuals and warranty cards are included in the delivery of the goods, if applicable.
   - **c.** Verify that the number of items ordered have been delivered, making special note when all or part of a particular order has been back-ordered.
   - **d.** Ensure that purchases of capital assets of the City have been properly reported, either directly or indirectly, to the Finance Department and the City's Risk Manager and, if rolling stock, Fleet Maintenance, on forms prescribed by those respective offices, so that records of such purchases may be updated, insurance coverage may be obtained, and vehicle tags may be obtained, all in a timely manner.
8. Regardless of method of payment, departments shall be responsible for reviewing, approving and allocating to the proper budget code all invoices authorized for payment.
9. It shall be the responsibility of each department to allow time for competitive solicitation, ordering and delivery pursuant to this Purchasing Policy.
10. No employee shall make any indication that he/she will recommend a particular product for purchase, knowingly bind the City to a specific vendor, or make any representation as to his or her authority to bind the City by contract when such is not the case.

C. Responsibilities of Purchasing Manager

The following are the responsibility of the Purchasing Manager:

1. The Purchasing Manager shall assist all departments in purchasing operating materials, supplies, vehicles, equipment and services to which this Purchasing Policy applies.
2. The Purchasing Manager shall be responsible for facilitating the competitive process by which all purchases to which this Purchasing Policy applies and valued at or greater than $50,000 are made.
3. For all purchases to which this Purchasing Policy applies and valued at or greater than $20,000, the Purchasing Manager shall advocate the purchase of required products and services only either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City.
4. The Purchasing Manager shall advise the departments about the source and availability of products and services needed by the various departments.
5. The Purchasing Manager shall provide current vendor files available for use and review by departments.
6. The Purchasing Manager shall, upon request, obtain prices on comparable items.
7. The Purchasing Manager shall provide vendor lists, prepare Purchase Orders as necessary, and maintain orderly files.
8. The Purchasing Manager shall be alert on an ongoing basis for new sources and for improved products and services.
9. The Purchasing Manager shall assist the departments in the preparation of specifications for solicitations for bids and the requirements provisions of requests for proposals and requests for qualifications.
10. For formal procurement solicitations, the Purchasing Manager shall prepare and submit for timely publication all legal notices. To promote competition and facilitate the dissemination of documents and information pertaining to formal procurement solicitations, the Purchasing Manager shall post on the City's public website timely information about current formal procurement solicitations.
11. The Purchasing Manager shall periodically review the City's recent records of repetitive purchases, over time, across the organization and across suppliers and service providers, of like products and services, and shall advocate the City consolidate and aggregate its purchase of as many foreseeably necessary like products and services as practicable so to improve pricing for the City, to improve services provided to the City, and/or to reduce the City's cost of operations.
12. To the extent practicable, the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.
13. The Purchasing Manager shall investigate complaints from departments of poor performance by vendors, or complaints about inferior products, and shall, in consultation with the City's Law Department, choose which, if any, remedies are available to the City to pursue.
14. The Purchasing Manager shall be responsible for disposing of the City's surplus personal property of any value, regardless of whether the property was acquired and came to be owned by the City by means of purchase or donation or otherwise, by means of a competitive process and in compliance with City ordinance, except in cases involving data security or other mitigating circumstances. The Purchasing Manager shall develop the appropriate documentation for the Finance Department in accordance with the City Code.
15. The Purchasing Manager shall be responsible for administering and overseeing the City's Purchasing Card program.

16. The Purchasing Manager shall be responsible for otherwise administering and complying with this Purchasing Policy and applicable Tennessee state law, specifically T.C.A. § 6-56-301 *et seq.* (Tennessee Municipal Purchasing Law of 1983) and T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments), as it may be amended from time to time, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined.

D. Circumstances under which competitive pricing is not required

Under any of the following circumstances, competitive pricing (sealed bids or proposals pursuant to public advertising if valued at or greater than $50,000; competitive quotes from at least three (3) vendors wherever possible if valued less than $50,000 but not less than $20,000) is not required. Under any of these same circumstances, neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen is required unless such is otherwise required pursuant to this policy.

1. Authorized sole-source purchases (see provision L, "Sole-Source Purchases").
2. Authorized emergency expenditures (see provision K, "Emergency Purchases"; see also provision D ("Circumstances under which competitive pricing is not required"), subsection 18, and provision Y ("Emergency policies and procedures")).
3. Purchases from instrumentalities created by two (2) or more cooperating governments, such as, but not limited to those established pursuant to T.C.A. § 12-9-101, *et seq.* (Life Cycle Cost and Procurement Act of 1978).
4. Purchases from non-profit corporations whose purpose or one of whose purposes is to provide products and services specifically to municipalities, as provided in T.C.A. § 6-56-302.
5. Purchases, leases or lease-purchases of real property, as provided by City ordinance and state law.
6. Purchases, leases, or lease-purchases of used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities, as provided in T.C.A. § 12-3-1202.
7. Purchases of supplies, goods, equipment (except new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in T.C.A. § 12-3-1208) and/or services (except any transportation infrastructure project, including, but not limited to, projects for the construction or improvement of streets, highways, bridges, tunnels, or any roadway related facility), pricing for which has been established by other units of Tennessee local government, as provided in T.C.A. § 12-3-1203(a) and 12-3-1203(c).
8. Purchases pursuant to Tennessee Department of General Services statewide contracts (SWCs) authorized for use by Tennessee local governments.
9. Purchases from Tennessee Rehabilitative Initiative in Correction (TRICOR).
10. Professional service contracts, as provided in T.C.A. § 12-3-1209.
11. Other professional services, including actuarial, architectural design, financial and compliance audit, engineering design, financial advisory, legal counsel and medical.
12. Tort liability insurance, as provided in T.C.A. § 29-20-407.
13. Purchase of fuels, fuel products or perishable commodities, as provided in T.C.A. § 6-56-304.
14. Purchases based on contracts established by a cooperative purchasing arrangement recognized by the City pursuant to Resolution No. 2009-50, as provided in T.C.A. § 12-3-1205.
15. Purchases based on contracts established by the United States General Services Administration (GSA) and authorized by GSA for use by US local governments, except as may be prohibited by applicable Tennessee statute.
16. Other arrangements and methods pursuant to Tennessee and/or federal law.

17. Fees paid by the City for products and services provided to the City by the State of Tennessee, other units of local government, and public utilities and utility districts.

18. Purchases made during a declared state of emergency that applies to the City but only if specific conditions prevent the establishment of competitive pricing; provided, however, that if the emergency purchase is valued at or greater than $50,000 both the purchase and the specific conditions that prevented the establishment of competitive pricing shall, as soon as practicable, be reported to the Board of Mayor and Aldermen (see also provision D ("Circumstances under which competitive pricing is not required"), subsection 2, provision K, "Emergency Purchases"), and provision Y ("Emergency policies and procedures").

E. Rejection of Bids, Proposals or Other Submittals

The Purchasing Manager shall recommend to the Board of Mayor and Aldermen to reject any and all bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office, or parts thereof, for any product or service to which this Policy applies, whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager believes the public interest would be best served by such rejection. The Purchasing Manager shall recommend to the Board of Mayor and Aldermen that it reject any such submittal of a vendor or contractor who is in default on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the City by the vendor or contractor whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager becomes aware of such default.

F. Conflict of Interest, Use of Position, Solicitation

There are several sources of law and regulations, as they may be amended from time to time, that apply to conflicts of interest, use of position and solicitation. They are incorporated by reference and adopted as if fully stated herein.

a. City Charter

Article VIII ("Finance"), Section 16 ("Officers not to be Interested in City Contracts or Work") of the City of Franklin Charter reads as follows:

> No member of the Board of Mayor and Aldermen, or officer elected by said Board, shall be interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and cannot be enforced.

b. City of Franklin Municipal Code

Title 1 ("General Administration"), Chapter 8 ("Ethics") of the City of Franklin Municipal Code sets forth the Code of Ethics for the City of Franklin, which applies to all full-time and part-time elective or appointed officials and employees of the City.

c. City of Franklin Regulations

Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads as follows:

Except for the receipt of such compensation as may be lawfully provided for the performance of City duties, and except as noted below, no City officer or employee shall be privately interested in or profit, directly or indirectly, from business dealings with, of, or by the City.

Full-time, part-time, and temporary employees of the City may contract to supply goods and products to the City and/or render services for the City, provided:

1. any service that would be rendered must not be one the employee might provide in the normal scope of their regular duties;
2. the employee would be required to compete for the City's business in the same manner as any other prospective supplier or service provider;
3. the business relationship between the City and the employee must not present a conflict of interest nor a conflict of time with the employee's regular duties;
4. the business relationship between the City and the employee is not prohibited by the City's ethics policy; and
5. the business relationship between the City and the employee is authorized in advance by the City Administrator, and if the relationship is to be for more than one (1) year, it is annually re-authorized by the City Administrator.

Article XXI ("General Policies and Procedures"), Section I ("Use of Position"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads in part as follows:

No employee shall make or attempt to make private purchases in the name of the City, nor otherwise use or attempt to use status as a City employee to secure unwarranted privileges or exemptions.

Article XXI ("General Policies and Procedures"), Section F ("Acceptance of Gratuities"), of the City's Human Resource Manual, as it may be amended from time to time, reads in part as follows:

No employee shall accept or solicit any money or other consideration or favor from anyone other than the City for the performance of an act that the officer or employee would be required or expected to perform in the regular course of employment; nor shall any officer or employee accept, directly or indirectly, any gift, gratuity, or favor of any kind that might reasonably be an attempt to influence the individual's actions with respect to City business.

d. <u>Statutes</u>

Certain Tennessee statutes may apply to purchases involving city officers, committee members, etc. Selected Tennessee statutes may be found in Appendix A to this Purchasing Policy attached hereto for reference.

G. City Officer and Employee Communication with Vendors During Formal Procurement Solicitations for Sealed Submittals

Between the time a formal procurement solicitation for sealed submittals is issued by the City and the time an award is made, members of the Board of Mayor and Aldermen as well as employees of the City shall refrain from any form of communication with one or more vendors that may be competing for the award about any aspect of the procurement other than either in the context of a public meeting or by way of the Purchasing Office. The foregoing is not meant to preclude a representative of the City from answering questions from vendors if the question is already addressed in the formal solicitation documents, if the City representative is certain of the correct answer and if the Purchasing Office is informed of the communication. Otherwise, any inquiries from one or more vendors that may be competing for such an award shall be directed to the Purchasing Office which shall determine if an addendum to the formal procurement solicitation should be prepared and issued to all vendors known or thought to be interested in the procurement opportunity. Vendors that may be competing for an award pursuant to a formal procurement solicitation shall be instructed that, until that award has been made, they shall not communicate about either the content of or the procurement process pertaining to the relevant formal procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

H. City Officer and Employee Business Dealings with the City

See Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resources Manual.

See also Title 1 ("General Administration"), Chapter 8 ("Ethics"), of the City of Franklin Municipal Code.

I. Tie Bids and Tie Quotes

Whenever the City utilizes its own competitive process, and in the event of tie bids or tie quotes (that is, when two or more responsible bidders or quoters submit responsive bids or quotes at identical total pricing for the minimum or estimated quantity indicated), then the tie bids or tie quotes shall be broken by means of one of the following methods, in descending order:

1. The award shall be made to the vendor who bid or quoted the soonest delivery of the product or completion of the service of all the vendors submitting the tie bids or tie quotes.
2. The award shall be made to the vendor who offered the pricing for the longest period of time for potential future orders of all the vendors submitting the tie bids or tie quotes.
3. If one or more of the vendors submitting the tie bids or tie quotes competed for the City's business the last time the City solicited bids or quotes for the same product or service, then the award shall be made to the vendor who offered the lowest pricing at that time of all the vendors submitting the tie bids or tie quotes.
4. If one or more of the vendors submitting the tie bid or tie quote have done business with the City within the most recent 24 months, then the award shall be made to the vendor who has done the most business with the City (measured in dollars) in that time frame of all the vendors submitting the tie bids or tie quotes.
5. The award shall be made by means of random selection, such method to be administered by the Purchasing Manager and to give equal opportunity to all the vendors submitting the tie bids or tie quotes.

J. Determining Responsible Respondents and Responsive Submittals

Whenever the City utilizes its own competitive process, products and services shall be purchased either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City. (The term "responsible bidder or quoter" and the term "responsible proposer or other respondent" shall mean a business entity or individual determined by the City to have the integrity and reliability as well as the financial and technical capacity to perform the requirements of the procurement solicitation and subsequent contract. The term "responsive bid or quote" and the term "responsive proposal or other submittal" shall mean a submittal determined by the City to fully conform in all material respects to the procurement solicitation and all of its requirements, including all form and substance.) In determining whether a competing respondent is responsible and whether the submittal is responsive, criteria such as the following may be taken into consideration:

1. The ability of the competing vendor to perform the contract or provide the material or service required.
2. Whether the competing vendor can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgment, experience, expertise and efficiency of the competing vendor.
4. The previous and existing compliance by the competing vendor or a predecessor in interest with laws and ordinances relating to the contract or service.
5. The quality of the competing vendor's performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector customers.
6. The sufficiency of financial resources and the ability of the competing vendor to perform the contract or provide the service.
7. The ability of the competing vendor to provide future maintenance and service for the use of the materials, supplies, vehicles, equipment or contractual service contracted.
8. Compliance by the competing vendor with all specifications included in the solicitation for bids or with all requirements included in the request for proposals or request for qualifications.
9. The ability of the competing vendor to deliver and maintain any requisite bid bonds or performance bonds.

K. Emergency Purchases

When in the judgment of the City Administrator, the department head or the Purchasing Manager there exists an emergency impinging on public health, safety or welfare and a purchase valued at or greater than $20,000 is necessary, then the competitive purchasing provisions contained in this Purchasing Policy may be waived; provided, however, that if the emergency purchase is valued at or greater than $50,000 it shall, as soon as practicable, be reported to the Board of Mayor and Aldermen.

The emergency basis for pricing should be used only if necessary. Purchases that qualify as emergencies are to be based on emergency pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available. (See also provision D ("Circumstances under which competitive pricing is not required"), subsections 2 and 18, and provision Y, "Emergency policies and procedures.")

L. Sole-Source Purchases

In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered. To the extent practicable, departments and the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.

The sole-source basis for pricing should be used only if necessary or financially advantageous to the City. Except when financially advantageous to the City to do otherwise, purchases that qualify as sole-source are to be based on sole-source pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available.

Sole-source purchases valued at less than $20,000 may be authorized by the end-user department. Sole-source purchases valued at less than $50,000 but not less than $20,000 may be authorized by the Purchasing Manager upon being satisfied that it is not possible to obtain competitive quotations from at least three (3) vendors. Except as noted in this provision L ("Sole-Source Purchases"), sole-source purchases valued at or greater than $50,000 may not be made unless and until individually authorized by the Board of Mayor and Aldermen. Authorized sole-source purchases do not require sealed bids or proposals pursuant to public advertising. The criteria for evaluating sole-source purchases valued at or greater than $20,000 are presented in Appendix B to this Purchasing Policy. Sole-source purchases pertaining to circumstances under which sealed bids or proposals pursuant to public advertising are not required, as same are listed in provision D ("Circumstances under which competitive pricing is not required"), even if valued at or greater than $50,000, require neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen unless otherwise required to be authorized or reported pursuant to this policy.

Sole-source purchases valued at or greater than $50,000 that do not require individual authorization by (but which shall, as soon as practicable, still be reported to) the Board of Mayor and Aldermen include:

a. Repairs to, maintenance of, licenses for and/or maintenance agreements for products already in use by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: engine repairs made by the manufacturer or the manufacturer's representative for a vehicle; license and maintenance agreements for computer software.

b. Purchases of items necessary to maintain, expand or improve a manufacturer-specific system already in use by the City, and/or another governmental agency with which the City must cooperate in order to provide the public service relevant to the proposed purchase, and that requires interchangeability or interconnectivity of and/or communication between the component parts, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: water meters and related parts; traffic signal equipment and related parts; athletic field lighting (and related parts) connected to a centralized master control; automated external defibrillators; cardiac monitors; telemetry/supervisory control and data acquisition equipment.

c. Purchases of items that have, for good and sufficient reason, previously been standardized by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: low-pressure wastewater collection grinder pumps and related parts; self-contained breathing apparatus; vehicle exhaust evacuation systems at individual fire stations, including installation if only one authorized installer is assigned to serve the City; vehicle extrication equipment.

M. Purchasing Card Program

The Purchasing Card Program shall be administered by the Purchasing Manager pursuant to procedures established therefor. Department heads shall determine which employees of their department shall be issued City purchasing cards. Employees who are authorized and expected to travel on behalf of the City and at the City's expense shall be issued purchasing cards and are expected to use same in lieu of being given travel advances.

Employees' participation in the City's Purchasing Card Program is a privilege and a convenience that includes certain responsibilities. Although the purchasing card is issued in the cardholder's name, it is City property and therefore must be used in accordance with City policy and rules, as well as with objectively reasonable judgment, especially as follows:

1. The City of Franklin Purchasing Card is provided to employees based on their need to purchase authorized goods and services. A card may be revoked at any time based on change of assignment or location. The card is neither an entitlement nor a reflection of title or position.
2. The card may be used only for authorized obligations of the City; use of the card for a purchase other than an authorized obligation of the City (such as personal purchases as well as alcoholic beverages and entertainment), even if intended for future reimbursement, are specifically prohibited.
3. Purchases made with the card are to comply with City purchasing and disbursements policies and procedures. Such City procurement rules as the need for procurement requisitions, the basis for pricing, contracting, whether a certificate of insurance is necessary to require of the service provider, adequacy of budgeted funding, and timing of payment relative to delivery of the product or service, all apply regardless of method of payment (such as by purchasing card).
4. The cardholder is the only person entitled to use the card and is accountable for all charges attributable to the card.
5. Cardholders are expected to exercise objectively reasonable judgment in deciding whether to make a purchase by considering (a) whether the potential purchase is prudent and necessary, and (b) whether the potential purchase would reflect well on the City and the cardholder, and be perceived by the general public as suitable and appropriate. Improper use of a City purchasing card, especially intentional and unreported but even unintentional and reported, including personal purchases as well as alcoholic beverages and entertainment, even if reimbursed, may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.
6. Except for (a) purchases made outside Tennessee, (b) purchases of non-catered prepared meals, and (c) purchases related to travel, the City purchaser/cardholder is responsible for ensuring that the transaction is completed without sales tax being charged to the City. If a transaction has been completed on which sales tax was charged in error, then the cardholder is responsible for contacting the vendor and requesting that the amount of the sales tax be credited back to the same City purchasing card to which the sales tax was charged. Documentation of this effort, and of the vendor's response, shall be submitted in addition to the supporting documentation for the transaction.

7. Cardholders are expected to comply with internal control procedures in order to protect the City's assets. This includes (a) not permitting anyone other than the cardholder to use the card; (b) making sure that each transaction is electronically processed in full and on time in the purchasing card expense reporting system utilized by the City; (c) keeping and submitting on time detailed invoices or itemized payment receipts that substantiate each and every charge attributed to the purchasing card issued to the cardholder; (d) assisting the City upon request with reconciling the City's billing cycle statements; and (e) taking reasonable precautions to secure the purchasing card against loss and/or theft.
8. If electronic processing of a purchasing card transaction is not completed by the deadline and the Purchasing Office has not been previously notified of the need for a delay, then the monthly credit limit for the respective purchasing card may be reduced to $0 until the processing is complete. This consequence applies to any transaction that has not been coded, explained with a comment, and approved by the individual assigned to approve purchasing card transactions for that cardholder. Credit limits will be restored to the previous amounts once electronic processing is complete.
9. Failure to submit on time adequate and legible supporting documentation for each transaction or to otherwise comply with City rules will carry consequences, possibly including reduction or loss of card spend authority, reimbursement of the City by the employee for unauthorized and/or unsubstantiated purchases, and/or disciplinary action, up to and including termination.
10. Cardholders are responsible for cooperating with efforts by the City to resolve any discrepancies by contacting the vendor and/or the issuing bank.
11. A lost or stolen purchasing card shall, as soon as practicable upon discovery of the loss or theft, be reported to the City Purchasing Office and/or the issuing bank.
12. A cardholder must surrender his or her card upon termination of employment (i.e., retirement or voluntary or involuntary separation).

N. Payment for Purchases

All payments to vendors and service providers shall be made by one of the City's available methods of payment in accordance with City purchasing and disbursements policies and procedures.

O. Use of Internet Auctions for Purchases of City Property

The use of internet auctions is generally prohibited as a method for making City purchases unless specifically authorized in advance by the City Administrator.

P. Vendor Protests

Vendor protests shall be handled in accordance with the City's Vendor Protest Procedure for procurements not pertaining to new construction, as approved by resolution of the Board of Mayor and Aldermen.

Q. Disciplinary Action

Any employee who fails or refuses to comply with the provisions of this Purchasing Policy shall be subject to disciplinary action pursuant to and as provided in the Human Resources Manual, as it may be amended from time to time.

R. Requests for Proposals

Requests for competitive sealed proposals shall be used pursuant to T.C.A. § 12-3-1207 and may be used only when qualifications, experience, or competence are more important than price in making the purchase, and either (1) when there is more than one (1) solution to a purchasing issue and competitive sealed proposals would assist in choosing the best solution; or (2) when there is no readily identifiable solution to a purchasing issue and competitive sealed proposals would assist in identifying one (1) or more solutions. The request for competitive sealed proposals shall state the relative importance of price and other evaluation factors. The award shall be made to the responsible respondent whose proposal the governing body determines is the most advantageous to the City, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation.

S. Requests for Qualifications

Requests for qualifications may be used pursuant to T.C.A. § 12-3-1209 for legal services, fiscal agent, financial advisor or advisory services and similar services by professional persons or groups of high ethical standards, or pursuant to T.C.A. § 12-4-107 for architectural, engineering and construction services.

T. Procurement of Property and/or Services under a Federal Award

When procuring property and/or services under a Federal award, the City shall follow applicable provisions of 2 CFR Chapter I and Chapter II, Part 200, et al. ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule"), as promulgated December 26, 2013 by Executive Office of the President, Office of Management and Budget, namely sections 200.318 ("General procurement standards") through 200.326 ("Contract provisions").

U. Requests to inspect and/or obtain either complete or partial copies of purchasing-related records

1. Sealed bids, requests received during protest period: After opening sealed bids submitted to and received by the City in response to a formal procurement solicitation for bids facilitated by the City Purchasing Office, but not later than the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to such a procurement solicitation:

   a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such bids shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.

   b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such bids shall be made pursuant to the City's public records request policy and procedure.

2. Sealed proposals and statements of qualifications and certain related records, requests received during protest period: After the City issues a notice of intent to award a pending procurement as a result of a formal procurement solicitation facilitated by the City Purchasing Office and involving a personal service, professional service, or consultant service request for proposals or request for qualifications solicitation that resulted in proposals or statements of qualifications having been submitted to and received by the City, but not later than the seventh calendar day after the City issues such a notice of intent to award:

a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be made pursuant to the City's public records request policy and procedure.

3. Sealed submittals (except any that have been attached to a City contract that has been posted on the City's website), requests received after protest period: After the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of bids, proposals or other vendor submittals, except any such documents that have been attached to a City contract that has been posted on the City's website (see provision U ("Requests to inspect and/or obtain either complete or partial copies of purchasing-related records"), subsections 4.a and 4.b), shall be made pursuant to the City's public records request policy and procedure.

4. Other purchasing-related City records:

a. Other than between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party, and so honoring such a request may but need not involve the use of the City's public records request policy and procedure.
b. Between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office in accordance with fair practices (e.g., timely preparation and issuance of an addendum with the requested record(s) attached) established by the City Purchasing Office, and so honoring such a request shall not involve the use of the City's public records request policy and procedure.
c. At any time, for all purchasing-related City records other than those pertaining to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either

complete or partial copies of such records shall be made pursuant to the City's public records request policy and procedure.

V. Multiple-Contract Awards

When advantageous to the City to do so, the City may issue multiple-contract awards, that is, contracts awarded to more than one supplier and/or service provider for comparable supplies and/or services, provided the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing apply for the total value of all contracts issued for the multiple-contract award.

W. Donated or below-market-priced products or services

If in the judgment of the department head or city administrator a potential donation or a product or service otherwise priced below market would be a benefit to the City, then the City may receive donated or below-market-priced products, whether new or used, or services, provided:

1. The transaction complies with provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the transaction value of the donation.
2. The transaction is documented, such as by purchase order or other contract.
3. The transaction documentation states:
    a. That the donation is offered free and clear to the City of Franklin, Tennessee without any expectation of any payment or service or any other consideration in return, including consideration for past or future procurements of or by the City.
    b. That the donor is not entitled to, and shall not seek, any marketing or advertising or promotional privilege or benefit as a result of the donation.

This section does not pertain to sponsorships or other advertising sold and/or received by the City.

X. Trade-ins

The Franklin Municipal Code provision pertaining to the disposal of surplus personal property of the City does not pertain to any trade-in of a product owned by the City toward the purchase of another product provided the purchase of the other product complies with the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the value of the purchase before the value of any trade-in is applied.

Y. Emergency policies and procedures

During a declared state of emergency that applies to the City, the City Administrator may suspend this Purchasing Policy and/or the Purchasing Manager may suspend standard purchasing procedures administered by the Purchasing Manager and implement temporary policies and procedures as circumstances warrant; provided, however, (a) that any suspension of this Purchasing Policy, the rationale for such suspension and any temporary policies shall, as soon as practicable, be reported to the Board of Mayor and Aldermen, and (b) that, to the extent practicable, any such temporary policies and procedures shall deviate from this Purchasing Policy and such standard purchasing procedures no more than necessary under the circumstances. (See also provision D ("Circumstances under which competitive pricing is not required"), subsections 2 and 18, and provision K, "Emergency Purchases.")

Z. Openings of sealed bids, proposals or other submittals

Sealed bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office and pursuant to public advertising, if valued at or greater than $50,000, shall be opened publicly and may be conducted either (1) in person only or (2) virtually only, by means of an online meeting application that includes both audio/video access via an internet link as well as audio-only access via telephone, rather than in person, or (3) both in person and virtually. How each opening is to be conducted shall be addressed in writing in the relevant procurement solicitation, including any addenda to the procurement solicitation that may be issued. Whenever the opening is conducted either virtually only or both in person and virtually, in order to reduce the opportunity for persons to use any online virtual meeting application as a means for disrupting the opening, the ability for persons attending virtually to be viewed and/or heard by other attendees of such opening may be restricted by, and granted only upon request approved by, the Purchasing Office.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX A
SELECTED TENNESSEE STATUTES APPLYING TO OFFICERS, COMMITTEE MEMBERS, ETC.

T.C.A. § 6-54-107. Interest of officer in municipal contracts prohibited.

a. No person holding office under any municipal corporation shall, during the time for which such person was elected or appointed, be capable of contracting with such corporation for the performance of any work that is to be paid for out of the treasury. Nor shall such person be capable of holding or having any other direct interest in such a contract. "Direct interest" means any contract with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

b. No officer in a municipality shall be indirectly interested in any contract to which the municipality is a party unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality.

c. 1. Any member of a local governing body of a municipality who is also an employee of the same municipality may vote on matters in which such member has a conflict of interest if the member informs the governing body immediately prior to the vote as follows: "Because I am an employee of (name of governmental unit), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to my constituents and the citizens this body represents."

2. In the event a member of a local governing body of a municipality has a conflict of interest in a matter to be voted upon by the body, the member may abstain for cause by announcing such to the presiding officer. Any member of a local governing body of a municipality who abstains from voting for cause on any issue coming to a vote before the body shall not be counted for the purpose of determining a majority vote.

3. The vote of any person having a conflict of interest who does not inform the governing body of such conflict as provided in subdivision (c)(1) shall be void if challenged in a timely manner. As used in this subdivision (c)(3), "timely manner" means during the same meeting at which the vote was cast and prior to the transaction of any further business by the body.

4. Nothing in this subsection (c) alters, amends, or otherwise affects § 12-4-101(a). In the event of any conflict between this subsection (c) and § 12-4-101(a), § 12-4-101(a) shall prevail.

5. The legislative body of any metropolitan form of government or charter form of government may opt out of this subsection (c) by resolution.

T.C.A. § 6-54-108. Penalty for unlawful interest of officer.

Every officer of such corporation who shall unlawfully be concerned in making such contract, or who shall unlawfully pay money upon the same to or for any person declared incapable in § 6-54-107, shall forfeit the amount so paid; and such officer shall be jointly and severally liable to an action for the same, which action may be prosecuted by any citizen of the corporation in its name.

T.C.A. § 12-4-101. Personal interest of officers prohibited.

(a) (1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

….

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

….

T.C.A. § 12-4-102. Penalty for unlawful interest.

Should any person, acting as such officer, committee member, director, or other person referred to in § 12-4-101, be or become directly or unlawfully indirectly interested in any such contract, such person shall forfeit all pay and compensation therefor. Such officer shall be dismissed from such office the officer then occupies, and be ineligible for the same or a similar position for ten (10) years.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX B
SOLE-SOURCE PURCHASES VALUED AT OR GREATER THAN $20,000

Sole-source purchases valued at or greater than $20,000 shall be made only when an item is unique and possesses specific characteristics that can be filled by only one source and must have prior approval by the Purchasing Manager or, if the purchase is valued at or greater than $50,000, then the Board of Mayor and Aldermen except as detailed in provision L, "Sole-Source Purchases." In determining whether to authorize sole-source purchases valued at or greater than $20,000, factors such as the following shall be considered:

1. whether the vendor possesses exclusive and/or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
2. whether the product or service is unique and easily established as one-of-a-kind;
3. whether the program requirements can be modified so that competitive products or services may be used;
4. whether the product is available from only one source and not merchandised through wholesalers, jobbers or retailers; and
5. whether items must be interchangeable or compatible with in-place items.

After review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or several of the above criteria, and so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated, then, in lieu of competitive purchasing procedures, the Purchasing Manager shall either authorize the sole-source purchase or, if the purchase is valued at or greater than $50,000, then forward the request to the Board of Mayor and Aldermen for its consideration except as detailed in provision L, "Sole-Source Purchases."

Based in part on Rule No. 0690-3-1-.03(3) of Rules of the Tennessee Department of General Services, Purchasing Division.

HISTORIC FRANKLIN TENNESSEE

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

A. General Provisions

This City of Franklin ("City") Purchasing Policy shall apply to the purchase of materials, supplies, vehicles and equipment, the purchase of services other than those pertaining to the design and/or construction of new infrastructure and facilities, leases and lease-purchases, and the disposal and transfer of surplus personal property, all for the proper conduct of the City's business.

All contracts, leases and lease-purchase agreements are subject to the approval of the Board of Mayor and Aldermen, unless otherwise provided by resolution or ordinance. Any contracts, leases and lease-purchase agreements extending beyond the end of the current fiscal year shall be so noted prior to consideration by the Board of Mayor and Aldermen.

Whenever the City undertakes its own competitive procurement process for the procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities, then the City is hereby authorized to utilize the one or more of the following procurement methodologies best suited for the intended procurement:

- request for quotations (not for purchases valued at ~~$25,000~~$50,000 or more)
- solicitation for bids
- request for proposals
- request for qualifications

This Purchasing Policy is intended to promote the public interest and preserve and enhance the public trust by establishing a transparent procurement system by which the City conducts its non-construction related purchasing, and by providing vendors (including suppliers, service providers and contractors) with a fair forum for competing for City business.

B. Responsibilities of Departments

The following are the responsibility of each department:

1. Departments shall be responsible for purchases and projects valued less than ~~$25,000~~$50,000. (In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered.)
2. Departments shall use pricing established pursuant to City procurement awards or Tennessee statewide contracts (SWCs) if and as available. The use of pricing established by cooperative purchasing arrangements approved by the City Administrator for use by the City, as well as pricing established by other Tennessee local governments pursuant to a competitive process involving "public advertisement" (hereby defined to mean the same as that term is used in T.C.A. § 6-56-301 *et seq.*, the Tennessee Municipal Purchasing Law of 1983, as it may be amended from time to time) and sealed submittals, are acceptable alternatives and may be used in lieu of competitive pricing established by the City or the State.
3. Departments shall coordinate with the Purchasing Office and/or the Finance Department as to the method of payment that best meets the needs of the City.

4. Before placing an order for any non-emergency purchase valued at or greater than ~~$10,000~~$20,000, departments shall prepare and submit a requisition, on the form prescribed by the Purchasing Office, and await approval thereof. For orders for emergency purchases valued at or greater than ~~$10,000~~$20,000, the requisition may be completed within ten (10) calendar days after placing the order (see also provision D, "Circumstances under which competitive pricing is not required," subsections 2 and 18, provision K, "Emergency Purchases," and provision Y ("Emergency policies and procedures")).
5. Purchases valued less than ~~$25,000~~$50,000 but not less than ~~$10,000~~$20,000 shall not be made unless and until, wherever possible, the department shall have obtained and forwarded to the Purchasing Manager competitive ~~pricing~~ quotations from at least three (3) vendors, said quotations to be either supplied in writing by the vendor or reduced to writing by the department, accompanied by a tabulation of the comparative aspects of the quotations obtained, a recommendation as to which quotation should be accepted and a requisition for the recommended quotation. As an alternative to obtaining ~~three~~ competitive quotes from at least three (3) vendors, departments may use any of the procurement methodologies approved for usage for purchases valued at ~~$25,000~~$50,000 or more.
6. All foreseeable purchases, including those valued less than ~~$10,000~~$20,000, should not be made unless and until the department head or his or her authorized representative is satisfied that the value of the purchase is fairly priced and not more than what would be expected in the current ~~market place~~marketplace. At the discretion of the department head or his or her authorized representative, for foreseeable purchases valued less than ~~$10,000~~$20,000, the department should, whenever it is prudent to do so, obtain multiple competitive ~~pricing~~ quotations, said quotations to be either supplied in writing by the vendor or reduced to writing by the department.
7. As soon as practicable but within ten (10) calendar days of receipt of items ordered, departments shall be responsible for verifying that the items conform to the order. The process for taking delivery of items is as follows:
    - **a.** Inspect the goods to verify that they are in acceptable condition.
    - **b.** Verify that all operating manuals and warranty cards are included in the delivery of the goods, if applicable.
    - **c.** Verify that the number of items ordered have been delivered, making special note when all or part of a particular order has been back-ordered.
    - **d.** Ensure that purchases of capital assets of the City have been properly reported, either directly or indirectly, to the Finance Department and the City's Risk Manager and, if rolling stock, Fleet Maintenance, on forms prescribed by those respective offices, so that records of such purchases may be updated, insurance coverage may be obtained, and vehicle tags may be obtained, all in a timely manner.
8. Regardless of method of payment, departments shall be responsible for reviewing, approving and allocating to the proper budget code all invoices authorized for payment.
9. It shall be the responsibility of each department to allow time for competitive solicitation, ordering and delivery pursuant to this Purchasing Policy.
10. No employee shall make any indication that he/she will recommend a particular product for purchase, knowingly bind the City to a specific vendor, or make any representation as to his or her authority to bind the City by contract when such is not the case.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

C. Responsibilities of Purchasing Manager

The following are the responsibility of the Purchasing Manager:

1. The Purchasing Manager shall assist all departments in purchasing operating materials, supplies, vehicles, equipment and services to which this Purchasing Policy applies.
2. The Purchasing Manager shall be responsible for facilitating the competitive process by which all purchases to which this Purchasing Policy applies and valued at or greater than ~~$25,000~~$50,000 are made.
3. For all purchases to which this Purchasing Policy applies and valued at or greater than ~~$10,000~~$20,000, the Purchasing Manager shall advocate the purchase of required products and services only either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City.
4. The Purchasing Manager shall advise the departments about the source and availability of products and services needed by the various departments.
5. The Purchasing Manager shall provide current vendor files available for use and review by departments.
6. The Purchasing Manager shall, upon request, obtain prices on comparable items.
7. The Purchasing Manager shall provide vendor lists, prepare Purchase Orders as necessary, and maintain orderly files.
8. The Purchasing Manager shall be alert on an ongoing basis for new sources and for improved products and services.
9. The Purchasing Manager shall assist the departments in the preparation of specifications for solicitations for bids and the requirements provisions of requests for proposals and requests for qualifications.
10. For formal procurement solicitations, the Purchasing Manager shall prepare and submit for timely publication all legal notices. To promote competition and facilitate the dissemination of documents and information pertaining to formal procurement solicitations, the Purchasing Manager shall post on the City's public website timely information about current formal procurement solicitations.
11. The Purchasing Manager shall periodically review the City's recent records of repetitive purchases, over time, across the organization and across suppliers and service providers, of like products and services, and shall advocate the City consolidate and aggregate its purchase of as many foreseeably necessary like products and services as practicable so to improve pricing for the City, to improve services provided to the City, and/or to reduce the City's cost of operations.
12. To the extent practicable, the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.
13. The Purchasing Manager shall investigate complaints from departments of poor performance by vendors, or complaints about inferior products, and shall, in consultation with the City's Law Department, choose which, if any, remedies are available to the City to pursue.
14. The Purchasing Manager shall be responsible for disposing of the City's surplus personal property of any value, regardless of whether the property was acquired and came to be owned by the City by means of purchase or donation or otherwise, by means of a competitive process and in compliance with City ordinance, except in cases involving data security or other mitigating circumstances. The Purchasing Manager shall develop the appropriate documentation for the Finance Department in accordance with the City Code.
15. The Purchasing Manager shall be responsible for administering and overseeing the City's Purchasing Card program.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

16. The Purchasing Manager shall be responsible for otherwise administering and complying with this Purchasing Policy and applicable Tennessee state law, specifically T.C.A. § 6-56-301 *et seq.* (Tennessee Municipal Purchasing Law of 1983) and T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments), as it may be amended from time to time, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined.

D. Circumstances under which competitive pricing is not required

Under any of the following circumstances, competitive pricing (sealed bids or proposals pursuant to public advertising if valued at or greater than ~~$25,000~~$50,000; ~~three~~ competitive quotes from at least three (3) vendors wherever possible if valued less than ~~$25,000~~$50,000 but not less than ~~$10,000~~$20,000) is not required. Under any of these same circumstances, neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen is required unless such is otherwise required pursuant to this policy.

1. Authorized sole-source purchases (see provision L, "Sole-Source Purchases").
2. Authorized emergency expenditures (see provision K, "Emergency Purchases"; see also provision D ("Circumstances under which competitive pricing is not required"), subsection 18, and provision Y ("Emergency policies and procedures")).
3. Purchases from instrumentalities created by two (2) or more cooperating governments, such as, but not limited to those established pursuant to T.C.A. § 12-9-101, *et seq.* (Life Cycle Cost and Procurement Act of 1978).
4. Purchases from non-profit corporations whose purpose or one of whose purposes is to provide products and services specifically to municipalities, as provided in T.C.A. § 6-56-302.
5. Purchases, leases or lease-purchases of real property, as provided by City ordinance and state law.
6. Purchases, leases, or lease-purchases of used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities, as provided in T.C.A. § 12-3-1202.
7. Purchases of supplies, goods, equipment (except new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in T.C.A. § 12-3-1208) and/or services (except any transportation infrastructure project, including, but not limited to, projects for the construction or improvement of streets, highways, bridges, tunnels, or any roadway related facility), pricing for which has been established by other units of Tennessee local government, as provided in T.C.A. § 12-3-1203(a) and 12-3-1203(c).
8. Purchases pursuant to Tennessee Department of General Services statewide contracts (SWCs) authorized for use by Tennessee local governments.
9. Purchases from Tennessee Rehabilitative Initiative in Correction (TRICOR).
10. Professional service contracts, as provided in T.C.A. § 12-3-1209.
11. Other professional services, including actuarial, architectural design, financial and compliance audit, engineering design, financial advisory, legal counsel and medical.
12. Tort liability insurance, as provided in T.C.A. § 29-20-407.
13. Purchase of fuels, fuel products or perishable commodities, as provided in T.C.A. § 6-56-304.
14. Purchases based on contracts established by a cooperative purchasing arrangement recognized by the City pursuant to Resolution No. 2009-50, as provided in T.C.A. § 12-3-1205.
15. Purchases based on contracts established by the United States General Services Administration (GSA) and authorized by GSA for use by US local governments, except as may be prohibited by applicable Tennessee statute.
16. Other arrangements and methods pursuant to Tennessee and/or federal law.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

17. Fees paid by the City for products and services provided to the City by the State of Tennessee, other units of local government, and public utilities and utility districts.

18. Purchases made during a declared state of emergency that applies to the City but only if specific conditions prevent the establishment of competitive pricing; provided, however, that if the emergency purchase is valued at or greater than ~~$25,000~~$50,000 both the purchase and the specific conditions that prevented the establishment of competitive pricing shall, as soon as practicable, be reported to the Board of Mayor and Aldermen (see also provision D ("Circumstances under which competitive pricing is not required"), subsection 2, provision K, "Emergency Purchases"), and provision Y ("Emergency policies and procedures").

E. Rejection of Bids, Proposals or Other Submittals

The Purchasing Manager shall recommend to the Board of Mayor and Aldermen to reject any and all bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office, or parts thereof, for any product or service to which this Policy applies, whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager believes the public interest would be best served by such rejection. The Purchasing Manager shall recommend to the Board of Mayor and Aldermen that it reject any such submittal of a vendor or contractor who is in default on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the City by the vendor or contractor whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager becomes aware of such default.

F. Conflict of Interest, Use of Position, Solicitation

There are several sources of law and regulations, as they may be amended from time to time, that apply to conflicts of interest, use of position and solicitation. They are incorporated by reference and adopted as if fully stated herein.

a. City Charter

Article VIII ("Finance"), Section 16 ("Officers not to be Interested in City Contracts or Work") of the City of Franklin Charter reads as follows:

> No member of the Board of Mayor and Aldermen, or officer elected by said Board, shall be interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and cannot be enforced.

b. City of Franklin Municipal Code

Title 1 ("General Administration"), Chapter 8 ("Ethics") of the City of Franklin Municipal Code sets forth the Code of Ethics for the City of Franklin, which applies to all full-time and part-time elective or appointed officials and employees of the City.

c. City of Franklin Regulations

Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads as follows:

Except for the receipt of such compensation as may be lawfully provided for the performance of City duties, and except as noted below, no City officer or employee shall be privately interested in or profit, directly or indirectly, from business dealings with, of, or by the City.

Full-time, part-time, and temporary employees of the City may contract to supply goods and products to the City and/or render services for the City, provided:

1. any service that would be rendered must not be one the employee might provide in the normal scope of their regular duties;
2. the employee would be required to compete for the City's business in the same manner as any other prospective supplier or service provider;
3. the business relationship between the City and the employee must not present a conflict of interest nor a conflict of time with the employee's regular duties;
4. the business relationship between the City and the employee is not prohibited by the City's ethics policy; and
5. the business relationship between the City and the employee is authorized in advance by the City Administrator, and if the relationship is to be for more than one (1) year, it is annually re-authorized by the City Administrator.

Article XXI ("General Policies and Procedures"), Section I ("Use of Position"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads in part as follows:

No employee shall make or attempt to make private purchases in the name of the City, nor otherwise use or attempt to use status as a City employee to secure unwarranted privileges or exemptions.

Article XXI ("General Policies and Procedures"), Section F ("Acceptance of Gratuities"), of the City's Human Resource Manual, as it may be amended from time to time, reads in part as follows:

No employee shall accept or solicit any money or other consideration or favor from anyone other than the City for the performance of an act that the officer or employee would be required or expected to perform in the regular course of employment; nor shall any officer or employee accept, directly or indirectly, any gift, gratuity, or favor of any kind that might reasonably be an attempt to influence the individual's actions with respect to City business.

d. Statutes

Certain Tennessee statutes may apply to purchases involving city officers, committee members, etc. Selected Tennessee statutes may be found in Appendix A to this Purchasing Policy attached hereto for reference.

G. City Officer and Employee Communication with Vendors During Formal Procurement Solicitations for Sealed Submittals

Between the time a formal procurement solicitation for sealed submittals is issued by the City and the time an award is made, members of the Board of Mayor and Aldermen as well as employees of the City shall refrain from any form of communication with one or more vendors that may be competing for the award about any aspect of the procurement other than either in the context of a public meeting or by way of the Purchasing Office. The foregoing is not meant to preclude a representative of the City from answering questions from vendors if the question is already addressed in the formal solicitation documents, if the City representative is certain of the correct answer and if the Purchasing Office is informed of the communication. Otherwise, any inquiries from one or more vendors that may be competing for such an award shall be directed to the Purchasing Office which shall determine if an addendum to the formal procurement solicitation should be prepared and issued to all vendors known or thought to be interested in the procurement opportunity. Vendors that may be competing for an award pursuant to a formal procurement solicitation shall be instructed that, until that award has been made, they shall not communicate about either the content of or the procurement process pertaining to the relevant formal procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

H. City Officer and Employee Business Dealings with the City

See Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resources Manual.

See also Title 1 ("General Administration"), Chapter 8 ("Ethics"), of the City of Franklin Municipal Code.

I. Tie Bids and Tie Quotes

Whenever the City utilizes its own competitive process, and in the event of tie bids or tie quotes (that is, when two or more responsible bidders or quoters submit responsive bids or quotes at identical total pricing for the minimum or estimated quantity indicated), then the tie bids or tie quotes shall be broken by means of one of the following methods, in descending order:

1. The award shall be made to the vendor who bid or quoted the soonest delivery of the product or completion of the service of all the vendors submitting the tie bids or tie quotes.
2. The award shall be made to the vendor who offered the pricing for the longest period of time for potential future orders of all the vendors submitting the tie bids or tie quotes.
3. If one or more of the vendors submitting the tie bids or tie quotes competed for the City's business the last time the City solicited bids or quotes for the same product or service, then the award shall be made to the vendor who offered the lowest pricing at that time of all the vendors submitting the tie bids or tie quotes.
4. If one or more of the vendors submitting the tie bid or tie quote have done business with the City within the most recent 24 months, then the award shall be made to the vendor who has done the most business with the City (measured in dollars) in that time frame of all the vendors submitting the tie bids or tie quotes.
5. The award shall be made by means of random selection, such method to be administered by the Purchasing Manager and to give equal opportunity to all the vendors submitting the tie bids or tie quotes.

J. Determining Responsible Respondents and Responsive Submittals

Whenever the City utilizes its own competitive process, products and services shall be purchased either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City. (The term "responsible bidder or quoter" and the term "responsible proposer or other respondent" shall mean a business entity or individual determined by the City to have the integrity and reliability as well as the financial and technical capacity to perform the requirements of the procurement solicitation and subsequent contract. The term "responsive bid or quote" and the term "responsive proposal or other submittal" shall mean a submittal determined by the City to fully conform in all material respects to the procurement solicitation and all of its requirements, including all form and substance.) In determining whether a competing respondent is responsible and whether the submittal is responsive, criteria such as the following may be taken into consideration:

1. The ability of the competing vendor to perform the contract or provide the material or service required.
2. Whether the competing vendor can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgment, experience, expertise and efficiency of the competing vendor.
4. The previous and existing compliance by the competing vendor or a predecessor in interest with laws and ordinances relating to the contract or service.
5. The quality of the competing vendor's performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector customers.
6. The sufficiency of financial resources and the ability of the competing vendor to perform the contract or provide the service.
7. The ability of the competing vendor to provide future maintenance and service for the use of the materials, supplies, vehicles, equipment or contractual service contracted.
8. Compliance by the competing vendor with all specifications included in the solicitation for bids or with all requirements included in the request for proposals or request for qualifications.
9. The ability of the competing vendor to deliver and maintain any requisite bid bonds or performance bonds.

K. Emergency Purchases

When in the judgment of the City Administrator, the department head or the Purchasing Manager there exists an emergency impinging on public health, safety or welfare and a purchase valued at or greater than ~~$10,000~~$20,000 is necessary, then the competitive purchasing provisions contained in this Purchasing Policy may be waived; provided, however, that if the emergency purchase is valued at or greater than ~~$25,000~~$50,000 it shall, as soon as practicable, be reported to the Board of Mayor and Aldermen.

The emergency basis for pricing should be used only if necessary. Purchases that qualify as emergencies are to be based on emergency pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available. (See also provision D ("Circumstances under which competitive pricing is not required"), subsections 2 and 18, and provision Y, "Emergency policies and procedures.")

L. Sole-Source Purchases

In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered. To the extent practicable, departments and the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

The sole-source basis for pricing should be used only if necessary or financially advantageous to the City. Except when financially advantageous to the City to do otherwise, purchases that qualify as sole-source are to be based on sole-source pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available.

Sole-source purchases valued at less than ~~$10,000~~$20,000 may be authorized by the end-user department. Sole-source purchases valued at less than ~~$25,000~~$50,000 but not less than ~~$10,000~~$20,000 may be authorized by the Purchasing Manager upon being satisfied that it is not possible to obtain competitive ~~pricing~~ quotations from at least three (3) vendors. Except as noted in this provision L ("Sole-Source Purchases"), sole-source purchases valued at or greater than ~~$25,000~~$50,000 may not be made unless and until individually authorized by the Board of Mayor and Aldermen. Authorized sole-source purchases do not require sealed bids or proposals pursuant to public advertising. The criteria for evaluating sole-source purchases valued at or greater than ~~$10,000~~$20,000 are presented in Appendix B to this Purchasing Policy. Sole-source purchases pertaining to circumstances under which sealed bids or proposals pursuant to public advertising are not required, as same are listed in provision D ("Circumstances under which competitive pricing is not required"), even if valued at or greater than ~~$25,000~~$50,000, require neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen unless otherwise required to be authorized or reported pursuant to this policy.

Sole-source purchases valued at or greater than ~~$25,000~~$50,000 that do not require individual authorization by (but which shall, as soon as practicable, still be reported to) the Board of Mayor and Aldermen include:

a. Repairs to, maintenance of, licenses for and/or maintenance agreements for products already in use by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: engine repairs made by the manufacturer or the manufacturer's representative for a vehicle; license and maintenance agreements for computer software.

b. Purchases of items necessary to maintain, expand or improve a manufacturer-specific system already in use by the City, and/or another governmental agency with which the City must cooperate in order to provide the public service relevant to the proposed purchase, and that requires interchangeability or interconnectivity of and/or communication between the component parts, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: water meters and related parts; traffic signal equipment and related parts; athletic field lighting (and related parts) connected to a centralized master control; automated external defibrillators; cardiac monitors; telemetry/supervisory control and data acquisition equipment.

c. Purchases of items that have, for good and sufficient reason, previously been standardized by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: low-pressure wastewater collection grinder pumps and related parts; self-contained breathing apparatus; vehicle exhaust evacuation systems at individual fire stations, including installation if only one authorized installer is assigned to serve the City; vehicle extrication equipment.

M. Purchasing Card Program

The Purchasing Card Program shall be administered by the Purchasing Manager pursuant to procedures established therefor. Department heads shall determine which employees of their department shall be issued City purchasing cards. Employees who are authorized and expected to travel on behalf of the City and at the City's expense shall be issued purchasing cards and are expected to use same in lieu of being given travel advances.

Employees' participation in the City's Purchasing Card Program is a privilege and a convenience that includes certain responsibilities. Although the purchasing card is issued in the cardholder's name, it is City property and therefore must be used in accordance with City policy and rules, as well as with objectively reasonable judgment, especially as follows:

1. The City of Franklin Purchasing Card is provided to employees based on their need to purchase authorized goods and services. A card may be revoked at any time based on change of assignment or location. The card is neither an entitlement nor a reflection of title or position.
2. The card may be used only for authorized obligations of the City; use of the card for a purchase other than an authorized obligation of the City (such as personal purchases as well as alcoholic beverages and entertainment), even if intended for future reimbursement, are specifically prohibited.
3. Purchases made with the card are to comply with City purchasing and disbursements policies and procedures. Such City procurement rules as the need for procurement requisitions, the basis for pricing, contracting, whether a certificate of insurance is necessary to require of the service provider, adequacy of budgeted funding, and timing of payment relative to delivery of the product or service, all apply regardless of method of payment (such as by purchasing card).
4. The cardholder is the only person entitled to use the card and is accountable for all charges attributable to the card.
5. Cardholders are expected to exercise objectively reasonable judgment in deciding whether to make a purchase by considering (a) whether the potential purchase is prudent and necessary, and (b) whether the potential purchase would reflect well on the City and the cardholder, and be perceived by the general public as suitable and appropriate. Improper use of a City purchasing card, especially intentional and unreported but even unintentional and reported, including personal purchases as well as alcoholic beverages and entertainment, even if reimbursed, may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.
6. Except for (a) purchases made outside Tennessee, (b) purchases of non-catered prepared meals, and (c) purchases related to travel, the City purchaser/cardholder is responsible for ensuring that the transaction is completed without sales tax being charged to the City. If a transaction has been completed on which sales tax was charged in error, then the cardholder is responsible for contacting the vendor and requesting that the amount of the sales tax be credited back to the same City purchasing card to which the sales tax was charged. Documentation of this effort, and of the vendor's response, shall be submitted in addition to the supporting documentation for the transaction.

7. Cardholders are expected to comply with internal control procedures in order to protect the City's assets. This includes (a) not permitting anyone other than the cardholder to use the card; (b) making sure that each transaction is electronically processed in full and on time in the purchasing card expense reporting system utilized by the City; (c) keeping and submitting on time detailed invoices or itemized payment receipts that substantiate each and every charge attributed to the purchasing card issued to the cardholder; (d) assisting the City upon request with reconciling the City's billing cycle statements; and (e) taking reasonable precautions to secure the purchasing card against loss and/or theft.
8. If electronic processing of a purchasing card transaction is not completed by the deadline and the Purchasing Office has not been previously notified of the need for a delay, then the monthly credit limit for the respective purchasing card may be reduced to $0 until the processing is complete. This consequence applies to any transaction that has not been coded, explained with a comment, and approved by the individual assigned to approve purchasing card transactions for that cardholder. Credit limits will be restored to the previous amounts once electronic processing is complete.
9. Failure to submit on time adequate and legible supporting documentation for each transaction or to otherwise comply with City rules will carry consequences, possibly including reduction or loss of card spend authority, reimbursement of the City by the employee for unauthorized and/or unsubstantiated purchases, and/or disciplinary action, up to and including termination.
10. Cardholders are responsible for cooperating with efforts by the City to resolve any discrepancies by contacting the vendor and/or the issuing bank.
11. A lost or stolen purchasing card shall, as soon as practicable upon discovery of the loss or theft, be reported to the City Purchasing Office and/or the issuing bank.
12. A cardholder must surrender his or her card upon termination of employment (i.e., retirement or voluntary or involuntary separation).

N. Payment for Purchases

All payments to vendors and service providers shall be made by one of the City's available methods of payment in accordance with City purchasing and disbursements policies and procedures.

O. Use of Internet Auctions for Purchases of City Property

The use of internet auctions is generally prohibited as a method for making City purchases unless specifically authorized in advance by the City Administrator.

P. Vendor Protests

Vendor protests shall be handled in accordance with the City's Vendor Protest Procedure for procurements not pertaining to new construction, as approved by resolution of the Board of Mayor and Aldermen.

Q. Disciplinary Action

Any employee who fails or refuses to comply with the provisions of this Purchasing Policy shall be subject to disciplinary action pursuant to and as provided in the Human Resources Manual, as it may be amended from time to time.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

R. Requests for Proposals

Requests for competitive sealed proposals shall be used pursuant to T.C.A. § 12-3-1207 and may be used only when qualifications, experience, or competence are more important than price in making the purchase, and either (1) when there is more than one (1) solution to a purchasing issue and competitive sealed proposals would assist in choosing the best solution; or (2) when there is no readily identifiable solution to a purchasing issue and competitive sealed proposals would assist in identifying one (1) or more solutions. The request for competitive sealed proposals shall state the relative importance of price and other evaluation factors. The award shall be made to the responsible respondent whose proposal the governing body determines is the most advantageous to the City, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation.

S. Requests for Qualifications

Requests for qualifications may be used pursuant to T.C.A. § 12-3-1209 for legal services, fiscal agent, financial advisor or advisory services and similar services by professional persons or groups of high ethical standards, or pursuant to T.C.A. § 12-4-107 for architectural, engineering and construction services.

T. Procurement of Property and/or Services under a Federal Award

When procuring property and/or services under a Federal award, the City shall follow applicable provisions of 2 CFR Chapter I and Chapter II, Part 200, et al. ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule"), as promulgated December 26, 2013 by Executive Office of the President, Office of Management and Budget, namely sections 200.318 ("General procurement standards") through 200.326 ("Contract provisions").

U. Requests to inspect and/or obtain either complete or partial copies of purchasing-related records

1. Sealed bids, requests received during protest period: After opening sealed bids submitted to and received by the City in response to a formal procurement solicitation for bids facilitated by the City Purchasing Office, but not later than the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to such a procurement solicitation:
   a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such bids shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
   b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such bids shall be made pursuant to the City's public records request policy and procedure.

2. Sealed proposals and statements of qualifications and certain related records, requests received during protest period: After the City issues a notice of intent to award a pending procurement as a result of a formal procurement solicitation facilitated by the City Purchasing Office and involving a personal service, professional service, or consultant service request for proposals or request for qualifications solicitation that resulted in proposals or statements of qualifications having been submitted to and received by the City, but not later than the seventh calendar day after the City issues such a notice of intent to award:

a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be made pursuant to the City's public records request policy and procedure.

3. Sealed submittals (except any that have been attached to a City contract that has been posted on the City's website), requests received after protest period: After the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of bids, proposals or other vendor submittals, except any such documents that have been attached to a City contract that has been posted on the City's website (see provision U ("Requests to inspect and/or obtain either complete or partial copies of purchasing-related records"), subsections 4.a and 4.b), shall be made pursuant to the City's public records request policy and procedure.

4. Other purchasing-related City records:

a. Other than between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party, and so honoring such a request may but need not involve the use of the City's public records request policy and procedure.
b. Between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office in accordance with fair practices (e.g., timely preparation and issuance of an addendum with the requested record(s) attached) established by the City Purchasing Office, and so honoring such a request shall not involve the use of the City's public records request policy and procedure.
c. At any time, for all purchasing-related City records other than those pertaining to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either

complete or partial copies of such records shall be made pursuant to the City's public records request policy and procedure.

V. Multiple-Contract Awards

When advantageous to the City to do so, the City may issue multiple-contract awards, that is, contracts awarded to more than one supplier and/or service provider for comparable supplies and/or services, provided the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing apply for the total value of all contracts issued for the multiple-contract award.

W. Donated or below-market-priced products or services

If in the judgment of the department head or city administrator a potential donation or a product or service otherwise priced below market would be a benefit to the City, then the City may receive donated or below-market-priced products, whether new or used, or services, provided:

1. The transaction complies with provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the transaction value of the donation.
2. The transaction is documented, such as by purchase order or other contract.
3. The transaction documentation states:
    a. That the donation is offered free and clear to the City of Franklin, Tennessee without any expectation of any payment or service or any other consideration in return, including consideration for past or future procurements of or by the City.
    b. That the donor is not entitled to, and shall not seek, any marketing or advertising or promotional privilege or benefit as a result of the donation.

This section does not pertain to sponsorships or other advertising sold and/or received by the City.

X. Trade-ins

The Franklin Municipal Code provision pertaining to the disposal of surplus personal property of the City does not pertain to any trade-in of a product owned by the City toward the purchase of another product provided the purchase of the other product complies with the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the value of the purchase before the value of any trade-in is applied.

Y. Emergency policies and procedures

During a declared state of emergency that applies to the City, the City Administrator may suspend this Purchasing Policy and/or the Purchasing Manager may suspend standard purchasing procedures administered by the Purchasing Manager and implement temporary policies and procedures as circumstances warrant; provided, however, (a) that any suspension of this Purchasing Policy, the rationale for such suspension and any temporary policies shall, as soon as practicable, be reported to the Board of Mayor and Aldermen, and (b) that, to the extent practicable, any such temporary policies and procedures shall deviate from this Purchasing Policy and such standard purchasing procedures no more than necessary under the circumstances. (See also provision D ("Circumstances under which competitive pricing is not required"), subsections 2 and 18, and provision K, "Emergency Purchases.")

Z. Openings of sealed bids, proposals or other submittals

Sealed bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office and pursuant to public advertising, if valued at or greater than ~~$25,000~~$50,000, shall be opened publicly and may be conducted either (1) in person only or (2) virtually only, by means of an online meeting application that includes both audio/video access via an internet link as well as audio-only access via telephone, rather than in person, or (3) both in person and virtually. How each opening is to be conducted shall be addressed in writing in the relevant procurement solicitation, including any addenda to the procurement solicitation that may be issued. Whenever the opening is conducted either virtually only or both in person and virtually, in order to reduce the opportunity for persons to use any online virtual meeting application as a means for disrupting the opening, the ability for persons attending virtually to be viewed and/or heard by other attendees of such opening may be restricted by, and granted only upon request approved by, the Purchasing Office.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX A
SELECTED TENNESSEE STATUTES APPLYING TO OFFICERS, COMMITTEE MEMBERS, ETC.

T.C.A. § 6-54-107. Interest of officer in municipal contracts prohibited.

a. No person holding office under any municipal corporation shall, during the time for which such person was elected or appointed, be capable of contracting with such corporation for the performance of any work that is to be paid for out of the treasury. Nor shall such person be capable of holding or having any other direct interest in such a contract. "Direct interest" means any contract with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

b. No officer in a municipality shall be indirectly interested in any contract to which the municipality is a party unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality.

c. 1. Any member of a local governing body of a municipality who is also an employee of the same municipality may vote on matters in which such member has a conflict of interest if the member informs the governing body immediately prior to the vote as follows: "Because I am an employee of (name of governmental unit), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to my constituents and the citizens this body represents."

2. In the event a member of a local governing body of a municipality has a conflict of interest in a matter to be voted upon by the body, the member may abstain for cause by announcing such to the presiding officer. Any member of a local governing body of a municipality who abstains from voting for cause on any issue coming to a vote before the body shall not be counted for the purpose of determining a majority vote.

3. The vote of any person having a conflict of interest who does not inform the governing body of such conflict as provided in subdivision (c)(1) shall be void if challenged in a timely manner. As used in this subdivision (c)(3), "timely manner" means during the same meeting at which the vote was cast and prior to the transaction of any further business by the body.

4. Nothing in this subsection (c) alters, amends, or otherwise affects § 12-4-101(a). In the event of any conflict between this subsection (c) and § 12-4-101(a), § 12-4-101(a) shall prevail.

5. The legislative body of any metropolitan form of government or charter form of government may opt out of this subsection (c) by resolution.

T.C.A. § 6-54-108. Penalty for unlawful interest of officer.

Every officer of such corporation who shall unlawfully be concerned in making such contract, or who shall unlawfully pay money upon the same to or for any person declared incapable in § 6-54-107, shall forfeit the amount so paid; and such officer shall be jointly and severally liable to an action for the same, which action may be prosecuted by any citizen of the corporation in its name.

T.C.A. § 12-4-101. Personal interest of officers prohibited.

(a) (1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

….

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

….

T.C.A. § 12-4-102. Penalty for unlawful interest.

Should any person, acting as such officer, committee member, director, or other person referred to in § 12-4-101, be or become directly or unlawfully indirectly interested in any such contract, such person shall forfeit all pay and compensation therefor. Such officer shall be dismissed from such office the officer then occupies, and be ineligible for the same or a similar position for ten (10) years.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX B
SOLE-SOURCE PURCHASES VALUED AT OR GREATER THAN ~~$10,000~~$20,000

Sole-source purchases valued at or greater than ~~$10,000~~$20,000 shall be made only when an item is unique and possesses specific characteristics that can be filled by only one source and must have prior approval by the Purchasing Manager or, if the purchase is valued at or greater than ~~$25,000~~$50,000, then the Board of Mayor and Aldermen except as detailed in provision L, "Sole-Source Purchases." In determining whether to authorize sole-source purchases valued at or greater than ~~$10,000~~$20,000, factors such as the following shall be considered:

1. whether the vendor possesses exclusive and/or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
2. whether the product or service is unique and easily established as one-of-a-kind;
3. whether the program requirements can be modified so that competitive products or services may be used;
4. whether the product is available from only one source and not merchandised through wholesalers, jobbers or retailers; and
5. whether items must be interchangeable or compatible with in-place items.

After review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or several of the above criteria, and so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated, then, in lieu of competitive purchasing procedures, the Purchasing Manager shall either authorize the sole-source purchase or, if the purchase is valued at or greater than ~~$25,000~~$50,000, then forward the request to the Board of Mayor and Aldermen for its consideration except as detailed in provision L, "Sole-Source Purchases."

Based in part on Rule No. 0690-3-1-.03(3) of Rules of the Tennessee Department of General Services, Purchasing Division.

City of Franklin

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

File #: 21-03267

DATE: May 24, 2022

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration Of Resolution 2022-42, A Resolution Adopting A Revised Vendor Protest Procedure For City Of Franklin Procurements Not Pertaining To New Construction.

PURPOSE:

The purpose of this memorandum is to present Resolution No. 2022-42, a resolution adopting a revised Vendor Protest Procedure for City of Franklin procurements not pertaining to new construction.

BACKGROUND/STAFF COMMENTS:

The City's Vendor Protest Procedure was last updated on January 12, 2021 by means of Resolution No. 2020-216. Staff recommends the Vendor Protest Procedure be further revised as follows:

- to update the Vendor Protest Procedure to reflect the new $50,000 threshold over which public advertisement and sealed competitive bids or proposals are required for nonemergency, nonproprietary purchases as established by Ordinance 2022-20;
- to designate the City Administrator instead of a panel to hear appeals of purchasing manager decisions pertaining to bid protests;
- to clarify deadlines for submitting and acting on protests and appeals of purchasing manager decisions pertaining to bid protests; and
- to otherwise update the policy.

Resolution No. 2022-42 as proposed, including the revised Vendor Protest Procedure as proposed, is attached. Also attached is a red-lined version of the revised Vendor Protest Procedure as proposed. This red-lined version has marked all recommended changes to the text of the Vendor Protest Procedure.

FINANCIAL IMPACT:

Staff is not aware of any financial impact of approving the proposed revisions to the City's Vendor Protest Procedure.

RECOMMENDATION:

Staff recommends that Resolution 2022-42 be recommended to the Board of Mayor and Aldermen for approval.

RESOLUTION 2022-42

A RESOLUTION ADOPTING A REVISED VENDOR PROTEST PROCEDURE FOR CITY OF FRANKLIN, TENNESSEE, PROCUREMENTS NOT PERTAINING TO THE DESIGN AND/OR CONSTRUCTION OF NEW INFRASTRUCTURE AND FACILITIES

WHEREAS, on March 8, 2011, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2011-10, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, on January 14, 2014, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2014-07, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, on June 27, 2017, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2017-42, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, on September 24, 2019, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2019-80, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, on January 12, 2021, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2020-216, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to implement a revised procedure for evaluating and responding to vendor protests for procurements not pertaining to the design and/or construction of new infrastructure and facilities in order to update the vendor protest procedure.

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

Section 1. The vendor protest procedure for City procurements not pertaining to new construction adopted by Resolution No. 2020-216, and any and all subsequent changes or revisions, are hereby repealed in their entirety. In place thereof, the vendor protest procedure for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities, attached as Exhibit A hereto, is adopted.

Section 2. Changes or revisions to the procedure hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin.

Section 3. The procedure hereby adopted shall become effective July 1, 2022, or the effective date of Ordinance No. 2022-20, whichever is later, the public welfare and the welfare of the City requiring it.

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

ATTEST:

By: ______________________________________
Eric S. Stuckey
City Administrator / City Recorder

CITY OF FRANKLIN, TENNESSEE:

By: ______________________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________________
Maricruz R. Fincher
Staff Attorney

Vendor Protest Procedure

for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities

The City of Franklin ("City") recognizes that vendors (including suppliers, service providers and contractors) may, from time to time, feel compelled to lodge a formal protest about some aspect of a City procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities. In order to promote fair and transparent competitive purchasing, and in order to have a procedure to follow if and when the need arises, the City's Board of Mayor and Aldermen ("Board") therefore establishes a procedure for evaluating and responding to Vendor Protests for procurements not pertaining to the design and/or construction of new infrastructure and facilities. This procedure is limited to City procurements (a) that do not pertain to the design and/or construction of new infrastructure and facilities, (b) that are competitively solicited by the City pursuant to public advertisement and sealed submittals, and (c) for which the value of the award is or would be equal to or greater than $50,000. Procurements that do pertain to the design and/or construction of new infrastructure and facilities are facilitated by the City's Engineering Department, and any vendor wishing to lodge a protest about a City procurement pertaining to such construction-related purchases should contact the Engineering Department directly.

This Vendor Protest procedure is a mandatory administrative procedure which all aggrieved actual or prospective vendors must utilize and exhaust prior to seeking judicial review or remedy.

For the purposes of this procedure, the City defines the following terms:

- A "Vendor Protest" is a written objection by an Interested Party to a solicitation issued by the City for sealed bids, proposals, offers, statements of qualifications or other submittals, pursuant to public advertisement, in anticipation of a proposed contract for the procurement of goods or services not pertaining to the design and/or construction of new infrastructure and facilities and for which the value of the award is or would be equal to or greater than $50,000, or a written objection by an Interested Party to a proposed award of such a contract.

- An "Interested Party" is an actual or prospective vendor whose direct economic interest would be affected by the award of a contract for the procurement of goods or services not pertaining to the design and/or construction of new infrastructure and facilities that are competitively bid by the City and where the value of the award is or would be equal to or greater than $50,000 or by the failure to award such a contract.

- A "Protestor" is an Interested Party who files a Vendor Protest.

A Vendor Protest:

- shall be in writing;
- shall be addressed and directed to the City's Purchasing Manager except in the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer in which case, pursuant to T.C.A. § 12-3-1207(d), the Vendor Protest shall be addressed to the Board c/o the City Attorney;
- may be delivered electronically or otherwise;
- must be received by the City by the applicable deadline listed below;
- shall include the name and address of the Protestor;
- shall reference the relevant procurement solicitation issued by the City;
- shall include a statement of reason for the Vendor Protest, including allegations and evidence sufficient, if uncontradicted, to establish the likelihood of:

- a material deficiency or impropriety in the procurement solicitation issued by the City, such as:
  - a material defect to the procurement solicitation that caused or would cause a result other than in the absence of such defect and the consequence of which is significant;
  - some aspect of the procurement solicitation that created an unfair and material advantage to one or more prospective respondents to the procurement solicitation; or
  - a material violation of a relevant provision of one or more of the following:
    - a City procedure, policy, resolution, ordinance or other regulation governing the procurement; and/or
    - a state law, federal statute or other regulation governing the procurement;
- a material error or impropriety in the proposed or actual award of a contract or other procurement decision, such as:
  - an allegation that a procurement is not exempt from the City's standard competitive procurement procedures when such an exemption is claimed by the City;
  - a material error of judgment or fact in evaluating one or more of the responses to the procurement solicitation; or
  - a material violation of a relevant provision of one or more of the following:
    - the respective procurement solicitation issued by the City;
    - a City procedure, policy, resolution, ordinance or other regulation governing the procurement; and/or
    - a state law, federal statute or other regulation governing the procurement.
- may include supporting documents, exhibits, or evidence to substantiate the Vendor Protest;
- shall include a proposed remedy and an explanation of why the proposed remedy should be accepted by the City; and
- shall be signed by the protester.

A Vendor Protest to either a procurement solicitation or a proposed award must be filed by the following applicable deadline:

- A Vendor Protest against an alleged procurement solicitation deficiency or impropriety must be filed prior to the deadline for responding to the solicitation or, if there is no such deadline, within seven (7) calendar days of the date the Protestor first becomes aware of the City's solicitation.

- A Vendor Protest against a proposed award must be filed within seven (7) calendar days of the date the Protestor is notified by the City of the intent to award or the date the intent to award is posted on the City's website, whichever occurs earlier.

In the case of a Vendor Protest against a proposed award, the Protestor must direct copies of its Vendor Protest to any and all other parties who have responded to the same procurement solicitation and who have a direct economic interest in the outcome of the Vendor Protest, and must submit proof that such copies have been so provided. Failure to submit such proof shall result in dismissal of the Vendor Protest. The other parties shall be permitted to respond in writing to the Vendor Protest, provided that such response shall be submitted within seven (7) calendar days after the other parties' receipt of the copy of the Vendor Protest. The other parties shall also be permitted to participate in any in-person or virtual meetings conducted by the City in regard to the Vendor Protest.

Upon receipt of a timely Vendor Protest, the City shall not proceed further with either the procurement solicitation or the award of the contract unless the City Administrator makes a written determination that so proceeding without delay is necessary to protect the public health, safety or welfare of the City.

Except in the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer, the following steps shall be followed for formal protests not pertaining to the design and/or construction of new infrastructure and facilities:

- In the case of a Vendor Protest against an alleged procurement solicitation deficiency or impropriety, the Purchasing Manager shall respond in writing to the Vendor Protest within ten (10) City business days of receipt of the Vendor Protest.

- In the case of a Vendor Protest against a proposed award, the Purchasing Manager shall respond in writing to the Vendor Protest within fifteen (15) City business days of receipt of the Vendor Protest.

- The Purchasing Manager shall consider the Vendor Protest and issue a determination in writing. The Purchasing Manager may:

  - determine that the Vendor Protest does not merit a revision of the City action or decision being protested; or
  - determine that the Vendor Protest does merit a revision of the City action or decision being protested and proceed accordingly to take corrective action, which may include recommending the City cancel the procurement solicitation, recommending the City reject any and all responses to the solicitation, recommending the City award the procurement to a different respondent, and/or recommending the City start over with a new procurement solicitation.

- If the vendor is dissatisfied with the Purchasing Manager's decision, then the vendor may, within seven (7) calendar days of receipt of the Purchasing Manager's decision, appeal in writing that the matter be considered by the City Administrator. The appeal shall be addressed and directed to the City Administrator and shall include a statement of reason for the appeal, noting on what basis the vendor believes the Purchasing Manager's decision is incorrect and how and why the Purchasing Manager's decision should be overturned in whole or in part.

  The City Administrator shall consider the appeal within ten (10) City business days of receipt of the appeal. After consideration of the appeal and deciding whether to affirm or overturn the Purchasing Manager's decision, the City Administrator shall, within ten (10) City business days of the City Administrator's decision, shall respond in writing to the appeal and convey the decision of the City Administrator, after which the City shall proceed accordingly. The City Administrator may:

  - affirm the Purchasing Manager's decision in whole or in part; or
  - overturn the Purchasing Manager's decision in whole or in part.

  The decision of the City Administrator shall be final, and no further appeals shall be considered by the City.

In the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer, the following steps shall be followed for formal protests not pertaining to the design and/or construction of new infrastructure and facilities:

- The Board shall, within forty-five (45) calendar days of the City Attorney's receipt of the Vendor Protest, consider the Vendor Protest. The Board may:

  - determine that the Vendor Protest does not merit a revision of the City action or decision being protested; or

- determine that the Vendor Protest does merit a revision of the City action or decision being protested and direct the City Administrator to proceed accordingly to take corrective action, which may include canceling the procurement solicitation, rejecting any and all responses to the solicitation, awarding the procurement to a different respondent, and/or starting over with a new procurement solicitation.

- The decision of the Board shall be final, and no appeals shall be considered by the City.

- Within ten (10) City business days of the Board's decision, the City Attorney shall respond in writing to the Vendor Protest and convey the Board's decision.

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

File #: 21-03299

DATE: June 3, 2022

TO: Budget & Finance Committee

FROM: Mike Lowe, Comptroller
Margaret Wilson, Financial Analyst

SUBJECT:

Financial Report For 3rd Quarter Of FY 2022

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee concerning the financial state of the City as of March 31, 2022.

BACKGROUND/STAFF COMMENTS:
The quarterly report is provided to the Budget & Finance Committee in order to keep the committee apprised of financial performance, and comparison of performance to budget.

FINANCIAL IMPACT:

There is no financial impact from the report.

RECOMMENDATION:

The Report is for information only.

CITY OF FRANKLIN

3RD QUARTER REPORT

FY 2022

Excellence *Innovation* *Teamwork* *Integrity* *Action-Oriented*

TABLE OF CONTENTS

Executive Summary

Quarter Ended March 31, 2022

- The General Fund shows a current year surplus of $18.2 million.
- In the General Fund, local sales taxes are 48% higher than last year. This is the primary driver of the surplus above.
- For development fees that are dependent on timing and type of development are being compared to 2021:
    - building permit revenue is 11% less than 2021.
    - road impact fees are 59% more than last year.
    - facilities taxes are 2% less than last year.
- In the Street Aid Fund, gasoline taxes are 15% higher.
- Hotel/Motel taxes are 111% higher than last year and already exceeds total budget by 37%.

All Funds Summary

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Change	Fund Summary on Page
General	$65,481,510	$73,305,777	$55,098,901	$83,688,386	$18,206,876	3
Street Aid	$771,402	$3,577,757	$1,336,913	$3,012,247	$2,240,845	6
Sanitation & Envir. Services.	$2,051,128	$8,019,480	$8,344,727	$1,725,881	($325,247)	7
Road Impact	$25,741,274	$8,082,709	$1,382,955	$32,441,027	$6,699,753	9
Facilities Tax	$11,022,953	$2,058,904	$54,234	$13,027,623	$2,004,670	10
County Facilities Tax	$4,498,831	$661,921	$0	$5,160,752	$661,921	11
Stormwater	$2,951,003	$2,005,867	$1,984,534	$2,972,336	$21,333	12
Drug	$602,402	$111,348	$43,543	$670,207	$67,805	14
Hotel/Motel	$5,927,371	$3,611,271	$1,480,901	$8,057,740	$2,130,369	15
Parkland Dedication	$7,550,661	$1,316,858	$0	$8,867,519	$1,316,858	16
Transit	$807,254	$2,023,093	$2,023,093	$807,254	$0	17
CDBG	$114,745	$240,465	$201,757	$153,453	$38,708	18
Debt Service	$937,169	$14,142,148	$12,514,086	$2,565,232	$1,628,063	19
Capital Projects - Fund 310 (Multi-Purpose)	$10,635,065	$2,176,573	$4,781,430	$8,030,208	($2,604,857)	20
Capital Projects - Fund 312 (2019 Bonds)	$14,885,855	$2,441,973	$11,809,640	$5,518,187	($9,367,668)	22
Water & Wastewater Operations	*	$47,838,350	$46,856,246	*	$982,105	23
Water & Wastewater Dev. Fees	*	$16,327,251	$15,182,476	*	$1,144,775	26

* As an enterprise fund (which is similar to a private business), Water & Wastewater does not have a fund balance.

General Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Local Sales Tax	$42,513,833	$28,736,677	147.9%	$47,177,681	90.1%
Property Taxes	$8,075,560	$8,536,751	94.6%	$8,011,416	100.8%
State Sales Tax	$6,865,181	$5,446,445	126.0%	$7,232,718	94.9%
Grants	$2,050,917	$3,737,732	54.9%	$5,815,531	35.3%
Alcohol Taxes	$4,311,065	$3,693,528	116.7%	$4,693,022	91.9%
State Business Tax & Fee	$4,238,533	$3,871,241	109.5%	$4,496,431	94.3%
Franchise Fees	$2,220,559	$2,222,501	99.9%	$2,501,079	88.8%
Building Permits	$1,249,682	$1,397,830	89.4%	$1,791,465	69.8%
State TVA In Lieu Of Tax	$649,966	$607,996	106.9%	$836,725	77.7%
Interest Income	($856,574)	$67,537	(1,268.3%)	$438,750	(195.2%)
Court Fines & Fees	$282,992	$208,839	135.5%	$431,384	65.6%
State Excise Tax	$246,686	$316,397	78.0%	$231,403	106.6%
In Lieu of Tax (Local)	$231,775	$273,282	84.8%	$221,990	104.4%
State Sporting Wagering Tax	$63,436	$26,202	242.1%	$70,000	90.6%
State Beer Tax	$38,120	$18,536	205.7%	$33,034	115.4%
State Cemetary Excise Tax	$1,285	$1,418	90.7%	$0	0.0%
Other Revenues	$1,122,760	$1,161,610	96.7%	$1,691,293	66.4%
Fund Balance Allocation	$0	$0	0.0%	$430,000	0.0%
Total Revenues	***$73,305,777***	***$60,324,523***	***121.5%***	***$86,103,922***	***85.1%***
Expenditures:					
Salaries & Wages	$30,534,235	$26,987,583	113.1%	$43,032,839	71.0%
Employee Benefits	$11,685,809	$10,437,986	112.0%	$17,940,763	65.1%
Transfers To Other Funds	$2,816,885	$2,033,940	138.5%	$5,795,988	48.6%
Contractual Services	$3,525,730	$2,966,748	118.8%	$4,838,907	72.9%
Capital	$685,931	$2,051,381	33.4%	$4,054,637	16.9%
Repair & Maintenance Services	$1,663,874	$1,543,467	107.8%	$2,604,705	63.9%
Utilities	$1,641,735	$1,535,626	106.9%	$2,287,839	71.8%
Reimbursement from Other Funds	($3,148,119)	($3,080,975)	102.2%	($4,197,484)	75.0%
Other Expenditures	$5,692,821	$4,973,200	114.5%	$9,745,728	58.4%
Total Expenditures	***$55,098,901***	***$49,448,956***	***111.4%***	***$86,103,922***	***64.0%***
Total Unallocated Funds	***$18,206,876***	***$10,875,567***	***167.4%***	***$0***	***0.0%***

FUND SUMMARY

- Local sales taxes are 48% higher over last year.
- Alcohol Taxes are 17% higher over last year.
- Building permit revenue is 11% less than 2021. (Development fees are dependent on timing and type of development.)
- Salaries & Wages are 13% higher over last year due to COLA and merit adjustments in FY22 and one-time Premium Pay for all employees in July 2021.
- Grant Revenue is 45% lower than last year, mainly due to receiving one time TN Cares Act money in FY21 and less Local Direct Appropriation Grant money in FY22.
- Capital Expenditures are lower than last year due to the timing of receiving vehicles that have been ordered but not received as of end of the 3rd Quarter.
- Interest income is in a deficit due to the point in time value of investment securities. The City intends to hold investments until maturity and will incur no realized loss.

General Fund (cont.)

Salaries & Wages - General Fund			
Wage Type	**Frequency**	**FY 2022**	**FY 2021**
Regular	19 Payrolls	$27,667,046	$25,739,407
Overtime	19 Payrolls	$2,043,813	$1,028,958
Temp-Non City Emp		$6,433	$990
Premium Pay	7/23/2021	$753,375	$0
Holiday Pay	11/22/2021	$63,568	$218,228
		$30,534,235	$26,987,583

Employee Benefits - General Fund			
Account Type	**Frequency**	**FY 2022**	**FY 2021**
FICA (Employer's Share)	19 Payrolls	$2,189,822	$1,961,204
FICA (Employer's Share) Premium Pay	7/23/2021	$30,448	$0
Medical/Vision	Monthly	$5,142,021	$4,455,067
Dental	Monthly	$101,764	$104,747
Other Group Insurance	Monthly	$164,685	$164,057
Retirement		$3,652,142	$3,529,516
Unemployment		$866	$14,007
Tool/Clothing Allowance		$19,830	$18,967
Workers Compensation	Monthly	$384,231	$190,420
		$11,685,809	$10,437,986

General Fund (cont.)

Grant Revenue - General Fund

Grant Name	Purpose	FY 2022	FY 2021
Hurricane Sally (LA)	Relief	$1,342	$2,014
Hurricane Sally (FL)	Relief	$1,776	$2,664
Hurricane Florence	Relief	$42,560	$0
Hurricane Florence	Relief	$0	$0
Hurricane Delta	Relief	$0	$14,565
Hurricane Dorian	Relief	$0	$0
Hurricane Dorian	Relief	$0	$0
Hurricane Ida (LA)	Relief	$24,534	$0
CESF	COVID 19 PD	$0	$4,308
Bulletproof Vest	Bulletproof Vest Partnership	$20,643	$0
Tennessee Highway Safety	Traffic Safety Enforcement	$21,106	$7,364
Tennessee Highway Safety	Traffic Safety Enforcement	$0	$6,839
Tennessee Highway Safety	Traffic Safety Enforcement	$1,889	$0
ITS Extension	ITS Infrastructure	$350,063	$1,115
ITS Extension	ITS Infrastructure	$0	$643,947
NEPA Phase SR 96	Traffic Signal Improvements	$75,271	$108,088
2021 Local Direct App Grant	Local Direct Appropriation Grant	$0	$1,815,648
2022 Local Direct App Grant	Local Direct Appropriation Grant	$924,150	$0
American Rescue Plan	100% of Premium Net Pay	$477,424	$0
TN CARES ACT	COVID Relief	$0	$1,131,180
March 2021 Flood	Public Assistance	$95,460	$0
Federal Historic Preservation Grant	Hayes House Window	$14,700	$0
Totals		$2,050,917	$3,737,732

Capital Expenditures - General Fund

Asset	Stage	FY 2022	FY 2021
Cool Springs Adaptive Signals Control Technology	Design	$140,710	$804,933
ITS Extension	Construction	$0	$2,780
SR-96 Adaptive Signals Control Technology	Design	$51,734	$65,001
Building Physical Access Control Upgrade	Construction	$84,685	$0
Hunter's Bend Safer to School Improvements	Construction	$0	$10,065
Lewisburg Pike Multi-Use Trail	Design	$0	$40,812
MSA G1 40 Min Carbon Cylinder	Purchase	$0	$86,500
6110M John Deere Cab Tractor	Purchase	$0	$136,174
2020 Ford Explorer Marked Police Vehicles (14)	Purchase	$0	$726,110
2020 Ford Hybrid Marked Police Vehicle	Purchase	$0	$54,080
2020 Ford Explorer Unmarked Police Vehicles (3)	Purchase	$0	$124,926
LifePak 15 Modems PPE Gear	Purchase	$164,638	$0
Leaf Vacuum John Deere 4045TFC03	Purchase	$95,423	$0
Stryker LifePak 15 V4	Purchase	$102,212	$0
John Deere Utility Tractor	Purchase	$46,530	$0
Totals		$685,931	$2,051,381

Street Aid Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$771,402	$601,819	128.2%	$0	0.0%
Property Taxes	$1,059,197	$809,178	130.9%	$1,073,088	98.7%
Interest Income	$8,253	$788	1,047.9%	$7,725	106.8%
State Gasoline Tax	$2,260,308	$1,968,268	114.8%	$2,485,811	90.9%
Transfer From General Fund	$250,000	$250,000	100.0%	$300,000	83.3%
Total Revenues	***$4,349,159***	***$3,630,053***	***119.8%***	***$3,866,624***	***112.5%***
Expenditures:					
Repair & Maintenance Services	$1,336,913	$2,557,335	52.3%	$3,871,097	34.5%
Total Expenditures	***$1,336,913***	***$2,557,335***	***52.3%***	***$3,871,097***	***34.5%***
Total Unallocated Funds	***$3,012,247***	***$1,072,718***	***280.8%***	***($4,473)***	***(67,342.9%)***

FUND SUMMARY

- In the Street Aid Fund, gasoline taxes are 15% higher.
- Expenditures are lower in FY2022 due to less repair and maintenance compared to FY2021.

Sanitation Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$2,051,128	$1,066,081	192.4%	$0	0.0%
Grants	$61,208	$14,327	427.2%	$0	0.0%
Interest Income	$7,017	$193	3,638.5%	$0	0.0%
Sanitation Collection Services	$4,533,536	$4,130,485	109.8%	$6,334,557	71.6%
Tipping Fees	$3,177,174	$3,025,683	105.0%	$3,800,000	83.6%
Transfer From General Fund	$0	$150,000	0.0%	$61,209	0.0%
Other Revenues	$240,545	$519,130	46.3%	$589,223	40.8%
Total Revenues	***$10,070,608***	***$8,905,899***	***113.1%***	***$10,784,989***	***93.4%***
Expenditures:					
Salaries & Wages	1,782,988	1,648,244	108.2%	2,580,939	69.1%
Employee Benefits	795,579	853,354	93.2%	1,263,474	63.0%
Transfers To Other Funds	209,535	209,064	100.2%	227,092	92.3%
Contractual Services	58,827	52,218	112.7%	59,454	98.9%
Capital	894,427	317,559	281.7%	1,030,186	86.8%
Repair & Maintenance Services	515,857	386,554	133.5%	578,233	89.2%
Utilities	62,332	57,590	108.2%	87,248	71.4%
Other Expenditures	4,025,183	3,920,087	102.7%	5,507,425	73.1%
Total Expenditures	***8,344,727***	***7,444,670***	***112.1%***	***11,334,051***	***73.6%***
Total Unallocated Funds	***1,725,881***	***1,461,229***	***118.1%***	***(549,062)***	***(314.3%)***

FUND SUMMARY

- Collection services revenue is 10% higher than last year.
- Tipping fee revenue is 5% higher than last year.
- Grant Revenue is higher than last year due to one-time American Rescue Plan money for Premium Pay.
- Salaries & Wages are 8% higher over last year due to COLA and merit adjustments in FY22 and one-time Premium Pay for all employees in July 2021.
- Capital expenditures are higher in the 3rd quarter due timing of replacement equipment being purchased.

Sanitation Fund (cont.)

Salaries & Wages - Sanitation Fund

Wage Type	Frequency	FY 2022	FY 2021
Regular	19 Payrolls	$1,554,314	$1,458,084
Overtime	19 Payrolls	$166,950	$168,235
Temp-Non City Emp		$0	$5,628
Premium Pay	7/23/2021	$56,859	$0
Holiday Pay	11/22/2021	$4,864	$16,297
		$1,782,988	$1,648,244

Employee Benefits - Sanitation Fund

Account Type	Frequency	FY 2022	FY 2021
FICA (Employer's Share)	19 Payrolls	$125,745	$118,771
FICA (Employer's Share) Premium Pay	7/23/2021	$3,806	$0
Medical/Vision	Monthly	$414,525	$449,141
Dental	Monthly	$6,713	$9,521
Other Group Insurance	Monthly	$10,309	$6,931
Retirement		$217,426	$249,288
Workers Compensation	Monthly	$17,055	$19,702
		$795,579	$853,354

Grant Revenue - Sanitation

Grant Name	Purpose	FY 2022	FY 2021
American Rescue Plan	100% of Premium Net Pay	$61,208	$0
TN CARES Act	COVID Relief	$0	$14,327
Totals		$61,208	$14,327

Capital Expenditures - Sanitation

Asset	Stage	FY 2022	FY 2021
Chassis 2020 Autocar	Purchase	$0	$313,739
Airburner Traffic Box	Purchase	$0	$3,820
Refuse Wheel Loader	Purchase	$194,576	$0
Chassis 2022 Autocar	Purchase	$699,851	$0
Totals		$894,427	$317,559

Road Impact Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$25,741,274	$22,442,977	114.7%	$0	0.0%
Interest Income	($743,398)	$58,377	(1,273.4%)	$50,000	(1,486.8%)
Road Impact Fees	$8,826,107	$5,554,392	158.9%	$4,519,727	195.3%
Total Revenues	***$33,823,983***	***$28,055,746***	***120.6%***	***$4,569,727***	***740.2%***
Expenditures:					
Transfers To Other Funds	$1,382,955	$2,423,670	57.1%	$2,893,316	47.8%
Contractual Services	$0	$839,731	0.0%	$3,050,000	0.0%
Capital	$0	$43,968	0.0%	$0	0.0%
Total Expenditures	***$1,382,955***	***$3,307,369***	***41.8%***	***$5,943,316***	***23.3%***
Total Unallocated Funds	***$32,441,027***	***$24,748,377***	***131.1%***	***($1,373,589)***	***(2,361.8%)***

FUND SUMMARY

- Road impact fees are 59% more than last year. (These revenues are dependent on timing and type of development.)
- Interest income is in a deficit due to the point in time value of investment securities. The City intends to hold investments until maturity and will incur no realized loss.
- Contractual Services were higher in the prior year due to a fee reimbursement.

Capital Expenditures - Road Impact

Asset	Stage	FY 2022	FY 2021
Westhaven Traffic Signal	Construction	$0	$4,437
Long Lane Bridge	Design	$0	$9,538
Jordan Road Improvements	Design	$0	$29,993
Totals		$0	$43,968

Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$11,022,953	$10,694,849	103.1%	$0	0.0%
Interest Income	($282,261)	$24,833	(1,136.6%)	$50,000	(564.5%)
Facilities Taxes	$2,114,721	$2,160,990	97.9%	$2,628,376	80.5%
Other Revenues	$226,444	$0	0.0%	$866,444	26.1%
Total Revenues	***$13,081,857***	***$12,880,672***	***101.6%***	***$3,544,820***	***369.0%***
Expenditures:					
Contractual Services	$6,895	$9,598	71.8%	$0	0.0%
Capital	$36,680	$2,619,928	1.4%	$557,206	6.6%
Repair & Maintenance Services	$9,800	$11,273	86.9%	$0	0.0%
Utilities	$0	$3,393	0.0%	$0	0.0%
Other Expenditures	$860	$229,127	0.4%	$20,020	4.3%
Total Expenditures	***$54,234***	***$2,873,319***	***1.9%***	***$577,226***	***9.4%***
Total Unallocated Funds	***$13,027,623***	***$10,007,353***	***130.2%***	***$2,967,594***	***439.0%***

FUND SUMMARY

- Facilities taxes are 2% less than last year. (These revenues are dependent on timing and type of development.)
- Capital expenditures incurred in prior year were primarily for fire station 7 construction, which opened June 2021.
- City received a contribution from Williamson County in the amount of $866,444 for Fire Station #7 in December 2021.

Capital Expenditures - Facilities

Asset	Stage	FY 2022	FY 2021
Fire Station #7	Construction	$0	$2,272,056
2020 Chevrolet Work Truck	Purchase	$0	$43,737
Brush Truck	Purchase	$0	$259,895
Telestaffing System	Purchase	$0	$44,240
Tractor Mounted Mower	Purchase	$36,680	$0
Totals		$36,680	$2,619,928

County Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$4,498,831	$3,673,984	122.5%	$0	0.0%
Interest Income	($106,700)	$9,346	(1,141.6%)	$15,000	(711.3%)
Facilities Taxes	$768,621	$665,304	115.5%	$742,649	103.5%
Total Revenues	***$5,160,752***	***$4,348,634***	***118.7%***	***$757,649***	***681.2%***
Expenditures:					
Transfers To Other Funds	$0	$125,000	0.0%	$0	0.0%
Total Expenditures	***$0***	***$125,000***	***0.0%***	***$0***	***0.0%***
Total Unallocated Funds	***$5,160,752***	***$4,223,634***	***122.2%***	***$757,649***	***681.2%***

FUND SUMMARY

- This fund was created to account for facilities taxes received from the County.
- Facilities taxes are 16% higher than last year.

Stormwater Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$2,951,003	$2,695,401	109.5%	$0	0.0%
Grants	$0	$1,307	0.0%	$0	0.0%
Interest Income	($30,693)	$5,510	(557.0%)	$50,000	(61.4%)
Stormwater Fees	$1,911,674	$1,810,089	105.6%	$2,554,462	74.8%
Other Revenues	$124,886	$184,793	67.6%	$194,250	64.3%
Total Revenues	***$4,956,870***	***$4,697,101***	***105.5%***	***$2,798,712***	***177.1%***
Expenditures:					
Salaries & Wages	$913,962	$842,011	108.5%	$1,313,726	69.6%
Employee Benefits	$456,540	$417,955	109.2%	$620,712	73.6%
Contractual Services	$4,035	$44,968	9.0%	$71,000	5.7%
Capital	$0	$72,245	0.0%	$0	0.0%
Repair & Maintenance Services	$87,273	$86,693	100.7%	$143,450	60.8%
Utilities	$23,284	$17,711	131.5%	$35,685	65.3%
Other Expenditures	$499,438	$380,637	131.2%	$673,264	74.2%
Total Expenditures	***$1,984,534***	***$1,862,220***	***106.6%***	***$2,857,838***	***69.4%***
Total Unallocated Funds	***$2,972,336***	***$2,834,880***	***104.8%***	***($59,126)***	***(5,027.2%)***

FUND SUMMARY

- Stormwater fees collected are 6% higher than last year and on track per the budget.
- Salaries & Wages are 9% higher over last year due to COLA and merit adjustments in FY22 and one-time Premium Pay for all employees in July 2021.

Stormwater Fund (cont.)

Salaries & Wages - Stormwater Fund

Wage Type	Frequency	FY 2022	FY 2021
Regular	19 Payrolls	$854,470	$816,494
Overtime	19 Payrolls	$28,897	$17,937
Premium Pay	7/23/2021	$28,429	$0
Holiday Pay	11/22/2021	$2,166	$7,580
		$913,962	$842,011

Employee Benefits - Stormwater Fund

Account Type	Frequency	FY 2022	FY 2021
FICA (Employer's Share)	19 Payrolls	$63,830	$60,254
FICA (Employer's Share) Premium Pay	7/23/2021	$2,175	$0
Medical/Vision	Monthly	$199,164	$219,843
Dental	Monthly	$3,961	$4,310
Other Group Insurance	Monthly	$5,885	$5,660
Retirement		$189,839	$122,290
Workers Compensation	Monthly	($8,313)	$5,598
		$456,540	$417,955

Capital Expenditures - Stormwater

Asset	Stage	FY 2022	FY 2021
Compact Excavator	Purchase	$0	$72,245
Totals		$0	$72,245

Drug Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$602,402	$520,472	115.7%	$0	0.0%
Interest Income	$5,595	$3,524	158.8%	$6,000	93.3%
Drug Fines Received	$39,747	$38,971	102.0%	$58,000	68.5%
Other Revenues	$66,005	$97,179	67.9%	$65,500	100.8%
Total Revenues	***$713,750***	***$660,146***	***108.1%***	***$129,500***	***551.2%***
Expenditures:					
Contractual Services	$27,924	$0	0.0%	$0	0.0%
Utilities	$0	$0	0.0%	$6,000	0.0%
Other Expenditures	$15,618	$79,690	19.6%	$302,500	5.2%
Total Expenditures	***$43,543***	***$79,690***	***54.6%***	***$308,500***	***14.1%***
Total Unallocated Funds	***$670,207***	***$580,456***	***115.5%***	***($179,000)***	***(374.4%)***

FUND SUMMARY

- Drug fine collections are 2% higher than last year. This revenue is dependent on court actions.

Hotel/Motel Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$5,927,371	$7,503,829	79.0%	$0	0.0%
Grants	$214,286	$0	0.0%	$0	0.0%
Interest Income	($151,100)	$13,575	(1,113.1%)	$25,000	(604.4%)
State Short Term Vacation Rental Tax	$233,076	$60,266	386.7%	$0	0.0%
Hotel/Motel Taxes	$3,315,009	$1,572,348	210.8%	$2,419,080	137.0%
Transfer From General Fund	$0	$0	0.0%	$1,150,000	0.0%
Total Revenues	***$9,538,642***	***$9,150,018***	***104.2%***	***$3,594,080***	***265.4%***
Expenditures:					
Transfers To Other Funds	$713,275	$2,455,034	29.1%	$1,019,071	70.0%
Capital	$214,286	$214,286	100.0%	$474,286	45.2%
Repair & Maintenance Services	$0	$0	0.0%	$295,000	0.0%
Other Expenditures	$553,341	$1,080,922	51.2%	$1,230,243	45.0%
Total Expenditures	***$1,480,901***	***$3,750,242***	***39.5%***	***$3,018,600***	***49.1%***
Total Unallocated Funds	***$8,057,740***	***$5,399,776***	***149.2%***	***$575,480***	***1,400.2%***

FUND SUMMARY

- Hotel/Motel tax collections are 111% higher than last year. This is due to the increase in travel.
- Other Expenditures are 50% lower than last year due to the Cool Springs Conference Center Operations reporting a profit in August, September, October, December, February, and March.
- Capital is the last Carter Hill Property payment, an ARPA fund eligible expenditure.

Capital Expenditures - Hotel/Motel

Asset	Stage	FY 2022	FY 2021
Carter Hill Property	Agreement	$214,286	$214,286
Totals		$214,286	$214,286

Grant Revenue - Hotel/Motel

Grant Name	Purpose	FY 2022	FY 2021
American Rescue Plan	Spivey Tract	$214,286	$0
Totals		$214,286	$0

Parkland Dedication Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$7,550,661	$8,236,553	91.7%	$0	0.0%
Interest Income	($199,226)	$17,268	(1,153.7%)	$20,000	(996.1%)
Parkland Dedication Fees	$1,516,084	$680,032	222.9%	$1,024,768	147.9%
Total Revenues	***$8,867,519***	***$8,933,853***	***99.3%***	***$1,044,768***	***848.8%***
Expenditures:					
Transfers To Other Funds	$0	$1,361,850	0.0%	$0	0.0%
Total Expenditures	***$0***	***$1,361,850***	***0.0%***	***$0***	***0.0%***
Total Unallocated Funds	***$8,867,519***	***$7,572,003***	***117.1%***	***$1,044,768***	***848.8%***

FUND SUMMARY

- Parkland Dedication fees are 123% higher than last year. (These revenues are dependent on timing and type of development). The current year fees are from Quadrant 2 for Watsons Glen Subdivision and Villages at Southbrook.
- Transfer in 2021 was to fund the Capital Project Fund for the FSSD Athletic Fields.

Transit Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$807,254	$817,912	98.7%	$0	0.0%
Grants	$1,744,578	$1,262,448	138.2%	$2,412,719	72.3%
Interest Income	$3,630	$2,124	170.9%	$0	0.0%
Transit Fares	$47,700	$22,990	207.5%	$50,000	95.4%
Transfer From General Fund	$219,885	$903,034	24.3%	$815,364	27.0%
Other Revenues	$7,300	$6,500	112.3%	$9,700	75.3%
Total Revenues	***$2,830,347***	***$3,015,008***	***93.9%***	***$3,287,783***	***86.1%***
Expenditures:					
Capital	$0	$205,629	0.0%	$200,000	0.0%
Other Expenditures	$2,023,093	$1,890,963	107.0%	$3,087,783	65.5%
Total Expenditures	***$2,023,093***	***$2,096,592***	***96.5%***	***$3,287,783***	***61.5%***
Total Unallocated Funds	***$807,254***	***$918,416***	***87.9%***	***$0***	***0.0%***

FUND SUMMARY

- Transit fares are 108% higher than last year.
- Transit has needed 27% of the budgeted operating subsidy in the 3rd quarter. Grant revenues have been received during the 3rd quarter to stay within the budgeted total transfer.
- Capital budgeted amount is for a van, which is not yet purchased.

Grant Revenue - Transit

Grant Name	Purpose	FY 2022	FY 2021
Allocation for 5307 FY2012	Urbanized Support	$21,055	$37,306
FY14 5307 Allocation	Operating Assistance	$0	$86,548
FY16 5307 Allocation	Operating Assistance	$26,170	$20,711
537 FY21 Operating Assistance	Operating Assistance	$199,769	$0
FY2015- 5339	Capital Cost of Leasing	$0	$7,072
SFY 202 Urban Operating Assistance	Operating Assistance	$0	$277,500
SFY 2022 Urban Operating Assistance	Operating Assistance	$281,400	$0
5307 FY Application	Capital and Operating Assistance	$1,046	$67,817
Operating Assistance	Operating Assistance	$100,834	$39,960
TN CARES ACT	COVID Relief	$1,114,304	$725,534
Totals		$1,744,578	$1,262,448

Capital Expenditures - Transit

Asset	Stage	FY 2022	FY 2021
2019 Braun Vans	Purchase	$0	$205,629
Totals		$0	$205,629

CDBG Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$114,745	$113,066	101.5%	$0	0.0%
Grants	$237,500	$330,407	71.9%	$773,000	30.7%
Interest Income	$2,965	$1,250	237.2%	$5,000	59.3%
Total Revenues	***$355,210***	***$444,723***	***79.9%***	***$778,000***	***45.7%***
Expenditures:					
Contractual Services	$48,299	$64,736	74.6%	$200,000	24.1%
Repair & Maintenance Services	$18,025	$0	0.0%	$175,000	10.3%
Other Expenditures	$135,433	$265,671	51.0%	$401,000	33.8%
Total Expenditures	***$201,757***	***$330,407***	***61.1%***	***$776,000***	***26.0%***
Total Unallocated Funds	***$153,453***	***$114,316***	***134.2%***	***$2,000***	***7,672.6%***

FUND SUMMARY

- Other expenditures include CARES Act Reimbursements to Mercy Health, Boys & Girls Club, and African American Heritage Society

Grant Revenue - CDBG

Grant Name	Purpose	FY 2022	FY 2021
Community Development	Economic Development	$237,500	$330,407
Totals		$237,500	$330,407

Debt Service Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$937,169	$804,607	116.5%	$0	0.0%
Property Taxes	$11,629,983	$10,918,504	106.5%	$11,782,505	98.7%
Interest Income	$6,401	$16,735	38.3%	$25,000	25.6%
Transfer From General Fund	$0	$94,896	0.0%	$0	0.0%
Transfer from Sanitation Fund	$209,535	$209,064	100.2%	$209,512	100.0%
Transfer from Road Impact Fund	$1,382,955	$2,423,670	57.1%	$2,893,316	47.8%
Transfer from Hotel/Motel Tax Fund	$713,275	$1,063,184	67.1%	$1,019,071	70.0%
Transfer from Water & Sewer Fund	$200,000	$200,000	100.0%	$200,000	100.0%
Total Revenues	***$15,079,317***	***$15,730,661***	***95.9%***	***$16,129,404***	***93.5%***
Expenditures:					
Debt Service Payments	$12,514,086	$14,589,156	85.8%	$16,099,938	77.7%
Total Expenditures	***$12,514,086***	***$14,589,156***	***85.8%***	***$16,099,938***	***77.7%***
Total Unallocated Funds	***$2,565,232***	***$1,141,505***	***224.7%***	***$29,466***	***8,705.7%***

FUND SUMMARY

- The Debt Service Fund shows a current year surplus of $2.6 million. The surplus will decrease as it is used to fund debt service payments due in the 4th quarter.
- Expenditures are 14% lower due to the payoff of the 2005 Truist Swap in FY2021.

Capital Projects Fund 310 (Multi-Purpose)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$10,635,065	$9,815,410	108.4%	$0	0.0%
Grants	$42,168	$450,754	9.4%	$0	0.0%
Interest Income	($212,595)	$26,605	(799.1%)	$0	0.0%
Transfer From General Fund	$2,347,000	$636,010	369.0%	$0	0.0%
Transfer from Hotel/Motel Tax Fund	$0	$1,391,850	0.0%	$0	0.0%
Other Revenues	$0	$1,486,850	0.0%	$0	0.0%
Total Revenues	***$12,811,638***	***$13,807,479***	***92.8%***	***$0***	***0.0%***
Expenditures:					
Contractual Services	$135,112	$106,186	127.2%	$0	0.0%
Capital	$4,014,597	$2,732,944	146.9%	$0	0.0%
Other Expenditures	$631,721	$743,486	85.0%	$0	0.0%
Total Expenditures	***$4,781,430***	***$3,582,616***	***133.5%***	***$0***	***0.0%***
Total Unallocated Funds	***$8,030,208***	***$10,224,863***	***78.5%***	***$0***	***0.0%***

FUND SUMMARY

- The fund contains expenditures for city projects.
- Grant Revenue is less than last year due to non-recurring revenue being received.
- Capital is 47% higher this year due to projects being in various stages of design and construction.

Grant Revenue - 310 (Multi-Purpose)

Grant Name	Purpose	FY 2022	FY 2021
SR-6 from SR-397 to Downs Blvd	Roadway Widening	$36,096	$30,590
Mack Hatcher Parkway	ROW and Design	$6,072	$420,164
Totals		$42,168	$450,754

Capital Projects Fund 310 (Multi-Purpose) (cont.)

Capital Expenditures - Capital

Asset	Stage	FY 2022	FY 2021
Bicentennial Park Final Design	Design	$58,325	$212,850
Lewisburg Pike Sidewalk/Multi-Use Trail	Design	$12,412	$55,455
Liberty Pike/N Royal Oaks Roundabout Design	Design	$65,830	$132,331
Robinson Lake Dam Rehab	Construction	$0	$139,495
SE Municipal Park	Construction	$0	$405,270
Harlinsdale Farm Trail and Bridge Design	Design	$40,618	$174,167
New City Hall Design	Design	$360,193	$277,181
FSSD Baseball Field Reconstruction	Design	$3,266,634	$56,700
West Main Street Bridge	Design	$2,379	$22,815
Long Lane Bridge	Design	$129,401	$67,006
Harlinsdale Main Barn Restoration	Design	$5,425	$239,500
Aspen Grove Park	Design	$4,328	$30,972
Liberty Park Improvements	Design	$62,970	$21,625
McEwen Drive/Cool Springs Blvd Improvements	Design	$0	$10,255
McEwen Drive/ Interstate 65 Improvements	Construction	$0	$32,010
Hillsboro Road Improvements	Construction	$0	$84,850
Battle Ave Drainage Improvements	Construction	$0	$119,996
Highway 96W Multi-Use Trails	Construction	$0	$106
Westhaven Traffic Signal	Construction	$0	$254,976
Fifth Ave Parking Lot	Construction	$0	$166,062
Church Street Improvements	Design	$0	$23,583
Pratt Lane Bridge	Design	$6,081	$24,685
Popular Grove Casting/Paving	Construction	$0	$99,156
Watson Branch Culvert	Construction	$0	$81,899
Totals		$4,014,597	$2,732,944

Capital Projects Fund 312 (2019 Bonds)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$14,885,855	$24,675,694	60.3%	$0	0.0%
Grants	$2,147,553	$288,176	745.2%	$0	0.0%
Interest Income	$22,132	($9,146)	(242.0%)	$0	0.0%
Other Revenues	$272,288	$0	0.0%	$0	0.0%
Total Revenues	***$17,327,828***	***$24,954,724***	***69.4%***	***$0***	***0.0%***
Expenditures:					
Contractual Services	$70,625	$100,591	70.2%	$0	0.0%
Capital	$9,290,911	$2,775,255	334.8%	$0	0.0%
Repair & Maintenance Services	$36,112	$75	48,420.5%	$0	0.0%
Other Expenditures	$2,411,992	$2,859,143	84.4%	$0	0.0%
Total Expenditures	***$11,809,640***	***$5,735,063***	***205.9%***	***$0***	***0.0%***
Total Unallocated Funds	***$5,518,187***	***$19,219,661***	***28.7%***	***$0***	***0.0%***

FUND SUMMARY

- The fund accounts for the proceeds received from a bond issued in May 2019.
- Grant revenue is higher than last year due to reimbursement for the State Route 96 Multi-Use Trail.
- Capital Expenditures are 235% higher than last year due to construction on several capital projects.

Grant Revenue - 312 (2019 Bonds)

Grant Name	Purpose	FY 2022	FY 2021
SR-96 Multi-Use Trail	Construction of Multi-Use Trail	$2,147,553	$288,176
Totals		$2,147,553	$288,176

Capital Expenditures - Bonds (2019 Series)

Asset	Stage	FY 2022	FY 2021
East McEwen Drive Phase 5 Improvements	Design	$116,345	$742
East McEwen Drive Phase 4 Improvements	Design	$745,200	$338,903
New Highway 96W Multi-Use Trails	Construction	$1,752,024	$423,835
Franklin Road Sidewalks and Streetscape	Construction	$1,150,176	$172,929
Robinson Lake Dam Rehab	Construction	$363,851	$0
SE Municipal Park	Construction	$4,933,365	$7,795
Carothers Parkway Widening	Construction	$0	$795,404
McEwen Drive Ramp Improvements	Construction	$0	$45,750
East McEwen and Cool Springs Blvd Improvements	Construction	$229,951	$0
Muncipal Services Complex Improvements	Construction	$0	$13,620
2020 Sutphen Customer SL75 Aerial	Purchase	$0	$946,652
SCABAS, Cylinders, and Facemasks	Purchase	$0	$29,623
Totals		$9,290,911	$2,775,255

Water/Sewer Operations

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Grants	$139,117	$316,897	43.9%	$0	0.0%
Interest Income	($780,689)	$66,941	(1,166.2%)	$697,200	(112.0%)
Transfer From General Fund	$0	$0	0.0%	$1,122,415	0.0%
Customer Service	$26,775,245	$25,882,894	103.4%	$33,042,626	81.0%
Loan Proceeds	$7,223,817	$37,951,638	19.0%	$0	0.0%
Other Revenues	$14,480,860	$2,057,066	704.0%	$33,800	42,842.8%
Total Revenues	***$47,838,350***	***$66,275,435***	***72.2%***	***$34,896,041***	***137.1%***
Expenditures:					
Salaries & Wages	$3,644,758	$3,476,833	104.8%	$5,318,439	68.5%
Employee Benefits	$1,694,029	$1,747,823	96.9%	$2,604,692	65.0%
Transfers To Other Funds	$200,000	$200,000	100.0%	$200,000	100.0%
Contractual Services	$669,449	$402,023	166.5%	$1,223,868	54.7%
Capital	$25,986,425	$46,120,414	56.3%	$6,118,500	424.7%
Repair & Maintenance Services	$400,013	$392,397	101.9%	$703,290	56.9%
Utilities	$1,341,619	$1,300,366	103.2%	$1,659,718	80.8%
Debt Service Payments	$1,721,643	$1,755,978	98.0%	$5,744,760	30.0%
Lease Payments	$3,369,425	$854,529	394.3%	$245,975	1,369.8%
Other Expenditures	$7,828,883	$8,143,771	96.1%	$11,242,009	69.6%
Total Expenditures	***$46,856,246***	***$64,394,134***	***72.8%***	***$35,061,252***	***133.6%***
Total Unallocated Funds	***$982,105***	***$1,881,302***	***52.2%***	***($165,211)***	***(594.5%)***

FUND SUMMARY

- Customer service revenue is 3% higher than last year.
- Interest income is in a deficit due to the point in time value of investment securities. The City intends to hold investments until maturity and will incur no realized loss.
- Loan Proceeds reflects funds received from the State of Tennessee Revolving Loan Program for Improvements to the City's Wastewater Treatment Plant. Through the 3rd Quarter, bond funds were being used to pay these expenses.
- Salaries & Wages are 5% higher over last year due to COLA and merit adjustments in FY22 and one-time Premium Pay for all employees in July 2021.
- Capital expenditures are 44% lower than last year due to timing of design and construction on various projects.

Water/Sewer Operations (cont.)

Customer Service Revenue

Service Revenue	Frequency	FY 2022	FY 2021
Water	Monthly	$9,962,970	$10,007,870
Sewer	Monthly	$16,702,078	$15,756,151
Reclaimed	Monthly	$110,197	$118,873
Totals		$26,775,245	$25,882,894

Grant Revenue - Water/Sewer

Grant Name	Purpose	FY 2022	FY 2021
Clean Tennessee Energy	Water Reclamation Facility	$0	$250,000
SR-96 Multi-Use Trail	Construction of Multi-Use Trail	$16,701	$0
American Rescue Plan	100% of Premium Net Pay	$122,416	$0
TN CARES ACT	COVID Relief	$0	$66,897
Totals		$139,117	$316,897

Salaries & Wages - Water/Sewer Fund

Wage Type	Frequency	FY 2022	FY 2021
Regular	19 Payrolls	$3,368,286	$3,332,221
Overtime	19 Payrolls	$153,875	$112,018
Premium Pay	7/23/2021	$113,717	$0
Holiday Pay	11/22/2021	$8,879	$32,593
		$3,644,758	$3,476,833

Water/Sewer Operations (cont.)

Employee Benefits - Water/Sewer Fund

Account Type	Frequency	FY 2022	FY 2021
FICA (Employer's Share)	19 Payrolls	$257,711	$251,211
FICA (Employer's Share) Premium Pay	7/23/2021	$7,068	$0
Medical/Vision	Monthly	$788,816	$881,994
Dental	Monthly	$16,252	$19,711
Other Group Insurance	Monthly	$22,251	$22,166
Retirement		$558,384	$541,626
Workers Compensation	Monthly	$43,547	$31,115
		$1,694,029	$1,747,823

Capital Expenditures - Water and Sewer

Asset	Stage	FY 2022	FY 2021
Water Reclamation Facility	Construction	$19,836,706	$40,098,046
South Prong Drainage Basin Sanitary Sewer Improvements	Design	$80,286	$24,448
New Highway 96W Multi-Use Trails	Construction	$1,168,014	$0
Franklin Road Water and Sewer Line Improvements	Construction	$469,929	$832,959
Holiday Court Sewer Pump Station Replacement	Construction	$2,583	$647,074
SE Municipal Park	Construction	$790,385	$0
Henpeck Lane Line Improvements	Const Admin	$0	$10,999
Sanitary Sewer Main Rehabilitation	Construction	$221,716	$0
Reclaimed Water System Model and Master Plan Update	Design	$5,385	$3,731
Sanitary Sewer Lateral Improvements	Construction	$130,820	$162,110
Mack Hatcher NW Water and Sewer Relocation	Construction	$58,383	$25,000
AMI Project - FlexNet Project MGMT	Design	$1,500	$175,450
Berry Farms AMI Project	Construction	$15,474	$0
Spencer Creek at Franklin Road Sanitary Sewer Rehab	Construction	$314,413	$2,902,181
Gist Street Water and Sewer Line Improvements	Construction	$15,227	$26,058
Southeast Pilot and Redwing Reclaimed Water Pump Statior	Construction	$2,147,255	$0
Water System Modeling	Design	$0	$81,227
SE Wastewater Capacity Study	Design	$507,159	$968,122
Lewisburg Pike Water Main Relocation	Design	$140,730	$0
Adams Street Water and Sewer Improvements	Design	$10,448	$0
Watson Branch Sanitary Sewer	Easement	$12,540	$0
New Hope Academy Sewer Replacement	Construction	$16,394	$0
West End Circle Water Line Replacement	Construction	$22,133	$0
Forrest Crossing No. 1 and 2 Pump Station Replacements	Construction	$18,947	$0
Fourth Ave Parking Garage Line Repair	Construction	$0	$389
Sumitomo PX8090P3 Gearbox	Equipment	$0	$51,476
CDD5020-XDS2.0 Grinder	Equipment	$0	$44,850
2020 Chevy Silverado 1500	Purchase	$0	$66,293
Totals		$25,986,425	$46,120,414

Water/Sewer Development Fees

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	($183,543)	$27,465	(668.3%)	$0	0.0%
Customer Service	$26,000	$40,500	64.2%	$0	0.0%
Impact Fees	$3,332,999	$2,991,254	111.4%	$0	0.0%
Bond Proceeds	$13,153,116	$0	0.0%	$0	0.0%
Other Revenues	($1,321)	$2,030	(65.1%)	$0	0.0%
Total Revenues	***$16,327,251***	***$3,061,248***	***533.4%***	***$0***	***0.0%***
Expenditures:					
Transfers To Other Funds	$13,021,048	$0	0.0%	$0	0.0%
Capital	$23,302	$151,744	15.4%	$0	0.0%
Debt Service Payments	$2,137,991	$2,040,738	104.8%	$0	0.0%
Other Expenditures	$136	$2,347	5.8%	$0	0.0%
Total Expenditures	***$15,182,476***	***$2,194,829***	***691.7%***	***$0***	***0.0%***
Total Unallocated Funds	***$1,144,775***	***$866,419***	***132.1%***	***$0***	***0.0%***

FUND SUMMARY

- Access fees and system development fees are 11% higher than last year. (These revenues are also dependent on timing and type of development.)

Capital Expenditures - Water and Sewer Development Fees

Asset	Stage	FY 2022	FY 2021
Berry Farms/Reams Fleming Tract Reclaimed Improvements	Construction	$0	$1,251
Redwing Meadows Land Acquisition	Easement	$0	$32,623
Mack Hatcher NW Water and Sewer Relocation	Construction	$0	$4,200
Goose Creek/Redwings Reclaimed Water Pump Station	Design	$23,302	$113,670
Totals		$23,302	$151,744

On the Horizon

July 2022

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August 2022

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

September 2022

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July 2022	No Budget and Finance Committee Meeting.
Thursday, August 11, 2022	Budget and Finance Committee Meeting.
Thursday, September 8, 2022	Budget and Finance Committee Meeting,

Finance Department

Contact Information

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City of Franklin

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

File #: 21-03298

DATE: June 3, 2022

TO: Budget & Finance Committee

FROM: Mike Lowe, Comptroller
Margaret Wilson, Financial Analyst

SUBJECT:

Monthly Reports For June 2022

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee concerning critical revenue streams that influence performance versus budget.

BACKGROUND/STAFF COMMENTS:

Beginning with the executive summary, the reports include:

- Schedule 1: Local Sales Tax - March 2022
- Schedule 2: Building Permits - April 2022
- Schedule 3: Road Impact Fees - April 2022
- Schedule 4: Facilities Tax (City) - April 2022
- Schedule 5: Facilities Tax (County) - April 2022
- Schedule 6: Gasoline Tax (Street Aid Fund) - March 2022
- Schedule 7: Hotel/Motel Tax - March 2022
- Schedule 8: Conference Center - April 2022

FINANCIAL IMPACT:

There is no financial impact from the reports. Reports are provided to show any variance from budget.

RECOMMENDATION:

There is no staff recommendation. Reports are for information only.

City of Franklin

Monthly Reports for June 2022

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax (March 2022)

The local sales tax remittance from the State of Tennessee for March 2022 sales (received by the City in May 2022) was $5,012,806 compared to $3,595,329 for the same month in FY 2021, a monthly year over year increase of $1,417,477 or 39.4%. March is the 12th consecutive month over $4 million. (The City began receiving its portion of additional 0.5% local sales tax rate in April 2021.)

The year-to-date increase over last fiscal year is 47.9%.

Schedule 2: Building Permits (April 2022)

2022 year-to-date is less than 2021 by 8.6%, and compared to 2022 budget is less by 6.6%.

Schedule 3: Road Impact Fees * (April 2022)

Combined 2022 year-to-date compared to 2021 is 53.1% more, and compared to 2022 budget is more by 145.0%. By quadrant, Arterial Area 2022 year-to-date compared to 2021 is 57.9% more, and compared to 2022 budget is more by 121.1%. Coll Area 1 2022 year-to-date compared to 2021 is 121.7% more, and compared to 2022 budget is more by 445.9%; Coll Area 2 2022 year-to-date compared to 2021 is 5.4% more, and compared to 2022 budget is more by 86.2%; Coll Area 3 2022 year-to-date compared to 2021 is 14.4% more, and compared to 2022 budget is more by 164.4%; Coll Area 4 2022 year-to-date compared to 2021 is 0.3% less, and compared to 2022 budget is less by 5.5%.

Schedule 4: Facilities Tax (City) * (April 2022)

2022 year-to-date compared to 2021 is 3.2% less, and compared to 2022 budget is more by 5.6%.

Schedule 5: Facilities Tax (County) * (April 2022)

2022 year-to-date compared to 2021 is 11.1% more, and compared to 2022 budget is 40.7% more.

Schedule 6: Gasoline Taxes (State Street Aid Fund) (March 2022)

The gasoline tax remittance from the State of Tennessee for March 2022 sales (received by the City in May 2022) was $279,319 compared to $222,536 for the same month in FY 2021, an increase of $56,783 or 25.5%.
For budget comparisons, the City anticipated collections of $207,151 for March 2022, a difference of $72,168 more, or 34.8%. The year-to-date increase from last fiscal year is 21.2%.

Schedule 7: Hotel/Motel Tax (March 2022)

2022 year-to-date compared to 2021 is 110.8% more, and compared for 2022 budget is more by 80.8%.

Schedule 8: Conference Center (April 2022)

The City's ½ share of the gain for April 2022 was $109,510. In April 2021, the City's ½ share of the gain was $43,488.

*** Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.**

City of Franklin

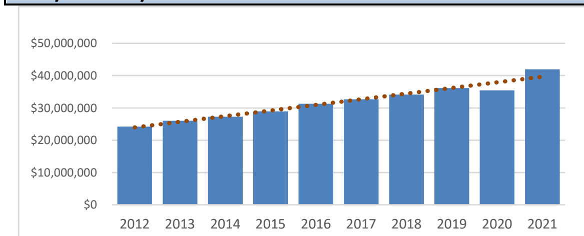
Finance Department - Monthly Reports

Schedule 1:	Local Sales Tax	Fund	General	Account:	110-31300-00000

Summary: Tennessee Code Annotated 67-6-702 authorizes the levy of a local sales tax. The maximum rate authorized is 2.75%. The current rate increased from 2.25% to the maximum of 2.75% effective April 1, 2018. The tax is applied only to the first $1,600 of any single article of personal property. The City receives 1/2 of the 2.75% rate collected within the City. Williamson County receives the other 1/2, plus an administrative fee of 1% of the City's 1/2 of the tax. Beginning with April 2018 taxes, the City contributes its share of the .5% increase to the County's School Debt Service. The County withholds the contribution for school debt service from the amount remitted to the City. The 36 month contribution period ended with March 2021 sales (received in May 2021).

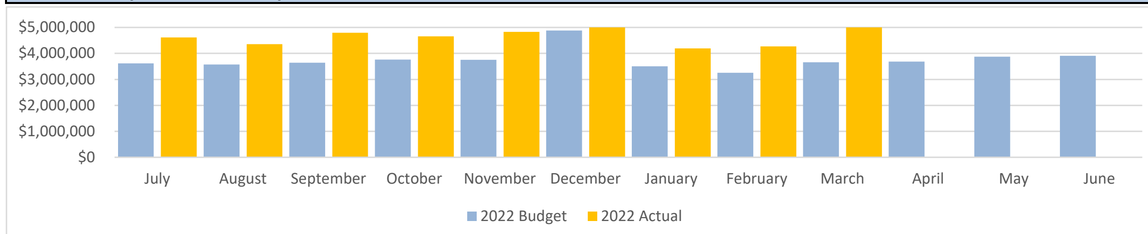
Monthly Report for June 2022: The local sales tax remittance from the State of Tennessee for March 2022 sales (received by the City in May 2022) was $5,012,806 compared to $3,595,329 for the same month in 2021, a monthly year over year increase $1,417,477, or 39.4% more. May receipts (March sales) are the ninth month of the FY 2022 fiscal year for both the City of Franklin and the State of Tennessee.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year	Contribution to County School Debt .5% Apr 2018-Mar 2021
2012	$24,197,413	$1,476,747	6.5%	
2013	$25,995,733	$1,798,320	7.4%	
2014	$27,254,742	$1,259,009	4.8%	
2015	$28,943,994	$1,689,252	6.2%	
2016	$31,309,366	$2,365,372	8.2%	
2017	$32,694,268	$1,384,902	4.4%	
2018	$34,151,972	$1,457,704	4.5%	$1,692,308
2019	$36,168,178	$2,016,206	5.9%	$7,052,013
2020	$35,453,379	($714,799)	-2.0%	$7,430,205
2021	$41,999,727	$6,546,348	18.5%	$6,298,283
Average Increase (Decrease)		**$ 1,927,906**	**6.4%**	**$ 22,472,809**

FY22 Month by Month Summary



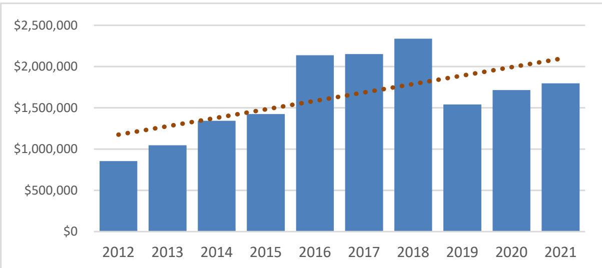
Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$3,000,773	$3,614,963	$4,616,865	$1,616,092	53.9%	$1,001,902	27.7%
August	$2,915,576	$3,573,188	$4,357,269	$1,441,693	49.4%	$784,081	21.9%
September	$3,022,499	$3,641,883	$4,794,161	$1,771,661	58.6%	$1,152,278	31.6%
October	$3,186,150	$3,762,987	$4,655,427	$1,469,277	46.1%	$892,440	23.7%
November	$3,085,542	$3,750,795	$4,829,484	$1,743,942	56.5%	$1,078,689	28.8%
December	$4,372,683	$4,882,701	$5,790,987	$1,418,304	32.4%	$908,286	18.6%
January	$3,007,164	$3,508,337	$4,188,975	$1,181,810	39.3%	$680,638	19.4%
February	$2,550,960	$3,257,961	$4,267,861	$1,716,900	67.3%	$1,009,900	31.0%
March	$3,595,329	$3,656,909	$5,012,806	$1,417,477	39.4%	$1,355,897	37.1%
April	$4,323,776	$3,686,853					
May	$4,446,675	$3,876,215					
June	$4,492,599	$3,908,774					
	$41,999,727	**$45,121,566**	**$42,513,834**	**$1,530,795**	**47.9%**	**$984,901**	**26.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$13,777,156		**$8,864,110**	
				Total		*Total*	

Schedule 2:	Building Permits	Fund	General Fund	Account:	110-32120-00000

Summary: A part of General Fund Revenues, these fees are paid to the City to offset and pay for the staffing costs borne by the City to extend services due to construction growth. There has been growth in both residential and commercial sides of development. This revenue has been difficult to predict by month because permits are often obtained and fees paid in advance of construction.

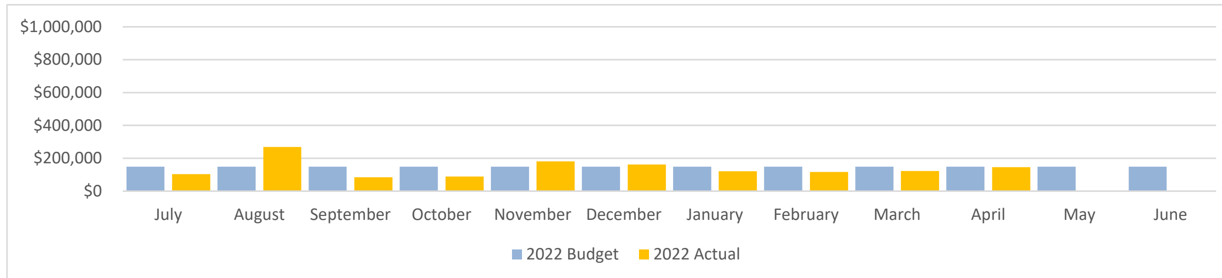
Monthly Report for June 2022: 2022 year-to-date is less than 2021 by 8.6%, and compared to 2022 budget is less by 6.6%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	$855,409	$35,298	4.3%
2013	$1,046,947	$191,538	22.4%
2014	$1,343,978	$297,031	28.4%
2015	$1,426,188	$82,210	6.1%
2016	$2,136,322	$710,134	49.8%
2017	$2,153,262	$16,940	0.8%
2018	$2,339,364	$186,102	8.6%
2019	$1,539,655	($799,709)	-34.2%
2020	$1,714,700	$175,045	11.4%
2021	$1,796,670	$81,970	4.8%
Average Increase (Decrease)		**$ 97,656**	**10.2%**

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$117,582	$149,289	$103,721	($13,861)	-11.8%	($45,568)	-30.5%
August	$220,795	$149,289	$269,344	$48,549	22.0%	$120,055	80.4%
September	$148,714	$149,289	$84,047	($64,667)	-43.5%	($65,242)	-43.7%
October	$163,167	$149,289	$88,357	($74,810)	-45.8%	($60,932)	-40.8%
November	$152,921	$149,289	$181,291	$28,370	18.6%	$32,002	21.4%
December	$192,436	$149,289	$161,696	($30,740)	-16.0%	$12,407	8.3%
January	$192,867	$149,289	$120,661	($72,206)	-37.4%	($28,628)	-19.2%
February	$83,859	$149,289	$117,358	$33,499	39.9%	($31,931)	-21.4%
March	$125,489	$149,289	$123,207	($2,282)	-1.8%	($26,082)	-17.5%
April	$128,714	$149,289	$145,233	$16,519	12.8%	($4,056)	-2.7%
May	$124,827	$149,289					
June	$145,299	$149,289					
	$1,796,670 *Total*	**$1,791,465** *Total*	**$1,394,915** *Total*	**($13,163)** *Average* **($131,629)** *Total*	**-8.6%** *Average*	**($9,797)** *Average* **($97,973)** *Total*	**-6.6%** *Average*

City of Franklin

Finance Department - Monthly Reports

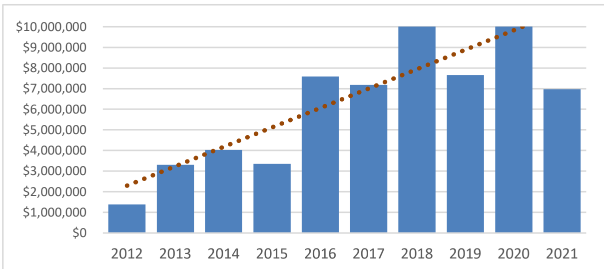
Schedule 3:	Road Impact Fees	Fund	Road Impact	Account:	128-(32800-32804)-00000

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin began. This report was updated to show those collections when they occur.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 53.1% more, and compared to 2022 budget is more by 145.0%.

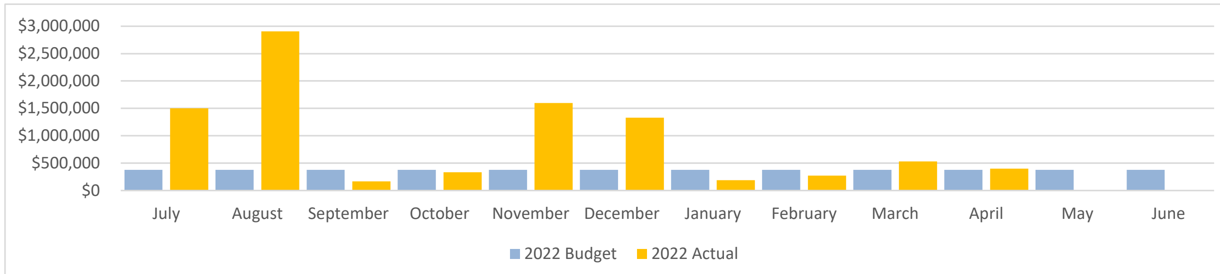
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	$1,391,645	($1,075,201)	-43.6%
2013	$3,306,075	$1,914,430	137.6%
2014	$4,021,752	$715,677	21.6%
2015	$3,358,431	($663,321)	-16.5%
2016	$7,586,724	$4,228,293	125.9%
2017	$7,180,150	($406,574)	-5.4%
2018	$11,585,500	$4,405,350	61.4%
2019	$7,659,855	($3,925,645)	-33.9%
2020	$12,251,152	$4,591,297	59.9%
2021	$6,975,153	($5,275,999)	-43.1%
Average Increase (Decrease)		**$ 450,831**	**26.4%**

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$293,215	$376,644	$1,500,963	$1,207,748	411.9%	$1,124,319	298.5%
August	$1,754,297	$376,644	$2,906,300	$1,152,003	65.7%	$2,529,656	671.6%
September	$204,516	$376,644	$167,232	($37,284)	-18.2%	($209,412)	-55.6%
October	$424,492	$376,644	$334,640	($89,852)	-21.2%	($42,004)	-11.2%
November	$676,229	$376,644	$1,599,329	$923,100	136.5%	$1,222,685	324.6%
December	$967,922	$376,644	$1,328,834	$360,912	37.3%	$952,190	252.8%
January	$669,382	$376,644	$188,648	($480,734)	-71.8%	($187,996)	-49.9%
February	$240,025	$376,644	$270,840	$30,815	12.8%	($105,804)	-28.1%
March	$324,314	$376,644	$529,321	$205,007	63.2%	$152,677	40.5%
April	$473,171	$376,644	$401,714	($71,457)	-15.1%	$25,070	6.7%
May	$529,120	$376,644					
June	$418,470	$376,644					
	$6,975,153	**$4,519,728**	**$9,227,821**	**$320,026**	**53.1%**	**$546,138**	**145.0%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$3,200,258		**$5,461,381**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

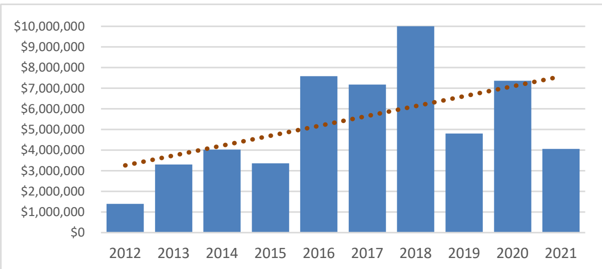
Schedule 3A:	Arterial Area	Fund	Road Impact	Account:	128-32800-00000

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 57.9% more, and compared to 2022 budget is more by 121.1%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

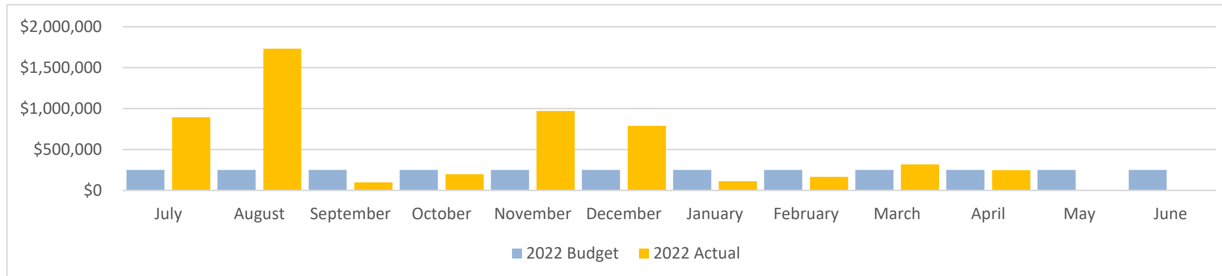
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	$1,391,645	($1,075,201)	-43.6%
2013	$3,306,075	$1,914,430	137.6%
2014	$4,021,752	$715,677	21.6%
2015	$3,358,431	($663,321)	-16.5%
2016	$7,586,724	$4,228,293	125.9%
2017	$7,180,150	($406,574)	-5.4%
2018	$11,084,375	$3,904,225	54.4%
2019	$4,800,171	($6,284,204)	-56.7%
2020	$7,359,092	$2,558,921	53.3%
2021	$4,061,173	($3,297,919)	-44.8%

Average Increase (Decrease) $ (779,744)

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$174,511	$250,000	$893,993	$719,482	412.3%	$643,993	257.6%
August	$921,741	$250,000	$1,731,438	$809,697	87.8%	$1,481,438	592.6%
September	$121,717	$250,000	$98,220	($23,497)	-19.3%	($151,780)	-60.7%
October	$254,574	$250,000	$198,969	($55,605)	-21.8%	($51,031)	-20.4%
November	$403,997	$250,000	$970,121	$566,124	140.1%	$720,121	288.0%
December	$577,878	$250,000	$790,344	$212,466	36.8%	$540,344	216.1%
January	$398,234	$250,000	$114,266	($283,968)	-71.3%	($135,734)	-54.3%
February	$146,150	$250,000	$165,277	$19,127	13.1%	($84,723)	-33.9%
March	$194,972	$250,000	$317,049	$122,077	62.6%	$67,049	26.8%
April	$305,602	$250,000	$247,009	($58,593)	-19.2%	($2,991)	-1.2%
May	$314,574	$250,000					
June	$247,223	$250,000					
	$4,061,173	**$3,000,000**	**$5,526,686**	**$202,731**	**57.9%**	**$302,669**	**121.1%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$2,027,310		**$3,026,686**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 3B:	Coll Area 1	Fund	Road Impact	Account:	128-32801-00000

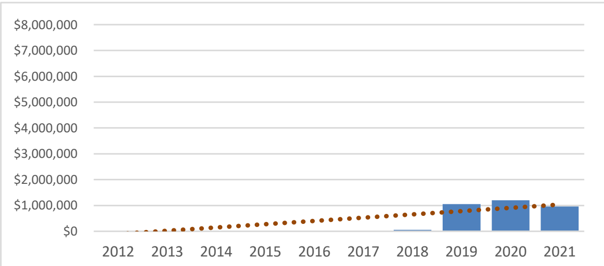
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 1 - Area north of Murfreesboro Road/3rd Avenue South and east of East Main Street/Franklin Road and within the corporate boundaries of the city.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 121.7% more, and compared to 2022 budget are more by 445.9%.

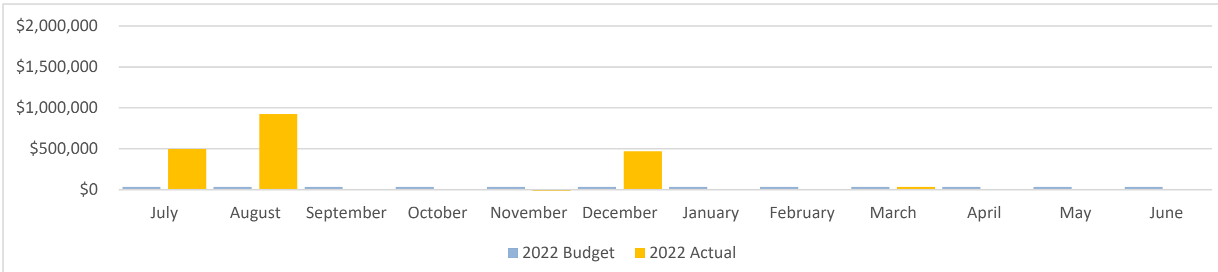
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	Breakdown between Quadrants began in FY 2018.		
2013			
2014			
2015			
2016			
2017			
2018	$59,923	$59,923	100.0%
2019	$1,057,313	$997,390	1664.5%
2020	$1,200,036	$142,723	13.5%
2021	$956,982	($243,054)	-20.3%
Average Increase (Decrease)	**$ 239,246**		

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$8,484	$35,098	$494,971	$486,487	5734.2%	$459,873	1310.3%
August	$228,391	$35,098	$925,201	$696,810	305.1%	$890,103	2536.1%
September	$20,040	$35,098	$5,552	($14,488)	-72.3%	($29,546)	-84.2%
October	$41,511	$35,098	$3,340	($38,171)	-92.0%	($31,758)	-90.5%
November	$154,814	$35,098	($21,744)	($176,558)	-114.0%	($56,842)	-162.0%
December	$230,711	$35,098	$468,350	$237,639	103.0%	$433,252	1234.4%
January	$23,380	$35,098	$4,242	($19,138)	-81.9%	($30,856)	-87.9%
February	$42,288	$35,098	-	($42,288)	-100.0%	($35,098)	-100.0%
March	$31,864	$35,098	$36,063	$4,199	13.2%	$965	2.7%
April	$82,582	$35,098	-	($82,582)	-100.0%	($35,098)	-100.0%
May	$83,214	$35,098					
June	$9,703	$35,098					
	$956,982	**$315,882**	**$1,915,975**	**$105,191**	**121.7%**	**$156,500**	**445.9%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$1,051,910		**$1,564,995**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 3C:	Coll Area 2	Fund	Road Impact	Account:	128-32802-00000

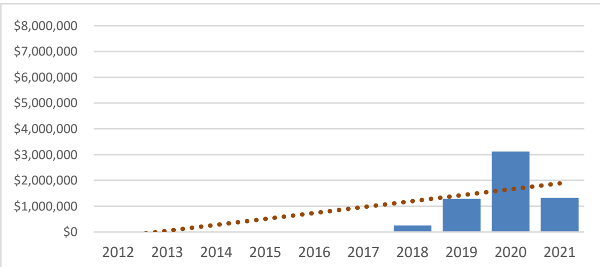
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 2 - Area south of Murfreesboro Road/3rd Avenue South and east of Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 5.4% more, and compared to 2022 budget is more by 86.2%.

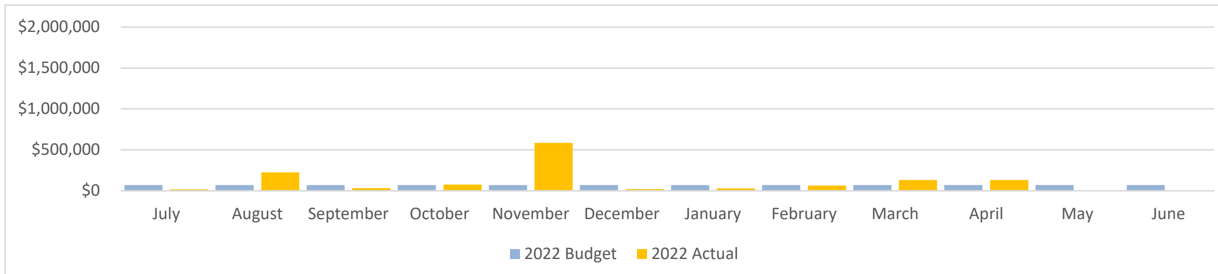
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	Breakdown between Quadrants began in FY 2018.		
2013			
2014			
2015			
2016			
2017			
2018	$251,474	$251,474	100.0%
2019	$1,286,317	$1,034,843	100.0%
2020	$3,118,015	$1,831,698	142.4%
2021	$1,326,079	($1,791,936)	-57.5%
Average Increase (Decrease)	**$ 358,202**		

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$70,140	$70,518	$16,700	($53,440)	-76.2%	($53,818)	-76.3%
August	$540,169	$70,518	$224,055	($316,114)	-58.5%	$153,537	217.7%
September	$45,224	$70,518	$33,400	($11,824)	-26.1%	($37,118)	-52.6%
October	$66,483	$70,518	$75,057	$8,574	12.9%	$4,539	6.4%
November	$66,483	$70,518	$585,822	$519,339	781.2%	$515,304	730.7%
December	$139,293	$70,518	$20,040	($119,253)	-85.6%	($50,478)	-71.6%
January	$190,988	$70,518	$30,060	($160,928)	-84.3%	($40,458)	-57.4%
February	$33,083	$70,518	$64,581	$31,498	95.2%	($5,937)	-8.4%
March	$46,760	$70,518	$131,954	$85,194	182.2%	$61,436	87.1%
April	$46,760	$70,518	$131,325	$84,565	180.8%	$60,807	86.2%
May	$23,380	$70,518					
June	$57,316	$70,518					
	$1,326,079 *Total*	**$846,216** *Total*	**$1,312,994** *Total*	**$6,761** *Average*	**5.4%** *Average*	**$60,781** *Average*	**86.2%** *Average*
				$67,611 *Total*		**$607,814** *Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 3D:	Coll Area 3	Fund	Road Impact	Account:	128-32803-00000

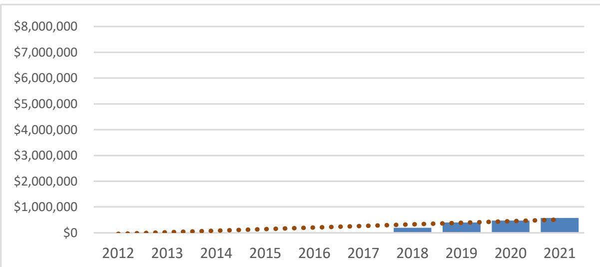
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 3 - Area south of New Highway 96W and west of 5th Avenue South and Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 14.4% more, and compared to 2022 budget are more by 164.4%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

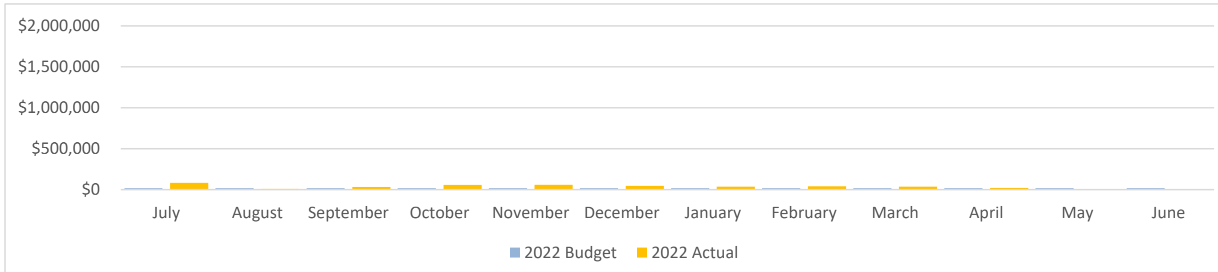
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	Breakdown between Quadrants began in FY 2018.		
2013			
2014			
2015			
2016			
2017			
2018	$189,728	$189,728	100.0%
2019	$400,237	$210,509	111.0%
2020	$472,760	$72,523	18.1%
2021	$573,304	$100,544	21.3%

Average Increase (Decrease) $ 127,859

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$33,400	$16,096	$84,255	$50,855	152.3%	$68,159	423.4%
August	$57,316	$16,096	$12,246	($45,070)	-78.6%	($3,850)	-23.9%
September	$17,535	$16,096	$30,060	$12,525	71.4%	$13,964	86.8%
October	$58,584	$16,096	$56,780	($1,804)	-3.1%	$40,684	252.8%
November	$47,595	$16,096	$60,955	$13,360	28.1%	$44,859	278.7%
December	$20,040	$16,096	$46,760	$26,720	133.3%	$30,664	190.5%
January	$53,440	$16,096	$36,740	($16,700)	-31.3%	$20,644	128.3%
February	$15,164	$16,096	$40,982	$25,818	170.3%	$24,886	154.6%
March	$37,358	$16,096	$36,740	($618)	-1.7%	$20,644	128.3%
April	$31,547	$16,096	$20,040	($11,507)	-36.5%	$3,944	24.5%
May	$104,612	$16,096					
June	$96,713	$16,096					
	$573,304	**$193,156**	**$425,558**	**$5,358**	**14.4%**	**$26,459**	**164.4%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$53,579		**$264,595**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 3E:	Coll Area 4	Fund	Road Impact	Account:	128-32804-00000

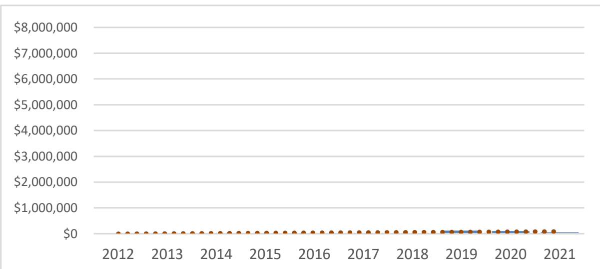
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 4 - Area north of New HIghway 96W, 5th Avenue North, Main Street and west of East Main Street and Franklin Road and within the corporate boundaries of the city.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 0.3% less, and compared to 2022 budget is less by 5.5%.

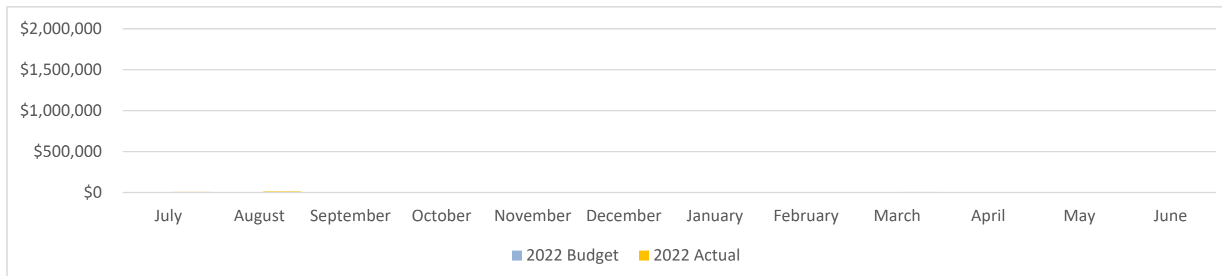
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	Breakdown between Quadrants began in FY 2018.		
2013			
2014			
2015			
2016			
2017			
2018	$0	$0	0.0%
2019	$115,817	$115,817	100.0%
2020	$101,249	($14,568)	-12.6%
2021	$57,615	($43,634)	-43.1%
Average Increase (Decrease)	**$ 19,205**		

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$6,680	$4,932	$11,044	$4,364	65.3%	$6,112	123.9%
August	$6,680	$4,932	$13,360	$6,680	100.0%	$8,428	170.9%
September	$0	$4,932	$0			($4,932)	-100.0%
October	$3,340	$4,932	$494	($2,846)	-85.2%	($4,438)	-90.0%
November	$3,340	$4,932	$4,175	$835	25.0%	($757)	-15.3%
December	$0	$4,932	$3,340	$3,340		($1,592)	-32.3%
January	$3,340	$4,932	$3,340	$0	0.0%	($1,592)	-32.3%
February	$3,340	$4,932	$0	($3,340)	-100.0%	($4,932)	-100.0%
March	$13,360	$4,932	$7,515	($5,845)	-43.8%	$2,583	52.4%
April	$6,680	$4,932	$3,340	($3,340)	-50.0%	($1,592)	-32.3%
May	$3,340	$4,932					
June	$7,515	$4,932					
	$57,615 *Total*	**$59,179** *Total*	**$46,608** *Total*	**($17)** *Average* **($152)** *Total*	**-0.3%** *Average*	**($271)** *Average* **($2,708)** *Total*	**-5.5%** *Average*

City of Franklin

Finance Department - Monthly Reports

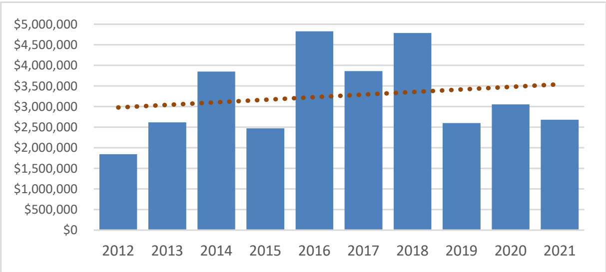
Schedule 4:	Facilities Tax (City)	Fund	Facilities Tax	Account:	130-31600-00000

Summary: A special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth. Such taxes may be expended ***only*** on police, fire, sanitation, and parks and recreation.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 3.2% less, and compared to 2022 budget is more by 5.6%.

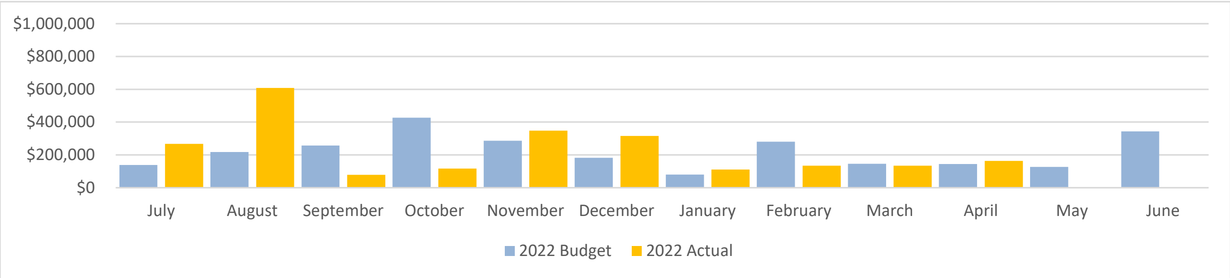
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	$1,845,690	($903,237)	-32.9%
2013	$2,617,339	$771,649	41.8%
2014	$3,848,783	$1,231,444	47.0%
2015	$2,468,473	($1,380,310)	-35.9%
2016	$4,827,968	$2,359,495	95.6%
2017	$3,864,453	($963,515)	-20.0%
2018	$4,788,042	$923,589	23.9%
2019	$2,598,810	($2,189,232)	-45.7%
2020	$3,051,110	$452,300	17.4%
2021	$2,682,395	($368,715)	-12.1%
Average Increase (Decrease)		**($6,653)**	**7.9%**

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$137,965	$138,348	$267,491	$129,526	93.9%	$129,143	93.3%
August	$567,347	$218,010	$608,156	$40,809	7.2%	$390,146	179.0%
September	$106,988	$256,536	$78,518	($28,470)	-26.6%	($178,018)	-69.4%
October	$192,828	$426,434	$116,774	($76,054)	-39.4%	($309,660)	-72.6%
November	$226,319	$286,484	$348,525	$122,206	54.0%	$62,041	21.7%
December	$392,660	$182,264	$315,251	($77,409)	-19.7%	$132,987	73.0%
January	$284,889	$80,110	$110,770	($174,119)	-61.1%	$30,660	38.3%
February	$98,466	$280,363	$134,799	$36,333	36.9%	($145,564)	-51.9%
March	$153,528	$145,300	$134,437	($19,091)	-12.4%	($10,863)	-7.5%
April	$192,471	$144,370	$163,610	($28,861)	-15.0%	$19,240	13.3%
May	$168,569	$126,220					
June	$160,365	$343,937					
	$2,682,395 *Total*	**$2,628,376** *Total*	**$2,278,331** *Total*	**($7,513)** *Average* **($75,130)** *Total*	**-3.2%** *Average*	**$12,011** *Average* **$120,112** *Total*	**5.6%** *Average*

City of Franklin

Finance Department - Monthly Reports

Schedule 5:	Facilities Tax (County)	Fund	Facilities Tax (County)	Account:	132-31600-00000

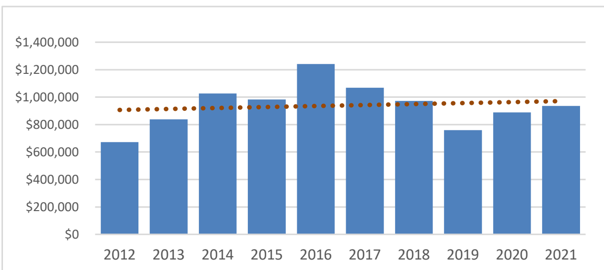
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used for the purpose of providing public facilities, the need for which is reasonably related to new development. The County uses 100% of its amount for public school purposes.

Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 11.1% more, and compared to 2022 budget is 40.7% more.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

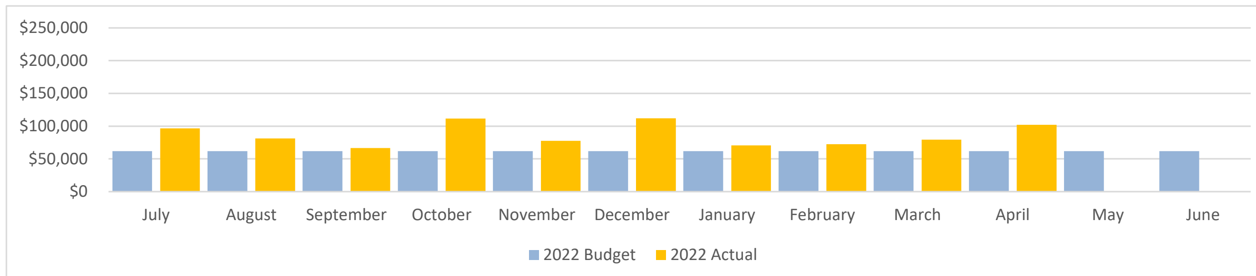
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	$672,961	$672,961	100.0%
2013	$838,523	$165,562	24.6%
2014	$1,026,933	$188,410	22.5%
2015	$982,605	($44,328)	-4.3%
2016	$1,241,241	$258,636	26.3%
2017	$1,068,030	($173,211)	-14.0%
2018	$971,814	($96,216)	-9.0%
2019	$759,873	($211,941)	-21.8%
2020	$889,427	$129,554	17.0%
2021	$935,555	$46,128	5.2%
Average Increase (Decrease)		**$ 93,556**	**2.7%**

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$75,154	$61,887	$96,643	$21,490	28.6%	$34,756	56.2%
August	$76,068	$61,887	$81,278	$5,210	6.8%	$19,390	31.3%
September	$71,681	$61,887	$66,755	($4,926)	-6.9%	$4,868	7.9%
October	$75,341	$61,887	$111,605	$36,264	48.1%	$49,718	80.3%
November	$67,124	$61,887	$77,686	$10,562	15.7%	$15,798	25.5%
December	$66,672	$61,887	$112,074	$45,402	68.1%	$50,187	81.1%
January	$78,759	$61,887	$70,584	($8,175)	-10.4%	$8,697	14.1%
February	$85,447	$61,887	$72,495	($12,951)	-15.2%	$10,608	17.1%
March	$69,059	$61,887	$79,500	$10,441	15.1%	$17,613	28.5%
April	$118,831	$61,887	$102,169	($16,662)	-14.0%	$40,282	65.1%
May	$80,941	$61,887					
June	$70,479	$61,887					
	$935,555 *Total*	**$742,649** *Total*	**$870,790** *Total*	**$8,665** *Average* **$86,655** *Total*	**11.1%** *Average*	**$25,192** *Average* **$251,916** *Total*	**40.7%** *Average*

City of Franklin

Finance Department - Monthly Reports

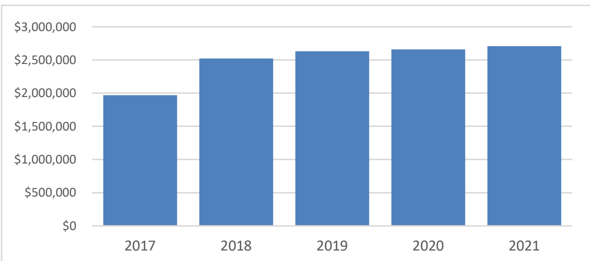
Schedule 6:	Gasoline Tax	Fund	Street Aid	Account:	121-33220-00000

Summary: As part of Street Aid Fund Revenues, the City receives a share of the state shared gasoline tax. Gas taxes increased effective July 1, 2017 as part of the IMPROVE Act to help fund state road projects. The tax increased by 4 cents on July 1, and will increase by 1 cent in the next two years. The tax on diesel will increase a total of 10 cents over 3 years.

Monthly Report for June 2022: The gasoline tax remittance from the State of Tennessee for March 2022 sales (received by the City in May 2022) was $279,319 compared to $222,536 for the same month in 2021, an increase of $56,783 or 25.5%.

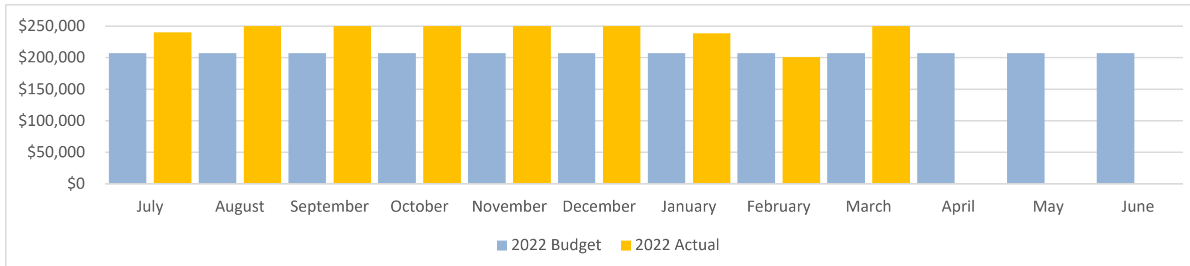
For budget comparisons, the City anticipated collections of $207,151 for March 2022, a difference of $72,168 more, or 34.8%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
	Increase in Gas Tax began July 2017.		
2016	$1,959,796		
2017	$1,971,070	$11,274	0.6%
2018	$2,520,503	$549,433	27.9%
2019	$2,630,997	$110,494	4.4%
2020	$2,660,745	$29,748	1.1%
2021	$2,706,895	$46,150	1.7%
Average Increase (Decrease)		**$ 149,420**	**8.8%**

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$224,996	$207,151	$240,179	$15,183	6.7%	$33,028	15.9%
August	$227,528	$207,151	$270,876	$43,348	19.1%	$63,725	30.8%
September	$236,657	$207,151	$260,944	$24,288	10.3%	$53,793	26.0%
October	$224,725	$207,151	$254,665	$29,940	13.3%	$47,514	22.9%
November	$213,342	$207,151	$254,681	$41,339	19.4%	$47,530	22.9%
December	$227,456	$207,151	$260,069	$32,613	14.3%	$52,918	25.5%
January	$209,692	$207,151	$238,525	$28,833	13.8%	$31,374	15.1%
February	$181,338	$207,151	$201,051	$19,712	10.9%	($6,100)	-2.9%
March	$222,536	$207,151	$279,319	$56,783	25.5%	$72,168	34.8%
April	$242,631	$207,151					
May	$244,690	$207,151					
June	$251,306	$207,151					
	$2,706,895	**$2,485,811**	**$2,260,308**	**$32,449**	**14.8%**	**$43,994**	**21.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$292,039		**$395,949**	
				Total		*Total*	

City of Franklin

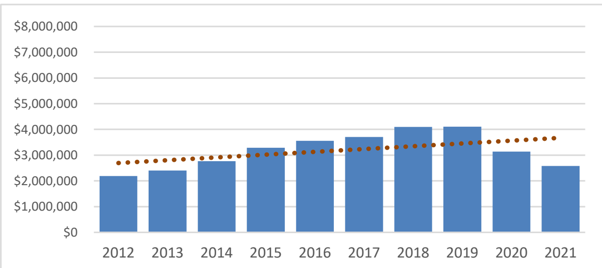
Finance Department - Monthly Reports

Schedule 7:	Hotel/Motel Tax	Fund	Hotel/Motel Fund	Account:	150-31700-00000

Summary: The Hotel/Motel Fund is a special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel/Motel Tax is 4%.

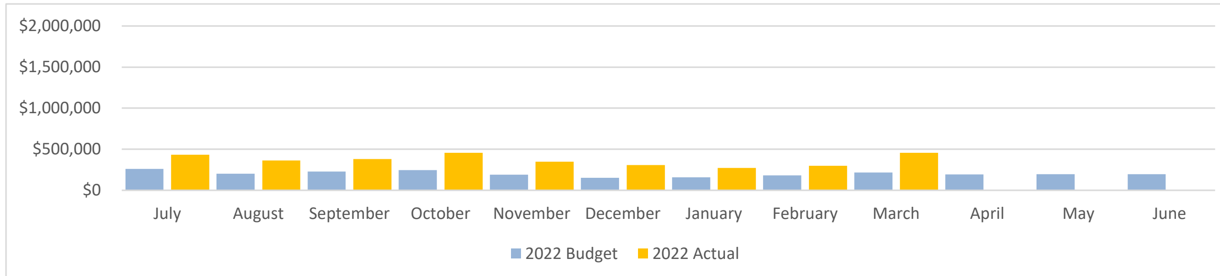
Monthly Report for June 2022: 2022 year-to-date compared to 2021 is 110.8% more, and compared to 2022 budget is more by 80.8%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2012	$2,185,953	$268,757	14.0%
2013	$2,403,775	$217,822	10.0%
2014	$2,764,802	$361,027	15.0%
2015	$3,291,019	$526,217	19.0%
2016	$3,557,971	$266,952	8.1%
2017	$3,710,589	$152,618	4.3%
2018	$4,097,695	$387,106	10.4%
2019	$4,103,235	$5,540	0.1%
2020	$3,138,814	($964,421)	-23.5%
2021	$2,575,830	($562,984)	-17.9%
Average Increase (Decrease)		$ 65,863	4.0%

FY22 Month by Month Summary



Month	2021 Actual	2022 Budget	2022 Actual	$ Inc./(Dec.) from 2021 Actual	% Inc./(Dec.) from 2021 Actual	$ Inc./(Dec.) from 2022 Budget	% Inc./(Dec.) from 2022 Budget
July	$269,777	$259,403	$431,908	$162,130	60.1%	$172,505	66.5%
August	$138,563	$201,402	$362,711	$224,148	161.8%	$161,309	80.1%
September	$165,973	$229,330	$380,863	$214,890	129.5%	$151,533	66.1%
October	$209,657	$246,292	$456,288	$246,632	117.6%	$209,996	85.3%
November	$138,935	$189,816	$348,852	$209,916	151.1%	$159,036	83.8%
December	$139,075	$151,621	$307,470	$168,394	121.1%	$155,849	102.8%
January	$136,507	$158,569	$271,887	$135,380	99.2%	$113,318	71.5%
February	$145,247	$180,755	$298,628	$153,381	105.6%	$117,873	65.2%
March	$228,613	$216,008	$456,404	$227,791	99.6%	$240,396	111.3%
April	$270,729	$191,895					
May	$335,339	$196,860					
June	$397,414	$197,129					
	$2,575,830	**$2,419,080**	**$3,315,009**	**$193,629**	**110.8%**	**$164,646**	**80.8%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$1,742,662		**$1,481,813**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 8:	Conference Center Profit/(Loss)	Fund	Hotel/Motel	Account:	150-84910-47100

Summary: As part of Hotel/Motel, the City receives half of the profit/(loss) from the Conference Center.

Monthly Report for June 2022: The gain for April 2022 was $109,510 compared to a gain of $43,488 for the same month in 2021, an increase of $66,023.

MONTHLY - Conference Center Financials Jul 21-Jun 22

	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Total
Gross Revenue	311,453	560,162	478,316	699,036	429,152	602,836	336,567	499,051	591,391	794,189			5,302,153
House Profit	40,413	201,472	155,509	280,477	62,510	213,023	48,688	115,756	172,621	297,972			1,588,441
Less: Fixed Expenses	66,843	68,807	68,561	68,390	68,448	69,048	62,534	39,243	39,243	39,243			590,360
Net Income	(26,430)	132,665	86,948	212,087	(5,938)	143,975	(13,846)	76,513	133,378	258,729			998,081
Less: FF&E Reserve 5%	15,573	28,008	23,916	35,224	21,458	30,142	16,828	24,953	29,570	39,709			265,381
Net Cash Flow	(42,003)	104,657	63,032	176,863	(27,396)	113,833	(30,674)	51,560	103,808	219,020			732,700
City 1/2	**(21,002)**	**52,329**	**31,516**	**88,432**	**(13,698)**	**56,917**	**(15,337)**	**25,780**	**51,904**	**109,510**			**366,350**

MONTHLY - Conference Center Financials Jul 20-Jun 21

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Total
Gross Revenue	145,334	142,794	164,219	140,096	138,304	67,968	52,176	93,151	124,208	424,060	170,891	32,425	1,695,626
House Profit	29,777	30,100	6,206	5,047	(2,455)	(51,305)	(33,054)	(25,387)	(17,563)	166,024	(19,029)	81,118	169,479
Less: Fixed Expenses	53,048	52,547	53,713	54,092	56,446	53,602	52,164	53,082	54,741	57,846	57,575	64,587	663,443
Net Income	(23,271)	(22,447)	(47,507)	(49,045)	(58,901)	(104,907)	(85,218)	(78,469)	(72,304)	108,178	(76,604)	16,531	(493,964)
Less: FF&E Reserve 5%	7,267	7,140	8,211	7,071	6,915	3,332	2,609	4,658	6,210	21,203	8,545	16,206	99,367
Net Cash Flow	(30,538)	(29,587)	(55,718)	(56,116)	(65,816)	(108,239)	(87,827)	(83,127)	(78,514)	86,975	(85,149)	325	(593,331)
City 1/2	**(15,269)**	**(14,794)**	**(27,859)**	**(28,058)**	**(32,908)**	**(54,120)**	**(43,914)**	**(41,564)**	**(39,257)**	**43,488**	**(42,575)**	**163**	**(296,666)**

MONTHLY Differences - Conference Center Financials

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
City 1/2 Difference	**(5,733)**	**67,122**	**59,375**	**116,490**	**19,210**	**111,037**	**28,577**	**67,344**	**91,161**	**66,023**		