HISTORIC FRANKLIN TENNESSEE

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City of Franklin

Meeting Minutes

Budget & Finance Committee

Thursday, February 16, 2023 | **3:00 PM** | **Board Room**

CALL TO ORDER
Chairman Barnhill called the meeting to order at 03:04 PM

Board Members Present: Patrick Baggett, Ann Petersen, Clyde Barnhill
Jason Potts arrived at 4:00 p.m.

Board Members Absent:

NEW BUSINESS

1. **Budget Presentation - Finance & Administration**

Sponsors: Eric Stuckey, Kristine Brock, Mike Lowe, Brian Wilcox, Jessica Davey, Jason Potts, Brad Wilson, Michael Walters Young

Finance Fund
The Finance department provides a variety of financial services for the City of Franklin. These include: (1) financial accounting and reporting, (2) budgeting and analytics, (3) investment of temporarily idle funds, (4) maintaining and reconciling City bank accounts, (5) issuing employee payroll, (6) issuing vendor payments, (7) internal audits, and (8) ensuring that the annual external financial audit is conducted.

Base Budget

- Personnel: Slight increase (+2.4%) due to assumed medical premiums and retirement benefit costs for finance employees.
- Operations: Overall, the Operations budget will decrease due to no scheduled equipment replacements and UKG Payroll having been implemented and ongoing cost expensed in the IT budget. Significant increases are planned in financial fees as contracts with investment and financial advisors will be re-bid.

Program Enhancement Requests:

- AP Automation - $25,000
- Overfill of Comptroller position (Jan-June 2024) - $94,661

Chairman Barnhill asks when the new Comptroller will be hired?
Answer: The goal is the end of CY 2023.

Summary
The Finance department is poised in FY 2024 to continue its role in supporting the various boards and departments of the City to deliver the high quality of services our citizens have come to expect. Finance Staff are proud of their accomplishments and will look to build upon them in the upcoming year.

Purchasing Fund
The Purchasing Office focuses its attention on the purchase of goods and services that do not pertain to new construction.

Base Budget

- Personnel: Slight increase (+2.6%) due to assumed medical premiums and retirement benefit costs for finance employees.
- Operations: The operations budget will decrease due to the implementation of software budgeted in FY 2023 now maintained by Information Technology moving forward. It does include scheduled replacement of computers for personnel.

Program Enhancement Requests:

1. Electronic (ID-read Access-control locks for purchasing office - $5,060
2. Electronic Access-control Devices for remote diesel sites - $15,200
3. Procurement training for City Staff outside purchasing - $5,000

Mayor Moore asks why there was a significant increase in the number of fleet vehicles in CY2022 as referenced in slide 17? It does not seem proportionate to the amount of gas purchased.
Answer: To clarify, the chart in question is not measuring vehicles, it is measuring the number of vehicle fuel cards.

Revenue Management Fund
The Revenue Management department performs billing services, collection services, and provides customer service for the City of Franklin Utility Department (water and wastewater), Stormwater Division, and the Sanitation & Environmental Services Department. The department collects and processes business taxes, alcohol taxes, state shared taxes, and hotel/motel taxes. In addition, Revenue Management processes numerous permits for citizens.

Base Budget

- Personnel: Currently budgeted for 14 full-time and 2 part-time employees. Not requesting any changes to personnel.
- Operations: Operational costs are increasing (+1.9%). Machinery & Equipment for needed computer and monitor replacements and Financial Fees as the cost of transactions have increased, while the Interfund Transfers set to offset those increases.

City Court Fund
City Court's mission is to effectively, efficiently, and accurately process City ordinance violations, to create and sustain customer-oriented quality service that provides maximum access to the court, and to promote public confidence in the court system.

Base Budget

- Personnel: Currently budgeted for 2 full-time and 1 part-time employees. Not requesting any changes to personnel.
- Operations: Slight decrease as fewer computer replacements are occurring in FY 2024. Large Program Enhancement ($287,698) for purchase of new Court reporting software carried over to FY 2024.

Chairman Barnhill asks if City Court tracks the number of citations each year.
Answer: Yes. There was a total of 3,886 cases for CY 2022.

Alderman Baggett wonders how much revenue the City brings in from City Court.
Answer: Court Revenues (fines and fees) for FY 2022 was just under $400,000. The City is not funding operations via court fines and fees.

Chairman Barnhill inquires how much a parking ticket fine is?
Answer: After the customer receives a warning, the first offense is $21. Parking violations top out at $51.

Information Technology Fund
Information Technology (IT) is focused on providing professional and prompt service to our community by strengthening the City of Franklin's technology infrastructure and delivering innovative solutions that meet the City's needs and goals.

Alderman Baggett asks why there are 1200 wireless phones and only about 700 employees?
Answer: These are actually desk phones. They are categorized as wireless because they operate via the internet.

Base Budget

- Personnel: Slight increase (+2.3%) due to assumed Medical Premiums and Retirement Benefit costs for Finance employees.
- Operations: Increases (13%) due primarily to taking on additional software maintenance for department programs and inflationary adjustments of existing contracts.
- Capital: Significant increase (+92.9%) due to continued replacement of network hubs and cyber security.

ALDERMAN POTTS ENTERED AT 4:01

Program Enhancement Requests

1. Infrastructure division reorganization - $13,469
2. Restoration of Assistant Director of IT infrastructure - $164,111
3. IS Developer I Position - $86,342
4. Camera Replacement - $100,000

Project and Facilities Management
Facilities Management's mission is to consistently deliver effective programs and efficient facility services based on sustainable and collaborative outcomes aligned with the City of Franklin's core mission. They maintain the safety and cohesiveness regarding infrastructure for both staff and guests regarding all City Facilities.

Base Budget
Operations: With rising costs over the last few years, this year's budget will reflect changes due to the increasing cost of utilities and items purchased. Challenges regarding all purchases due to petroleum and labor costs have significantly continued to arise at our facilities regarding cost impacts that Staff cannot control based on updated contracts, materials and today's marketplace. Staff works with the supply chain regarding purchases that we make and look for other suppliers as much as we can. Facilities Staff purchases items for Fire Facilities, PD, Public Works, City Hall and misc. departments. This year's budget represents a 10% change in multiple areas from utilities to everyday items to some timing type repairs needed for certain facilities.
Program Enhancement Requests

1. COF Second Ave Garage Waterproofing & Joint Sealing & Counting System Enhancements - $168,500
2. COF Fire Station 5 Men's and Women's Locker Rooms Remodel - $35,000
3. COF Fire Station 5 Kitchen Remodel - $45,000
4. COF Fire Station 5 Roof Replacement - $239,000
5. COF Fire Station 6 Roof Replacement - $300,000

2. Budget Presentation - Governance & Management - Human Resources

Sponsors: Eric Stuckey, Kevin Townsel, Michael Walters Young

Human Resources Fund
The Human Resources Department provides services to other City departments and the citizens of the City of Franklin. Those responsibilities include:

- City's recruitment, hiring and onboarding processes
- Administering the City's Pension, Defined Benefit, Defined Contribution Plan and TCRS plans
- Creating and implementing the HR Manual rules and regulations

- Managing the training of all City employees in OSHA regulations, Civil Treatment and other topics as required/needed
- Procuring and administering all Property and Casualty insurance, including the City's self-insured WC program
- Managing Safety Program for all City employees
- Managing employee benefits
- Conducting workplace investigations

Base Budget
Operations: Increases are attributable to increased costs of services due to inflation, higher use of tuition reimbursement programs and additional training programs.
Programs Enhancement Requests

1. Certificate of Insurance Tracking System - $15,000
2. Increase of recruitment budget - $4,000

Mr. Stuckey highlighted that the recent employee engagement survey had a 90% response rate; other public sector organizations average a 65% response rate.

Chairman Barnhill asks how many retirements the City had in CY 2022? What about new hires?
Answer: 7 retirements in CY 2022; 122 new hires in FY 2022.

Alderman Baggett asks if HR Staff has ever thought about outsourcing the Certificate of Insurance (COI) process?
Answer: Staff has not considered outsourcing yet, but it is likely in upcoming years. Currently, the City has tagged on to a state contract (outside vendor) for this service. However, the system is not as robust as HR Staff requires at this point in time, which is why they are aiming to utilize a new tracking system.

OTHER BUSINESS

ADJOURN

A motion was made by Alderman Baggett, seconded by Alderman Potts to Adjourn the Meeting. The motion Passed 4-0.

Meeting Adjourned @ 4:30 PM

Clyde Barnhill

Clyde Barnhill, Chair

Minutes prepared by Sarah Schilling, Assistant Deputy City Recorder, City Administrator's Office - 2/20/2023, 3:59 PM