



City of Franklin

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

Meeting Minutes

Budget & Finance Committee

Thursday, May 11, 2023

3:00 PM

Board Room

CALL TO ORDER

Chairman Clyde Barnhill called the meeting to order at 03:00 PM

Board Members Present: Clyde Barnhill, Ann Petersen, Patrick Baggett, Jason Potts

Jason Potts arrived at 4:15 PM

Board Members Absent: None

Staff Present: Eric Stuckey, Kristine Brock, Michael Walters-Young, Angie Johnson

APPROVAL OF MINUTES

1. **Consideration Of Approval Of Minutes
April 13, 2023 Budget & Finance Meeting**

Sponsors:

A motion was made by Alderman Baggett, seconded by Alderman Petersen to Approve the April 13, 2023 Budget & Finance Minutes. The motion passed unanimously.

NEW BUSINESS

2. **Consideration Of DRAFT Resolution 2023-28, A Resolution To Approve The City Of Franklin Cyber Security Plan As Required By The Comptroller Of The Treasury**

Sponsors: Mark Hilty, Jason Potts

A motion was made by Alderman Petersen, seconded by Alderman Baggett to Recommend Approval of the Resolution to the Board of Mayor and Aldermen. The motion passed 3-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for consideration.

3. **Consideration Of DRAFT Resolution 2023-35, A Resolution Authorizing The Pre-Ordering Of Certain Vehicles And Equipment Due To Long Lead Times For FY 2024 And FY 2025**

Sponsors: Mark Hilty

A motion was made by Alderman Petersen, seconded by Alderman Baggett to Recommend Approval of the Resolution to the Board of Mayor and Aldermen. The motion passed 3-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for consideration.

4. **Consideration Of DRAFT Ordinance 2023-17, An Ordinance To Amend The Budget Of The City Of Franklin For Fiscal Year 2022-2023**

Sponsors: Eric Stuckey, Kristine Brock, Michael Walters Young

A motion was made by Alderman Baggett, seconded by Alderman Petersen to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 3-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

5. Consideration Of DRAFT Ordinance 2023-18, An Ordinance Of The City Of Franklin, Tennessee Adopting A Budget For The Fiscal Year 2023-2024; Providing An Effective Date

Sponsors: Eric Stuckey

Alderman Potts arrived at 4:15 PM.

The City of Franklin continues to be bolstered by strong long-term financial plans and policies that provide vital financial capacity to meet both challenges and opportunities. The City's best efforts will be required to meet the demands that lie ahead. The City must continue to deliver high-quality services, enhance existing infrastructure, and prepare for growth in terms of services, infrastructure, and community impact. The City of Franklin will craft a budget and action plan that is both fiscally prudent and consistent in maintaining our commitment to high-quality community service.

The 2023-24 (FY24) General Fund budget is \$102,534,136, which represents an increase of 3.4% compared to the current \$99,187,604 budget for 2022-23 (FY23). The FY24 budget for all funds is \$218,138,422, which represents an increase of 0.5% compared to FY23. Slightly over \$14 million in cash appropriation is provided herein to continue work on approved Capita Investment Program projects.

A motion was made by Alderman Petersen, seconded by Alderman Baggett to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

6. Consideration Of DRAFT Ordinance 2023-19, An Ordinance Of The City Of Franklin, Tennessee Establishing The Municipal Property Tax Levy For The Fiscal Year 2023-2024; Providing An Effective Date

Sponsors: Eric Stuckey, Kristine Brock, Michael Walters Young

Annually, the Board of Mayor and Aldermen are required to approve a Property Tax Rate to support spending proposed in the annual operating budget. This ordinance is the mechanism with which to do that. There is no proposed increase in the Property Tax rate for FY 2024. It remains at \$0.3216 per \$100 of assessed valuation. The City's property tax rate remains one of the lowest property tax rates among cities across Tennessee and the nation.

The third-largest revenue source for the City's General Fund is property tax, which accounts for 11.3% of General Fund resources. The amount of property tax revenue going to General Fund operations for FY24 is \$11.6 million, compared to \$10.7 million budgeted in FY23. The General Fund portion of property tax revenue (\$11.6 million) is the result of the total property tax of \$24.2 million minus \$11.4 million in the Debt Service Fund, and \$1.1 million transferred to the Street Aid Fund.

A motion was made by Alderman Baggett, seconded by Alderman Petersen to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

7. **Consideration Of DRAFT Resolution 2023-38, 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 2023-2024; Providing An Effective Date**

Sponsors: Eric Stuckey, Kristine Brock, Mark Hilty, Michelle Hatcher, Michael Walters Young

This is the last step in approving a budget for FY 2024. This resolution provides sufficient legal support to satisfy state approval of the Water Management Fund. This fund requires a separate resolution because of its unique nature as a self-sufficient (Enterprise or Proprietary) fund. This resolution ensures that between it and the Budget Ordinance (Ord. 2023-18), the Board of Mayor and Aldermen serving as their role as the utility board for this operation has received and affirmed sufficient revenues will be raised to support the proposed spending plan for the next fiscal year. The Water Management Fund budget for FY 2024 anticipates total revenues and expenditures of \$47.88 million.

A motion was made by Alderman Baggett, seconded by Alderman Potts to Recommend Approval of the Resolution to the Board of Mayor and Aldermen. The motion Passed 4-0.

This item is expected at the June 13, 2023 Board of Mayor and Aldermen Meeting for consideration.

8. **Consideration Of DRAFT Ordinance 2023-20, 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**

Sponsors: Eric Stuckey, Mark Hilty, Kristine Brock, Jack Tucker, Michael Walters Young

The Sanitation and Environmental Services Fund has continuously worked to become increasingly self-sustaining over the last decade plus. From a \$4.4 million tax levy subsidy in 2009 to three consecutive budgets with no planned tax levy subsidy, the fund has achieved this if operations and collection points would remain static. However, with the continual growth in the community, and despite the fact that the fund has not added new employees for five fiscal years, it no longer can maintain operations, handle additional residential and recycling burdens and replace vital equipment on the current rate of \$22.00/month.

The \$1.00/month increase from \$22.00/month to \$23.00/month should generate approximately \$250,000 more for the fund annually. A cost of service study will be refreshed later in FY 2024 complete with a five-year rate plan and a plan for true self-sustainability. This increase is necessary in the short-term to keep up with inflationary pressures.

A motion was made by Alderman Potts, seconded by Alderman Petersen to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

9. **Consideration Of DRAFT Ordinance 2023-21, An Ordinance Amending The City Of Franklin Municipal Code, Appendix A - Comprehensive Fees And Penalties, Chapter 18 - Water And Sewers For The Purpose Of Updating Water and Sanitary Sewer Rates**

Sponsors: Mark Hilty

In August 2021, the Board of Mayor and Aldermen reviewed options for proposed rate increases in water and sanitary sewer. During the evaluation of the rates, staff developed a five-year plan regarding rate implementation. The proposed rate increases below represent years three and four of that plan. To ensure our rates are sufficient, staff is engaging a consultant to review rate sufficiency for future consideration by the BOMA. The information below presents the two options developed for consideration. Option A in both water and sewer represent a change to the customer charge. Option B changes both the customer charge and

volumetric charge.

WATER: 3% increase in year one and 3% increase in year two.

Option A: Increase the Monthly Customer Charge for each Rate Class in year one and two by \$1.72.

Option B: Increase the monthly Customer Charge for each rate class in year one and two by \$0.86. Increase the Volumetric Charge for each rate class in year one and two by \$0.14.

SEWER: 2.5% increase in year one and 2% increase in year two.

Option A: Increase the monthly Customer Charge for Residential – in, Residential – Out and Commercial – In, in year one by \$1.76 and in year two by \$1.41.

Option B: Increase the monthly Customer Charge for Residential – in, Residential – Out and Commercial – In, in year one by \$0.88 and year two by \$0.74. Increase the Volumetric Charge for Residential – in, Residential – Out and Commercial – In, in year one by \$0.12 and in year two by \$0.10.

A motion was made by Alderman Potts, seconded by Alderman Baggett to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion Passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

10. Report On State Comptroller's Review Of The City's 2022 Annual Report

Sponsors: Kristine Brock, Mike Lowe

The item was discussed.

11. Monthly Reports For May 2023

Sponsors: Mike Lowe, Margaret Wilson

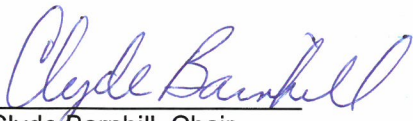
The item was discussed.

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 @ 4:33 PM


Clyde Barnhill, Chair

Minutes Prepared by Sarah Schilling, Assistant Deputy City Recorder, City Administrator's Office - 6/2/2023, 9:50 AM