HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

Meeting Minutes

Work Session

Tuesday, January 14, 2025 | **4:30 PM** | **Board Room**

CALL TO ORDER

Mayor Ken Moore called the meeting to order at 04:30 PM

Board Members Present: Clyde Barnhill, Beverly Burger, Patrick Baggett, Ann Petersen, Jason Potts, Brandy Blanton, Matt Brown

Board Members Absent: Greg Caesar

Staff Present: Eric Stuckey, Mark Hilty, Kristine Brock, Vernon Gerth, Shauna Billingsley, Angie Skarp

CITIZEN COMMENTS

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

Mike Ingram, 1954 Turning Wheel Lane spoke about the downtown Franklin Art Crawl.

WORK SESSION DISCUSSION ITEMS

1. **Consideration Of Resolution 2024-111, A Resolution Acknowledging The Letter Of Agreement Between The Tennessee Main Street Program And The Downtown Franklin Association**

Sponsors: Eric Stuckey

The item was acknowledged and is planned for the January 28, 2025 Board of Mayor and Aldermen Meeting for consideration.

2. **Discussion Of Capital Investment Plan - Financial Model**

Sponsors: Eric Stuckey, Kristine Brock, Michael Walters Young

Mr. Stuckey introduced the item as an update to the model supporting the Capital Improvement Projects (CIP) and the extra capacity available for additional projects based on modification of projects, new revenue structure (Road Impact Fees), and the reevaluation of long-term assumptions on sales tax. At the end, staff will ask for direction on how to proceed with the additional funds and how to assign priority to other projects.

Mr. Walters Young provided an overview of the updated financial model pertaining to existing and projected resources available to finance the updated fiscal years 2025-2034 CIP. The updated financial model shows how much money the city has made in the last 8-10 years and how much money the city expects to take in year over year. Specifically, a 10-year forecast for each revenue source including the General Fund, Road Impact Fund, Stormwater Fund and Parkland Dedication Fund among others, explaining how the CIP is funded through each revenue source. Also, Mr. Walters Young provided updates to the approved CIP not including the recently ranked unapproved Capital Improvement Projects. The idea is to identify how much revenue is available to undertake additional projects that are prioritized but currently not approved as a CIP. As a rule, the city takes a conservative approach in allocating revenue sources. Of the forecasted road impact fees based on the new six-year phase in process, the city takes 60 % of the forecasted amount rather than the full amount.

Alderman Barnhill expressed his concerns about the city using only 60% of Road Impact Fees as opposed to a higher percentage as the city has several projects that need to be completed.

Mr. Stuckey explained that the city tries to follow a consistent method of allocating funds, preferring a conservative cash source approach that deliver projects in a timely manner. As the projects are updated the numbers reconcile themselves and ultimately the money received is spent on the intended project. If the Board prefers to take a more aggressive approach in allocating funds, staff can explore what that may look like.

Alderman Baggett added to Alderman Barnhill's point that the city shouldn't leave projects on the table if money is available to fund necessary improvements.

Mr. Walters Young continued by explaining that as of January 14, 2025, the city is spending more cash on projects as opposed to borrowing money to fund projects. The bottom-line target cash debt ratio is 50% and 50%. The updated Road Impact Fee structure accounts for the largest shift in available revenue.

Mr. Stuckey added that over the years the cash/debt ratio varies as some projects lend themselves to cash revenue sources. Considering the 50 50 cash/debt ratio assumption historically, the Board may need to reevaluate the assumption if a more aggressive approach is desired.

Alderman Baggett stated that citizens of Franklin should be thrilled the city is paying over 60% cash for the capital improvement projects while serving debt, but one or two percent of that cash could increase the city's capacity to fund needed improvement projects while maximizing the best use of revenue.

Mr. Walters Young explained that the city likes to show and use debt responsibly and feels confident debt service can be lowered due to the newly updated road impact fees that pay for road improvements with cash, as Mr. Stuckey mentioned. The annual debt service is currently $15.8 M (FY 2025) and is forecasted to grow each year and peak at $28.2 M (FY 2029) with a decline beginning in FY 2030. Alongside existing debt, an addition of $48 M of new general obligation debt will be issued later this year. Mr. Young noted that although existing debt begins to decline significantly in FY 2030, adjustments have been made to the budget to accommodate the amount of debt service so it's prudent to fill that with more debt service.

Mr. Stuckey noted that the issuance of general obligation debt later this year will be the first in six years which aligns with the city's philosophy of using debt strategically, conservatively, and wisely.
Mr. Walters Young explained that the total project expenses are $447,123,616 which includes 36 approved projects. Of those projects, 14 projects are complete, 5 are under construction, 4 are in the bidding process, 4 are in the design – committed stage and 9 projects are in design - uncommitted stage.

Mr. Stuckey noted that 3 of the 4 projects in the bidding process have been awarded bids and are in the construction process including Southeast Park-Phase 1, East McEwen-Phase 4. At the Board of Mayor and Aldermen meeting on January 28, 2025, there will be an option to award the Lockwood Glen/Robinson Lake project. Mr. Stuckey also clarified that the McEwen project cost, awarded in December, includes the right of way project and engineering costs with $30 M in funding coming from the federal government.

Mayor Moore noted that the Columbia Avenue project is entirely funded by federal and state governments.

Mr. Stuckey added that staff is helping facilitate the project, but the city is not contributing to the funding of the project. Also, answering Alderman Barnhill's question about the Freedom Middle School/Poplar Grove ball field improvement project, Mr. Stuckey explained that the $13 M project upgraded the baseball and softball fields and its facilities for shared usage between schools and the city.
In summary, Mr. Walters Young stated that as of January 14, 2025, the amount of available funds for additional capital projects is $134,354,611 after the modification of projects and the increase in road impact fees.

Mr. Stuckey suggested the Board look at projects where there is a decent consensus on prioritization. Also, replacement of Fire Station 3 can potentially fall out of the 10-year window as the facilities tax cannot be used to fund the improvements. In the past, new stations have had a dedicated funding source whereas improvements/replacement of an existing fire station will compete with road improvement projects. Staff can provide a list of projects where previous prioritization show agreements in importance, or the Board can start fresh and go through the prioritization process again.

Vice Mayor Potts agreed with the plan to look at the previous list of project priorities and requested more details or alternatives to fund replacement of Fire Station 3 in the future.

Alderman Barnhill stated that he did not want to drop consideration of replacing Fire Station 3 now that there is additional funding available as it is a significant priority.

Alderman Burger agreed that the Board should address the additional revenue for CIP's by revisiting the previous priority list.

Alderman Baggett stated that the McEwen project is costing $55 M on paper, but the city is receiving $30 M from the state. Where does the $30 M show up and is the amount backed out of the additional capacity for CIP's?

Mr. Stuckey explained that $55 M is the total cost of the project of which the state is funding $30 M of the cost. The $30 M shows up on the revenue side.

Mr. Walters Young stated that the larger document included with the presentation packet, Capital Funding Model Detail 2025-2035, details and itemizes each project year by year.

Alderman Baggett suggested the city consider using the hotel/motel tax to its maximum potential. Currently the city taxes 1% less than the maximum allowed by the state that could be used special projects and or road improvements. It has been understood that the additional hotel/motel percentage would be used for special projects that haven't decided upon while the city has lost out on a few million that could be used for something. The city hasn't collected its fair share from all the visitors who use the roads and other amenities Franklin offers. The $134 M available for additional projects does not include any taxing on the citizens of Franklin.

Mayor Moore agreed with Alderman Baggett and suggested any future discussions include the local hoteliers along with CVB. It would also be helpful to see a comparison of how other cities tax their visitors.

Alderman Burger stated she does not completely disagree with Alderman Baggett but suggested carefully considering long term plans for the best use of the money.

3. ***Consideration Of Ordinance 2024-42, An Ordinance To Rezone 13.42 Acres From Estate Residential (ER) District To Civic Institutional (CI) District For The Property Located At The Southwest Corner Of The Intersection Of Franklin Road And Mack Hatcher Memorial Parkway. Establishing A Public Hearing On January 28, 2025**

Sponsors: Emily Wright, Amy Diaz-Barriga, Chelsea Randolph

Ms. Randolph explained that the request is to rezone 13.42 acres from Estate Residential to Civic Institutional. If the rezoning request to Civic Institutional (CI) District is approved, the following uses would be allowed by-right through the site plan process, with approval by the Planning Commission: Cemeteries Charitable, Fraternal, or Social Organizations, Clinics Continuum of Care Facilities, with additional use regulations Educational Facilities Entrepreneurship/Innovation Centers, Essential Services Group Homes, Hospitals, Museums, Places of Public Assembly or Rehabilitation Centers.

PUBLIC COMMENTS:
JW Luna, 115 Harland Ct. Mr. Luna requested that ordinance 2024-42 be deferred until a traffic impact study can be completed. The single most important factor of the original purchase of this land by Franklin First United Methodist Church was access to Mack Hatcher Parkway. Mr. Luna finished by stating that he would submit the remainder of his comments to Mr. Stuckey.

Applicant: Greg Gamble, representing the Belonging Church. The request for rezoning is for the Belonging Church which is a small congregation. The actual buildable area is 6.5 acres as 50% of the site lies in the Scenic Corridor Overlay. Access to the site would be through Daniel McMahon Lane which lies in the floodplain and is appropriate for a church parking lot. Lastly, Mr. Gamble noted that a traffic impact study would be required should the rezoning request be approved.

The item was acknowledged and is planned for the January 14, 2025 Board of Mayor and Aldermen Meeting for consideration on First Reading.
The January 28, 2025 Board of Mayor and Aldermen Meeting will be located at the City Hall Boardroom at 109 3rd Ave South, Franklin, TN 37064.

4. **Consideration Of Resolution 2024-102, A Resolution Initiating The Annexation Process And Draft Plan Of Services, For The Possible Annexation Of 493.87 Acres, Located Along The North And South Sides Of**

Murfreesboro Road, East Of North Chapel Road, And West Of Trinity Road. Establishing A Public Hearing On February 11, 2025

Sponsors: Emily Wright, Amy Diaz-Barriga, Chelsea Randolph

Ms. Randolph: The City of Franklin has a 2-stage procedure to consider annexation requests. At this stage, no final resolution for annexation of this property is being considered. The initial stage in the process is a study of whether it is feasible or what improvements are necessary for the City to serve the properties with infrastructure and city services, with the possibility of annexation in the future. The properties being studied with this request total 493.87 acres and are located near the intersection of Murfreesboro Road and N. Chapel Road. These properties are noncontiguous to the City limits but are within the City's Urban Growth Boundary (UGB). The properties are 0.36 miles from the existing city limits (Poplar Farms PUD Subdivision). At the December 12, 2024, Joint Conceptual Workshop, the applicant discussed a potential Envision Franklin Amendment Request to the Village Green Design Concept for the parcels that are currently designated as Rural Reserve. The draft Plan of Services considers the uses contemplated for the site, provides guidance for how the city could serve the properties being studied, and notes any additional infrastructure that would be required for new development. The results of the Annexation Capabilities Study identified the Mayes Creek Drainage Basin as a midterm priority growth area. The lack of sewer infrastructure in this vicinity of the UGB, the need for a new fire station in the area, and potential roadway improvements factored into the midterm designation. In addition to a new Fire and EMS station, the draft Plan of Services notes that the number of Police Officers that cover the area would need to increase, that additional Fire personnel and equipment would be necessary, and that additional Sanitation and Environmental Services (SES) manpower and equipment would be needed to serve the area being studied. The properties lie within the Milcrofton Utility District and would need to follow their guidance on extending water infrastructure. City sewer infrastructure would need to be extended by approximately 20,050 linear feet of force main, 6,727 linear feet of 18" gravity interceptor, and 5,649 linear feet of 24" gravity interceptor to serve the properties, and extension of the necessary sewer infrastructure would cost approximately 45 million dollars, by staff's calculations. Depending on the timing of the development and that of the new south plant, Redwing Pump Station improvements may also be required. The draft Plan of Services identifies that access will be provided to the properties from Murfressboro Road, with the submittal of an access management plan. Required street improvements shall be determined as part of the traffic impact study and development plan. As shown in the Williamson County Growth Plan Update and the Annexation Capability Study, the Mayes Creek Basin includes the following challenges (1) noncontinuous annexation will likely be necessary if growth is desired in this basin; (2) the properties being studied are critical for the extension of City sewer into the Mayes Creek Basin and other future annexations and developments within this basin will likely be dependent on whether these properties are annexed into the City and served by City sewer; and (3) due to the distance from existing city facilities and service areas, the Mayes Creek Basin requires more investment in emergency services and SES services, should growth occur there.

Mr. Stuckey explained that this resolution is about initiating a study so that an informed decision can be made by BOMA. It is an extremely complicated study including consideration of service delivery, land use, and infrastructure financing which is different than what the city has encountered before.

Alderman Burger thanked Mr. Stuckey for reminding everyone that this item is not for annexation of the property but to initiate the study and asked if there is an advantage to beginning the study now, regarding sewer information, as opposed to waiting two to four years.

Mr. Stuckey explained that there is always an advantage to understanding any area in the UGB but specifically relating to sewer infrastructure and the south plant, not necessarily.

Alderman Baggett stated that later the Board will be asked to approve a new wastewater treatment plant, but staff recommends disapproval, engineering and sewer specifically, of moving forward with this study that could potentially open the door for 2,000 homes. Should the Board reconsider the decision to move forward with the wastewater treatment plant if growth may not move forward in the Mayes Creek Basin?

Ms. Randolph stated that her report included planning's viewpoint but also other feedback from engineering and water/sewer and at this point the recommendation would be to not move forward with the study as there are significant concerns in those areas.

Ms. Wright explained that the water treatment plant will treat water from other growth areas of Franklin including Goose

Creek and Carothers Parkway. Regarding the potential annexation process under discussion, the question before the city is about growth and the direction the city will take. Noncontiguous annexation will be a reality if the city choses to grow into the Mayes Creek basin, essentially leap frogging sections of county property that will likely never connect to the city limits. During the county growth plan update staff recommended not keeping this area in UGB because of the significant financial investment required. The Board chose to keep the Mayes Creek area in the UGB and if the Board decides to move forward with growth in the area, the property will be essential in routing sewer services to the area and beyond.

Mr. Stuckey reiterated that development is not dependent on the Mayes Creek Basin to support the first phase of the south wastewater treatment (clean water) plant. The city will absolutely need the capacity it provides considering projects that have been approved along with development in all sections of Franklin. When considering property in the UGB, it is the anticipation of when that property will move into the city and if service capacity and infrastructure planning are in place to support the move. A deeper dive into the complexities of this potential development will come in stages where staff will ask for feedback from the Board. The Board must consider what the appropriate timing is for development for the Mayes Creek area as well as development in other sections of Franklin.

Applicant: Jeff Hines. Mr. Hines began by discussing the changes that have taken place since the last request to develop this land in 2018. Since then, the 4 lane Highway 96 east road improvement project is complete, noncontiguous annexation has been approved, and the state passed legislation for Special Assessment districts. The new legislation allows for private and public funding to support infrastructure for areas remotely located from cities and towns. Also, updates to Envision Franklin provide tools to create a rural atmosphere reflective of the area for the east entrance and gateway into Franklin. The addition of the Village Green concept calls for 70% open space with large setback buffers along Highway 96 among other characteristics that preserve the rural farmstead atmosphere.

Public Comment:
Greg Lawrence, Williamson County Commissioner: Mr. Lawrence noted his concerns regarding the availability of schools in this area. Trinity Elementary will be at capacity once Poplar Farms is fully completed. Land for schools is difficult to acquire and very expensive to fund. Also, on a different but somewhat related topic, the county is in preliminary discussions with the city about a Greenway along the Highway 96 corridor which could run through the Smith property.

Israel Holliday: Mr. Holliday's major concern is the consideration of sewer connectivity to noncontiguous areas and the significant cost associated with the process. Multiple studies have been conducted and it does not make sense to spend $40 M on sewer connections to areas not connected to the city limits.

Dean White: Mr. White would support the Village Green concept if most of the open space was adjacent to his land. Mr. White also suggested the consideration of a special assessment district for his area to have a means to develop the land.

Donna Clements: As a member of the Williamson County School Board member, Ms. Clements expressed her concerns about growth and how it affects schools. Residential growth doesn't pay for itself, including the funding of schools. Ms. Clements asked the Board to carefully consider growth in this area of Franklin.

Maggie McCarty: Ms. McCarty stated that between the hours of 7 am and 9:30 am, if you live on the east side of I 65, one must add 30 additional minutes to the commute to arrive at your destination on time. There are lines waiting to go through the tunnels on Wilson Pike and lines of traffic to merge onto I 65. A traffic study must be completed before the addition of more home sites.

Jeff Goodspeed: Mr. Goodspeed spoke about fire protection and noted that for existing neighborhoods east of Highway 96 the recommended water flow rates for fire protection are significantly lower than they should be. Where will the water and pressure come from for new residential development? Mixed-use development will require even more water flow.

Karen Smith: Ms. Smith stated that her concerns are about the floodplain and the deforestation of land next to the floodplain. North Chapel Road and Trinity Road flood and must be closed at times. Ms. Smith requested that an environmental impact study be completed before seriously considering development on this property.

Peg Raciti: Ms. Raciti noted that one would expect a city to have a higher population density and the country a lower density. People live in the country to escape higher density areas and population density still exists even though it is hidden behind a hill. According to Ms. Raciti, Franklin currently has a higher density than Boston, Augusta, GA, Savannah GA and New Haven, CT and is only slightly lower than Atlanta. Ms. Raciti requested the Board leave the Smith property in the county as a Rural Reserve design concept.

John Morss: Mr. Morss encouraged the developer not to make this development another Westhaven or Berry's Chapel but to do it better by incorporating large residential lots like what already exists. Mr. Morse also suggested that Mr. Smith consider all his county neighbors when contemplating his legacy.

Bill Verders. Mr. Verders stated that his concerns include existing traffic issues and future traffic issues if more development occurs in the area. How can the city move forward with the study when existing road infrastructure is failing?

John Williams Jr: Mr. Williams noted his disagreement with how the city has addressed the population growth over the years. Franklin no longer has the small-town charm that it had years ago, according to Mr. Williams.

Steve Iler. Mr. Iler stated that if he approached the Board with a proposal to build a luxury hotel on his property so that he could make the most money off his land, the city would say no. The city would not use valuable staff resources to study something that doesn't make sense. Most urban planners recommend high density at the city core or at traffic nodes adjacent to the interstate, not in the country where most people own 2-3 acres of land. Mr. Iler asked how many of the Franklin constituents have called or written to say they are in favor of this project moving forward?

Janet Curtis: Ms. Curtis explained that she has taken a trip to visit Serenbe as it had been discussed as a model for rural agrihood development. The area was overgrown and unattractive with kids rolling down hills with no playground equipment in sight. Ms. Curtis stated that the proposed development appears to be a money maker for the owner and is upsetting and disrupting to others who live in the area. Envision Franklin states that any development should have the same character as surrounding properties, this development is nothing like the surrounding properties. There will be an Arrington area plan and a Triune area plan that will shift shopping to the west away from Franklin.

Patrick Collins: Mr. Collins stated that he has witnessed much of the growth in Franklin over the years since purchasing his property in 1992. Staff has presented a very detailed and prudent approach for considering a complicated development. Mr. Collins urged the Aldermen to delay moving forward with this study and consider the quality of life everyone enjoys in Franklin.

Alderman Brown thanked the citizens for their feedback as engagement is important in this process. Franklin has multiple growth areas and where and when development happens is crucial. Potential development in the Mayes Creek area is extremely complicated and yes, the area has been studied before, but situations have changed. Growth has been pushed into the municipalities since Williamson County changed it zoning ordinance to lots sizes of 1-5 acres. To begin addressing the new growth, the City conducted a citizen survey that asked citizens what their most important concerns were. The most significant concerns were lack of diversity in housing and secondly preservation of open spaces. At the time, the only design concept that closely addressed open space was one that called for single family homes with 50% open spaces. In a sincere effort to create a design concept that would address both citizen priorities, the village green design concept was born allowing for 70% open space and diversity in housing by incorporating a multi-family building concept. If Franklin can create opportunities for housing that are affordable, the workforce will not need to commute as 65% of traffic is a result of workers traveling to work because they cannot afford to live in Franklin. The spirit and intent of the Village Green design concept would address citizen concerns by providing a balance in residential housing and preservation of open space that reflects the rural setting and surrounding environment. Adding the Village Green design concept to Envision Franklin was a year and a half long process and hundreds of hours of meetings presenting the idea to citizens. The proposed update to Envision Franklin went through FMPC meetings and BOMA meetings with multiple public hearings and was ultimately passed. In summary, Alderman Brown explained that this is how the Village Green design concept became part of Envision Franklin along with the reasons and processes involved.

Alderman Baggett pointed out the proposed development map and addressed the misinformation that is being shared among citizens. Make sure that the most updated maps are being used so that concerns are based on factual information. The proposal is not set in stone, but it is a prudent way to study and understand the actual costs to move forward with development east of I 65. Alderman Baggett stated that he is determined not to pass on the costs of development to taxpayers which means investigating alternative financial approaches that are newly available. Development is down over the last 3 years as the Board has approved 73% less developments. This Board is serious and determined to get development right and to do that requires a thorough understanding of every aspect of infrastructure needs and costs for growth to the east and south corridors.

Alderman Blanton thanked Aldermen Brown and Baggett for their passion and comments. Alderman Blanton stated that she is bothered by the vibe in the room as the passion is coming across as rudeness. The City of Franklin has a code of conduct for public hearings and the Board is very interested in hearing comments about how county residents would like the city to respond to them, but there must be a balance so that we can all live together and respect each other's point of view. Change is inevitable and the Board makes the best decision it can based on the information available. As the Board does its due diligence on growth, please address the Board with respect and common decency publicly, socially, and via email.

Alderman Petersen's concerns include the significant water/sewer connections needed, service capabilities of the city and the major financial commitment that would be required. This proposed development is very different from other developments the city has been involved in and will require significant road improvements not paid for by the development.

Alderman Barnhill stated that he supports moving forward with the study as many of the questions discussed will be answered.

Vice Mayor Potts agreed with Alderman Barnhill and asked staff for a timeline for results of the study. To be open and transparent, the Board would like to set expectations correctly and to avoid misinformation.

Ms. Wright explained that the next step would be a public hearing on February 11, 2025, a vote whether to proceed with the study and if approved, a final plan of service would be initiated with results presented later. Then, if annexation is initiated at the February Meeting, an Envision Franklin plan amendment must be passed by the FMPC (June). If the FMPC approves the plan amendment, the owner would request rezoning for a proposed design concept with an accompanying development plan. Because the growth area is unique, additional time may be needed to start the sewer funding process that may include a residential infrastructure component. Since this is a new component, work session discussions will be necessary before the final plan of services can be completed. If the rezoning request with accompanying development plan are approved, staff will know the exact number of dwelling units and nonresidential square footage to accurately project how much additional personnel will be needed for sanitation, environmental, fire and police services. The timeframe, if the Envision Franklin plan amendment is approved, is estimated to be 2-4 months before the final plan of services is completed.

Alderman Burger stated that everyone on the Board is here because they love the City of Franklin. Everything that has been said has been sincere, truthful, and elegantly presented because the Board truly wants to do what is best for the city. There are several compelling reasons to move forward with this study that will answer questions, provide data and other information to make the best decision. If the study does move forward, it does not mean that the Board is saying yes to annexation.

The item was acknowledged and is planned for the February 11, 2025 Board of Mayor and Aldermen Meeting for consideration and Public Hearing.
The February 11, 2025 Board of Mayor and Aldermen Meeting will be located at the Williamson County Auditorium at 1320 West Main Street, Franklin, TN 37064.

5. **Consideration Of Ordinance 2024-47, An Ordinance To Add Reference To The Design Criteria For Water Infrastructure And Design Criteria For Wastewater Infrastructure For Design Of Water, Sewer, And Reclaimed Infrastructure, And Additional Availability Changes As Adopted By Reference In Title 18 Of The Franklin Municipal Code**

Sponsors: Michelle Hatcher, Brian Goodwin

The item will be on a future Work Session for discussion.

6. ***Consideration Of Resolution 2024-112, A Resolution Of Intent To Commence With The Planning, Design, Construction, And Eventually Operation Of A Six (6) Million Gallon Per Day Clean Water Facility Located In The Southern Portion Of The City Of Franklin Between Carothers Parkway And I-65N In The Southeast Municipal Complex**

Sponsors: Michelle Hatcher

The item is planned for the January 14, 2025 Board of Mayor and Aldermen Meeting for consideration.

7. **Consideration Of COF Contract No. 2024-0357, With C&T Engineering And Inspection, LLC, For Harpeth River Stream Monitoring And Data Management**

Sponsors: Michelle Hatcher

The item will be on a future Capital Investment Committee Meeting for discussion.

8. **Discussion Regarding The 2024 Water And Sanitary Sewer Cost Of Service Study And Rate Plan**

Sponsors: Mark Hilty, Michelle Hatcher

Mr. Stuckey explained that the presentation will provide additional details, specific to each scenario, about how the cost of service and rates will support phase one of the south water treatment plant and how the change in rates affects impact fees and vice versa.

Fernando Aranda: Mr. Aranda briefly reviewed the four scenarios discussed at the November 12, 2024, Work Session Meeting, considering that water increases at 6% annually and the sewer impact fee are calculated at $18.000. The rate setting process considers revenue requirements, cost-of-service and rate design with the financial goal of planning ahead so that increases overtime is small, predictable and consistent. The impact fee methodology is a one-time charge for new customer demand following the principle of growth-pays-for-growth. In summary, the impact fee results in a maximum defensible fee of $18,000 per SFUE (single family unit equivalent). A lower fee can be approved as a city policy decision with consideration of the adopted fee and timing of implementation.

Scenario 1) Existing impact fee (3%)
Scenario 2) 5-year Phase-in ($12K)
Scenario 3) 6-year Phase-in ($18K)
Scenario 4) Full Increase 2026 ($18K)

Mr. Aranda presented several ways to structure water and sewer fees. A standard across the board service charge to fees based on usage for each class of customer. Even with the most current updates of other municipalities, comparing Franklin's current utility fees to other municipalities, Franklin 's fees fall in the middle, not the most expensive and not the least expensive. Franklin's water and sewer annual increase is very consistent with the same increases seen in the industry.

Alderman Baggett stated that with the rate increase, the city will be able to build phase one of the treatment plant while maintaining the industry average for overall rates.

Alderman Barnhill asked what costs affect the increase in water fees and does the city commit to a certain amount of water to be purchased from Harpeth Valley.

Mr. Stuckey explained that inflation and the cost of water Harpeth Valley charges constitute the increase in water fees. The city provides Harpeth Valley with a projected amount of water usage each month depending on how much the city can draw from the river and treat itself.

Mr. Stuckey asked for feedback regarding which scenario the Board is leaning toward.

Alderman Baggett stated his concerns about raising the sewer impact fees on top of the recently updated road impact fees for developers. The best choice may be somewhere in the middle.

Mr. Stuckey asked the Aldermen to consider that $130 M more in debt will be issued that will live on through 30 years creating a floor of increase beyond 2033 because you are creating debt obligations at a higher rate than in the red scenario.

Alderman Baggett stated that the Board should understand exactly how long and how much debt the city will be faced with according to each scenario.

Mr. Aranda suggested the Board consider updating the financial situation after 5 to 10 years as situations change. Growth assumptions could be wrong making it sensible to reevaluate the financial structure every few years.

Mayor Moore stated his concerns about the coverage ratio once debt for the new treatment plant is issued making a more aggressive approach to sewer and water fee updates more suitable.

Mr. Stuckey suggested that a long-term perspective view is needed along with how the debt service floor plays out beyond the 10 years to fully understand how the fee structure will position the city financially.

Alderman Blanton expressed her concerns about pricing developers out of their ability to afford to build homes in Franklin.

Vice Mayor Potts agreed with Alderman Blanton and suggested a full analysis of the fee structure by scenario showing the final figures once the fees are fully implemented.

9. ***Consideration Of Resolution 2024-103, A Resolution Approving A Mural At 1560 W. McEwen**

Sponsors: Milissa Reierson, Monique McCullough

The item is planned for the January 14, 2025 Board of Mayor and Aldermen Meeting for consideration.

10. ***Consideration Of Resolution 2024-104, A Resolution To Approve A Mural At 7087 Bakers Bridge Avenue**

Sponsors: Milissa Reierson, Monique McCullough

The item is planned for the January 14, 2025 Board of Mayor and Aldermen Meeting for consideration.

11. ***Consideration Of Amendment 10 To COF Contract No. 2011-0129, With TDOT To Extend Contract Completion Date To December 31, 2025 For The ITS Infrastructure Expansion**

Sponsors: Paul Holzen, Adam Moser

The item is planned for the January 14, 2025 Board of Mayor and Aldermen Meeting for consideration.

12. **Consideration Of Resolution 2024-04, A Resolution To Assign Permanent Naming Rights Of The Capital Project Known As The Southeast Municipal Complex In Honor Of Pearl Bransford, In Accordance With Ordinance 2024-37, Acknowledging Individuals Who Have Made Substantial Contributions To Benefit The City Or Local Community**

Sponsors: Lisa Clayton, Heather Eusebio

The item will be on a future Work Session for discussion.

13. **Consideration Of Resolution 2024-110, A Resolution To Affirm Compliance With Federal Title VI Regulations**

Sponsors: Eric Stuckey

The item will be on a future Work Session for discussion.

OTHER BUSINESS

ADJOURN

Meeting Adjourned @ 7:53 PM

Dr. Ken Moore, Mayor

Minutes Prepared by Eydie Hassel, Reviewed by Cayce Anderson, Deputy City Recorder, City Administrator's Office - 1/22/25, 4:11 PM