



MEMORANDUM

August 31, 2015

TO: Members of the Board of Mayor and Aldermen
Members of Budget and Finance Committee

FROM: Eric Stuckey, City Administrator
Russ Truell, ACA/CFO
Mike Lowe, Comptroller
Michael Walters Young, Business Process Improvement Manager

RE: Consideration of Ordinance 2015-48, 1st Quarter 2016 Budget Amendments

Purpose

The purpose of this item is to amend the Fiscal Year 2016 Budget for compliance with State budgeting guidance regarding:

1. Ensuring authorizations in place to balance each fund's budget on a cash basis on June 30, 2015.

Background

The State Comptroller has provided guidance that budget amendments are to be on the cash basis and must occur prior to fiscal year end (June 30) to ensure no fund has a deficit fund balance or deficit cash balance at June 30.

In order to stay ahead of this responsibility, staff is proposing three budget amendments.

The amendments are as follows:

1. Additional \$1,402,797 appropriation in General Fund for pass-through grant expenditures pertaining to Carter's Hill Park. The expenditures are funded in full by grants with the U.S. Department of the Interior, National Parks Service. The City of Franklin will be a pass-through entity for payment to the Civil War Trust of \$99,610 for the purchase of the Eley tract and to Franklin's Charge of \$1,303,187 for purchase of the Lovell tract.
2. Authorization to add \$300,000 to budgeted expenditures in the Road Impact Fund for the purpose of refunding road offset overpayment to Crescent Resources, LLC. Crescent Resources, LLC paid into the Fund but it has been determined that the payment was made in excess. The total amount of overpayment to be repaid is \$900,000, which the City has agreed to pay in three (3) \$300,000 installments for the next three Fiscal Years. This amendment satisfies the payment for Fiscal Year 2016.
3. Authorization to add \$36,038 to budgeted expenditures in the Hotel/Motel Tax Fund for the purpose of completing renovations to rock walls at Eastern Flank Battlefield Park. This project was approved in the FY 2016 Budget, but the budget was built with the assumption the item was to be funded through short-term borrowing. Given the relative size of the expenditure and the need to complete the project this late summer/fall, it should be funded.

directly out of the Hotel/Motel Fund outright. The total cost of the project is estimated at \$55,000.

4. Authorization to add \$59,093 to budgeted expenditures in the Transit Fund for additional operating costs incurred during fiscal year 2015. There is sufficient fund balance in the Transit Fund to cover this additional amount. At the close of fiscal year 2015, the City had paid to the Transit Authority the full amount (\$1,570,540) it had appropriated for transit operating expenditures. Transit is requesting \$59,093 to fund the remainder of its 2015 operating expenditures, primarily from salary, benefits, and indirect expenditures.

This is the second of several budget amendments during the Fiscal Year to the budget. Later in the year we will bring to you a series of corrections and amendments which are more traditionally found in the 1st Quarter, including the distribution of wage adjustments from General Expenses to Departments, pension adjustments and miscellaneous expense adjustments.

Financial Impact

The amendments, as proposed, would result in:

1. General Fund: No Change.
2. Reduction of Road Impact Fund balance by \$300,000.
3. Reduction of Hotel/Motel Tax Fund balance by \$36,038.
4. Reduction of Transit Fund balance by \$59,093.

Options

1. Approve amendment(s) as proposed and forward to BOMA.
2. Make changes to the amendment(s) where desired and forward to BOMA.

Recommendation

Staff recommends approval of the amendments.