

**FUNDING AGREEMENT BETWEEN THE CITY OF FRANKLIN AND
TRANSIT ALLIANCE OF MIDDLE TENNESSEE, INC.**

COF Contract No. 2017-0158

This Funding Agreement is effective on July 1, 2017, between and among the City of Franklin, Tennessee, a political subdivision of the State of Tennessee (the "City") and TRANSIT ALLIANCE OF MIDDLE TENNESSEE, INC. (the "Agency"), a Tennessee nonprofit corporation.

RECITALS

WHEREAS, Tennessee Code Annotated ("TCA") Section 6-54-111, as amended, authorizes a municipality's governing body to appropriate funds for the financial aid of any nonprofit charitable organization that provides year-round services benefiting the general welfare of the residents of the municipality or any nonprofit civic organization working to maintain and increase employment opportunities in the municipality; and

WHEREAS, the TCA also provides for the Comptroller of the Treasury to establish standard procedures to assist the municipal governing body in the disposition of funds so appropriated; and

WHEREAS, the municipality wishes to comply with the following laws and rules:

1. A municipality may appropriate funds for only those nonprofit charitable organizations that provide year-round services benefiting the general welfare of the residents of the municipality, or any nonprofit civic organization classified under Sections 501(c)(4) or (6) of the Internal Revenue Code working to maintain and increase employment opportunities in the municipality.
2. The governing body of each municipality shall adopt an adequate agreement stating the purpose for which the funds are being appropriated, for each nonprofit organization that is to receive municipal funds.
3. The budget document of the municipality shall include the name of each nonprofit organization and the specific amount appropriated for each organization.
4. Municipal payments to nonprofit organizations shall be limited to the amounts appropriated for such purposes and in keeping with the municipality's guidelines for how the appropriated funds may be spent.
5. Pursuant to Tennessee Code Annotated §6-54-111(c), the Agency shall file with the City a copy of the annual report of its business affairs and transactions that includes, but is not limited to:

- (a) Either a copy of the Agency's most recently completed annual audit or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury (a blank copy of which is attached as Exhibit A) and certified by the chief financial officer of the Agency;
- (b) A description of the program that serves the residents of the municipality (a blank copy of which is attached as Exhibit B); and
- (c) The proposed use of the municipal assistance (a blank copy of which is attached as Exhibit C).

The report filed shall be open for public inspections during regular business hours of the City.

6. For appropriations to nonprofit civic organizations, notices shall be published in a newspaper of general circulation in the municipality of the intent to make an appropriation, specifying the intended amount and purpose; and

WHEREAS, the City and the Agency intend to enter into this agreement for the purpose of defining the Agency's use of the monies received from the City in fiscal year 2017-2018.

NOW, THEREFORE, in consideration of the mutual covenants and promises, the parties agree as follows:

1. TERM

This agreement shall be effective from and after the effective date and shall extend through June 30, 2018, unless otherwise terminated in accordance herewith.

2. OBLIGATIONS OF CITY OF FRANKLIN

2.1 In accordance with City guidelines after all administrative costs are deducted therefrom, the City will contribute to the Agency the amount of FIVE THOUSAND and 00/100 DOLLARS (\$5,000.00).

2.2 Payments will be made in quarterly installments, payable at or near the beginning of each quarter.

3. OBLIGATIONS OF THE AGENCY

3.1 Use of Funds. The Agency shall use the City funds for the sole and limited purpose of community and economic development of the City of Franklin according to the Statement of Work and Program Objectives provided in Exhibit B, a copy of which is attached hereto and incorporated by reference herein.

3.2 Work Plan. In order to accomplish the objective(s) set forth in paragraph 3.1, the agency shall submit to the City a Work Plan that describes, in detail, the efforts to be undertaken by the Agency to accomplish the performance objectives set forth in Exhibit B, a copy of which is attached hereto as Exhibit C and incorporated by reference herein. At a minimum, the Work Plan shall include that information required by Exhibit B. The Agency

shall coordinate its performance under this Agreement with the City. The Agency shall advise and consult with the City Administrator or his/her designee, with respect to its performance under this Agreement.

3.3 Annual Budget. The Agency shall submit an annual budget in a form and on a schedule acceptable to the City. The annual budget shall contain a detailed analysis of the project administrative expenses for operations and reasonable estimates of the projected amounts to be spent for the services to be provided and Work Plan to be implemented for the calendar year. The budget shall be submitted to the City with this agreement.

3.4 Reporting. Pursuant to Tennessee Code Annotated §6-54-111(c), the Agency shall file with the City a copy of the annual report of its business affairs and transactions that includes, but is not limited to:

- (a) Either a copy of the Agency's most recently completed annual audit or an annual report detailing all receipts and expenditures in a form prescribed by the comptroller of the treasury (a blank copy of which is attached as Exhibit A) and certified by the chief financial officer of the Agency;
- (b) A description of the program that serves the residents of the municipality; and
- (c) The proposed use of the municipal assistance.

The report filed shall be open for public inspections during regular business hours of the City.

3.5 Insurance. The Agency shall maintain professional liability and general liability insurance coverages as are reasonably necessary to cover any liability arising out of the acts or omissions of the Agency and its employees. The Agency shall maintain workers' compensation insurance as required by the laws of the State of Tennessee.

The Agency shall require all third parties utilized by the Agency ("Contractors") to maintain professional liability and general liability insurance coverages as are reasonably necessary to cover any liability arising out of the acts or omissions of the Contractors and its employees. The Agency shall require contractors to maintain workers' compensation as required by the State of Tennessee. The contractor's general liability insurance shall be of sufficient limits to provide defense and settlement expenses for Agency that result from the contractor liability. To the extent permissible, the Agency shall require each Contractor to endorse the Agency as an additional insured on the Contractor's general liability policies.

To the extent permitted by law, the Agency shall require such Contractor to indemnify and hold the Agency harmless against any liability caused by acts or omissions of the Contractor and its employees.

Insurance information will be provided to the City upon request. The Agency shall notify the City immediately of incidents that could lead to a major claim against the Agency.

4. **RESTRICTION ON USE OF FUNDS**

The Agency does hereby warrant and represent that the City Funds shall not be utilized by either the Agency or any of its Contractors for the following purposes:

- 4.1 Any claim or litigation against the City or any department or division of the City.
- 4.2 Any political or levy campaigning purposes.

5. **RECORDS AND AUDITS**

5.1 Accounting. The Agency shall maintain full, accurate and complete financial and accounting books, records and reports ("Records") of all direct and indirect uses and expenditures of the City Funds consistent with generally accepted accounting principles (GAAP).

5.2 Maintenance of Records. The Agency shall keep records relating to all uses and expenditures of the City Funds received pursuant to this Agreement. The Agency shall maintain a system of bookkeeping adequate for its operations hereunder and shall submit reports from such system to the City and the Agency on an annual basis for review and approval. The Agency shall keep and preserve for at least five (5) years following each calendar year all sales slips, rental agreements, purchase orders, sales books, cash register tapes, credit card invoices, payroll records, duplicate deposit tapes and invoices, bank accounts, cash receipts and cash disbursements, bank books and other evidence of receipts and expenditures for such period.

5.3 Audit. The City or the City's designated representative, at the City's cost and expense, shall have the right to audit the Agency's Records at any time but shall not unreasonably interfere with the Agency's business or operations in connection with any such audit. The Agency acknowledges that this Agreement may be subject to audit by the Auditor of the State of Tennessee.

5.4 Repayment. If an audit discloses the Agency has received or retained City Funds in error or in excess of those to which the Agency is entitled under this Agreement or has used the City Funds for a purpose not authorized by this Agreement, the Agency agrees to promptly repay to the City the full amount of such City Funds, with interest thereon at the rate equal to the 90-day U.S. Treasury Note at the time. In the event the Agency fails to promptly repay to the City the full amount of such City Funds, the City may elect to withhold said City Funds from any future payments to the Agency.

5.5 Additional Remedies. In addition to the repayment remedy set forth in paragraph 5.4 herein, the City may elect to terminate this Agreement as set forth in section 6, herein with a minimum of 30 days written notice to the Agency's President and Chair of the Board with opportunity to cure any breach.

6. **TERMINATION**

If either party hereto breaches any term, condition, representation, warranty or covenant contained in this Agreement, or if the Agency engages in any malfeasance or misfeasance with respect to the City Funds, the non-breaching party may elect to terminate this Agreement with a minimum of 30 days written notice to the other party with opportunity to cure any breach.

7. **MISCELLANEOUS PROVISIONS**

7.1 The Agency and the City agree that, as a condition to this Agreement, they shall not discriminate against any employee on the basis of race, color, sex, religion, natural origin, handicap, or any other factor specified in Title VI of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Americans with Disabilities Act, and subsequent amendments thereto, and all other federal and state laws regarding such discrimination.

7.2 The Agreement may be amended at any time, or any provision hereof may be waived, by written consent of all parties hereto.

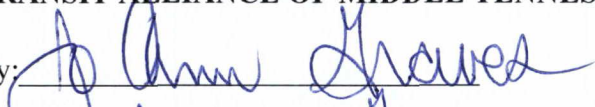
7.3 This Agreement shall be governed by and construed under the laws of the State of Tennessee.

7.4 The Agency and the City shall conform to the requirements of all applicable laws and regulations of the State of Tennessee governing the execution of their respective duties under this Agreement.

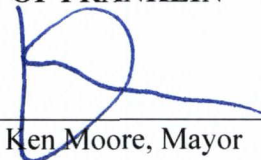
(Signatures on next page)

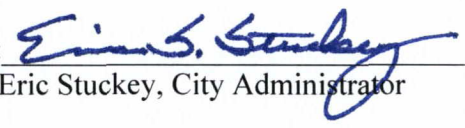
IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS Agreement as of this 15TH day of AUGUST, 2017 by

TRANSIT ALLIANCE OF MIDDLE TENNESSEE, INC.

By: 
Name: JoAnn Graves
Title: CEO
Date: 8/15/17

CITY OF FRANKLIN

By: 
Dr. Ken Moore, Mayor
Date: _____

By: 
Eric Stuckey, City Administrator

Approved as to form:

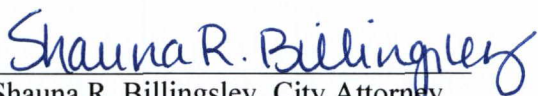
By: 
Shauna R. Billingsley, City Attorney

EXHIBIT A

Annual Reporting Form for Nonprofit Organizations
Seeking Financial Assistance from Local Governments

The Transit Alliance of Middle Tennessee

Name of Nonprofit Organization

211 Commerce St., Suite 100, Nashville Davidson TN

Street Address

City

County

State

Zip 37201

Annual Financial Report of Cash Receipts, Disbursements, and Balances

For the Fiscal Year from Jan 1 through Dec 31, 2016

Report Required by Title 5, Chapter 9, Part 1,

And Title 6, Chapter 54, Part 1, *Tennessee Code Annotated*

Receipts

Federal Grants \$ _____

State Grants _____

Financial Assistance from Local Governments 42,000 →

Donations and Gifts from Citizens 229,962.80

Membership Dues _____

Fees/Charges for Services _____

Fundraising Events _____

Sale of Assets _____

Loans-Borrowed Funds _____

Investment Income _____

Other Receipts _____

Total Receipts \$ 271,962.80

local area cities & Counties

Disbursements

Grants and Other Assistance Paid to Other Organizations and Individuals	\$	<u>48,266.68</u>	
Salaries and Wages			
Employee Benefits		<u>3,872.98</u>	
Payroll Taxes		<u>100,851.19</u>	
Fees for Services (non-employee)			
Advertising and Promotion		<u>9,105.13</u>	
Office Expenses			
Leases/Rentals		<u>2,648.06</u>	
Maintenance and Repairs			
Supplies			
Travel			
Utilities			
Insurance			
Conferences, Conventions and Meetings		<u>4,153.22</u>	
Interest		<u>768.75</u>	
Purchase of Capital Assets – Vehicles and Equipment			
Purchase of capital Assets – Property and Buildings			
Loan Payments			
Other		<u>18,875.63</u>	
Total Disbursements			\$ <u>187,772.82</u> ^(B)
Cash Receipts Less Disbursements for the fiscal Year (A-B=C)			\$ <u>84,189.98</u> ^(C)
Cash Balance - at the beginning of the fiscal year			\$ <u>99,196.00</u> ^(D)
Cash Balance - at the end of the fiscal year (C+D=E)			\$ <u>183,385.98</u> ^(E)

*includes cost of programs + GLC
TCLA*

Details of Cash Balance - at the end of the fiscal year

Cash on Hand	\$	<u>187,845.88</u>
Cash in Bank – Checking		
Cash in Bank – Savings Accounts		

Cash in Bank – Certificates of Deposits _____

Other Cash _____

Total Cash - at the end of the fiscal year

\$ 187,845.88

Please Explain Proposed Use of the Financial Assistance from Local Governments.

These funds will be used to support our Tennessee Citizen Leadership Academies and to educate citizens in the 10-county region, including the city of Franklin, on the need for regional transit system to preserve our economic development and quality of life.

I certify that this report accurately presents the cash receipts, disbursements, and balances of the Transit Alliance of Middle Tennessee for the fiscal year noted above.

Name of Nonprofit Organization

Person Preparing Report

Jessica Dauphin

Printed Name



Signature

Phone Number 615.743.3051

Email Address jessica.dauphin@the-transitalliance.org

Date 8/11/17

EXHIBIT B

STATEMENT OF WORK AND PROGRAM OBJECTIVES

The Agency 2017-2018 Statement of Work and Program Objectives (description of program) shall include:

1. Educate constituencies about need for funding a regional multi-modal transit system.
2. Empower the communities in the 10-county, middle Tennessee area, including organization leaders, with tools to be champions for a transportation system with dedicated funding.
3. Mobilize individuals and regional networks to support legislative action related to dedicated funding for transportation.

EXHIBIT C

WORK PLAN

The Agency 2017-2018 Annual Work Plan (how the funds will be used) shall include:

1. Supporting Tennessee Citizen Leadership Academy (TCLA). A 6-week/6-class program that equips private- and public-sector leaders with personal and group tools to lead conversations about the value of multi-modal transit and how to address our growing mobility needs.
2. Supporting County Summits. Where we travel to each county to give a compelling presentation on the realities, challenges, and opportunities of transit for that County/city area.
3. Supporting discussions/meetings with important civic groups in each/as many cities as possible.

EXHIBIT D

Budget for Current Year

See attached.

TRANSIT ALLIANCE

OF MIDDLE TENNESSEE

BUDGET 2017

Wages/Benefits	\$48,500
Parking Expense	
Employee	3,200
Validations	550
Supplies, Printing, Postage	3,000
Meals and Entertainment	2,200
Conferences	6,000
Interest	770
Depreciation	3,000
Professional Fees	101,000
TCLA	20,000
TGLC	3,500
In Area Expense	2,000
Database Tools/Subscriptions	1,400
Miscellaneous	2,000
TOTAL	\$197,120