

October 12, 2016

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, Budget & Analytics Manager

RE: Consideration of Ordinance 2016-41, 2<sup>nd</sup> Quarter 2017 Budget Amendments

### **Purpose**

The purpose of this item is to amend the Fiscal Year 2017 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, 2016.

### **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 five budget amendments.

The amendments are as follows:

1. Increase within the General Fund of \$165,775 for the addition of three (3) personnel in three departments. The personnel additions include:
  - a. Two (2) positions in Building & Neighborhood Services at the cost of \$136,437 for one-half year. This includes one (1) Building Inspector III and one (1) Electrical Inspector (also a Building Inspector III). Continued record construction within the City of Franklin has caused strain on existing staff. To maintain appropriate service levels, we recommend the addition of both positions to the department. A detailed packet of information is attached with performance measurement data on inspections and permits for the last three years.
  - b. One (1) position in Information Technology at the cost of \$29,338 for one-half year. This position is for a GPS/GIS Technician, originally asked for as a Program Enhancement Request during the FY 2017 Budget Process. This position is necessary for the City's staffing of the Tennessee One-Call System, which we are legally required to provide effective January 1, 2017. A packet is attached describing the position and organizational chart changes.

The increase is proposed to be offset from increasing Property Tax Revenue and Building Permit Revenue estimates for FY 2017, as increased transfers from Water & Wastewater under Amendment 5.

2. Increase of \$164,900 in the Sanitation & Environmental Services Fund for the purpose of replacing a rear loader. The rear loader to be replaced – 134.REL - was a 2008 Ford Rear Loader which was originally requested for replacement in FY 2017 budget process. We had hoped it could make it throughout the year, but sufficient equipment failures have occurred and it must be replaced. The vehicle replacement is available through a cooperative purchase vendor and can be put in service quickly. The increase will come from fund balance. Revenues will be examined throughout the year to try to make up the difference. A quote is attached to this memorandum.
3. Increase of \$500,000 in the Capital Projects Fund for a one-time contribution to the Williamson County Arts Center. Funding will come from the balance of the Williamson County Facilities Tax, which is part of the Capital Projects Fund. The estimated total fund balance within the County Facilities Tax at the end of Fiscal Year 2016 was \$3,262,263, and through two months of FY 2017, collections are on pace with budget estimates. This contribution will still keep sufficient funds available for Phase I CIP projects (Hillsboro Road Phase II and Mallory/Royal Oaks/Liberty Pike Phase I).
4. Increase of \$70,000 in the Drug Fund for the purpose of purchasing of vehicles. The increase will come from fund balance, which at year end was substantially higher than anticipated.
5. Increase of \$14,668 in the Water & Sewer Fund for the purpose funding one-half the FY 2017 cost of the requested new GPS/GIS Technician budgeted in Amendment 1. The increase will come from fund balance. Revenues will be examined throughout the year.

This is the third budget amendment during this Fiscal Year to the budget. We envision several more during the course of the Fiscal Year.

### **Financial Impact**

The amendments, as proposed, would result in:

1. General Fund: No Change.
2. Sanitation & Environmental Services Fund: Decrease of Fund Balance of \$164,900.
3. Drug Fund: Decrease of Fund Balance of \$70,000.
4. Capital Projects Fund: Decrease of Fund Balance (from Williamson County Facilities Tax funds) of \$500,000.
5. Water & Wastewater Fund: Decrease of Fund Balance of \$14,668.

### **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.