
**MINUTES OF THE WORK SESSION
BOARD OF MAYOR AND ALDERMEN
FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
TUESDAY, DECEMBER 13, 2016 – 5:00 P.M.**

Board Members

Mayor Ken Moore	P		
Vice Mayor Pearl Bransford	P	Alderman Dana McLendon	P
Alderman Clyde Barnhill	P	Alderman Margaret Martin	P
Alderman Brandy Blanton	P	Alderman Ann Petersen	P
Alderman Beverly Burger	P	Alderman Michael Skinner	P
	P		

Department Directors/Staff

Eric Stuckey, City Administrator	P	Lisa Clayton, Parks Director	P
Vernon Gerth, ACA Community/Economic Dev.	P	Shirley Harmon-Gower, HR Director	P
Russell Truell, ACA Finance & Administration	P	Mark Hilty, Water Management Director	P
Shauna Billingsley, City Attorney	P	Paul Holzen, Engineering Director	P
Rocky Garzarek, Fire Chief	P	Emily Hunter, Planning & Sustainability Dir.	P
Deb Faulkner, Police Chief		Joe York, Streets Director	P
Fred Banner, IT Director	P	Lanaii Benne, Assistant City Recorder	P
Chris Bridgewater, BNS Director	P	Linda Fulwider, Board Recording Secretary	P
Becky Caldwell, SES Director			

Call to Order

Mayor Ken Moore called the Work Session to order at 5:00 p.m.

Citizen Comments

No one came forward

WORK SESSION DISCUSSION ITEMS

1. 16-1087 Report of Third Quarter 2016 Wastewater Collection System Maintenance and Inspection Activities Summary

Mark Hilty, Water Management Director

During the third quarter, City staff cleaned over 9.5 miles of sanitary sewer line and performed inspection of over 8.5 miles. In January 2017, a more comprehensive annual report will include plant operations, maintenance inspection activities, and other operations within the utility

Items posted to the Water Management Web pages:

- Harpeth River Monitoring: Page provides links to various USGS gauges in the Harpeth River Watershed, including data from the City's monitoring efforts. <http://www.franklin.gov/government/harpeth-river-monitoring>
- Sanitary Sewer Overflow Response: Page provides information on sanitary sewer overflows (SSO), the City's NPDES permit, and details of SSO events. <http://www.franklin.gov/government/water-management-department/sanitary-sewer-overflow->
- Wastewater Upgrade Facts: Page provides information for the various treatment processes, including proposed modifications at the Water Reclamation Facility. <http://www.franklin.gov/government/water-management-department/wastewater-upgrade-facts>

3rd Quarter Totals:

Sanitary Sewer Lines Cleaned (LF)	50,468
CCTV Inspection (LF)	27,245
Rapid Assessments Performed (LF)	17,926
Sanitary Main Maintenance (not associated with cleaning) (Ea)	4
Sanitary Sewer Main Replacement/Rehab (LF)	70
Manhole Inspection (Ea)	270
Manhole Maintenance (Ea)	31
Manhole Replacement/Rehab (Ea)	14
Service Line Inspection (Ea)	14
Service Line Maintenance (Ea)	4
Service Line Replacement/Rehab (Ea)	5
Sanitary Sewer Backup Responses (not inclusive of SSOs or Releases) (Ea)	13

2. 16-1088 Discussion of Water and Sanitary Sewer Impact Fees

Mark Hilty, Water Management Director

Eric Stuckey noted the last time the Water and Sanitary Sewer Impact Fees were adjusted was in 2008. This is to look at the structure and options around the structure. There are some complexities involved and the information will be shared with the development community. Early next year staff will provide an overview of all development-related impact fees. Currently, fees are based on meter size, and want to change to a demand base.

Jim Marshall, Jackson Thornton Utilities Consultants, presented the following:

- ◆ The impact fee is a one-time payment made when the customer comes onto the system. The fee is to make sure new customers are carrying their fair share, and the burden isn't carried only by current customers.

Impact Fees – Definition

- ◆ A contribution of capital toward existing or planned future plant facilities necessary to meet the service needs of new customers to which such fees apply.
- ◆ Two methods used to determine the amount of these charges are the buy-in method and the incremental-cost pricing method.
- ◆ Charges are intended to provide funds to be used to finance all or part of capital improvements necessary to serve new customers.

Impact Fees – Methodologies

- ◆ Equity (Buy-In) Method – This approach attempts to assess new customers at a fee to approximate the equity position of current customers.
 - This approach is used on the Water Distribution System and the Sewer Collection System
- ◆ Incremental Cost Method – Assigns to new development the incremental cost of system expansion needed to serve the new development.
 - This approach is used on the Water Treatment expansion and the Sewer Treatment expansion.

Process Overview

1. Develop Equivalent Residential Unit
2. Equity Buy-In – Determine existing customers “equity” position in the water distribution and sewer collection systems.
3. Equity Buy-In – Calculate the average cost per ERU on the existing water distribution and sewer collection systems.
4. Incremental Cost – Determine projected capacity expansion related investments at the water and sewer treatment plants.
5. Calculate the average cost per ERU on the expanded treatment facilities for both water and sewer.
6. The Equity Buy-In cost per ERU and the Incremental cost per ERU are then added together for water and again for sewer to arrive at the calculated Impact Fee for each item.

Water – Develop Equivalent Residential Unit

Develop Equivalent Residential Unit

- ◆ Residential Class meter – City Code, 350 gallons/day/meter
- ◆ Non-Residential Class- based on actual consumption for FY 2015
- ◆ This is reflective of the utility’s operation and planning approach

◆ Applies to both the Equity Buy-In Approach and the Incremental Cost Approach.

Equity (Buy-In Method)		FY 2015
A	Annual Residential Billings	191,684
B	Monthly Usage/Residential Customer (350 Gals/day)	10,646
C	Annual Usage/Residential Customer (350 Gals/day)	127,750
	Residential Class Code Capacity (Gals) (A*B)	2,040,635,917
	Actual Non-Residential Class Usage (Gals)	409,853,116
D	Total Design Based Capacity	2,450,489,033
E	Equivalent Residential Units (ERU) (D/C) (Total Design Capacity/Annual Usage/Residential Customer)	19,182

Water - Determine Customers Investment in Distribution Plant

Equity (Buy-In Method)		FY 2015
	Distribution Plant Valuation	\$ 53,110,748
	Less: Contributed Capital	\$ 7,365,939
	Less: Distribution Bonds/Grants	\$ 3,222,212
F	Current Investment in Plant	\$ 32,522,597

Water – Calculate the Average Investment per ERU in Existing Distribution Plant

Equity (Buy-In Method)		FY 2015
E	Equivalent Residential Units (ERU) (D/C) (Total Design Capacity/Annual Usage/Residential Customer)	19,182
	Distribution Plant Valuation	\$ 53,110,748
	Less: Contributed Capital	\$ 17,365,939
	Less: Distribution Bonds/Grants	\$ 3,222,212
F	Current Investment in Plant	\$ 32,522,212
G	Average Cost/ERU (Plant Investment/ERU) (F/E)	\$ 1,695

Water – Incremental Cost Approach

Incremental Cost Method		Present-2020
H	Projected Treatment Investment	\$ 545,582
I	Projected Additional Capacity (500,000 gas/day)	182,500,000
C	Annual Usage/Customer (Gals)	127,750
K	Percentage of Capacity (C/I)	0.070000%
L	Average Cost/EUR (H*K)	\$ 1,782

Water – Hybrid Results

Hybrid Consolidation		
G	Equity (Buy-In) Method – Distribution	\$ 1,695
L	Incremental Cost – Treatment	\$ 1,782
M	Hybrid Approach – Cost per ERU (G+L)	\$ 3,477

Projected Monthly Usage (Gals)	Multiplier	Impact Fee
10,646	1.00	\$ 3,477
11,000	1.03	\$ 3,593
12,000	1.13	\$ 3,920
15,000	1.41	\$ 4,900
18,000	1.69	\$ 5,880
20,000	1.88	\$ 6,533
25,000	2.35	\$ 8,166
30,000	2.82	\$ 9,799
40,000	3.76	\$ 13,066
50,000	4.70	\$ 16,332
1,000,000	93.93	\$ 326,643

Sewer – Development of the Equivalent Residential Unit

Equity (Buy-In) Method		FY2015
A	Annual Residential Billings	250,365
B	Monthly Usage/Residential Customer (350 Gals/day)	10,646
C	Annual Usage/Residential Customer (350 Gals/day)	127,750
	Residential Class Code Capacity (Gals) (A*B)	2,665,344,063
	Actual Non-Residential Class Usage	794,586,882
D	Total Design Based Capacity	3,459,930,945
E	Equivalent Residential Units (ERU) (D/C)	27,084
(Total Design Capacity/Annual Usage/Residential Customer)		

Sewer – Determine Customers Investment in Collection Plant

Equity (Buy-In) Method		FY 2015
	Collection Plant Valuation	\$ 120,935,562
	Less: Contributed Capital	\$ 56,239,910
	Less: Bonds/Grants	\$ 11,600,487
F	Current Investment in Collection Plant	\$ 53,095,165

Sewer – Calculate the Average Investment per ERU in Existing Collection Plant

Equity (Buy-In) Method		FY 2015
E	Equivalent Residential Units (ERU) (D/C)	27,084
(Total Design Capacity/Annual Usage/Residential Customer)		
	Collection Plant Valuation	\$ 120,935,562
	Less: Contributed Capital	\$ 56,239,910
	Less: Bonds/Grants	\$ 11,600,487
F	Current Investment in Collection Plant	\$ 53,095,165
G	Average Cost/ERU (Plant Investment/ERU) (F/E)	1,960

Sewer – Incremental Cost Approach

Incremental Cost Method		Present - 2020
H	Projected Investment	\$ 40,000,000
I	Projected Capacity	1,460,000,000
C	Annual Usage/Customer (Gals)	127,750
K	Percentage of Capacity (C/I)	0.008750%
L	Average Cost/ERU (H*K)	\$ 3,500

Sewer Hybrid Results

<u>Hybrid Consolidation</u>	
G	Equity (Buy-In) Method - Collection \$ 1,960
L	Incremental Cost – Treatment \$ 3,500
M	Hybrid Approach (G+L) \$ 5,460

Projected Monthly Usage (Gals)	Multiplier	Impact Fee
10,646	1.00	\$ 5,460
11,000	1.03	\$ 5,642
12,000	1.13	\$ 6,155
15,000	1.41	\$ 7,694
18,000	1.69	\$ 9,232
20,000	1.88	\$ 10,258
25,000	2.35	\$ 12,823
30,000	2.82	\$ 15,387
40,000	3.76	\$ 20,517
50,000	4.70	\$ 25,646
1,000,000	93.93	\$ 512,916

The Aldermen asked several questions and discussed debt, ratepayer contributions, developer pays access fee, tap fees, and from a legal standpoint, the burden of proof to defend significant rate structure. Alderman McLendon asked that the recommendation be vetted through Legal.

Mark Hilty presented the following:

Impact Fee Structure		
<ul style="list-style-type: none"> ◆ Existing Structure-Based on Meter Size and specific Fund Structure (Does not include installation fee) <ul style="list-style-type: none"> • Last Update 2007; subsequent study performed in 2011 • Can Limit Equitable Assessment of Fees, depending on demands – Impacts costs to Developers and Impact Fee Revenues for the City • Encourages downsizing of meters vs. appropriate meter sizing – City contrasted with utility districts • Discourages the use of fire suppression systems • Unnecessarily limits the City’s ability to use available funds based on a snapshot in time of Planned Capital Investment 	Meter Upsize (Inches)	% Fee Increase
	0.75 to 1	300%
	1 to 1.5	140%
	1.5 to 2	33%
	2 to 3	119%
	3 to 4	43%
4 to 6	140%	
6 to 8	25%	
<ul style="list-style-type: none"> ◆ Proposed Structure – Based on Equivalent Residential Unit (EUR) <ul style="list-style-type: none"> • Provides equitable assessment of fees based on projected demands by the Developer as verified through City staff • Fees tied to projected demands that drive Capital Investments and Planning • Encourages meter sizing based on demands; eliminates meter sizing decisions based on fees • Encourages the use of Fire suppression systems • Impact Fee for Single Family Home equal to one ERU • Multi-family homes can be assessed at a fraction of an ERU • Non-Residential Impact Fees based on multiples of the ERU 		

Four examples of Impact Fee Structure Comparisons were reviewed.

Due to time constraints, the remaining presentation on Irrigation Systems was postponed.

3. 16-1057 Presentation on Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan Development

Paul Holzen, Engineering Director
Jonathan Marston, Assistant Engineering Director

The ADA has been in place since the early 1990s, and the City has done many things to be in compliance. There is renewed emphasis on systems being in place. Sarah Sylvis, Risk Manager, is ADA Coordinator.

Paul Holzen reviewed the background and history of the ADA.

The City of Franklin Approach:

- The City of Franklin has incorporated accessibility in all of its new construction projects and major renovations for public facilities (transportation and buildings).
- For many years the City has incorporated annual funding for upgrading of access ramps to meet ADA standards and to make repairs to sidewalks.
- As a part of the City’s annual street resurfacing program, ramps and sidewalks are reviewed for compliance with ADA standards and the appropriate repairs are made.
- The City has maintained a specific role of ADA coordinator, which has been fulfilled by the City’s Risk Manager.
- As we move forward, a more formalized inventory of public facilities and the City’s transition plan will be maintained.

Mr. Holzen reviewed the Self-Evaluation portion of the ADA.

The City of Franklin Approach:

- The City of Franklin has incorporated accessibility in all of its new construction projects and major renovations for public facilities (transportation and buildings).
- For many years the City has incorporated annual funding for upgrading of access ramps to meet ADA standards and to make repairs to sidewalks.
- As a part of the City’s annual street resurfacing program ramps and sidewalks are reviewed for compliance with ADA standards and appropriate repairs are made.
- The City has maintained a specific role of ADA coordinator, which has been fulfilled by the City’s Risk Manager.

- As we move forward, a more formalized inventory of public facilities and the City’s transition plan will be maintained.

Self-Evaluation Standards:

- Current Standards
 - 2010 Standards for Accessible Design
 - 28 CFR part 35.151 – New Construction and Alterations (1992)
 - 36 CFR part 1191 – ADA Accessibility Guidelines (ADAAG) (2004)
- Additional Upcoming Standards
 - Public Right-of-Way Accessibility Guidelines (PROWAG)
 - Draft Issued July 16, 2011
 - Specifically Related to Pedestrian Facilities in the Public Rights-of-Way
 - * Supplemental Notice in 2013 for Shared Use Paths
 - Recommended for Use by Federal Highway Administration (FHWA)
 - Adopted by TDOT; Must be followed on all projects within State ROW or utilizing TDOT funding.
- **All infrastructure and public facilities have to be evaluated**
- Staff recommends splitting the task into three (3) parts:
 - Pedestrian in the right-of-Way
 - Sidewalks & Trails (Approximately 350 Miles)
 - Curb Ramps (Approximately 7,000+)
 - Transit Stops (74)
 - Pedestrian Signals (115 Signalized Intersections)
 - On-street Parking
 - Public Buildings/Facilities (includes Parking Lots)
 - Parks

Transition Plan:

- Create a Transition Plan with all the data from our self-evaluation.
 - Originally required by 28 CFR 35.150 (d) within six (6) months of January 25, 1992 for any public entity that employs 50 or more people. Although the 2010 regulations do not specifically require a new self-evaluation or transition plan, public entities are encouraged to do so.
- The plan shall, at a minimum:
 - Identify physical obstacles in the public entity’s facilities that limit the accessibility of its programs or activities to individuals with disabilities;
 - Describe in detail the methods that will be used to make the facilities accessible;
 - Specify the schedule for taking the steps necessary to achieve compliance with this section and, if the time period of the transition plan is longer than one year, identify steps that will be taken during each year of the transition period; and
 - Indicate the official responsible for implementation of the plan.

Why Now?

- This was originally required by the ADA Act of 1990 – **IT’S THE LAW!**
- Increased liability for ADA lawsuits (both federal and private)
- On July 19, 2000, the U.S. Department of Justice (DOJ) announced an initiative dubbed “Project Civic Access” to ensure that cities, towns and villages comply with the ADA.
 - If the state or local government is not in full compliance with the ADA, then the DOJ will work “with” them to bring them into compliance.
 - The DOJ will dictate the necessary improvements and timeframe for completing those improvements.
- By December 1, 2016, the FHWA Tennessee Division is requiring:
 - All affected Local Public Agencies (LPAs) (those with 50 or more employees) shall identify an ADA Coordinator; and
 - TDOT shall develop a Statewide Action Plan that defines when each LPA with complete their self-evaluation and individual ADA Transition Plan.
- **Potential Loss of Funding**
 - LPAs’ ADA Transition Plans must be completed prior to Federal approval of the Fiscal Year 2020-2023 Statewide Transportation Improvement Program (STIP) and 2020 Statewide Planning Finding in December 2019.

- Failure to adhere to the requirements of the ADA and Section 504 could result in a future Statewide Planning Finding corrective action or partial federal approval of the STIP covering only a portion of the State.

Steps to Compliance:

- Designate an ADA Coordinator (**Complete**)
- Provide Public Notice about ADA Requirements & Establish a Grievance Procedure (**Complete**)
<http://www.franklintn.gov/government/human-resources/americans-with-disabilities-act>
- Develop Internal Design Standards, Specifications, and Details (**Complete – Staff working on latest update**)
- Perform Self-Evaluation/Inventory and Develop Formal, updated Transition Plan (**Soon – Plan needs to be formalized**)
- Monitor Progress on Implementation of Transition Plan (**Ongoing**)

Sara Sylvis noted this information is on the HR page of the City website along with the forms to complete if someone needs accommodation, or to file a complaint, or has a service request. Those are directed to her for disposition. Ms. Sylvis added helpful links as well, including the Department of Justice.

4. **16-1062 ★Consideration of a Professional Services Agreement (COF 2016-0353) with Gresham Smith and Partners, Inc. for the Franklin Road (SR 6) Widening Project**
Paul Holzen, Engineering Director
Mr. Stuckey related the City has the opportunity to have TDOT fully fund the improvements at Moores Lane and Franklin Road providing the design is completed by the end of January. This includes a traffic signal at Davenport Boulevard and sidewalk. This will save the City approximately \$800,000-\$900,000 in future construction cost. The design will cost approximately \$50,000.
5. **16-1045 ★Consideration of Contract 2016-0298 in the Amount of \$30,000 with Infor to Purchase Licenses for the Infor Field Inspector Work Management App.**
Chris Bridgewater, BNS Director
No questions or comments.
6. **16-1068 Consideration of Interlocal Agreement (COF Contract 2016-0116) for Non-Exclusive License and Data Sharing Between City of Franklin and Mallory Valley Utility District**
Fred Banner, IT Director
Jordan Shaw, Assistant IT Director
This is an ongoing sharing of GIS.
7. **16-0969 ★Consideration of ORDINANCE 2016-46, To Be Entitled: “An Ordinance To Rezone 19.11 Acres From Specific Development Variety SD-X (2.5, 36, 480) District To Specific Development Variety SD-X (2.5, 44,000) District For The Property Located South Of Moores Lane And East Of Franklin Road, 580 Franklin Road (Branch Creek Crossing PUD Subdivision.” Establishing a Public Hearing Date of January 10, 2017.**
Alderman Ann Petersen, FMPC Representative
Brad Baumgartner, Senior Planner
8. **16-0970 Consideration of RESOLUTION 2016-74, To Be Entitled: “A Resolution Approving A Revised Development Plan For Branch Creek Crossing PUD Subdivision For The Property Located South of Moores Lane And East of Franklin Road, 580 Franklin Road.” Establishing a Public Hearing Date of January 10, 2017.**
Alderman Ann Petersen, FMPC Representative
Brad Baumgartner, Senior Planner
Items 7 and 8 taken together. The use is supported by the Land Use Plan. Staff recommends approval.

9. 16-0971 ★Consideration of ORDINANCE 2016-47, To Be Entitled: “An Ordinance To Rezone 195.5 Acres From Specific Development Variety (SD-R 1.72) District To Specific Development Variety (SD-R 2.02) District For The Property Located East Of Carothers Parkway And North Of Long Lane, 4413 South Carothers Road (Water’s Edge PUD Subdivision).” Establishing a Public Hearing Date of January 10, 2017.

Alderman Ann Petersen, FMPC Representative
Brad Baumgartner, Senior Planner

10. 16-0972 Consideration of RESOLUTION 2016-75, To Be Entitled: “A Resolution Approving A Revised Development Plan For Water’s Edge PUD Subdivision For the Property Located East Of Carothers Parkway And North Of Long Lane, 4413 South Carothers Road.” Establishing a Public Hearing Date of January 10, 2017.

Alderman Ann Petersen, FMPC Representative
Brad Baumgartner, Senior Planner

Items 9 and 10 taken together. Proposed zoning is consistent with the neighboring subdivisions and the Land Use Plan. The rezoning is required because the applicant is proposing to exceed the maximum density number allowed under the current SD-R zoning district. Staff recommends approval.

11. 16-1019 ★Consideration of RESOLUTION 2016-86, A Resolution Authorizing the Mayor to Execute an Agreement with the Tennessee Consolidated Retirement System for Pension Plan Co-Investment Services.

Eric Stuckey, City Administrator
Russ Truell, ACA Finance & Administration

Ongoing transition with TCRS investment management. The Budget & Finance Committee reviewed and updated. The word “read” was removed from the seventh and eighth “whereas” paragraphs.

12. 16-1031 ★Consideration of RESOLUTION 2016-89, a Resolution to Adopt Budget Goals for FY 2017-2018.

Eric Stuckey, City Administrator
Michael Walters Young, Budget & Analytics Manager

Establishing budget goals kicks off the budget process. The FY 2017-2018 goals include financial, non-financial, and specific fiscal year 2018 initiatives. Mayor Moore had suggested adding a goal to work towards the development of a program of incentives for affordable and workforce housing, and that has been incorporated.

Alderman Petersen thought something about roads should have been added. Also, in addition to the commitment to the vitality of Downtown there should be commitment to the Cool Springs area. Mr. Stuckey responded that InvestFranklin is about roads; commercial districts will be included in addition to commitment to the vitality of downtown and neighborhoods.

13. 16-1056 ★Consideration of RESOLUTION 2016-93, An Amended and Restated Resolution Authorizing the Issuance, Sale and Payment of up to \$12,000,000 in Aggregate Principal Amount of Water and Sewer System Revenue Bonds of the City of Franklin, Tennessee, and Making Provision for the Operation of the Municipality and the Collection and Disposition of its Revenues.

Eric Stuckey, City Administrator
Russ Truell, ACA Finance & Administration

As a result of the action of the Tennessee Local Development Authority (TLDA) regarding policies on subordination and parity with State Revolving Loans, and after discussion with Public Financial Management (PFM), we have reviewed the adopted resolution and the rating criteria for the pending revenue bond issue, and propose two changes:

1. Adjust the Additional Bonds Test to match the rate covenant at 1.25X.
2. In Section on Reserve Requirements, remove the springing reserve concept with the definition and in any other reference with the Resolution.

14. 16-1060 CIP Update and Discussion of CIP Process and Second Tier Projects.

Eric Stuckey, City Administrator

Paul Holzen, Engineering Director

Staff previously identified some projects in the second tier, and the Board asked to have an additional evaluation for projects that add capacity. Other projects could be added as well. Will address after the first of the year.

15. 16-0968 Proposed 2017 Calendar of Board of Mayor and Aldermen Meetings

Eric Stuckey, City Administrator

Mayor Moore reviewed the calendar of meetings and noted there would be just one BOMA meeting in the months of July, October (election year), and December.

Although the committee members have changed, the Budget and Finance and Capital Investment committees were kept on the same schedules. Potential changes in meeting times can be discussed within the committees.

Other Business

None

Adjournment

Work Session adjourned @ 6:45 p.m.

Dr. Ken Moore, Mayor

Minutes prepared by: Linda Fulwider, Board Recording Secretary, City Administrator's Office - updated 10/25/2017 4:04 PM