FARRAGUT BOARD OF MAYOR AND ALDERMEN
MINUTES
May 28, 2015

BEER BOARD MEETING
6:55 PM

BMA MEETING
7:00 PM

I. Silent Prayer, Pledge of Allegiance, Roll Call

II. Approval of Agenda

III. Mayor's Report

A. Beautification Awards

IV. Citizens Forum

V. Approval of Minutes

A. May 14, 2015

VI. Ordinances

A. First Reading

1. Ordinance 15-08, Fiscal Year 2016 Annual Budget

VII. Business Items

A. Approval of Professional Services Agreement between the Town of Farragut and Icon Enterprises/CivicPlus

B. Approval of Professional Services Agreement with Duncan & Associates: Impact Fee Study and Program

VIII. Town Administrator's Report

IX. Town Attorney's Report

It is the policy of the Town of Farragut not to discriminate on the basis of race, color, national origin, age, sex, or disability pursuant to Title VI of the Civil Rights Act of 1964, Public Law 93-112 and 101-336 in its hiring, employment practices and programs. To request accommodations due to disabilities, please call 865-966-7057 in advance of the meeting.

The Farragut Board of Mayor and Aldermen met in a regular session on Thursday, May 14, 2015 at 7:00 p.m. Members present were Mayor McGill, Aldermen LaMarche, Markli and Pinchok; Alderman Honken was absent.

Approval of Agenda

Motion was made to approve the agenda as presented. Moved by Alderman LaMarche, seconded by Alderman Pinchok; voting yes, Mayor McGill, Aldermen LaMarche, Markli and Pinchok; Alderman Honken was absent; no nays; motion passed.

Mayor's Report
Beautification Awards

Commercial Office Building – M&M Development
Commercial/Retail Business – Dixie Lee Wine & Liquor
Residential Entrance – Fox Den Subdivision
Religious Institution – St. John Neumann Catholic Church
Retail Commercial Complex – Best Buy Complex
Multi-Family Residential Complex – NHC Healthcare
Hotel/Motel – Fairfield Inn & Suites

Approval of Minutes

Motion was made to approve the minutes of May 14, 2015 as presented. Moved by Alderman LaMarche, seconded by Alderman Pinchok; voting yes, Mayor McGill, Aldermen LaMarche and Pinchok; Alderman Markli abstained; Alderman Honken was absent; no nays; motion passed.

Ordinances
First Reading
Ordinance 15-08, Fiscal Year 2016 Annual Budget

Motion was made to approve Ordinance 15-08 on first reading. Moved by Alderman Pinchok, seconded by Mayor McGill; voting yes, Mayor McGill, Aldermen LaMarche, Markli and Pinchok; Alderman Honken was absent; no nays; motion passed.

Business Items
Approval of Professional Services Agreement between the Town of Farragut and Icon Enterprises/CivicPlus

Motion was made to approve the contract renewal between the Town of Farragut and Icon Enterprises (CivicPlus) for a four year term beginning May 28, 2015 in the amount of $8,141.98 for the 1st year with a 5% escalator for each year thereafter. Moved by Alderman LaMarche, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen LaMarche, Markli and Pinchok; Alderman Honken was absent; no nays; motion passed.

Approval of Professional Services Agreement with Duncan & Associates: Impact Fee Study and Program

Motion was made to approve the professional services agreement between the Town of Farragut and Duncan and Associates with total compensation not to exceed $64,460. Moved by Mayor McGill, seconded by Alderman Pinchok; voting yes, Mayor McGill, Aldermen LaMarche and Pinchok; voting nay, Alderman Markli; Alderman Honken was absent; motion passed.

Meeting adjourned at 7:45 PM

Ralph McGill

Ralph McGill, Mayor

Allison Myers

Allison Myers, Town Recorder

AGENDA NUMBER VI.A.1. MEETING DATE May 22, 2015

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: David Smoak, Town Administrator DS

SUBJECT: Ordinance 15-08, on first reading, to adopt the annual budget of the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2015 and ending June 30, 2016

INTRODUCTION: The purpose of this agenda item is to approve Ordinance 15-08, on first reading, adopting the annual budget for the fiscal year beginning July 1, 2015 and ending June 30, 2016.

BACKGROUND: The annual budget for the Town of Farragut must be approved prior to July 1, which is the start of the fiscal year for our community. The budget is also required to be balanced and remitted to the State of Tennessee Comptroller for review once it has been approved by the Board of Mayor and Aldermen (BMA). Planning for the upcoming FY2016 budget started in February 2015, with departments turning in their budget requests. The BMA also had a strategic planning session in February that prioritized a number of initiatives that have been included in the proposed budget. Since February, the Town has had several workshops to review each of the funds that will be approved as part of the FY2015 budget: General Fund, Capital Investment Fund, State Street Aid Fund, Equipment Replacement, and Insurance Fund.

DISCUSSION: The proposed General Fund budget for FY16 has anticipated revenue of $9,175,451, which is 10% higher than the budgeted amount of $8,343,501 in the current fiscal year. The Town has continued to see modest increases in its sales tax revenues, which make up approximately 54% of the overall revenue for the Town of Farragut, and project local sales tax revenues of $5,200,000 next year. We anticipate that other revenue sources should remain stable over the next year as well.

General Fund Expenditures are increasing 1.1% over the current fiscal year budget for a total of $6,869,084. In FY16 we were able to make a small modification to employee health insurance which will keep our rates flat for the fourth consecutive year. In addition, we are proposing two program changes, which include changing a part-time public works administrative assistant to full-time status and adding a full-time lead park assistant in parks and leisure services. The cost of the park assistant position will be offset some by the reduction in hours of the current seasonal park assistants. The proposed budget also includes a 3% merit package for Town of Farragut employees based on the results of their performance evaluation.

The overall General Fund budget anticipates $2.3 million in revenues over expenditures for FY16. We will also be funding our rainy day fund at a total of $2.06 million and project an available fund balance at the end of the FY16 budget year to be $4.07 million.

The Capital Investment Program (CIP) Fund budget has a total of $4,310,500 in projects planned to get underway in FY16. Revenues for the CIP are largely coming from Town resources in the form of a $3 million transfer from the General Fund and $257,500 from land acquisition reserves. The remaining $1.27 million in revenue sources will be a combination of grants and interest. Overall, the projected five year fund balance based on all the projects in the current CIP is $611,240.

The State Street Aid Fund has estimated expenditures of $688,000 and projected revenues of $660,000. The general fund will be transferring $120,000 to State Street Aid this year. This fund is primarily used to resurface

Town of Farragut streets. At the end of the FY16 budget year there will be an estimated $617,000 in fund balance.

The Equipment Replacement Fund will have projected expenditures of $140,500 in FY16 and projected revenues of $150,350. This fund is used to purchase all vehicles and equipment throughout the Town's fleet. The general fund is transferring $150,000 to the equipment replacement fund this year.

The Insurance Fund has no estimated expenditures in FY16 and still maintains a fund balance of $99,709. This fund has been used to pay for retirement benefits for the closed retiree pension plan.

RECOMMENDATION BY: Town Administrator David Smoak for approval.

PROPOSED MOTION: To approve Ordinance 15-08, on first reading, to adopt the annual budget for the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2015 and ending June 30, 2016.

BOARD ACTION:

MOTION BY:____________________ **SECONDED BY:**____________________

VOTE/TOTAL	MCGILL	HONKEN	LAMARCHE	MARKLI	PINCHOK
YES					
NO					
ABSTAIN					

ORDINANCE	15-08
PREPARED BY	Myers
1ST READING	May 28, 2015
2nd READING	June 11, 2015
PUBLISHED IN	Farragut Shopper News
DATE	

AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING JUNE 30, 2016.

WHEREAS, *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

NOW THERFORE BE IT ORDAINED BY THE TOWN OF FARRAGUT, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body estimated anticipated revenues of the municipality from all sources to be as follows:

General Fund	FY2013-14 Actual	FY2014-15 Estimated	FY2015-16 Projected
Local Sales Tax	5,579,606	5,200,000	5,200,000
State of Tennessee	1,473,393	1,450,000	1,400,000
Other Revenue	2,913,379	2,738,792	2,575,451
Transfer from Other Funds	0	0	0
Fund Balance			**$6,213,572**

State Street Aid	FY2013-14 Actual	FY2014-15 Estimated	FY2015-16 Projected
State Gasoline & Motor Fuel	536,958	535,000	540,000
Other Revenue	720	500	500
Transfer from General Fund	120,000	120,000	120,000
Fund Balance			**$600,268**

Equipment Replacement Fund	FY2013-14 Actual	FY2014-15 Estimated	FY2015-16 Projected
Other Revenue	3,101	350	350
Transfer from General Fund	150,000	150,000	150,000
Fund Balance			**$638,258**

Insurance Fund	FY2013-14 Actual	FY2014-15 Estimated	FY2015-16 Projected
Interest	102	80	80
Transfer from General Fund	200,000	0	0
Fund Balance			**$99,733**

SECTION 2: That the governing body appropriates from these anticipated revenues and unexpended and unencumbered funds as follows:

General Fund	**FY2013-14 Actual**	**FY2014-15 Estimated**	**FY2015-16 Projected**
Personnel	3,648,665	3,800,403	3,918,295
Operating Expenditures	2,284,523	2,616,381	2,950,789
Operating Transfers	3,270,000	3,270,000	3,270,000
Total Appropriations	**5,933,188**	**6,416,784**	**6,869,084**
Total Transfers	**3,270,000**	**3,270,000**	**3,270,000**

State Street Aid	**FY2013-14 Actual**	**FY2014-15 Estimated**	**FY2015-16 Projected**
Road Maintenance	603,853	1,087,402	688,000
Total Appropriations	**603,853**	**1,087,402**	**688,000**

Equipment Replacement Fund	**FY2013-14 Actual**	**FY2014-15 Estimated**	**FY2015-16 Projected**
Major Equipment	111,864	83,000	140,500
Total Appropriations	**111,864**	**83,000**	**140,500**

Insurance Fund	**FY2013-14 Actual**	**FY2014-15 Estimated**	**FY2015-16 Projected**
Retirement Benefit	194,356	173,121	100,000
Total Appropriations	**194,356**	**173,121**	**100,000**

Everett Road Fund	**FY2013-14 Actual**	**FY2014-15 Estimated**	**FY2015-16 Projected**
Transfer to Capital Investment Program	173,121	100,000	0
Total Appropriations	**173,121**	**100,000**	**0**

SECTION 3: At the end of the current fiscal year the governing body estimates balances/ (deficits) as follows:

General Fund	**$6,213,572**
CIP Fund	**$3,578,357**
State Street Aid	**$617,814**
Equipment Fund	**$638,258**
Insurance Fund	**$99,733**

SECTION 4: That the governing body recognizes that the municipality has bonded and/or other indebtedness as follows:

Bonded and/or Indebtedness	**Debt**	**Interest**	**Total Debt**
Notes (3 years @ 1.5%)	$750,000	22,500	$772,500

SECTION 5: During the coming fiscal year the governing body has planned capital investment program and proposed funding as follows:

Proposed Capital Projects	Proposed Amount Financed by Appropriations
Land Acquisition	500,000
Pedestrian/Greenway Connectors	100,000
Old Stage to Everett Greenway Connector	330,000
TDOT ROW Greenway-Everett to Berkley Park	80,000
Campbell Station Inn Improvements	300,000
Campbell Station Inn, Note Payable	257,500
I-40/Campbell Station Interchange	75,000
McFee Park Splash Pad Replacement/Extension	400,000
MBLP Improvements (turf fields)	800,000
Watt Rd/KP Intersection Improvements	100,000
Union Road Improvements	350,000
CSR North of I-40 Widening	50,000
Concord Road Lighting	200,000
Kingston Pike/Virtue Road Signal	210,000
Parkside/Outlet Drive Feasibility Study	100,000
Town-Wide Signal Timing	258,000
Campbell Station Rd-Parkside to Jamestown	200,000
Total Project Costs	**$4,310,500**
Funding Sources	
Contractor Forfeitures	56,000
STP Funding (KP Greenway)	320,000
STP Funding (Old Stage to Everett Road Greenway)	264,000
CMAQ Funding (Traffic Timing)	258,000
CSR/KP Intersection	240,000
Parkside Feasibility Study Cost Share	80,000
LPRF Grant	43,000
Interest Earnings	9,000
Transfer from General Fund	3,000,000
Land Acquisition Reserves	257,500
Total Funding Sources	**$4,527,500**

SECTION 6: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 T.C.A. Section 6-56-208. In addition, no appropriation may be made in excess of the available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Section 6-56-205 of the *Tennessee Code Annotated*.

SECTION 7: Money may be transferred from one appropriation to another in the same fund only by appropriate ordinance by the governing body, subject to such limitations and procedures as it may describe as allowed by Sec. 6-56-209 of the *Tennessee Code Annotated*. Any resulting transfers shall be reported to the governing body at its regular meeting and entered into the minutes.

SECTION 8: A detailed financial plan will be attached to this budget and become part of this budget ordinance. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full time equivalent employees required by Section 6-56-206, *Tennessee Code Annotated* will be attached.

SECTION 9: If for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations in this budget ordinance shall become the appropriations for the next fiscal year until the adoption of the new budget ordinance in accordance with Section 6-56-210, Tennessee Code Annotated provided sufficient revenues are being collected to support the continuing appropriations. Approval of the Director of Local Finance in the Comptroller of the Treasury for a continuation budget will be requested if any indebtedness is outstanding.

SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 11: This ordinance shall take effect July 1, 2015, the public welfare requiring it.

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Dr. Ralph McGill, Mayor

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Allison Myers, Town Recorder

AGENDA NUMBER VII. A. MEETING DATE: **May 28, 2015**

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Gary Palmer, Assistant Town Manager

SUBJECT: Contract Renewal for Website Hosting and Maintenance Services
Town of Farragut and Icon Enterprises, Inc. (dba CivicPlus)

ATTACHMENTS: Professional Services Agreement between the Town of Farragut and Icon Enterprises, Inc.

INTRODUCTION: This is a standard contract renewal for services between the Town of Farragut and long term Town contractor CivicPlus (www.civicplus.com) for the hosting and maintenance of our Town website (www.townoffarragut.org).

The Town initially contracted with CivicPlus in 2010 for a three year term. We renewed for another 1 year term in 2013. Now, we are proposing to renew for another four year term which will cover our web hosting and maintenance services until 2019.

BACKGROUND: After an exhaustive RFQ process conducted by the E-Government Team in 2009, the Town resolved to contract with the most qualified firm CivicPlus. The result is the robust interactive website we have now. CivicPlus has been a good business partner with the Town and we rarely have technical issues with the website. When we do have issues, they are quickly resolved. CivicPlus specializes in local government web design and hosting services. According to CivicPlus they have over 1,800 community clients.

Upon execution of this contract, the Town's E-government Team and CivicPlus will begin the complete redesign of the Town's website. This redesign will upgrade our modules, the interactive user-end experience, and reflect our recent Town branding initiative.

The annual fees have a built in 5% escalator after the first term and broken down by year as follows:

2015: \$8,141.98
2016: \$8,549.08
2017: \$8,976.53
2018: \$9,425.36
Total: \$35,092.95

RECOMMENDATION BY: G. Palmer, Assistant Town Manager

PROPOSED MOTION: Approve the contract renewal between the Town of Farragut and Icon Enterprises, Inc. for a four year term beginning May 28, 2015 in the amount of \$8,141.98 for the 1st year with a 5% escalator for each year thereafter.

MOTION BY:__________ **SECONDED BY:**__________

VOTE/TOTAL	MCGILL	HONKEN	LAMARCHE	MARKLI	PINCHOK
YES					
NO					
ABSTAIN					

AGENDA NUMBER VII.B. **MEETING DATE** **May 28 2015**

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: G. Palmer, Assistant Town Manager

SUBJECT: Approval of Professional Services Agreement with Duncan & Associates: Impact Fee Study and Program

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INTRODUCTION: The subject study was identified as a priority in the Town's Strategic Plan and reflected on the FY 2015 work program. In late 2014 the Town published a Request for Qualifications from qualified consulting firms for the purpose of conducting a complete study of the Town's vehicular infrastructure, needs assessment, and feasibility of implementing development fees for improving this infrastructure (commonly known as an Impact Fee Study).

The Town received two *statements of qualifications* (Tischler-Bise out of Maryland and Duncan Associates out of Texas). These statements were evaluated and scored by an internal team (Gary Palmer, Ashley Miller, and Darryl Smith) and references verified. Duncan Associates was by far the most qualified firm for this initiative. Upon completion of scoring the Town began contract negotiations with Duncan Associates. The agreement is the result of those negotiations (SEE attached DRAFT professional services agreement between the Town of Farragut and Duncan Associates).

BACKGROUND: The Town identified this initiative as a priority back in 2004-5 and subsequently contracted with Duncan Associates for this same initiative. The study was completed in 2006 but the enabling ordinance required to implement the impact fees was not passed by the Board of Mayor and Aldermen. This 2006 study and infrastructure issue was "shelved" until recently.

Over the past two years the Town has discussed our aging or inadequate infrastructure and possible funding mechanisms/sources. Exacerbating the issue are the multiple developments petitioning the Town for approval of dense residential development along some of our inadequate corridors.

The Town understands this is an issue needing immediate attention. The Town does not have the typical (stable) revenue generating policies in place (property tax); therefore, we need to evaluate alternatives. The strategic planning process brought the issue of impact fees to the fore which resulted in approving FY 15 funding for professional services to study the impact fee alternative.

FISCAL IMPACT:

SEE Attachment A: Scope of Services

The entire scope of services will be completed for a lump sum cost not to exceed $64,460.00.

FINANCIAL SECTION:

Account Number: 110-41670-254

Total Budget	Requested Amount	Expenditures to Date	Remaining Amount
$100,000	$64,460	$0	$35,540

Approved By: A. Myers

RECOMMENDATION BY: G. Palmer, Assistant Town Manager

PROPOSED MOTION: Approve the agreement between the Town of Farragut and Duncan Associates with total compensation not to exceed $64,460.00.

BOARD ACTION:

MOTION BY:____________________________ **SECONDED BY:**____________________________

VOTE/TOTAL	MCGILL	HONKEN	LAMARCHE	MARKLI	PINCHOK
YES	______	______	______	______	______
NO	______	______	______	______	______
ABSTAIN	______	______	______	______	______