



FARRAGUT BOARD OF MAYOR AND ALDERMEN MINUTES

June 23, 2016

**MCREE PARK SPLASH PAD RIBBON CUTTING
6:15 PM**

**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**
- IV. Citizens Forum**
- V. Approval of Minutes**
 - A. June 9, 2016
- VI. Business Items**
 - A. Approval of Special Event Signage for the News Sentinel Open Golf Tournament
 - B. Approval of Dream Connection 5K Run/Walk and 1-Mile Fun Run
 - C. Approval of Resolution R-2016-09, Town of Farragut Internal Controls Manual
 - D. Approval of Resolution R-2016-10, A Resolution by the Board of Mayor and Aldermen of the Town of Farragut to enhance the "Shop Farragut" Program by including the Tennessee Sales Tax Holiday
- VII. Ordinances**
 - A. Public Notice & Second Reading
 - 1. Ordinance 16-11, Ordinance to Establish the Fiscal Year 2017 Budget for the General Fund, State Street Aid Fund, Capital Investment Fund, Equipment Replacement Fund and Insurance Fund budgets of the

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Town of Farragut, Tennessee for the fiscal year beginning July 1, 2016
and ending June 30, 2017

B. First Reading

1. Ordinance 16-10, an ordinance to rezone a portion of Parcel 59.07, Tax Map 152, located at 11739 Turkey Creek Road, approximately 13.706 Acres, from R-1 to R-3 (SITE, Inc., Applicant)

VIII. Town Administrator's Report

IX. Town Attorney's Report

The Farragut Board of Mayor and Aldermen met in a regular session on Thursday, June 23, 2016 at 7:00 p.m. Members present were Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin.

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, Pinchok and Povlin; no nays; motion passed.

Mayor's Report

Jerry Harnish, Regional Director of Rural/Metro of Tennessee, announced that the Insurance Services Office (ISO) announced that the new insurance rating for Knox County has improved to a Class 3.

Mayor McGill announced that a ribbon cutting had taken place at the McFee Park Splash Pad.

Approval of Minutes

Motion was made to approve the minutes of June 9, 2016 as presented. Moved by Alderman LaMarche, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Business Items

Approval of Special Event Signage for the News Sentinel Open Golf Tournament

Motion was made to approve the Special Event Signage for the News Sentinel Open Golf Tournament as presented. Moved by Alderman LaMarche, seconded by Alderman Pinchok, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Dream Connection 5K Run/Walk and 1-Mile Fun Run

Motion was made to approve the Dream Connection 5K Run/Walk and 1-Mile Fun Run. Moved by Alderman Pinchok, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Resolution R-2016-09, Town of Farragut Internal Controls Manual

Motion was made to approve Resolution R-2016-09, Town of Farragut Internal Controls Manual. Moved by Alderman Povlin, seconded by Alderman LaMarche, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Resolution R-2016-10, A Resolution by the Board of Mayor and Aldermen of the Town of Farragut to enhance the "Shop Farragut" Program by including the Tennessee Sales Tax Holiday

Motion was made to approve Resolution R-2016-10. Moved by Alderman Pinchok, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Ordinances

Public Notice & Second Reading

Ordinance 16-11, Ordinance to Establish the Fiscal Year 2017 Budget for the General Fund, State Street Aid Fund, Capital Investment Fund, Equipment Replacement Fund and Insurance Fund budgets of the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

Motion was made to approve Ordinance 16-11 on second and final reading. Moved by Alderman LaMarche, seconded by Alderman Povlin, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

First Reading

Ordinance 16-10, an ordinance to rezone a portion of Parcel 59.07, Tax Map 152, located at 11739 Turkey Creek Road, approximately 13.706 Acres, from R-1 to R-3 (SITE, Inc., Applicant)

Motion was made to approve Ordinance 16-10 on first reading. Moved by Alderman LaMarche, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

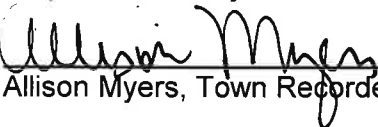
Town Administrator's Report

David Smoak, Town Administrator, announced that the 4th of July parade will be Monday, July 4 beginning at 9:30 AM.

Meeting adjourned at 7:40 PM



Ralph McGill, Mayor



Allison Myers, Town Recorder



FARRAGUT BOARD OF MAYOR AND ALDERMEN AGENDA

June 23, 2016

**MCREE PARK SPLASH PAD RIBBON CUTTING
6:15 PM**

**BEER BOARD MEETING
6:55 PM**

**BMA MEETING
7:00 PM**

- I. Silent Prayer, Pledge of Allegiance, Roll Call**
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Town of Farragut, Tennessee for the fiscal year beginning July 1, 2016
and ending June 30, 2017

B. First Reading

1. Ordinance 16-10, an ordinance to rezone a portion of Parcel 59.07, Tax Map 152, located at 11739 Turkey Creek Road, approximately 13.706 Acres, from R-1 to R-3 (SITE, Inc., Applicant)

VIII. Town Administrator's Report

IX. Town Attorney's Report



FARRAGUT BEER BOARD

June 23, 2016

6:55 PM

- I. **Approval of Minutes**
 - A. June 9, 2016
- II. **Approval of a Class 1, On-Premise Other Beer Permit for Potrillos Taqueria y Neveria**

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FARRAGUT BEER BOARD

June 9, 2016

6:55 PM

Approval of Minutes

Motion was made to approve the minutes of May 12, 2016 as presented. Moved by Alderman LaMarche, seconded by Alderman Povlin; voting yes, Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin.

Approval of a Class 5, Off-Premise Other Beer Permit for Ayush Corporation (Farragut Market), 11104 Kingston Pike

Motion was made to approve the Class 5, Off-Premise Other Beer Permit for the Farragut Market, 11104 Kingston Pike. Moved by Alderman Povlin, seconded by Alderman Markli; voting yes, Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin.

Beer Board meeting adjourned at 7:00 PM.

Ron Pinchok, Chairman

Allison Myers, Town Recorder

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REPORT TO THE BEER BOARD

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of a Class 1, On-Premise Beer Permit for Potrillos Taqueria y Neveria, 11151 Kingston Pike, Suite D

DISCUSSION:

The purpose of this agenda item is the approval of a class 1, on-premise beer permit for Potrillos Taqueria y Neveria, 11151 Kingston Pike, Suite D.

The applications and information are in order.

RECOMMENDATION BY:

Allison Myers, Town Recorder, for approval.

PROPOSED MOTION:

To approve a Class 1, On-Premise Beer Permit for Potrillos Taqueria y Neveria, 11151 Kingston Pike, Suite D, subject to obtaining a certificate of occupancy.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>POVLIN</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

APPLICATION FOR BEER PERMIT

STATE OF TENNESSEE

TOWN OF FARRAGUT

I hereby make application for a permit to sell, store, manufacture, or distribute Beer under the provisions of Tennessee Code Annotated Section 57-5-101 et seq. and base my application upon the answers to the following questions:

1. Reason for application: New Business ____ New Ownership ____ Name Change ____ Other ____
2. Type of permit requested, please circle all that apply:

Class 1 On-Premise

Class 2 On-Premise, Other

Class 3 On-Premise, Hotel/Motel

Class 4 On-Premise, Tavern

Class 5 Off-Premise

Class 6, Special Occasion

3. Name of Applicant(s) (Owner(s) of Business)

Arturo Leon

4. Type of applicant (check one):

Person ____ Firm ☒ Corporation ☒ Joint-Stock Company ____ Syndicate ____ Other ____

5. List all persons, firms, corporations, joint-stock companies, syndicates, or associations having at least a 5% ownership interest in the business:

Arturo Leon

6. Applicant's present home address:

129 Farlow dr Knoxville TN 37934

7. Date of Birth

Home Telephone Number (865) 740-9903

Business Telephone Number

NA yet

Social Security Number

8. Representative Email Address:

Arturoleon35@hotmail.com

9. Under what name will the business operate?

Potrillos Taqueria y Neveria

10. Business address

11151 Kingston Pike Suite D Knoxville TN 37934

Business Telephone number

NA yet (865) 740-9903 cell

11. Specify the identity, email and physical address of the person to receive annual privilege tax notices and any other communication from the Town:

arturoleon35@hotmail.com or Keko7009@hotmail.com

12. Information of any manager, other than the applicant:

Name: Sergio Villasenor Birth Date: _____

Address: _____

Phone Number: (615) 293-1290

13. Has any person having at least a 5% ownership interest, any of the managers, or any other employee of the business, been convicted of any violation of the beer or alcoholic beverage laws or any crime within the last ten (10) years: Yes ☒ No. If yes, give particulars of each charge, court, and date convicted.

14. Have you or your organization ever had a Beer Permit revoked, suspended, or denied in the State of Tennessee? NO If so, specify, where, when, and why:

15. Name and address of property owner, if other than the business owner:

X Crossroads West Properties LLC 8200 Kingston Pike
STE A
KNOXVILLE, TN 37919-544

16. What is the name and address of the Church (or other place of worship) nearest to your business?

Concord United Methodist Church 11020 Roane Dr. Knoxville TN 37931

17. What is the name and address of the school nearest to your business?

Farragut Middle School 200 West End Ave. Knoxville TN 37934

18. Special Occasion Event Name: NA

Location of the special occasion event: NA

Event Date & Times: NA

Representative name & phone number: NA

Have you received a special event permit to hold the event in the Town of Farragut? NO

19. Tennessee Sales Tax Number: X 107029896

20. Town of Farragut Business License Number X 2617



**FARRAGUT BOARD OF MAYOR AND ALDERMEN
MINUTES**

June 9, 2016

COMMITTEE APPOINTMENT WORKSHOP 6:00 PM

FARRAGUT HOMEOWNERS ASSOCIATION DISCUSSION 6:30 PM

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 26, 2016
- VI. Business Items**
 - A. Approval of Contract 2016-10, Installation of Traffic Signal at Intersection of Kingston Pike at Virtue Road
 - B. Approval of Contract 2017-01, Annual On-Call Road Maintenance
 - C. Approval of Contract 2017-02, Annual On-Call Pavement Markings
 - D. Approval of Contract 2017-03, Annual On-Call Guardrail Maintenance
 - E. Approval of Contract 2017-04, Annual On-Call Signal Maintenance
 - F. Approval of Bids for Contract 2017-06, HVAC Maintenance Contract
 - G. Approval of Bids for Contract 2017-07, Street Sweeping Contract
 - H. Approval of Reimbursement for Road Repairs to Long Ridge Road
 - I. Approval of Memorandum of Understanding between the Town of Farragut and the Farragut Business Alliance

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- J. Approval of the Resolution R-2016-08, Fiscal Year 2017 Fee Schedule
- K. Approval of FY2017 Committee Appointments

VII. Ordinances

A. First Reading

- 1. Ordinance 16-11, Ordinance to Establish the Fiscal Year 2017 Budget for the General Fund, State Street Aid Fund, Capital Investment Fund, Equipment Replacement Fund and Insurance Fund budgets of the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2016 and ending June 30, 2017

VIII. Town Administrator's Report

IX. Town Attorney's Report

The Farragut Board of Mayor and Aldermen met in a regular session on Thursday, June 9, 2016 at 7:00 p.m. Members present were Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin.

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, Pinchok and Povlin; no nays; motion passed.

Mayor's Report

Beautification Awards

Commercial/Office Building-Village Veterinary Medical Center

Commercial/Retail Building-Cracker Barrel

Residential Entrance-Derby Chase

Religious Institution-First Baptist Concord

Retail Commercial Complex-West End Center

Multi-Family Residential Complex-Clarity Pointe

Hotel/Motel Complex-Hampton Inn & Suites

Citizens Forum

David Purvis, 605 Werndl, gave to the board an update on the wine in grocery stores.

Approval of Minutes

Motion was made to approve the minutes of May 26, 2016 as presented. Moved by Alderman LaMarche, seconded by Alderman Povlin, voting yes; Mayor McGill, Aldermen LaMarche, Markli and Povlin; Alderman Pinchok abstained; no nays; motion passed.

Business Items

Approval of Contract 2016-10, Installation of Traffic Signal at Intersection of Kingston Pike at Virtue Road

Motion was made to award Contract 2016-10 to David H. Elliott Co. in the amount of \$166,800. Moved by Alderman Povlin, seconded by Alderman LaMarche, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Contract 2017-01, Annual On-Call Road Maintenance

Motion was made to award Contract 2017-01 to PRI of East Tennessee. Moved by Alderman Povlin, seconded by Alderman Pinchok, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Contract 2017-02, Annual On-Call Pavement Markings

Motion was made to award Contract 2017-02 to Volunteer Highway Supply Co. Moved by Alderman LaMarche, seconded by Alderman Povlin, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Contract 2017-03, Annual On-Call Guardrail Maintenance

Motion was made to award Contract 2017-03 to Roadway Solutions, LLC. Moved by Alderman Povlin, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Contract 2017-04, Annual On-Call Signal Maintenance

Motion was made to award Contract 2017-04 to Progression Electric, LLC. Moved by Alderman LaMarche, seconded by Alderman Povlin, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Bids for Contract 2017-06, HVAC Maintenance Contract

Motion was made to award Contract 2017-06 to Del-Air Mechanical Contractors in the amount of \$13,956 for FY17, \$14,100 for FY18, \$14,244 for FY19. Moved by Alderman LaMarche, seconded by Alderman Povlin, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Bids for Contract 2017-07, Street Sweeping Contract

Motion was made to award Contract 2017-07 to Huskey Vac of Kodak in the amount of \$23,850 for each FY17, FY18 and FY19. Moved by Alderman LaMarche, seconded by Alderman Pinchok, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Reimbursement for Road Repairs to Long Ridge Road

Motion was made to approve the reimbursement from First Utility District in the amount of \$40,026.44. Moved by Alderman Povlin, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of Memorandum of Understanding between the Town of Farragut and the Farragut Business Alliance

Motion was made to approve the Memorandum of Understanding between the Town of Farragut and the Farragut Business Alliance. Joh Nehls, 221 Smith Road, addressed the board with a couple of concerns regarding the contract. Moved by Alderman LaMarche, seconded by Alderman Pinchok, voting yes; Mayor McGill, Aldermen LaMarche, Markli and Pinchok; Alderman Povlin recused herself from voting; no nays; motion passed.

Approval of the Resolution R-2016-08, Fiscal Year 2017 Fee Schedule

Motion was made to approve Resolution R-2016-08, Fiscal Year 2017 Fee Schedule. Moved by Alderman LaMarche, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Approval of FY2017 Committee Appointments

Motion was made to appoint the following to the various committees. Moved by Alderman LaMarche, seconded by Alderman Markli, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Arts Council

Beverly Hammond, Nancy Wentz, Pamela Ziegler, Sandy Garber, Seth Knisley

Beautification Committee

Marty Rodgers, Marie Leonard, Barbara Allman, Betty Scott, Holly Janney, T.C. Williams

Farragut Folklife Museum

Jack Haines, Doris Henning, Loretta Bradley, Joyce Moran, Gordon Michaels

Parks & Athletics Council

Michael Peters, Tim Hill, Drew Carson, Debbie Pinchok, Valerie DeBoe

Personnel Committee

Robert Voigt, Jeffery Devlin

Plumbing, Gas, Mechanical

Mark Lower, Ronald Jones

Knox County School Liaison Committee

Tony Carasso, Carla Werner, LeAnn Trotter

Stormwater Advisory Committee

Valerie McFall, Marie Meszaros, Kenneth Hawkins, Jay Lee

Visual Resources Review Board

Brittany Moore, Duane Winkler, Edwin Anderson

Ordinances

First Reading

Ordinance 16-11, Ordinance to Establish the Fiscal Year 2017 Budget for the General Fund, State Street Aid Fund, Capital Investment Fund, Equipment Replacement Fund and Insurance Fund budgets of the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2016 and ending June 30, 2017

Motion was made to approve Ordinance 16-11 on first reading. Moved by Alderman LaMarche, seconded by Alderman Povlin, voting yes; Mayor McGill, Aldermen LaMarche, Markli, Pinchok and Povlin; no nays; motion passed.

Meeting adjourned at 8:25 PM

Ralph McGill, Mayor

Allison Myers, Town Recorder

AGENDA NUMBER v1.A.

MEETING DATE June 23, 2016

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of News Sentinel Open Golf Tournament Event Signage

INTRODUCTION:

The Knoxville News Sentinel Open has submitted a Special Events Permit application requesting permission to place directional signage in Farragut during the golf tournament.

BACKGROUND:

Over the past few years the Knoxville Golf Tournament has requested and been granted permission to place directional signs in the Town's right-of-ways.

DISCUSSION:

The requested placement of the directional signs is illustrated in the following attachment. The signs will be erected August 13 & 14, 2016 and removed by the close of business Monday, August 22, 2016. As requested, no directional sign will be closer than 200 feet to an intersection.

PROPOSED MOTION:

Approval of proposed placement of direction signage within the Town of Farragut's right-of-way for the News Sentinel Open.

BOARD ACTION:

MOTION BY: _____ SECONDED BY: _____

<u>VOTE/TOTAL</u>	<u>MCGILL</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>POVLIN</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

Special Events Permit Town of Farragut, Tennessee

Introduction

The News Sentinel Open presented by Pilot golf tournament is a large, multi-day event which attracts 156 professional golfers on the Web.com Tour, PGA TOUR officials, 300+ volunteers, youth, seniors, vendors, supporters, members of the media, community and business leaders and over 40,000 general public spectators to Knox County and Farragut over a seven day period.

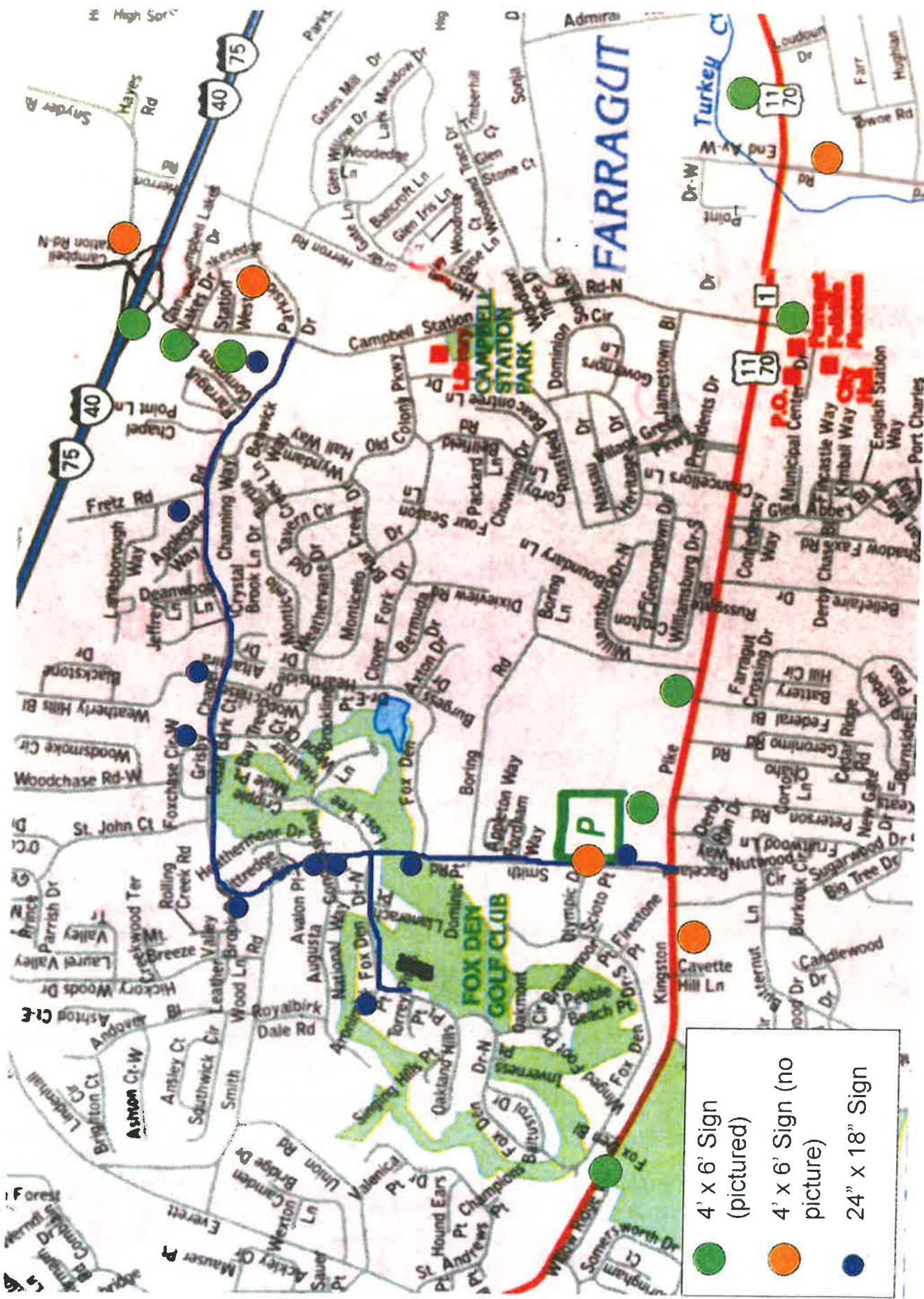
The News Sentinel Open presented by Pilot is pleased to hold the golf tournament at the prestigious Fox Den Country Club located in Farragut.

The influx of people to the golf tournament will require numerous, clear and highly visible signs to ensure there is smooth vehicular traffic flow with a minimum of congestion and confusion. Of special concern is keeping as much tournament related traffic as possible away from residential areas around the golf course and ensuring the golf tournament will not create a hazardous condition for traffic. The tournament will generate significant traffic over the seven days. We have enlisted the support of the Knox County Sheriff's department to help with traffic and pedestrian control. Good clear, visible signage is crucial to this event to insure minimum impact on the Farragut community.

In accordance with the Sign Ordinance of the Town of Farragut, the News Sentinel Open presented by Pilot is submitting a Special Event Permit application to the Farragut Mayor and Board of Aldermen and requesting permission to place traffic directional signs on the highway right of way in the Town of Farragut.

Signs

The following illustrations are typical of the signs to be placed on the right of way. All signs will be professionally made, clean and attractive in appearance. The tournament staff will check the signs at the beginning of each day to ensure they are in good condition and properly positioned. All signs will be updated to reflect the new sponsor and new dates. All signs will be erected on August 13 and 14 and removed by the close of the business day, Monday, August 22. As per your request, no sign will be closer than 200 feet to an intersection.



- 4' x 6' Sign (pictured)
- 4' x 6' Sign (no picture)
- 24" x 18" Sign

Grigsby Chapel Rd at West Fox Chase Rd
24" X 18"



Campbell Station Rd at Grigsby Chapel
4' X 6'



Campbell Station Rd, South of Kingston Pk
4' X 6'



I-40 East exit



Campbell Station Rd, North of Grigsby Chapel Rd
4' X 6'



Kingston Pk at Smith Rd
4' X 6'



Kingston Pk, East of Concord Rd
4' X 6'



Kingston Pk, East of Smith Rd
4' X 6'



Kingston Pk, West of Willow Creek GC

4' X 6'



AGENDA NUMBER VI. B.

MEETING DATE

June 23, 2016

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Ashley Miller, Assistant Community Development Director

SUBJECT: Event Application for the Dream Connection 5K Run/Walk and 1-Mile Fun Run

BACKGROUND:

The Dream Connection is requesting approval for an event application for the fourth annual Running for a Dream 5K and 1-mile Fun Run on Saturday, September 10, 2016.

DISCUSSION:

For the past three years the Dream Connection has hosted a 5K/Walk and 1-Mile Fun Run. This event starts at the Regal Cinemas but utilizes the public streets and greenways in The Cove at Turkey Creek and Sweetbriar Subdivisions. Set-up for the event begins at 6:30am with the 5K race starting at 8:00am. Clean-up is scheduled to be completed by 10:00am.

After the race in October 2015, staff received several complaints about pavement markers that had been placed on the streets and greenways in the two impacted subdivisions. At that time, staff discussed the issue with the applicant, who had used spray chalk product that did not wear off of asphalt as it was intended to do. Therefore, the applicant had to undertake cleaning the streets and greenways.

RECOMMENDATION BY:

A security deposit of \$500 is now required for events that use public streets and greenways, and the Dream Connection has paid that deposit. The deposit helps ensure that there is money available to correct any damage to public infrastructure. Staff recommends approval subject to the Dream Connection using signage to direct race participants and having no pavement markings, and working with The Cove at Turkey Creek and Sweetbriar Subdivisions make sure that they are aware of the event and are not adversely impacted.

PROPOSED MOTION:

To approve the requested special event subject to staff's recommendations.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>POVLIN</u>	<u>MCGILL</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____



Town of Farragut Event Application

1

***Instructions: Please review all forms in this application package and submit a complete application to:**

The Town of Farragut: (865) 966-7057 Fax: (865) 671-2096

Email: events@townoffarragut.org

***If only a temporary sign permit is needed, please complete the Temporary Sign Permit application found on the Town of Farragut website. This application is not valid for temporary sign permits that do not accompany an event held within the Town of Farragut.**

Event applications will be reviewed by the Town of Farragut's Event Committee

- Event Meetings are held on the first Monday of each month at 2:00 p.m. at the Board Room of the Farragut Town Hall. Attendance is required for most events.
- There is a non-refundable permit fee of \$25. Other fees may apply for additional required permits.
- Event forms must be submitted to the Community Development Department as follows:
Events requiring use of public infrastructure (greenways, roads, closures, etc.) and/or are requesting a beer, liquor or wine permit must file at least 180 days prior to the event but not more than 365 days prior to the event. Events held on public property and are not requesting a beer, liquor or wine permit must file at least 60 days in advance and prior to the event committee meeting the month preceding the event. Applicants requesting only sidewalk sales or tent sales are required to file at least 10 days prior to their event in order to obtain all necessary permits and have questions answered by staff.
- Events that involve mobile vending shall meet fire suppression standards outlined by the Town of Farragut. Contact the Farragut Fire Marshal for more information.
- Prior to advertising and accepting registration entries for the event, all applicable town approvals shall be obtained.

Organization Information

Type of Organization: ☐ Neighborhood ☒ Non-Profit ☐ Government ☐ Corporation (Commercial/Office)

☐ Church and/or other place of worship ☐ School

☐ Other (please specify): _____

Name of Organization: The Dream Connection

Organization Address: P.O. Box 10924

City/State: Knoxville, TN Zip Code: 37939

Primary Contact: Mary Palmer Address: 106 Hutchinson Place

City/State: Oak Ridge, TN Zip Code: 37830

Work Number: 865-541-8373 Cell Number: 865-805-9143 Email: mpalmerc@comcast.net

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Town of Farragut Event Application

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Is your organization /business authorized to do business in Tennessee? Yes ☒ No ☐

Tax ID (If applicable): 58-1678211 Farragut Business License _____

Event Information

Event Name: Running for a Dream Event Date (s): September 10, 2016

Event Address: Pinnacle at Turkey Creek Time of Event (start to finish): 6:30 - 10:00

Owner of Event Property: Bayer Properties Phone: 865-925-9605

Set-Up and Teardown Information:

Date: 09/10/16 Time of Set-Up: 6:30 AM

Date: 09/10/16 Time of Teardown: 9:30 AM

Type of Event: (Check all that apply)

☐ Community Event – A Town sponsored or co-sponsored event that benefits and/or promotes the community.

☒ Special Event – An event held on public or private property that is **not** sponsored by the Town. Such an event is distinguished from a temporary sign permit by the inclusion of event-related amenities such as tent(s), vendor(s), display(s), pavilion(s), any outdoor activity, etc. Applicants shall be limited to a maximum of four events annually, this includes Temporary Sign Permits.

***If only a temporary permit is needed, please complete the Temporary Sign Permit application found on the Town of Farragut website. This application is not valid for temporary sign permits not accompanying an event.**

***If requesting park use at Founders Park at Campbell Station, please complete the Special Event Application – Founders Park at Campbell Station on the Town of Farragut website.**

Check the Organization type below.

☒ Non-Profit

☐ Corporation (Commercial/Office)

☐ School

☐ Church and/or other Place of Worship

☐ Other (please specify): _____

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Town of Farragut Event Application

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☐ Grand Opening (for a sign only, complete the Temporary Sign Permit application)

☐ Parade Request

☐ Carnival

☐ Outdoor/Seasonal Event (must include a site plan)

☒ Race (Includes Closure or Delay of Public Streets and/or Greenways)

Race Events:

- There shall be no markings placed on any street, sidewalk, greenway or pedestrian facility.
- Race events shall submit the finalized route and directional signage plan(s) with this application.
- Applicant shall pay a deposit of \$500.00 for race events that utilize public infrastructure, which is refundable if no damage to the public infrastructure.

☐ Other (Please Specify) _____

Description of Event: 5K Run and 1-mile fun run/walk

Purpose of Event: Fund-raising ; Opportunity for children & families we serve to celebrate with us their special dreams.

First Time Event: ☐ Yes ☒ No

If no, then please describe past events. Same event 2013 and 2014 and 2015.

What is your estimated attendance for event? 150

Will your organization charge admission? Registration fee for run only. ☒ Yes ☐ No

Will your organization accept donations? ☒ Yes ☐ No

Will your event be open to public? ☒ Yes ☐ No

Outline your plans for trash removal including the date and hour that will be removed from the event site:

Trash and Recycle to be collected at indicated sites on run course. Those bins and others at start/finish to be removed at end of race.

Course will be reviewed and cleaned as needed by volunteers on bicycles as well.

Will your organization have a marketing/publishing plan? ☒ Yes ☐ No

If yes, then briefly describe your plan.

Email to prior registrants. Running stores and other runs with flyers. Radio/ TV Spots. Facebook/Social media. Local newspaper.

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Town of Farragut Event Application

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Hold Harmless

All authorized events occurring within the Town limits shall be individually and severally responsible to the Town for any loss, bodily or personal injury, deaths, and/or property damage that may occur as a result of the event representative/organizer's negligence or that of its agents and employees. All event organizers/representatives hereby agree to indemnify and save the Town, its officers, employees, and agents harmless from any loss, cost, damages and other expenses, including attorney's fees, suffered or incurred by the Town by reason of the event representative/organizers negligence or that of its agents and employees; provided that the event representative/organizer shall not be responsible nor required to indemnify the Town for negligence of the Town, its officers, employees, or agents. Furthermore, I fully understand and agree to comply with the terms and conditions as stated in this application. All information provided in this application is correct and accurate to the best of my knowledge.

Signature: W Palmer

Date: 4/5/16

Event Checklist (listed in alphabetical order)				
Will you have:	Yes	No	If yes, how many?	If yes, complete the event checklist below
Amplification	✓		one at start/finish	
Animal(s)		✓		
Carnival games		✓		
Carnival rides		✓		
Cleanup	✓			
Entertainment/Music		✓		
Emergency Services/First Aid	✓		Two	
Entertainment/Music		✓		
Food Vendors	✓		Fruit, Snacks, Water	
Inflatables		✓		
Merchandise Vendors		✓		
Movies		✓		
Parade		✓		
Portable Restrooms	✓		6	
Power and Lighting		✓		
Public Outreach				
Security	✓		Two KPD	
Signage	✓			
Staff	✓		15	

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Town of Farragut Event Application

Tent(s)	✓		2 pop-up	5
Traffic Control	✓		2 KPD (above)	
Volunteers	✓		"Staff" above	
Water	✓		Bottled	
Mobile Vending		✓		

Event Checklist Description:

Please answer all questions as applicable and add any other pertinent information.

Amplification (Sound or Speaker System):

Describe type of system; what hours will you be using the amplification system.

Portable. At finish, for awards. 08:30 - 09:30

Animals:

List what animals you plan to have at the event; how you will secure the area that the animals are contained; number and qualifications of staff and/or volunteers that will be in charge of the animal; describe your animal waste removal plan.

Carnival Games:

Describe type of games (dunking booth, etc.).

Carnival Rides:

Describe each type of ride and rental source.

Cleanup:

Explain your plan for cleanup Trash Bins, Recycle Bins at Start/Finish area and sites indicated on race map. Bicyclist will patrol race course at finish to collect any other trash. Small signs on Stakes (~~with balloons at turns~~) to be removed by bicyclists and truck with waste bins. All things brought with race to be removed by 10 A.M. Turns to be marked by volunteers who will indicate turns.

Emergency Services

Explain your emergencies services plan; types of services available Plan to contact KFD for EMS support.

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Town of Farragut Event Application

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Entertainment:

Describe type (i.e. band, DJ, etc.) and list number of groups. What times during the event will there be live entertainment.

Food:

List the types of food and/or drink that will be served and/or sold at your event; how many food vendors or areas you plan on having; if food is going to be prepared on site and if so, what type of fuel will be used for the preparation; how you will dispose of grease and other environmentally sensitive by-products; are the food vendors going to be located under a tent and if so, what size of tent.

Fruit (Bananas, Apples, Oranges)

Snack Bars

Donuts / Bagels

Coffee and Hot Chocolate

Inflatables (Bounce House, Slide, Etc.):

Provide number of structures. Provide general description including target age group and approximate dimensions (include height also) of structure.

Parade

What is the estimate of the number of parade entries; what type of entries will be involved; describe plan for end of parade (participant drop-off, etc.); describe method of assembly for entries.

Power & Lighting:

Describe your source of power (generators, temporary pole/meter center, extension cords, etc.); if your event is in the evening or at night, how will you provide lighting to the event area (including parking).

Public Outreach:

Describe your public outreach plan

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Town of Farragut Event Application

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Seasonal/Outdoor

Describe your site plan and provide documentation that you are permitted to use the site for your event.

see attached.

Security

Describe your security plan (officer, security guards, etc.) for during the event and during setup (i.e. overnight).

Will have two KPD officers.

Signage

Describe general location and type of signage both external and internal to the event.

At Start/Finish will have banners displayed on ^{pop-up} tents. Total Race Solutions has removable Finish line signage.
Small posters listing names and dreams of the children with life-threatening illnesses are ~~stacked~~ on course and removed.

Tent(s)

How many, location, and size

Traffic Control:

Describe your traffic control plan

KPD Officers to assist at major intersection
and volunteers along course at areas indicated.

Water:

Describe your source of water and what water will be used for.

Bottled water for runners and support friends/family.

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Town of Farragut Event Application

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Permit Checklist (listed in alphabetical order)			
Will You Have:	Yes	No	If yes, complete application
Alcohol/Wine		X	State of Tennessee Special Occasion Alcohol/Wine License
Beer		X	TOF Beer Permit or Provide Copy of Current TOF Beer Permit
Public Road/Greenway Closure (Parade, Race, Etc.)		X	<i>no closures needed.</i> Provide Parade or Race Plan
Tents or Air Inflated Structure		X	TOF Tent Permit

Signage Requirements:

*Parameters Applicable to Signage for Commercial/Office/Schools/Non-Profit/Church/Other Place of Worship

Sign

- Only one sign is permitted and it shall not exceed six feet in overall height and 16 square feet for churches and schools and 20 square feet in overall size for non-profit, commercial, businesses. A white background is required.
- The only material permitted for a special even sign is a minimum 10 millimeter thick corrugated plastic. No banners, streamers, balloons, flags on a rope, and/or other types of wind activated signs and/or portable or sandwich board signs are permitted
- If a sign is ground mounted, the sign shall be set back, in its entirety, at least 20 feet from the street edge of the nearest public street pavement and 10 feet from all entrance driveways. Please coordinate location with Town staff. Sign posts shall be removed completely at the end of the special event
- A drawing of the sign which shows dimensions, letter sizes, and appearance is required (at least 15% of the sign face shall include the Shop Farragut logo and the sign shall also include the entity's name)

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Town of Farragut Event Application

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Site:

- If the event involves anything exterior to the applicant's space (no sales from trucks are permitted), please include a site plan which demonstrates that vehicular and pedestrian circulation will not be affected by the proposed event. No event is permitted on vacant or vacated property. On-site entities must sponsor any off-site not-for-profit or non-profit event. If a tent is involved, please include dimensions and proposed location. A separate tent permit may be required from the Fire Marshal.
- By submitting this form, you are acknowledging that all information included with this application is accurate and that you have read, understand, and will follow all parameters/conditions listed on this application.

*Parameters Related to Grand Opening

- Business must have Certificate of Occupancy or approved Re-Occupancy per Code/Fire Inspector
- Applicant shall pay a deposit to use Town's "Grand Opening" sign (refundable if no damage)
- Approximately 15% of the "Grand Opening" sign can be used to personalize with users information (must stay within perimeter of sign)
- If a sign is ground mounted, the sign shall be firmly affixed to studded T-posts (town provides) so that it is not wind activated. Such sign shall be set back, in its entirety, at least 20 feet from the street edge of the nearest public street pavement and 10 feet from all entrance driveways. The maximum sign height shall be six (6) feet. Please coordinate location with Town staff.
- One "Grand Opening" sign per street on which the lot, parcel or tract fronts. When more than one "Grand Opening" sign is allowed, they shall be a minimum of 150 feet apart
- The business is also allowed to use a 20 sq. ft. "Special Event" sign along with the "Grand Opening" sign that could be used for future "Special Events". The "Special Events" sign shall comply with all "Special Event" sign requirements.
- Twenty (20) day maximum for posting sign (deposit and one Special Event will be forfeited for exceeding time frame) The T-posts and "Grand Opening" sign shall be returned to the Town Hall.

Supplemental Information:

A sketch plan of your event must be included with this application. Please include: vehicular and pedestrian circulation, staging areas, locations of tents, entertainment stages, portable restrooms, dumpsters, fencing, food and beverage booths, and all sponsor or vendor booths. Also indicate where streets will be blocked and what will be used to block the streets. **This application will not be processed without a completed site map.**

Applicants must provide the Town with an original copy of their insurance certificate of general liability insurance naming the "Town of Farragut, its employees, and agents" as additionally insured. This policy must have a minimum coverage of one million dollars (\$1,000,000.00). If it is determined that security is required for your event, certified, uniformed Knox County Sheriff's Deputies must be hired to provide this service. Applicants hiring off duty sheriff's Deputies must include the Knox County Sheriff's Office as additionally insured.

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Town of Farragut Event Application

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Applicants must abide by all Rural Metro Fire & Rescue rules and regulations. This information can be obtained by contacting the Fire Marshall at Town Hall (865 966-7057).

Applicants requesting to serve alcohol at their event must submit an application to the Farragut Beer Board. This can be done by contacting the Town Administrative Office at 865 966-7057, not less than sixty (60) days prior to the proposed event.

A clean up/damage deposit in the form of a check or money order in the amount determined by the Town must be submitted upon approval of this application if applicable. This deposit will be returned upon inspection of the event site at the conclusion of your event.

With this signature, I acknowledge that all information with this application is accurate and that I have read and understand, and will follow all parameters/conditions listed on this application.

SIGNATURE OF APPLICANT: Mary Palmer

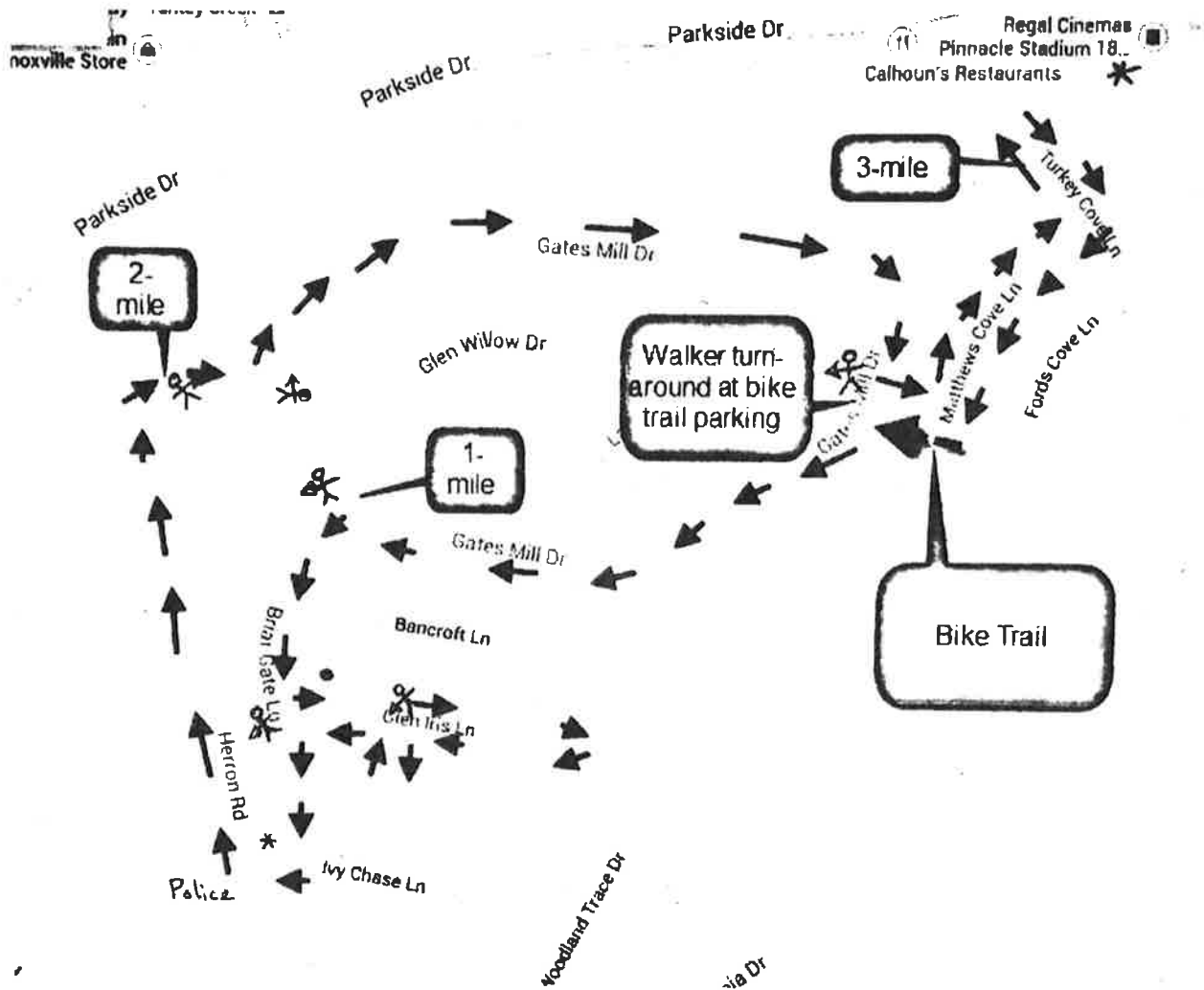
PRINTED NAME OF APPLICANT: Mary Palmer

Office Use Only

☐ Event staff approval
☐ BMA approval *Need*
☐ Fire Marshal/tent permit
☐ Beer/Alcohol permit
☒ Site and or course map

☐ Insurance Certificate *Need*
5/2/16 Deposit *500⁰⁰*
5/2/16 Application fee *25⁰⁰*

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* Water Station with trash & recycle cans.
 ⚓ Volunteer signing turn.

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Allison Myers, Town Recorder

SUBJECT: Approval of Resolution R-2016-09, Town of Farragut Internal Controls Manual

INTRODUCTION:

Tennessee lawmakers in the 2015 legislative session passed a law requiring local governments to establish and adopt internal controls by June 30, 2016.

9-18-102. Internal controls -- Management assessment of risk. [Effective on June 30, 2016. See the version effective until June 30, 2016.]

(a) Each agency of state government and institution of higher education along with each county, municipal, and metropolitan government shall establish and maintain internal controls, which shall provide reasonable assurance that:

(1) Obligations and costs are in compliance with applicable law;

(2) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and

(3) Revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

(b) To document compliance with the requirements set forth in subsection (a), each agency of state government and institution of higher education shall annually perform a management assessment of risk. The internal controls discussed in subsection (a) should be incorporated into this assessment. The objectives of the annual risk assessment are to provide reasonable assurance of the following:

(1) Accountability for meeting program objectives;

(2) Promoting operational efficiency and effectiveness;

(3) Improving reliability of financial statements;

(4) Strengthening compliance with laws, regulations, rules, and contracts and grant agreements; and

(5) Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

HISTORY: Acts 1983, ch. 129, § 1; 1998, ch. 664, §§ 1, 2; 2008, ch. 750, § 1; 2015, ch. 112, § 1.

The Comptroller's Office has recently issued its revised *Internal Control and Compliance Manual for Governmental Entities and Other Audited Entities in Tennessee, December 2015*. The new manual follows the framework of the Standards for *Internal Control in the Federal Government*, issued by the U.S. Government Accountability Office more commonly called the Green Book and is more principle based than specific

procedures. State statutes require the Comptroller’s Office to prescribe uniform accounting systems for entities which handle public funds and those same statutes require officials to adopt and use the systems designated by the Comptroller’s Office.

Internal controls are comprised of plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. They are a series of actions that occur throughout an entity and are an integral part of the operational processes. Employees make it work and Management is responsible for an effective internal control system and its monitoring.

DISCUSSION:

Controls in the workplace are there to protect assets and ensure objectives and compliance requirements are met. Government should have controls in place to prevent and detect errors and irregularities. During the annual audit, an overview of internal controls are reviewed to detect deficiencies in the receiving and disbursement of cash. To date, no deficiencies have been noted.

The University of Tennessee Municipal Technical Advisory Service (MTAS) has assisted municipalities in creating the required manual. Staff has adapted the document to reflect the Town’s daily operations. A few highlights of the policy are:

- Monies collected must be deposited within three working days.
- A different staff member will receive cash, deposit funds and reconcile accounts and statements
- Payables will be approved by department heads & Town Recorder
- All checks require two (2) signatures
- Checks are to remain on the premises until signed and executed.
- Payroll time sheets will be approved by department heads and reviewed by the Accounting Clerk

The Town has done a great job in creating a separation of duties for different functions related to the receiving and disbursing of funds.

RECOMMENDATION BY:

Allison Myers, Town Recorder

PROPOSED MOTION:

Motion to approve Approval of Resolution R-2016-09, Town of Farragut Internal Controls Manual

BOARD ACTION:

MOTION BY: _____ SECONDED BY: _____

<u>VOTE/TOTAL</u>	<u>LAMARCHE</u>	<u>POVLIN</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>MCGILL</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____



TOWN OF FARRAGUT INTERNAL CONTROL MANUAL

June 30, 2016

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Internal Control Manual

2 INTRODUCTION

The Town of Farragut has the responsibility to its constituents to be good stewards of public monies and property. In our efforts to serve the public as town officials or employees, the Town established this Internal Control Manual using widely recognized best practices and state and federal directives.

State of Tennessee statutes require the Comptroller's Office, Department of Audit to prescribe uniform accounting systems for entities that handle public funds. Those statutes require public officials to adopt and use the system designated by the Comptroller's Office. The Tennessee Legislature amended TCA Section 9-2-102 in 2015 to require local governments to establish and maintain internal controls in accordance with guidance issued by the U.S. Government Accountability Office (GAO). The guidance is titled *Standards for Internal Control in the Federal Government* (Green Book). The Green Book follows the format developed by the Committee of Sponsoring Organizations (COSO) which has been the gold standard of internal control for all entities except the federal government for several years.

The internal control system consists of three objectives and 5 main components. Within the 5 components there are 17 principles that apply to certain components. The state considers the 5 elements mandatory and the 17 principles are optional. The Town of Farragut has chosen to only address the minimum requirements of the state in this manual however the 17 principles from the Green Book are presented below for informational purposes and to help explain the 5 components.

THREE (3) OBJECTIVES OF INTERNAL CONTROLS:

1. Reporting – reliability
2. Operations – effective and efficient
3. Compliance – compliant with applicable laws, regulations, contracts and grant agreements

FIVE (5) MAIN COMPONENTS OF INTERNAL CONTROLS THAT ARE REQUIRED TO BE ADDRESSED:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

The purpose of this manual is to ensure that the objectives of reporting and compliance are established. The policies to achieve the objectives are derived from various financial best practices, state and federal laws, and regulations and policies may be developed to suit specific needs of town functions and resources. Detailed procedures are then developed and documented as a means for towns to comply with its established policies.

Figure 3: The Five Components and 17 Principles of Internal Control:

CONTROL ENVIRONMENT:

1. The oversight body and management should demonstrate a commitment to integrity and ethical values.
2. The oversight body should oversee the entity's internal control system.
3. Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.
4. Management should demonstrate a commitment to recruit, develop, and retain competent individuals.
5. Management should evaluate performance and hold individuals accountable for their internal control responsibilities.

RISK ASSESSMENT:

6. Management should define objectives clearly to enable the identification of risks and define risk tolerances.
7. Management should identify, analyze, and respond to risks related to achieving the defined objectives.
8. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
9. Management should identify, analyze, and respond to significant changes that could impact the internal control system.

CONTROL ACTIVITIES:

10. Management should design control activities to achieve objectives and respond to risks.
11. Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
12. Management should implement control activities through policies.

INFORMATION AND COMMUNICATION:

13. Management should use quality information to achieve the entity's objectives.
14. Management should internally communicate the necessary quality information to achieve the entity's objectives.
15. Management should externally communicate the necessary quality information to achieve the entity's objectives.

MONITORING:

16. Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
17. Management should remediate identified internal control deficiencies on a timely basis.

Source: GAO. GAO-14-704G.

3 CONSIDERATIONS IN DEVELOPMENT OF INTERNAL CONTROLS

Internal control is defined as a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance the town's objectives will be achieved. Before developing its Internal Control System (ICS), the town as a whole and each department should determine its mission, strategic goals and objectives, and then formulate a plan to achieve those objectives. The internal controls are policies and procedures put in place to help achieve those goals and objectives. By describing how a town/department expects to meet its various goals and objectives by using compensating controls to minimize risk, the entire town becomes more aware of expectations. Each department's internal control plan will be unique; however it must be based on policies included in this guide which incorporates or references to other comprehensive state, federal or standard setting agency policies that have been adopted.

Consistent monitoring of all components will ensure that the ICS (which must be reviewed and updated at least annually) is updated whenever changing conditions justify.

Since a town/department's policies and procedures are the control activities for its internal control plans, it is important that they be reviewed in conjunction with the plans and referenced where appropriate. Everyone in the town has a responsibility to ensure that internal controls operate effectively.

As directed by T.C.A. 9-18-102 (a) and in accordance with the guidance issued by Tennessee Comptroller's Office, the town has adopted this internal control manual. It is critical to note that the development and operation of the internal control system involves everyone in the organization. As such, management must ensure that the manual is shared with all of its employees. The manual is a work in process and will be assessed periodically.

The following sections document the 5 components of internal control and significant financial and compliance areas that are deemed high risk.

3.1 THE GREEN BOOK STATES DOCUMENTATION IS MANAGEMENT'S RESPONSIBILITY:

3.09 Management develops and maintains documentation of its internal control system.

*3.10 Effective documentation assists in management's design of internal control by establishing and communicating the **who, what, when, where, and why** of internal control execution to personnel. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, as well as a means to communicate that knowledge as needed to external parties, such as external auditors.*

4 FIVE COMPONENTS OF INTERNAL CONTROL

4.1 CONTROL ENVIRONMENT

Overview

The control environment is the foundation for **all** other components of internal control, providing discipline and structure. Moreover, management establishes the tone at the top regarding the importance of internal control and expected standards of conduct, and reinforces expectations at various levels. Control environment factors include the integrity, ethical values and competence of the town's personnel; the way management assigns authority and responsibility, and organizes and develops its personnel; and the attention and direction provided by the governing body.

OBJECTIVES

1. The governing body and management should conduct business with integrity and ethical behavior.
2. Provide direction and oversight for town's internal control system.
3. Hire qualified and competent management.
4. Establish structure, authority and responsibility and hold individuals accountable for internal control responsibilities

Policies

1. A conflict of interest form is completed annually by all employees and officials.
2. The governing body through management has adopted a personnel manual which includes job descriptions with minimum job requirements.
3. The governing body also uses the budget process as a means of oversight with department heads.
4. Organizational charts are reviewed for needed changes in regards to authority and responsibility.

4.1 Control Environment (Continued)

Procedures

Procedures of policy 1

- The Accounting Clerk is responsible for preparing the annual conflict of interest forms for distribution.
- The forms are distributed with the last payroll receipt in October and it must be returned before the employee's W-2 will be released.
- The forms are filed in one folder labeled with the calendar year and when all have been collected the folder is sent to the Town Recorder/Treasurer for review.
- If there are any conflicts documented or any conflicts suspected but not documented the cases should be discussed with the Town Administrator.
- The Town Administrator will schedule a meeting with the employee in question to discuss the conflict and a resolution will be made.
- The Town Administrator will question the employee to determine if a suspected conflict exists that the employee was not aware was a problem and a resolution will be made.

Procedures for policy 2 and 3

- The Town Administrator should review the annual audit for internal controls findings. A corrective action plan is to be developed and submitted
- The town holds annual required training where human resource topics are covered.
- Training agendas, content and sign-sheets are reviewed to ensure all employees have attended.
- Detailed job descriptions with minimum job requirements are a part of the town's personnel manual. The minimum job requirements are based on like positions in similar governments and will meet state or federal requirements if applicable.
- Hiring procedures are detailed in the manual and prohibit hiring anyone who does not meet the minimum job requirements.

4.1 Control Environment (Continued)

Procedures for policy 4

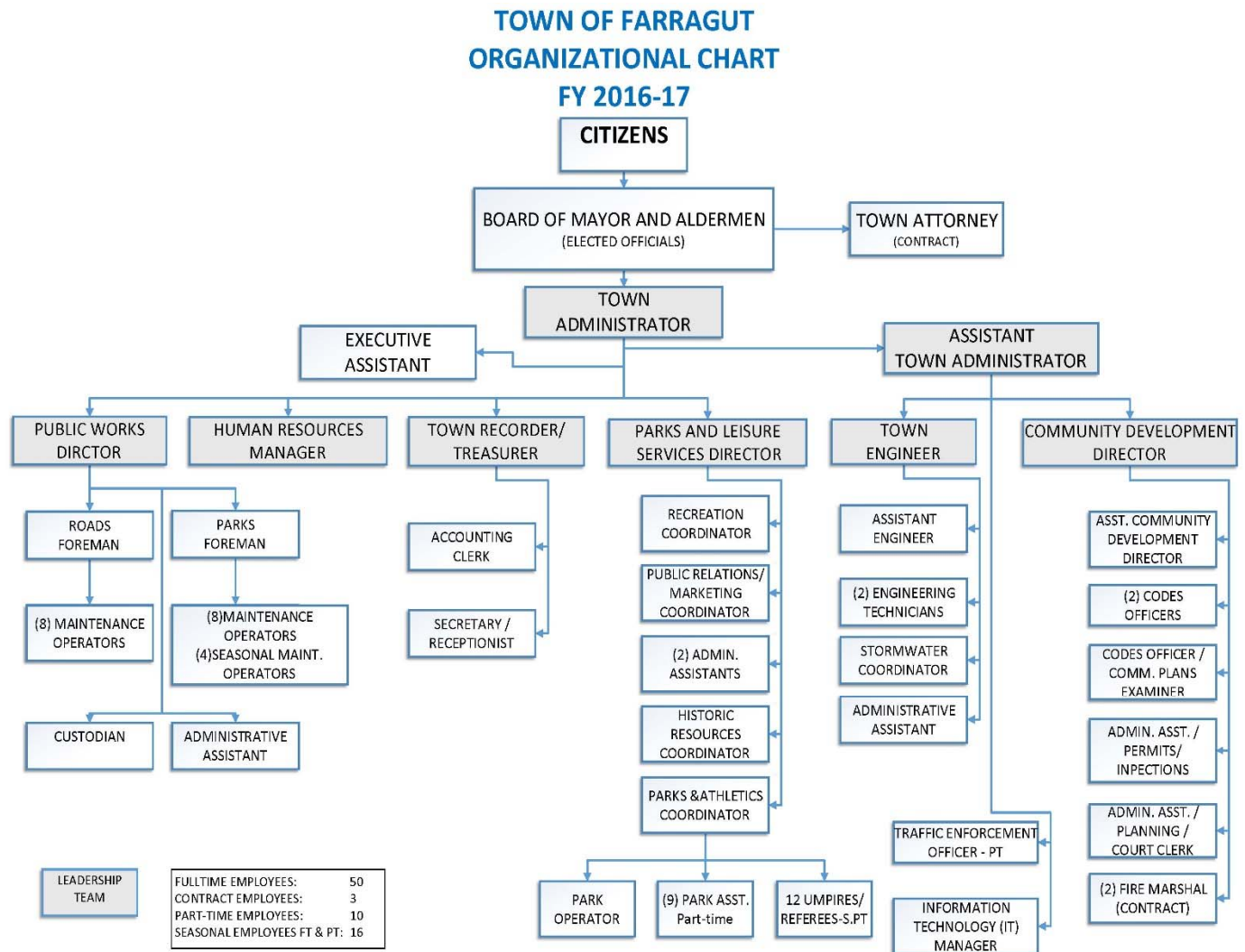
- In the second week in January the Town Recorder/Treasurer sends all department heads the budget worksheets for the up-coming fiscal year. The budgets are due back to the Town Recorder/Treasurer by the 3rd Wednesday in February.
- The Town Recorder/Treasurer estimates revenues using the past 3 years collection history and current growth indicators along with any current information relevant to the revenue streams. The Town Recorder/Treasurer will also estimate all the appropriations not otherwise assigned to a department head, enter the department head's budgets, and prepare the capital budget with a funding plan.
- The first budget workshop is on the 2nd Thursday in March. The General Fund Revenues/Expenditure Projections, and Program Changes are presented to the governing body.
- The Capital Investment Program Fund and Equipment Fund proposed budgets are due the 1st Wednesday of March.
- The second budget workshop is on the 4th Thursday in March. The Capital Investment Program is presented to the governing body.
- The third budget workshop is on the 2nd Thursday in April. The Equipment Fund, State Street Aid Fund and CIP (if needed) are presented to the governing body.
- The Town Administrator works with staff to finalize the proposed budget.
- The Town Recorder/Treasurer will prepare the budget ordinance for its first reading at the May or June board meeting and the second reading to be heard at the second meeting in June.
- The required public notice will be placed in the local newspaper no less than 10 days prior to second (final) reading.

Procedures for policy 5

- Town organizational charts were developed based on the town structure required in the town charter.
- The charts are reviewed annually as positions are added or changed to determine if the reporting structure, authority, and responsibility documented in the chart is still accurate.
- As part of the personnel manual, all positions have detailed job descriptions which identifies the immediate supervisor and explains the responsibilities of the position.
- The charts are updated if a job description is changed.

4.1.1 Organizational Charts

4.1.1.1 Mayor-Aldermanic Charter



4.2 RISK ASSESSMENT

Overview

Town officials and management assess risk of operations continually. The town has chosen to transfer the most common types of risk through the purchase of the following types of insurance:

- Property and Casualty
- Liability
- Errors and Omissions
- Worker Compensation

There are risks we cannot anticipate or know about and as it relates to financial and compliance issues. We have assessed the following areas and identified certain risks that we feel need to be addressed by the development of internal control policies and procedures. Internal controls will not eliminate all risk but will help reduce risk to gain reasonable assurance that reporting and compliance objectives are being met.

Objectives

1. **Collections** are complete, timely and accurate.
2. **Disbursements** are for a valid town purpose and properly recorded.
3. **Assets** are properly safeguarded.
4. Town is in **compliance** with contractual, local, state and federal laws and regulations.

Risk

Objective 1

1. Collections could be lost or misappropriated.
2. Collections could be recorded improperly.
3. Collections may not be deposited in the bank and recorded timely.

4.2 Risk Assessment (Continued)

Risk

Objective 2

1. Disbursements could be unauthorized.
2. Disbursements could be for personal items.
3. Disbursements could be made for items never received.

Risk

Objective 3

1. Bank balances may be inaccurate due to failure to reconcile bank accounts.
2. Capital assets or inventory items could be missing.

4.3 CONTROL ACTIVITIES

Overview

The objectives, policies and implemented procedures will be described for each of the significant areas identified in the Risk Assessment section.

4.3.1 General Collections/ACHs

Objectives

1. Collections are complete, timely and accurate.
2. Collections are safeguarded.
3. Collections should be recorded accurately and timely in the accounting system.

Policies

Objective 1

1. A receipt will be issued for each collection made.
2. Each cashier will have their own cash drawer.
3. Two people will count down each cash drawer daily and sign the report.
4. No checks will be cashed from the cash drawers.
5. All cash drawers will be closed out and counted daily.
6. All funds will be deposited no later than three working days later.
7. Any monies collected at decentralized locations must be at town hall by 3:00 pm daily.
8. There will be no checks or cash left out of a deposit. If there is a question as to how it should be processed, it will be deposited as miscellaneous revenue in the General Fund to be resolved later.

Procedures

Procedures for policies 1-9

- Cashiers should stamp or endorse via Incode printer all checks “for deposit only” and posted to the Town’s receipting system. Receipt lists date, amount, payer, proper accounting code, cash, check or credit card. A copy is given to every customer and one retained with daily cash report.
- All cash and duplicate receipts should be locked in the vault not later than the end of the business day.
- A daily collection report should be prepared by the Accounting Clerk.
- The Accounting Clerk shall be responsible for making deposits and **all collections must be deposited no later than three (3) working days after initial receipt**. Deposit receipts should also be retained and matched against the collection reports.
- The Town Recorder/Treasurer will reconcile the deposit slips, and bank statements on a monthly basis. Dates will be compared to deposit records for timeliness. Receipts will be reviewed for accurate amounts, coding, proper signature and other required information.
- The Town Recorder/Treasurer will periodically perform surprise cash counts to ensure there are no personal checks being held in the cash drawers and to ensure the drawers are in balance.

4.3.1 General Collections (continued)

Policies

Objective 2

9. All cash drawers are locked in the vault during closed hours.
10. Access to the vault is always restricted.
11. Deposit bag is secured until deposited.
12. At no time will cash be left out in the open unattended.
13. Employees are prohibited from comingling town assets with personal assets.

Procedures

Procedures for policies 10 - 15

- All cash drawers should be placed in the vault and locked for the night and the weekend.
- All cash drawers will be closed and counted away from the front desk and will be done one at a time so there is always one cashier to take payments.
- The Town Recorder/Treasurer will reconcile the deposit slips, and bank statements on a monthly basis.
- The Town Recorder/Treasurer will periodically perform surprise cash counts to ensure there are no personal checks being held in the cash drawers and to ensure the drawers are in balance.
- The Town Recorder/Treasurer is the only person authorized to have computer software support change restrictions or change control levels.

4.3.1 General Collections (continued)

Policies

Objective 3

14. Chart of accounts codes will be reviewed with cashiers on a regular basis.
15. All daily collection reports are posted to the general ledger by the Accounting Clerk.
16. All accounting system updates and changes are discussed with office staff and appropriate changes made if necessary.
17. Reconciliations are performed monthly by the Town Recorder/Treasurer.

Procedures

Procedures for polices 16-19

- All revenue codes used by the town are kept with each cashier. The Town Recorder/Treasurer will notify the cashiers if an account code is changed or added.
- The Town Recorder/Treasurer will notify the office staff when computer updates are scheduled. Staff is to report any problems to the Town Recorder/Treasurer immediately.
- The Town Recorder/Treasurer will reconcile the deposit slips, and bank statements on a monthly basis.

4.3.2 General Disbursements/Drafts

Objectives

- Disbursements are for a valid town purpose and necessary.
- Disbursements are timely.
- Disbursements are accurately coded and recorded in the accounting system.
- Disbursements are legally appropriated.

Policies

Objective 1 and 2

1. The town has adopted purchasing policies that comply with state law.
2. Various levels of authority have been assigned.
3. Purchase orders and invoices are matched and sent to Accounting Clerk for payment as soon as possible.
4. Checks are written weekly to ensure invoices are paid timely.
5. All checks require two signatures.
6. All checks must have documentation attached at the time of signing.

Procedures

Procedures for policies 1-3

- Department Heads shall complete a purchase requisition and attach all documentation
- See the Town's purchasing policy for complete details

4.3.2 General Disbursements/Drafts (continued)

Procedures for policies 4-6

- Checks are processed weekly. Requests are due by Tuesdays and checks are processed on Wednesday
- Check request must be approved by the Department Head and possibly the Town Recorder/Treasurer and Town Administrator, depending on requisition amount.
- Check must be signed by two of the following: Mayor, Vice-Mayor, Town Recorder/Treasurer and/or Human Resources Manager.
- Checks shall remain on the premises until signed & executed

Policies

Objective 3 and 4

7. The accounting department uses a computerized accounts payable system.
8. All requisitions are coded by department and verified by the Accounting Clerk.
9. Invoices are entered in the accounts payable system.
10. The Town Recorder/Treasurer reviews the accounts payable before signing the checks.
11. Budget availability is verified by the Accounting Clerk prior to check run.

Procedures

Procedures for policies 7-11

- Accounting Clerk will enter invoices as received
- As invoices are enter into the accounting system, the Accounting Clerk will verify the requisition codes to the system codes
- Receipt, invoice or other documentation must be attached to the requisition at the time of submittal. Request for payment will not be entered until all information is complete.
- Once invoices are entered and checks are cut, the Town Recorder/Treasurer will review and sign each requisition and check. Depending on the requisition amount, the Town Administrator will approve before the checks are signed.

4.3.2 General Disbursements/Drafts (continued)

4.3.2.1 Payroll disbursements and payroll liabilities

Objectives

1. Disbursements are for employees of the Town.
2. Disbursements are bi-weekly.
3. Disbursements are accurately reported and recorded in the accounting system.
4. Disbursements are legally appropriated.

Policies

- Objectives 1-4
- Department Heads will approve time sheets
- Accounting Clerk will enter the payroll information into the accounting system.
- Annual and sick leave accrued monthly
- Payroll disbursements will be made via ACH

Procedures

- Departments heads will review, approve and submit payroll sheets to the Accounting Clerk
- The Accounting Clerk will enter the payroll information into the accounting system
- The last payroll of the month, the Accounting Clerk will accrue annual and sick leave
- Accounting Clerk will verify all information entered into the accounting system before checks are run
- An ACH file is completed and sent to the Town's bank
- Social security and federal taxes are also submitted via ACH
- Check stubs are printed for employee records

4.3.3 Safeguarding of Assets

Objectives

1. Ensure town assets are properly valued and protected.
2. Ensure Cash, Accounts Receivable and other asset accounts are reconciled.
3. Ensure investments are safe and in accordance with adopted investment policy.
4. Ensure town assets are protected against loss, misappropriation or theft.

Policies

1. All bank account statements (checking, savings, investments, etc.) are reconciled to the municipal general ledger accounts within 20 days of the date of the statement.
2. All bank accounts are appropriately collateralized. Any bank account balance that exceeds the FDIC coverage limit will be covered at 105% of the balance as per state statute. Any bank account balance maintained in a bank participating in the State Collateral Pool will be made to verify annually the accounts held are classified on the records of the bank as "Public."
3. All bank accounts are held in financial institutions under the municipality's name.
4. All withdrawals, checks, liquidations, etc., from any bank account requires two signatures.
5. All investments require two signatures.
6. Inventory records contain enough information to readily identify corresponding capital assets. Capital assets are tagged or otherwise identified during a physical inventory that is performed annually.
7. Proper safeguards are in place to prevent theft or loss of assets.

Procedures

Procedures for policies 1-5

- The Town Recorder/Treasurer shall reconcile all bank statements by the 20th of the following month.
- The Town Recorder/Treasurer will verify with the bank, annually, that all accounts are classified as "public"
- The Town has two main accounts, operating account and payroll account. The others are for FSA, Health Savings Account and projects over \$500,000

Procedures for policies 6-7

- All inventory of assets are maintained in the accounting software
- The assets are reviewed annually prior to the auditing of the financial statements
- Department Heads submit any new assets over \$1,000 to the Town Recorder/Treasurer

4.3.4 Compliance

Objectives

1. Ensure that state law regarding the issuance of debt is followed.
2. Ensure that state and federal grant regulations are understood and followed.

Policies

Objective 1

1. The town has adopted a debt management policy in accordance with state requirements.
2. The Town Recorder/Treasurer is well versed on the state requirements for issuing debt.

Procedures

Procedures for Policies 1-2

- The Town will review the Debt Policy annually, prior to the Budget process

4.4 INFORMATION AND COMMUNICATION

Overview

Management has the responsibility to adequately communicate and provide information to both internal and external parties. It is important that employees know the objectives, policies and procedures management has established and what the expectations are for internal controls. External stakeholders also seek information regarding objectives and reliable financial information.

Objectives

1. Necessary quality information for achieving the entity's objectives is available and used.
2. Necessary quality information for achieving the entity's objectives is internally communicated by management.
3. Necessary quality information for achieving the entity's objectives is externally communicated by management.

Policies

1. Information maintained in a format should be communicated in that same format. For example, if the general ledger is maintained on computer, the monthly budget to actual reports should be provided through a computer generated report from that software package.
2. Reliable and accurate quality information from municipal internal sources must be communicated to the people who need it in a timely and useful format.
3. Because the credibility of the municipality, its governing body, and its public officials is at stake whenever information is released to outside parties, management should be confident the information being released is accurate and the release is in compliance with policies and procedures.

Procedures

Procedures for policy 1

- Review and document the information requirements to achieve key objectives and address the risks of the government.
- Review and document changes that occur in the local government's objectives and the related changes in information requirements.
- Identify and evaluate the reliability and timeliness of relevant data from both internal and external sources.
- Review and evaluate whether data has been processed into quality information that allows management to make informed decisions and evaluate whether the local government is achieving its objectives

Procedures for policy 2

- Management clearly defines the lines of communication through policy manuals and organizational charts.
- Management has communicated the types of information required to achieve objectives and address risks.
- All internal control documents and related reports will be available to all staff in an appropriate method based on confidentiality and relevance to job responsibilities.
- Annual staff training meetings and new employee orientation, with relevant handouts and manuals, will be used to reinforce memo, email, intranet, and restricted communications.

Procedures for policy 3

- Management should develop policies and procedures for communicating with external parties.
- Management should follow the guidelines as provided by the Office of Open Records Counsel for the redacting of information when requested under the open records statutes.

4.5 MONITORING

Overview

The internal control system changes as technology, staff, objectives and policies change. Management is charged with continually monitoring the internal control system to determine if it is operating as it was designed to do and to insure the controls are being followed.

Objectives

1. To practice activities to monitor the internal control system and evaluate the results.
2. To address deficiencies noted in the internal control system in a timely manner.

Policies

1. To ensure that internal controls do not deteriorate and continue to work as designed over time, an annual risk assessment will be conducted by municipal management.
2. To establish more efficient and effective operations over time.
3. To ensure accurate and reliable financial information is used in decision-making.

Procedures

Procedures for policies 1 and 2

- Evaluate and document the current state of the internal control system and document the differences between the criteria of the design and the current condition of internal control, for purposes of establishing a baseline.
- Determine whether to change the design of internal control or implement corrective actions to improve the operating effectiveness of internal control for differences that exist.
- Monitor internal control through built in monitoring activities and periodic separate evaluations and document the results.
- Evaluate differences to determine if 1) changes in internal control have occurred but have not been documented, 2) internal control has not been properly implemented, or 3) internal control design changes are needed.

Procedures for policy 3

- A member of management will review cash drawers and deposits randomly to ensure policies are being followed, such as no cashing of personal checks, no borrowing from cash drawer and the makeup of cash vs checks is being documented.
- All accounts with financial institutions (checking, savings, investment, etc.) will be reconciled to the general ledger within 20 days of receipt of any statement from the financial institution.
- The above reconciliation will include a listing of outstanding checks.
- Reconciling items on the above reconciliation will not be carried for more than 60 days.
- Reports comparing actual to budget amounts for revenues and expenditures (expenses) will be generated monthly and reviewed by those in a position of authority over financial operations.

AGENDA NUMBER VI.D.

MEETING DATE JUNE 23, 2016

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: David Smoak, Town Administrator 

SUBJECT: Approval of Resolution 2016-10, a resolution by the Board of Mayor and Aldermen of the Town of Farragut to enhance the "Shop Farragut" program by including the Tennessee Sales Tax Holiday

INTRODUCTION: The purpose of this agenda item is to consider approval of Resolution 2016-10, to enhance the Shop Farragut program by including the period immediately preceding and including the Tennessee Sales Tax Holiday.

DISCUSSION: The Shop Farragut holiday program has traditionally been held around the Christmas shopping season from Thanksgiving through New Year's Day. Each year businesses that participate are allowed to place additional special event signage by their frontage along the Town's arterial roadways to help promote their business or advertise sales at their location. The placement of these signs during this timeframe does not count as one of the four special event permits a business may request throughout the year.

At the last meeting of the Farragut Business Alliance, the FBA board requested the 10 day period immediately preceding and including the Tennessee Sales Tax weekend be included as a Shop Farragut promotional time to help promote the businesses located in the Town of Farragut. The Tennessee Sales Tax holiday this year runs from July 29-31, and the 10 day special event signage period would run from July 22-July 31, 2016. If a business elects to participate during this time, it would not count against their four special event permits during the year.

RECOMMENDATION BY: Town Administrator David Smoak for approval.

PROPOSED MOTION: To approve Resolution 2016-10.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>POVLIN</u>	<u>MARKLI</u>	<u>LAMARCHE</u>	<u>PINCHOK</u>	<u>MCGILL</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____



RESOLUTION: R-2016-10

**A RESOLUTION BY THE BOARD OF MAYOR AND ALDERMEN OF THE
TOWN OF FARRAGUT TO ENHANCE THE "SHOP FARRAGUT" PROGRAM
BY INCLUDING THE TENNESSEE SALES TAX HOLIDAY**

WHEREAS, each year between the Saturday prior to Thanksgiving and January 1, the Town of Farragut sponsors the "Shop Farragut" program; and

WHEREAS, the "Shop Farragut" program promotes Farragut businesses by offering free advertising and additional signage; and

WHEREAS, in the interest of branding and enhancing the "Shop Farragut" program, the Farragut Board of Mayor and Aldermen wish to extend the program to also include the Tennessee Sales Tax Holiday weekend; and

NOW, THEREFORE, be it resolved by the Board of Mayor and Aldermen of the Town of Farragut, that the ten day period between July 22, 2016 and July 31, 2016, be designated as a "Shop Farragut" promotional opportunity for business in the Town of Farragut.

This resolution is duly adopted by the Board of Mayor and Aldermen of the Town of Farragut on this 23rd day of June, 2016.

Dr. Ralph McGill, Mayor

Allison Myers, Town Recorder

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: David Smoak, Town Administrator

SUBJECT: Ordinance 16-11, on second reading, to adopt the annual budget of the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2016 and ending June 30, 2017

INTRODUCTION: The purpose of this agenda item is to approve Ordinance 16-11, on second and final reading, adopting the annual budget for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

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 FY2017 budget started in February 2016, 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 FY2017 budget: General Fund, Capital Investment Fund, State Street Aid Fund, Equipment Replacement, and Insurance Fund.

DISCUSSION: The proposed FY2017 General Fund budget is balanced and maintains all of the Town's current service levels. The following are changes that have been made from first to second reading:

Increases in Expenditures

- Increase of \$5,300 for the HVAC Annual Maintenance Contract.
- Increase of \$10,000 for the Farragut Municipal Code Recodification Services. The money for this will be moved from FY2016 to FY2017 to complete the project.
- Increase of \$600 for the AmeriCorps program.

Decrease in Expenditures

- Decrease in personnel cost of \$26,552, with the elimination of the part-time Sustainability Coordinator position.

No changes were made to any of the other funds.

Attached are the summary page and Ordinance 16-11 for the Board's review.

RECOMMENDATION BY: Town Administrator David Smoak for approval.

PROPOSED MOTION: To approve Ordinance 16-11, on second and final reading, to adopt the annual budget for the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

	FY2013-14	FY2014-15	FY2015-16	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Proposed</u>
BEGINNING FUND BALANCE	6,959,767	7,475,197	7,177,205	9,023,953	9,732,973
	FY2013-14	FY2014-15	FY2015-16	FY2015-16	FY2016-17
REVENUE	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Proposed</u>
Local Sales Tax	5,579,606	5,897,535	5,200,000	5,600,000	5,650,000
State Sales Tax	1,473,393	1,556,773	1,400,000	1,680,000	1,830,600
Hall Income Tax	413,993	427,423	375,000	926,774	375,000
Wholesale Beer, Liquor & Mixed D	1,192,129	1,245,044	1,090,000	1,148,000	1,090,000
Intergovernmental	615,784	645,129	553,400	640,570	604,580
Building Permits & Licenses	411,501	353,356	288,300	282,406	262,900
Recreation Fees	138,411	138,943	100,600	112,050	111,600
Traffic Enforcement Program & Fir	44,728	61,136	40,000	72,000	40,000
Rent	82,544	101,963	90,451	105,918	82,882
Miscellaneous	14,289	20,958	37,700	14,736	8,800
Total Revenue	9,966,378	10,448,260	9,175,451	10,582,454	10,056,362
	FY2013-14	FY2014-15	FY2015-16	FY2015-16	FY2016-17
EXPENDITURES	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Estimated</u>	<u>Proposed</u>
Legislative	38,647	44,172	61,150	61,150	61,150
Town Court	50,764	52,942	66,435	65,885	66,435
Administration	638,028	666,567	761,420	745,265	723,322
Human Resources	149,185	152,789	175,618	171,988	194,960
Information Technology	210,496	259,873	291,001	238,360	314,585
Engineering	592,280	577,997	753,837	710,167	703,537
Community Development	686,594	733,539	765,907	737,162	756,718
General Government	161,687	191,274	266,100	261,850	204,950
Parks & Leisure Services	813,677	787,281	1,017,037	1,017,037	1,005,728
Public Works	1,610,175	1,593,847	1,755,136	1,690,136	1,751,992
Non-Departmental	834,730	409,615	855,943	781,434	841,328
Economic Development	146,925	159,609	112,500	123,000	158,000
Total Expenditures	5,933,188	5,629,504	6,882,084	6,603,434	6,782,703
Revenue over (under) expenditure	4,033,190	4,818,756	2,293,367	3,979,020	3,273,659
Total Transfers In	903	0	0	0	0
Total transfers out	-3,470,000	-3,270,000	-3,270,000	-3,270,000	-3,348,253
Assigned Fund Balance	438,070	318,070	198,070	198,070	104,817
Unassigned Fund Balance	7,037,127	8,705,883	6,002,502	9,534,903	9,553,561
ENDING BALANCE	7,475,197	9,023,953	6,200,572	9,732,973	9,658,378
30% of Expenditure	1,779,956	1,688,851	2,064,625	1,981,030	2,034,811
AVAILABLE FUND BALANCE	5,305,834	7,017,031	3,937,877	7,553,873	7,518,750

ORDINANCE	16-11
PREPARED BY	Myers
1 ST READING	June 9, 2016
2 nd READING	June 23, 2016
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, 2016
AND ENDING JUNE 30, 2017.**

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 THEREFORE 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	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Local Sales Tax	5,897,553	5,600,000	5,650,000
State of Tennessee	1,556,773	1,680,000	1,830,600
Other Revenue	2,993,934	3,302,454	2,575,762
Transfer from Other Funds	0	0	0
Fund Balance			\$7,496,903

State Street Aid	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
State Gasoline & Motor Fuel	542,193	540,000	632,800
Other Revenue	720	500	500
Transfer from General Fund	120,000	120,000	93,253
Fund Balance			\$684,964

Equipment Replacement Fund	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Other Revenue	485	37,350	350
Transfer from General Fund	150,000	150,000	150,000
Fund Balance			\$697,244

Insurance Fund	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Interest	94	129	80
Transfer from General Fund	100,000	0	0
Fund Balance			\$99,876

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

General Fund	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Personnel	3,598,930	3,855,004	3,976,214
Operating Expenditures	2,030,574	2,756,430	2,806,489
Operating Transfers	3,270,000	3,270,000	3,348,253
Total Appropriations	5,629,504	6,611,434	6,782,703
Total Transfers	3,270,000	3,270,000	3,348,253

State Street Aid	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Road Maintenance	607,954	1,146,000	688,000
Total Appropriations	607,954	1,146,000	688,000

Equipment Replacement Fund	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Major Equipment	92,499	140,500	119,000
Total Appropriations	92,499	140,500	119,000

Insurance Fund	FY2014-15	FY2015-16	FY2016-17
	<u>Actual</u>	<u>Estimated</u>	<u>Projected</u>
Retirement Benefit	100,000	0	0
Total Appropriations	100,000	0	0

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

General Fund	\$7,543,473
CIP Fund	\$12,615,645
State Street Aid	\$646,411
Equipment Fund	\$665,894
Insurance Fund	\$99,796

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%) Beginning FY2015	\$250,000	3,750	\$253,750

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

<u>Proposed Capital Projects</u>	Proposed Amount Financed by Appropriations
Land Acquisition	500,000
Pedestrian/Greenway Connectors	100,000
Old Stage to Everett Greenway Connector	330,000
Everett Rd/I-40 Greenway TDOT ROW	80,000
HVAC Replacement	130,000
Campbell Station Inn, Note Payable	253,750
McFee Park Expansion	300,000
MBLP Improvements (turf fields)	1,180,000
Watt Rd/KP Intersection Improvements	75,000
Union Road Improvements	400,000
Kingston Pike/CSR Intersection Improvements	300,000
Old Stage/Watt Road Extension	50,000
Outstanding Projects	4,088,726
Total Project Costs	\$7,787,476
<u>Funding Sources</u>	
STP Funding (Everett Road/I-40 Greenway)	80,000
STP Funding (KP/Campbell Station Int. Improvements)	240,000
LPRF Grant	500,000
Interest Earnings	9,000
Transfer from GF Building Fund	105,000
Transfer from General Fund	3,000,000
Land Acquisition Reserves	253,750
CIP Reserves	3,599,726
Total Funding Sources	\$7,787,476

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, 2016, the public welfare requiring it.

Dr. Ralph McGill, Mayor

Allison Myers, Town Recorder

REPORT TO THE BOARD OF MAYOR AND ALDERMEN**PREPARED BY:** Mark Shipley, Community Development Director**SUBJECT:** Ordinance 16-10, an ordinance to rezone a portion of Parcel 59.07, Tax Map 152, located at 11739 Turkey Creek Road, approximately 13.706 Acres, from R-1 to R-3 (SITE, Inc., Applicant)

INTRODUCTION AND BACKGROUND: The property that is the subject of this rezoning is situated to the west of the Briarstone Subdivision and across from Anchor Park on the north side of Turkey Creek Road. Though it is not part of this rezoning request, the northern portion of this parcel contains one dwelling unit which is accessed via a long gravel driveway which also provides access to the Scarbrough tract to the west. The southern portion of this parcel, which is included in the rezoning request, contains a 100 foot overhead utility line easement.

DISCUSSION: The applicant is requesting to rezone a portion of Parcel 59.07 to R-3, Small Lot Single-Family Residential. The R-3 District provides for a minimum lot size of 8,500 square feet. It also requires a planted buffer strip around the side and rear periphery of the tract. In terms of the requested rezoning and adherence to the Comprehensive Land Use Plan (CLUP), the property in question is shown on the future land use map as Medium Density Residential (6-12 dwelling units per acre). Also included in the Medium Density Residential area on the future land use map is the Briarstone Subdivision to the east and north. Though, Briarstone is zoned R-1/OSMR, the lot size and building form in Briarstone is very similar to an R-3 development. The R-1/OSMR does not have a minimum lot size. When the property where Briarstone is situated was requested for a rezoning, the staff and commission felt that the smaller lot layout typical for an R-1/OSMR was not inconsistent with the land use description for a Medium Density Residential land use. The staff would also apply this interpretation to the R-3 Zoning District.

Though not necessarily applicable to the rezoning, should the property be rezoned and a subdivision plat submitted, the staff will recommend a connection to the Briarstone Subdivision which could be initiated with the development of the Scarbrough property. This has been discussed with the applicant and they are aware of the need to provide connectivity from both a land use efficiency perspective and to fulfill the requirement for a secondary means of access for emergency service purposes.

The Planning Commission reviewed this rezoning request as a workshop item in April. A number of points were discussed. A traffic impact study was not required since much of Turkey Creek Road was improved a few years ago. Any access for the development of this property would likely be required to line up with the Anchor Park access and a deceleration lane will also be recommended at that time.

RECOMMENDATION BY: The Planning Commission voted unanimously to recommend approval of Ordinance 16-10 subject to a metes and bounds description of the area to be rezoned and to a density cap of no more than 35 houselots.

PROPOSED MOTION: To approve Ordinance 16-10 on first reading

BOARD ACTION:

MOTION BY: _____ **SECONDED BY:** _____

<u>VOTE/TOTAL</u>	<u>LAMARCHE</u>	<u>MARKLI</u>	<u>PINCHOK</u>	<u>POVLIN</u>	<u>MCGILL</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE: 16-10
PREPARED BY: Shipley
REQUESTED BY: Site Incorporated
CERTIFIED BY FMPC: May 19, 2016
PUBLIC HEARING:
PUBLISHED IN:
DATE:
1ST READING:
2ND READING:
PUBLISHED IN:
DATE:

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE, ORDINANCE 86-16, AS AMENDED, PURSUANT TO SECTION 13-4-201, TENNESSEE CODE ANNOTATED.

BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Zoning Ordinance, Ordinance 86-16, as amended, is hereby amended as follows:

SECTION 1.

The Farragut Zoning Ordinance, Ordinance 86-16, as amended, is hereby amended by rezoning a portion of Parcel 59.07, Tax Map 152, located at 11739 Turkey Creek Road, approximately 13.706 acres, from R-1 (Rural Single-Family Residential) to R-3 (Small Lot Single-Family Residential) (Exhibits A and B).

SECTION 2.

This ordinance shall take effect from and after its final passage and publication, the public welfare requiring it.

Dr. Ralph McGill, Mayor

Allison Myers, Town Recorder

Certified to the Farragut Board of Mayor and Aldermen this ____ day of _____, 2016, with approval recommended.

Rita Holladay, Chairman

Edwin K. Whiting, Secretary

FARRAGUT MUNICIPAL PLANNING COMMISSION



LIVE CLOSER • GO FURTHER
farragut

**Ordinance 16-10
Exhibit A**

Rezone
a portion of Parcel 59.07, Tax Map 152

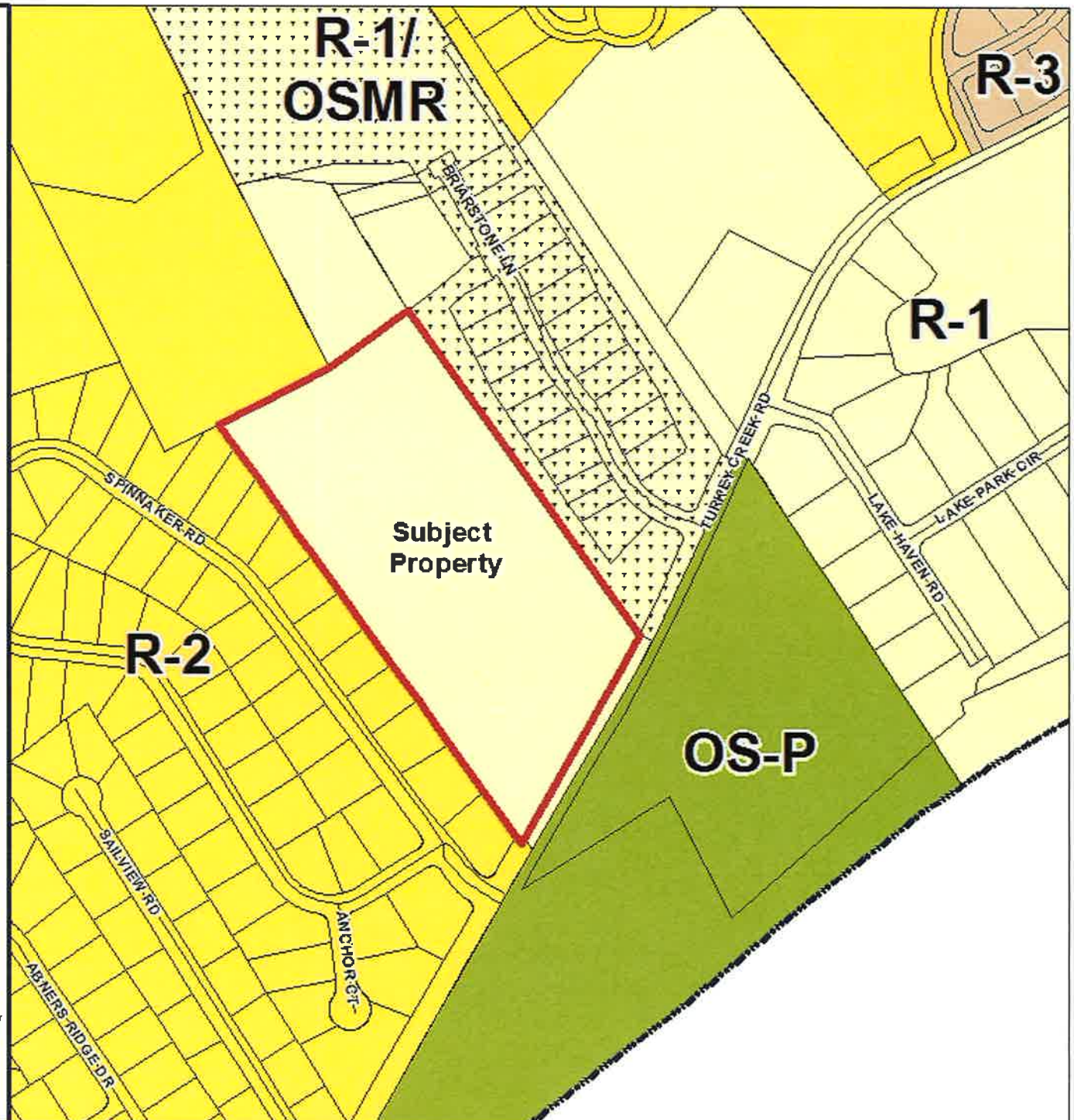
From
Rural Single Family
Residential (R-1)
to
Small Lot Single Family
Residential (R-3)

Legend

-  Smith Property
-  Parcels
-  Town Limit
-  Streets
-  OS-P, Open Space/Park
-  R-1, Rural Single-Family Residential
-  R-2, General Single-Family Residential
-  R-3, Small Lot Single-Family Residential
-  OSMR, Open Space Mixed Residential Overlay



1 in = 350 ft





STEEL
INCORPORATED

Civil Engineers • Surveyors
Suite 304
Knoxville, TN 37932
Fax (605) 777-4189
Phone (605) 777-4160

10215 Technology Drive, Suite 304
Knoxville, TN 37932
Phone (605) 777-4160

EXHIBIT

GEORGE W. & PATRICIA H. SMITH

DATA ENTRY BY: _____	MJD _____	DATE _____ 05/31/16
CHECKED BY: _____	LTD _____	FILE# _____
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NO.	DATE	COMMENTS
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EXBT



RESOLUTION PC-16-07

FARRAGUT MUNICIPAL PLANNING COMMISSION

A RESOLUTION TO APPROVE AN AMENDMENT TO THE FARRAGUT ZONING MAP, ORDINANCE 86-16, TO RECOMMEND THE APPROVAL OF THE REZONING OF A PORTION OF PARCEL 59.07, TAX MAP 152, LOCATED AT 11739 TURKEY CREEK ROAD, APPROXIMATELY 13.706 ACRES, FROM R-1 (RURAL SINGLE-FAMILY RESIDENTIAL) TO R-3 (SMALL LOT SINGLE-FAMILY RESIDENTIAL)

WHEREAS, the Tennessee Code Annotated, Section 13-4-201et seq, provides that the Municipal Planning Commission shall make and adopt a general plan for the physical development of the municipality; and

WHEREAS, the Farragut Municipal Planning Commission has adopted various elements of a zoning plan as an element of the general plan for physical development; and

WHEREAS, a public hearing was held on this request on May 19, 2016;

NOW, THEREFORE, BE IT RESOLVED that the Farragut Municipal Planning Commission hereby recommends approval to the Farragut Board of Mayor and Aldermen of an ordinance, amending Ordinance 86-16, of the Farragut Zoning Ordinance, by adding Ordinance 16-10.

ADOPTED this 19th day of May, 2016.

Rita Holladay, Chairman

Edwin K. Whiting, Secretary