

FARRAGUT BOARD OF MAYOR AND ALDERMEN
AGENDA
May 28, 2020

BMA MEETING
7:00 PM

- I. Roll Call**
- II. Approval of Agenda**
- III. Mayor's Report**
- IV. Approval of Minutes**
 - A. May 14, 2020
- V. Business Items**
 - A. Approval of Contract for Information Technology Managed Service Provider
 - B. Approval of Contract 2020-19, Sidewalk Curb Ramp Improvements
- VI. Ordinances**
 - A. First Reading
 - 1. Ordinance 20-07, Ordinance to Establish the Fiscal Year 2021 Budget for the General Fund, State Street Aid Fund, Capital Investment Fund, ADA Fund, Equipment Replacement Fund, Tourism Fund and Insurance Fund budgets of the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2020 and ending June 30, 2021
 - B. Public Hearing & Second Reading
 - 1. Ordinance 20-05, Ordinance to amend Title 5, Chapter 1. Hotel/Motel Tax, by amending the effective date of Ordinance 12-01
- VII. Town Administrator's Report**
- VIII. Town Attorney's Report**
- IX. Citizens Forum**

This meeting can be viewed live on Charter channel 193 and TDS channel 3. No public access to Town Hall due to Governor Lee's orders and the Knox County Health Department's orders regarding the COVID-19 pandemic. Meeting comments, including your name and address, may be emailed to comments@townoffarragut.org and must be received by 12:00pm on May 28 to be included in the record of the meeting.

FARRAGUT BOARD OF MAYOR AND ALDERMEN

May 14, 2020

Minutes

Mayor Williams called the meeting to order at 7:00 PM. Roll Call for attendance: Aldermen Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Mayor Williams, yes; in addition to staff and members of the press. The meeting was held via WebEx Governor Lee's orders and the Knox County Health Department's orders regarding the COVID-19 pandemic.

Approval of Agenda

Motion was made to approve the agenda as presented. Motion was made to approve the agenda as presented. Moved by Alderman Povlin, seconded by Alderman Pinchok; Roll call vote: Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Aldermen Burnette, yes; Mayor Williams, yes; no nays; motion passed.

Mayor's Report

The Mayor signed both the Building Safety Month Proclamation and Parks to Kids Day Proclamation.

Approval of Minutes

Motion was made to approve the minutes of April 23, 2020 as presented. Motion was made to approve the agenda as presented. Moved by Alderman Pinchok, seconded by Alderman Povlin; Roll call vote: Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Aldermen Burnette, yes; Mayor Williams, yes; no nays; motion passed.

Business Items

Approval of Resolution R-2020-04, Resolution for the Governor's Local Support Grant

Motion was made to approve Resolution R-2020-04. Moved by Alderman Povlin, seconded by Alderman Pinchok; Roll call vote: Alderman Pinchok, yes; Alderman Povlin, yes; Aldermen Burnette, yes; Alderman Meyer, yes; Mayor Williams, yes; no nays; motion passed.

Approval of Resolution R-2020-05, Resolution Concerning 5G Wireless Facilities

Motion was made to approve R-2020-05. Moved by Alderman Pinchok, seconded by Alderman Meyer. Wayne Hyder, 11404 Gates Mill and John Hoffman, 11341 Gates Mill submitted questions and suggestions for the board concerning the resolution. After some discussion the board made a motion to defer this item to the end of the business items to give the Town Attorney some time to make changes to the resolution. Moved by Alderman Povlin, seconded by Alderman Pinchok; Roll call vote: Alderman Povlin, yes; Aldermen Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Mayor Williams, yes; no nays; motion passed.

The board thanked Tom Hale, Town Attorney, for the revisions made to Resolution R-2020-05. Motion was made to approve the revisions to the resolution. Moved by Alderman Povlin, seconded by Alderman Pinchok; Roll call vote: Alderman Povlin, yes; Aldermen

Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Mayor Williams, yes; no nays; motion passed.

Roll call vote was taken on Resolution R-2020-05 as amended. Roll call vote: Alderman Pinchok, yes; Alderman Povlin, yes; Aldermen Burnette, yes; Alderman Meyer, yes; Mayor Williams, yes; no nays; motion passed.

Approval of Bids for Contract 2020-18, Grigsby Chapel Road Pedestrian Crossing Improvements

Motion was made to approve Contract 2020-18 to Stansell Electric, Inc in the amount of \$40,120.99. Moved by Alderman Povlin, seconded by Alderman Meyer; Roll call vote: Aldermen Burnette, yes; Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Mayor Williams, yes; no nays; motion passed.

Approval of First Amendment to Professional Services Agreement with Civil & Environmental Consultants, Inc. (CEC) for Engineering Services related to Stormwater Infrastructure Repairs

Motion was made to approve the First Amendment to Professional Services Agreement with Civil & Environmental Consultants. Moved by Alderman Pinchok, seconded by Alderman Meyer; Roll call vote: Alderman Meyer, yes; Alderman Pinchok, yes; Alderman Povlin, yes; Aldermen Burnette, yes; Mayor Williams, yes; no nays; motion passed.

The Board returned to the agenda item concerning the 5G Wireless Facilities

Ordinances

Ordinance 20-05, Ordinance to amend Title 5, Chapter 1. Hotel/Motel Tax, by amending the effective date of Ordinance 12-01

Motion was made to approve Ordinance 20-05 on first reading. Moved by Alderman Povlin, seconded by Alderman Burnette; Roll call vote: Alderman Pinchok, yes; Alderman Povlin, yes; Aldermen Burnette, yes; Alderman Meyer, yes; Mayor Williams, yes; no nays; motion passed.

Town Administrator's Report

David Smoak, Town Administrator, reported that the town employees are still working and if citizens need anything, they can call the Town Hall.

Citizens Forum

Laura Squires submitted questions concerning the 5G tower applications.

Meeting adjourned at 8:29PM.

Ron Williams, Mayor

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Joe LaCroix, IT Manager & Trevor Hobbs, Assistant to the Town Administrator

SUBJECT: Approval of Contract for Information Technology Managed Service Provider

INTRODUCTION: The purpose of this agenda item is to consider awarding a contract for a vendor to perform as an information technology managed service provider to include hosting of servers, data storage, data retention/recovery, security infrastructure, Voice over IP phones, and networking services (not a comprehensive list).

BACKGROUND: The Town has had a managed service provider for many years with contracts negotiated every three to five years. In this contract cycle the Town decided to open the contract to bidding from outside vendors.

DISCUSSION: The Information Technology Manager published a Request for Proposals on October 15, 2019 to solicit proposals for a Managed Services Provider (MSP). The MSP would work with the Town of Farragut (the Town) in critical roles relating to several distinct facets of the Information Technology infrastructure. The Town asked the vendor to discuss a range of issues in detail and to submit their proposals by November 22, 2019.

Currently, the Town is partnered with C Spire, a vendor that has held the roll of MSP for the Town for many years. The contract with C Spire has expired but we have an ongoing relationship as set forth in the contract on a month to month basis.

Eight vendors attended a mandatory pre-bid meeting to discuss requirements and answer questions pertaining to the proposals that would be submitted. Five vendors submitted proposals for evaluation. Through the evaluation process, two vendors provided excellent proposals that were clearly superior to the other vendor proposals yet somewhat divergent in the delivery models.

By applying the Town's unique set of requirements, staff has determined the appropriate vendor is SH Data Technologies. The 36-month contract, beginning May 29, 2020, with SH Data will cost \$112,182.72 for each fiscal year, FY2021, FY2022 and FY2023. In Fiscal Year 2019 the managed data services and phone maintenance costs were \$137,200. The integration of the data management and cloud-based phone system will cost less than what the Town is currently paying.

FINANCIAL SECTION:

<u>Total Budget</u>	<u>Contracted Amount</u>	<u>Remaining Amount</u>
\$113,000	\$112,182.72	\$817.28
<u>Approved By: A. Myers</u>		

RECOMMENDATION BY: IT Manager Joe LaCroix for approval.

PROPOSED MOTION: To approve the Contract with SH Data for Information Technology Managed Service.

BOARD ACTION:

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

<u>VOTE/TOTAL</u>	<u>BURNETTE</u>	<u>MEYER</u>	<u>PINCHOK</u>	<u>POVLIN</u>	<u>WILLIAMS</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

CONTRACT FOR SERVICES AND/OR PRODUCTS

THIS CONTRACT FOR SERVICES AND/OR PRODUCTS (herein “**Contract**”) is made and entered into the 28 day of May, 2020 by and between the TOWN OF FARRAGUT, TENNESSEE , a municipal corporation, (herein the “**Town**”) and SH Data Centers, LLC, a Tennessee limited liability company d/b/a SH Data Technologies (herein the “**Contractor**”).

WITNESSETH:

WHEREAS, the TOWN desires to contract with a provider for the purchase and installation of professional information technology services (herein the “**Contract Items**”), and

WHEREAS, the CONTRACTOR has the requisite experience, abilities and resources to perform and/or furnish the foregoing, and

WHEREAS, the CONTRACTOR desires to enter into the Contract as an independent contractor and is ready, willing and able to provide the services and/o furnish the products n accordance with the terms of and subject to the conditions in this Contract.

NOW, THEREFORE, for good and valuable consideration, received or to be received, the sufficiency of which the parties acknowledge, the parties agree as follows:

1.0 SCOPE OF CONTRACT

The CONTRACTOR is to furnish the services and/or products as specified in the Invitation to Bid issued by the Town and any amendments thereto. The Invitation to Bid and any amendments hereto are attached hereto as **Exhibit “A”** and incorporated by reference herein and made part hereof. Unless otherwise specified herein, the CONTRACTOR is to furnish all materials, tools, equipment, manpower, and consumables necessary to complete the Contract Items.

2.0 TERM OF CONTRACT

The period of this Contract shall be for 36 months, beginning on May 29, 2020 and ending May 28, 2023. Additional terms of the contract.

3.0 COMPENSATION

3.01 Amount of Compensation. The CONTRACTOR agrees to provide the services, equipment and products as specified in its bid to the TOWN at the cost specified in said bid and amendments, if any, the bid and any amendments thereto being attached hereto as **Exhibit “B”** and

incorporated by reference herein and made a part hereof. The amount as specified in **Exhibit "B"** may be increased or decreased by the TOWN under section 4.00 of this contract ("Additional Services"), through the issuance of an Addendum. Any prices specified in this Contract or an Addendum thereto will remain in effect for the term of this Contract or any extensions thereof.

- 3.02 Payments of Compensation. All invoices received by the TOWN are payable within thirty (30) days from receipt, provided they have first been approved by the TOWN department that is the beneficiary of the Contract Items, and such department has accepted the Contract Items. The TOWN reserves the right to partially pay any invoice submitted by the CONTRACTOR when requested to do so by the TOWN department that is the beneficiary of the Contract Items. All invoices shall be directed to the Accounts Payable Department, Town of Farragut, 11408 Municipal Center Drive, Farragut, TN 37934. In the event any Contract Items are deemed unacceptable, the TOWN'S representative shall notify the CONTRACTOR of the deficiencies in writing and the TOWN may withhold payment until the deficiencies are corrected to the satisfaction of the TOWN, such determination to be made in the sole and absolute discretion of the TOWN. All invoices must clearly indicate the Invitation to Bid number.

4.0 ADDITIONAL SERVICES

In the event the TOWN requests that the CONTRACTOR perform additional services and/or furnish additional products not covered by this Contract, the CONTRACTOR shall perform such additional services after the TOWN and the CONTRACTOR enter into an equitable agreement regarding the additional services and/or products.

5.0 NOTICE TO PROCEED

The CONTRACTOR shall commence to perform and/or furnish the Contract Items called for under this Contract upon the written Notice to Proceed by the TOWN.

6.0 CONFLICT OF INTEREST

The CONTRACTOR declares that neither the Mayor, nor any Aldermen, nor any other TOWN official or employee holds a direct or indirect interest in this Contract. The CONTRACTOR pledges that it will notify the TOWN in writing should any TOWN official become either directly or indirectly interested in the

Contract. The CONTRACTOR declares that as of the date of this declaration that it has not given or donated or promised to give or donate, either directly or indirectly, to any official or employee of the TOWN, or to pay anyone else for the benefit of any official or employee of the TOWN any sum of money or other thing of value for aid or assistance in obtaining this Contract. The CONTRACTOR further pledges that neither it nor any of its owners, officers or employees will give or donate or promise to give or donate, directly or indirectly, to any official or employee of the TOWN or anyone else for the benefit thereof any sum of money or other thing of value for aid or assistance in obtaining any change order to this Contract.

7.0 COMPLIANCE WITH LAWS

The CONTRACTOR agrees to observe and to comply at all times with all applicable Federal, State, and local laws, ordinances and regulations in any manner affecting the provision of the Contract Item and to comply with all instructions and orders issued by the TOWN regarding the Contract Items.

8.0 TERMINATION

Upon thirty (30) days written notice, with or without cause, the TOWN may terminate this Contract. Following such termination, the TOWN and the CONTRACTOR shall agree upon an amount of payment for all Contract Items properly performed or furnished prior to the effective date of termination.

9.0 WARRANTY

The CONTRACTOR warrants that the Contract Items, including any equipment and products provided shall: in the case of services (i) conform to all applicable standards of care and practice in effect at the time of service is performed; (ii) be of the highest quality; and (iii) be free from all faults, defects or errors; and in the case of products meet the specifications in the Invitation to Bid. The CONTRACTOR warrants that all equipment and products provided shall be furnished to the TOWN in good and working condition. If the CONTRACTOR is notified in writing by the TOWN of any faulty Contract Items furnished by the CONTRACTOR, the CONTRACTOR shall, at the TOWN'S option, either" (i) perform again the relevant Contract Items to correct such fault, defect or error, at no additional cost of the TOWN; or (ii) refund to the TOWN the charge paid by the TOWN which is attributable to such portions of the faulty, defective or erroneous Contract Items, including any costs for re-provision of the relevant Contract Items by other contractors. The CONTRACTOR warrants that all

products provided by the CONTRACTOR shall be merchantable, be fit for the purpose intended and shall meet the specifications in the Invitation to Bid. The CONTRACTOR shall be liable for secondary, incidental or consequential damages of any nature resulting from any work performed under this Contract.

10.0 FORCE MAJEURE

The obligations of CONTRACTOR hereunder are subject to and shall be excused in the events of riots, wars, and Acts of God.

11.0 INSURANCE

11.01 Comprehensive General Liability Insurance. The CONTRACTOR, at its own expense, shall keep in force and at all times maintain during the term of this Contract Comprehensive General Liability Insurance issued by a responsible insurance company and in a form acceptable to the TOWN, coverage for CONTRACTOR on an occurrence basis against claims for bodily injury, death or property damage with combined single limits of not less than One Million Dollars (\$1,000,000) for Bodily Injury and Property Damage.

11.02 Automobile Liability Insurance. The CONTRACTOR, at its own expense, shall keep on force and at all times maintain during the term of this Contract Automobile Liability coverage in the minimum amount of Five-Hundred Thousand Dollars (\$500,000) combined single limits for Bodily Injury and Property Damage.

11.03 Workers' Compensation Coverage. The CONTRACTOR, at its own expense, shall keep in force and at all times maintain during the term of this Contract full and complete Workers' Compensation Coverage as required by State of Tennessee law.

11.04 Certificate of Insurance. The CONTRACTOR shall provide the TOWN with Certificates of Insurance on all the policies of insurance and renewals thereof in forms acceptable to the TOWN. Said Comprehensive General Liability policy shall provide that the TOWN be an additional insured. The TOWN shall be notified in writing of any reduction, cancellation or substantial change of said policy or policies at least thirty (30) days prior to the effective date of said action. All insurance policies shall be issued by responsible companies who are acceptable to the TOWN and licensed and authorized to do business under the laws of the State of Tennessee.

12.0 CLAIMS, LIABILITY AND INDEMNITY

The CONTRACTOR shall assume all risk in connection with the performance of this Contract and shall be liable for any damages to persons or property resulting from the negligent or willful acts, errors, or omissions of the CONTRACTOR, its agents, servants, and/or employees in connection with the prosecution and completion of the Contract Items covered by this Contract. The CONTRACTOR agrees that it will indemnify and hold the TOWN and its employees harmless from all claims of any type and for any expenses and costs including attorney's fees and court costs which may be incurred by the TOWN arising from the negligent or willful acts, errors and omissions of the CONTRACTOR, its agents, servants and/or employees in the performance of this Contract, and the CONTRACTOR will carry sufficient general liability insurance to provide the above indemnification. The indemnities set forth herein shall survive the expiration or termination of the Contract

13.0 ATTORNEY'S FEES

If any legal action or other proceeding is brought for the enforcement of this Contract or because of any alleged dispute, breach, default, or misrepresentation in connection with any provisions of the contract and the TOWN is successful therein, the TOWN shall be entitled to recover from the CONTRACTOR reasonable attorney's fees, court costs and all expenses even if not taxable or assessable as court costs (including, without limitation, all such fees, costs and expenses incident to appeal) incurred in that action or proceeding in addition to any other relief to which the TOWN may be entitled.

14.0 EQUAL EMPLOYMENT OPPORTUNITY

- 14.01 Non-discrimination. In carrying out the Contract Items under this Contract, the CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, creed, color, national origin or sex. The CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, national origin, age, sex or disability. Such action shall include, but not limited to the following: employing; upgrading; demoting; transferring; recruiting or paying recruitment compensation; and selecting for training, including apprenticeship.
- 14.02 Posting and Advertising. The CONTRACTOR agrees to post in conspicuous spaces available to employees and applicants for employment a notice

setting forth the provisions of the non-discrimination clause contained in Paragraph 14.01 hereinabove. The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of, the CONTRACTOR, state that all qualified applicants shall receive consideration for employment without regard to race, creed, color, national origin or sex. The CONTRACTOR shall incorporate the foregoing requirements of this Paragraph 14.02 in all subcontracts, if any, for services or products covered by this Contract.

15.0 TRANSFER, ASSIGNMENT OR SUBLETTING

This Contract shall not be transferred or assigned or sublet without prior written consent of the TOWN.

16.0 SAFETY MEASURES

The CONTRACTOR shall take all necessary precautions for the safety of the TOWN'S and CONTRACTOR'S employees and the general public and shall erect and properly maintain at all times all necessary vehicular and facility safeguards for the protection of workmen and the public. If necessary, the CONTRACTOR shall post signs warning against hazards in and around the site where the CONTRACTOR is furnishing Contract Items.

17.0 FAMILIARITY WITH THE CONTRACT ITEMS

The CONTRACTOR, by executing this Contract, acknowledges full understanding of the extent and character of the Contract Items required and the conditions surrounding the provisions thereof. The TOWN will not be responsible for any alleged misunderstanding of the Contract Items to be furnished or completed, or any misunderstanding of conditions surrounding the performance thereof. It is understood that the execution of this Contract by the CONTRACTOR serves as the CONTRACTOR'S stated commitment to fulfill all the conditions referred to in this Contract.

18.0 ENTIRE AGREEMENT

This Contract and all exhibits hereto constitute the entire agreement and understanding between the parties relating to the subject matter herein and shall not be modified, altered, changed or amended unless in writing and signed on behalf of the parties. Each and every modification and amendment of this Contract must be in writing and signed by all parties hereto. Each and every waiver of any covenant, representation, warranty, or other provision of the

Contract must be in writing and signed by each party whose interest is adversely affected by such waiver. No waiver granted in any one instance shall be construed as a continuing waiver applicable in any other instance.

19.0 PERMITS, LICENSES AND CERTIFICATES

The CONTRACTOR is to procure all permits, licenses, and certificates, or any such approvals of plans or specifications as may be required by federal, state and local laws, ordinances, rules and regulations, for the proper execution and completion of the Contract Items under this Contract.

20.0 FIRE, THEFT, LOSS

The CONTRACTOR is responsible for all damage or loss by fire, theft or otherwise to materials, tools, equipment, and consumables left on TOWN property by the CONTRACTOR.

21.0 CONTRACTING AUTHORITY

The persons executing this Contract on behalf of the TOWN and the CONTRACTOR hereby personally represent and warrant to all other parties that they have been duly authorized to execute and deliver this Contract.

22.0 GOVERNING LAW

This Contract is being executed and delivered and is intended to be performed in the State of Tennessee, and the laws (without regard to principles or conflicts of law) of such state and of the United States of America shall govern the rights and duties of the parties hereto in the validity, construction, enforcement and interpretation hereto. Any litigation brought with respect to this Contract shall be brought in a court of competent jurisdiction in Knox County, Tennessee and the CONTRACTOR hereby consents to the jurisdiction of such courts.

23.0 OPPORTUNITY FOR REVIEW

Each party has received and had the opportunity to review this Contract, and each party has had the opportunity, whether exercised or not, to have each respective party's attorneys review this Contract; and, accordingly, the normal rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Contract.

24.0 SECTION HEADINGS

The section headings contained in this Contract are for convenience of reference purposes only and are not intended to qualify the meaning of any section and shall not affect the interpretation of this Contract.

25.0 NOTICES

All notices, demands, and requests required or permitted by this contract shall be in writing and shall be sent by facsimile transmission, air and other courier, or hand delivery as follows:

(i) To: Town of Farragut
11408 Municipal Center Drive
Farragut, TN 37934

(ii) To: Contractor
Contractor Address

Any notice, demand, or request sent by facsimile transmission shall be deemed given for all purposes under this Contract when properly transmitted by telecommunication device. Any notice, demand, or request which is hand delivered or sent by air or other courier shall be deemed given for all purposes under this Contract when received.

Any party to this Contract may change such party's address and/or telecopier number for the purposes of notices, demands, and requests required or permitted under this Contract by providing written notice of such change of address to all of the parties, which change of address shall only be effective when notice of the change is actually received by the party who thereafter sends any notice, demand or request.

26.0 SEVERABILITY

If any provision of this Contract is held to be unlawful, invalid or unenforceable under present or future laws effective during the terms hereof, such provision shall be fully severable and this Contract shall be construed and enforced as if such unlawful, invalid, or unenforceable provision were not contained herein by its severance herefrom. In addition, in lieu of such unlawful, invalid or unenforceable provision, there shall be added automatically as a part hereof a provision as similar in terms to such unlawful, invalid, or unenforceable provisions as may be possible and may be lawful, valid or enforceable. Furthermore, if any provision of this Contract is capable of two constructions,

one of which would render the provision void and the other which would render the provision valid, then the provision shall have the meaning which renders it valid.

27.0 NO CONSENT TO BREACH

No consent or waiver, express or implied, by any party to this Contract to or of any breach or default by the other party to this Contract in the performance by such other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default of the same or any other obligations hereunder. Failure on the part of any party to this Contract to complain of any act or failure to act of any other party to this Contract, or to declare such party in default, irrespective of how long such failure continues, shall not constitute a waiver by the non-defaulting party of its rights hereunder.

28.0 OTHER INSTRUMENTS

The parties shall execute and deliver all other appropriate supplemental agreements and other instruments and take any other action necessary to make this Contract fully and legally effective, binding and enforceable as between the parties and as against third parties. Without limiting the foregoing, and notwithstanding any provision herein to the contrary, this Contract shall be superseded by Contractor's "SH Data IT Proposal Cost" and Master Services Agreement referenced therein, which shall be negotiated and executed by Contractor and Town prior to Contractor providing any services for Town; provided, however, that Section 6 of this Contract shall survive notwithstanding any such subsequent agreement of the parties.

[Signatures to follow on next page]

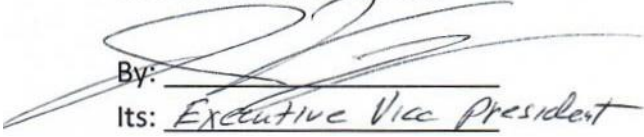
WITNESS THE DUE EXECUTION HEREOF.

**TOWN OF FARRAGUT,
TENNESSEE**

By: _____
Ron Williams, Mayor

ATTEST:
By: _____
Town Recorder/Treasurer

**CONTRACTOR
SH DATA TECHNOLOGIES**

By: 
Its: Executive Vice President

CONTRACTOR'S Mailing Address
550 Fort Summit Way
Knoxville, TN 37915

865-770-5920



**REQUEST
FOR
PROPOSALS**

INFORMATION TECHNOLOGY MANAGED SERVICES

FOR THE TOWN OF FARRAGUT, TENNESSEE

**Town Point of Contact:
Information Technology Manager
Joe LaCroix**

Published: October 15, 2019

PREFACE

In accordance with Tennessee Code Annotated § 12-4-106, The Town of Farragut, Tennessee will receive sealed proposals for information technology services from qualified firms until 3pm Friday November 22, 2019.

Proposals will be evaluated and ranked based upon qualifications, location of permanent staffed office, innovation, experience with municipal clientele, corporate solvency, cost and any additional factor or factors deemed relevant and beneficial by the Town for the procurement of the services.

The Town *desires* to enter into a fixed, per year lump-sum service agreement; however, responding firms should feel free to propose any viable solution/formula. “Qualified firm” for this particular project means an incorporated private entity, legally able to work in Tennessee, and whose principal business is to provide information technology services by contract.

INVITATION

The Town of Farragut (herein referred to as the “Town”) will receive digitally transmitted, sealed proposals from qualified firms for **INFORMATION TECHNOLOGY SERVICES**. SEE Section 6 for submission methods.

Questions? contact Joe LaCroix, Information Technology Manager jlacroix@townoffarragut.org.

All proposals must be received by **3:00 p.m. on Friday November 22, 2019**.

OVERVIEW

THE TOWN OF FARRAGUT, TN (www.townoffarragut.org)

Named after Admiral David Glasgow, The Town of Farragut incorporated on January 16, 1980. The citizens of the newly formed Town elected its first Board of Mayor and Aldermen that spring on April 1, 1980. Development and expanding population (~20,000) coupled with a stable but somewhat overloaded team of Town employees has created the need for creative and efficient service delivery.

The Town organization consists of five departments (Administration, Parks and Leisure Services, Engineering, Community Development, and Public Works) with a total number of 50-60 employees; approximately 35 of those employees will be IT/network “users”. The Town organization *does not* include police, fire, billing utilities, or tax assessment. The Town is currently served by CSpire Business (SEE Existing Town Infrastructure and Services).

Along with meeting the ever-evolving demand for services, the development of parks, green space, pedestrian links, and leisure opportunities have all played key roles in making this an exceptional community. We desire to contract with a reputable, professional IT firm to ensure our internal and external service delivery is exceptional as well.

KEY ITEMS TO REMEMBER WHEN RESPONDING

Submitting a proposal implies acceptance of all conditions related to the RFP. All proposals are public records to the extent required by the Tennessee Open Records Act. The Town of Farragut reserves the right to accept or reject any or all proposals, to waive informalities, to negotiate changes in the scope of work or services to be provided and to otherwise waive or amend any portions of this request. The point of contact for the Town throughout the proposal process and through the execution of the contract shall be Joe LaCroix, Information Technology Manager. The consultant will be expected to work closely with the Information Technology Manager and selected Town personnel.

INSTRUCTIONS

1. **Intent:** It is intended that this request for proposals shall define and describe key elements in both broad conceptual terms and in technical detail. The Town would prefer the candidate firms respond with the best possible solution which is most advantageous to the Town *while* pursuing the benchmark best practices of e-governance in local government. Proposals should be drafted in such a fashion that a non-technical person can understand its content. Proposals should be a combination of both narrative and itemized detail. Proposals should be drafted in a sequence that corresponds to the elements of this RFP. Proposals should be clear and concise.

2. **Examination:** Firms are advised to examine all documents, attachments, and descriptions of the services in order to become fully informed as to their conditions. This includes conformity with specific standards and the character, quality and quantity of the services provided. Failure to examine these areas will not relieve the firm of its obligation to furnish all products and services necessary to carry out the provisions of the contract. Responding firms will be given an opportunity to review this document and ask questions of the Town prior to submitting.

3. **Selection of Firm:** Contract negotiations will commence with the firm that, in the Town's opinion, is the most qualified, cost effective, responsible, and most advantageous to the Town based on the proposal's cogency to municipal e-governance. See Section E for evaluation criteria.

4. **Responsiveness:** The Town will consider the degree to which each firm has submitted a complete proposal without irregularities, exclusions, special conditions, or alternative proposals for any item unless specifically permitted in the RFP.

5. **Submission of Proposals *:**

The Town will only accept proposals in a digital format. Hardcopy proposals will not be accepted.

If submitted by email:

- One pdf file named "*Your Firm's Name* IT Proposal" (SECTIONS B – G)
- One pdf file named "*Your Firm's Name* IT Proposal Cost" (SECTION H)

Email to: jlacroix@townoffarragut.org

If submitted by mail:

- A universally compatible disc or flash drive containing:
 - One pdf file named "*Your Firm's Name* IT Proposal" (SECTIONS B – G)
 - One pdf file named "*Your Firm's Name* IT Proposal Cost" (SECTION H)

Mail to:

Town of Farragut Administration
Farragut Town Hall
Attn: IT Managed Services Proposal – Joe LaCroix
11408 Municipal Center Drive
Farragut, TN 37934

*** It is the firm's responsibility to have its proposal to the Town by the deadline for submission and to confirm receipt regardless of the transmission method. Proposals received after the deadline will not be considered.**

SECTION A
TENTATIVE SCHEDULE

Activity	Estimated Date
1. Publish RFP October 15, 2019	
2. Mandatory pre-bid meeting:	9 am. Tuesday October 29, 2019
Board Room, Farragut Town Hall, 11408 Municipal Center Drive, Farragut, TN 37934	
3. Deadline for receipt of proposals:	3pm Monday November 22, 2019
4. Proposal Evaluation:	November 28 - 29, 2019
5. Interviews (if necessary):	December 2 - 3, 2019
6. Commence Contract Negotiations with Selected firm:	December 2019
7. Approval-Board of Mayor and Aldermen:	December 12, 2019

SECTION B BASIC SERVICES

OVERVIEW

The professional services sought in this request include a complete organizational hosting solution and management of all aspects of the Town's Information Technology systems.

Phase I will include design of new AD domain space, DNS, routing, firewall specification, VoIP, IP segmentation and any/all other items necessary for a ground up network build. Phase I shall also include the secure migration of all existing Town digital data from existing host to contracted host (migration must not impede the day-to-day operations of the Town of Farragut).

Phase II shall include the management, internal/external, maintenance, and support of the Town's Information Technology data and infrastructure.

PREFERRED CHARACTERISTICS SOUGHT:

- Ability to offer services tailored to the unique needs found in a municipal government organization
- Ability to work in collaboration with Town personnel
- Ability to offer outstanding customer service which may include in-house office hours
- Ability to analyze, problem-solve, and provide short/long term solutions to meet our e-government needs
- Ability to "deliver"

EXISTING TOWN IT INFRASTRUCTURE and SERVICES

- Stable Internet access provided
- Secure Cloud Platform
 - 30 – 35 users
 - Local Office & remote offsite file sharing
 - Managed Firewall, content filtering and remote access
 - Office 365
 - Email spam filtering for each user
 - Managed desktop & helpdesk services for each user
 - Onsite support services
 - IT strategic oversight
- Terminal Services
- SQL Server (financial and permitting)
- Two current buildings (Town Hall and Public Works) with the addition of a third building which will need to be designed and populated with switching/routing/VoIP services.
- Assistance with other software vendors to include Tyler Technologies and LaserFiche

- Secure Data-multiple servers providing authentication, file/print services, terminal services, SQL server
- AeroHive Wireless Access Points in Town Hall and one off site Town Park

EXISTING IT NETWORK – Proposals will have to work with current IT infrastructure or clearly propose replacement products, design and costs associated with replacement. Current infrastructure includes Brocade switches, Aerohive wireless, Fortinet firewalls/VPN.

SPECIFIC NEEDS

Below is an itemized, non-exhaustive list of specific needs for candidate firms to consider when drafting a proposal.

Please provide a general narrative titled “Specific Needs Narrative” outlining how your firm will address EACH of the needs listed below. The candidate firm should also consider and propose alternatives that, in the firm’s mind, would be a better solution for the Town of Farragut. Alternatives shall be in addition to addressing specific needs as well as pros and cons to each if relevant.

SPECIFIC NEEDS include:

1. Implementation of new VoIP phone system.
2. Redundant, secure, backed up, cloud-hosted solution; this includes monitoring and maintenance with a minimum of 4 terabytes storage capacity; **OR** comparable alternative
3. Records Retention: Ability to backup and archive all emails, files, data, or any other item covered under the Freedom of Information Act which covers Federal, State and local statutes.
4. Seamless integration and cooperation with our current software vendors to include website hosting service providers.
5. Remote user access
6. Recovery Speed/Scalability: Comparable to Amazon’s AWS compliance standards
7. On-call setup and maintenance: mirrored workstation software and support for a minimum of 50 licensed network users in five Town Departments (Administration, Parks and Leisure Services, Community Development, Public Works, and Engineering):
 - a. Licensing: The Town **currently** holds licenses for a mix of Windows 7 and Windows 10 Desktop Operating System, Office 365, and Various 3rd Party Software licenses determined by the specific Town Department’s needs and mission
 - b. The selected firm must be able to provide service which will accommodate the installation, workstation setup, and maintenance of all operating systems, platforms, content management systems, and third-party software
 - c. The hosting solution must seamlessly integrate with the Town’s existing e-

government website module capabilities which includes secure two-way transactions through a third-party web-portal, public records retrieval through the website (Munidocs), remote network user access for telecommuting

8. The selected firm must be familiar with municipally deployed GIS and its applicability to e-government service delivery.
9. System Security in a cloud environment which meets the Federally Adopted Standards
10. Wi-Fi Maintenance and Support
11. Customer Service
 - Continuous system monitoring with the ability to provide emergency and non-emergency on-site and remote access problem resolution
 - Set up of new equipment and software upon request
 - Ability to provide in-person office support on a regular and continual basis if necessary

Items to consider while making proposal:

Let this be a guide for items to discuss in your proposals. This list is not exhaustive, nor should you consider these items to be mandatory for inclusion.

Security:

Discuss in detail unified threat management and measures that you will enact to ensure security is met with regards to firewalls, authentication, encryption, anti-malware/anti-virus software on servers, desktops, and mobile devices, intrusion detection and prevention, security audits, and production of support documentation for these initiatives.

Backup and Recovery:

Discuss in detail measures that you will enact to provide backup and recovery services for all manner of data backup to include user data, user email, system files, and loss to include natural disasters, security breaches, successful ransomware attacks, user destruction of data, and all other forms of data loss. Please include hardware/software to be used, disaster recovery plans, recovery point objectives (daily, weekly, monthly, annual) and recovery time objectives (how quickly it will take to recover files).

Documentation:

Please discuss in detail how you will provide documentation regarding management/administrative reports, network diagrams, implementation of new systems, system enhancements/upgrades, procedural changes, and all other communications as necessary.

Help Desk:

Please discuss in detail which services are covered under help desk support and which services will require additional costs to the Town. How will help desk or support calls be escalated? Discuss in detail service level agreements, hours of help desk operation, measurement of time to resolution from call initiation to completion, onsite service and support. Define your tiers of service. Where is your help desk staff physically located?

Special projects:

Please discuss how you will handle special projects to include implementation of new software or hardware initiatives. Provide costs to the Town regarding hourly rates or per-project costs. Describe project services that you can provide including VAR and OEM channels that you have currently partnered with and can provide equipment and/or services. What competencies or certifications do you have? What is out of your scope?

Compliance Framework:

Which compliance framework are you familiar with and practice? Examples include but are not limited to HIPAA and PCI.

Administration of networks and services:

The Town will have full administrative rights to all servers, services, firewalls and management tools. Please address any restrictions you will place upon these rights.

Upgrade/Enhancement process:

Please discuss in detail how you will address changes to systems as software and/or hardware systems are upgraded. An example would be moving from Windows Server 2012 to Windows Server 2016 to Windows Server 2019. Please address all systems and not just focus on Windows Server.

Data ownership:

Discuss how you will handle disentanglement of our systems if we decide to leave your company as our managed service provider and move to another MSP. Do you collect any form of data on our data usage and if so, what do you do with that data?

Location of offices:

Do you maintain a physical presence within 20 miles of the Town of Farragut? Can Town staff “drop in” for unexpected on-site survey’s or inspection?

CONTRACT TERM**PHASE I (Data Migration):**

Seamless migration of all data from our existing service provider to the selected firm shall occur within thirty (30) days of contract execution.

PHASE II (Deployment and Support):

Successful data migration, setup and deployment of all services shall be complete within sixty (60) calendar days of contract execution. The firm shall provide all hosting and maintenance services for a period three (3) years from the date of contract execution with the option to extend the contract for services for two additional three (3) year terms.

It is the policy of the Town of Farragut not to discriminate on the basis of race, color, national origin, age, sex, or disability pursuant to Title VI of the civil Rights Act of 1964, Public Law 93-112 and 101-336 in its hiring, employment practices and programs.

To request accommodations due to disabilities, please call 865-966-7057 in advance of the any meeting.

SECTION C
AFFIDAVIT

This proposal is submitted to the Town of Farragut, TN (the Town) by the undersigned who is an authorized officer of the firm and said firm is licensed to do business in the State of Tennessee. Further, the undersigned is authorized to make these assurances and certifies their validity. The firm recognizes that all assurances and representations herein are binding upon executing a contract and failure to adhere to any of these commitments is considered a breach of contract which may result in a revocation of the agreement and payment for any damages arising from that breach.

Consent is hereby given to the Town to contact any person or organization in order to make inquiries into legal, character, technical, financial, and other qualifications of the firm.

The firm understands that, at such time as the Town decides to review this proposal, additional information may be requested. Failure to supply any requested for information within a reasonable time may result in the rejection of the firm's proposal with no re-submittal rights.

The firm understands that the Town, after considering the legal, financial, technical, and character qualifications of the firm, as well as what in the Town's judgment may best serve the public interest of its citizens and employees, may offer to contract.

The firm understands that this proposal is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a proposal for the same, and is in all respects fair and without collusion or fraud. It understands that collusive bidding is a violation of state and federal law and can result in fines, prison sentences, and civil damage awards.

Any agreement issued will be on the basis of the firm's service and financial plans and that the firm's arrangements are feasible and adequate to fulfill the conditions set forth in this project.

Company Name: _____

Authorized Person: _____ Signature: _____

(Print/Type)

Title: _____ Date: _____

Address: _____

Telephone: _____ Email: _____

SECTION D QUALIFICATIONS

IT Services: Qualified firms must demonstrate a history of competence and experience. Firms responding to this request for proposal must have been engaged in IT services as their principal business for at least the past five (5) consecutive years and be licensed to do business in the State of Tennessee. Please provide a “Section D” narrative listing all of your relevant projects/activities for the past 5 years and attach a copy of your TN SoS (or resident state) corporate status and Federal Tax Identification Number.

References: Firms shall provide references for three similar assignments within the past five (5) years. Please provide a “Section D” narrative listing the organization, point of contact name, point of contact title, point of contact information (email and phone #), and name of each project.

Insurance: Firms shall carry a minimum of One Million Dollars (\$1,000,000) professional liability insurance AND indemnify the Town, its employees and agents as additionally insured to protect the Town in case of negligent errors, acts or/and omissions arising from IT services. Please provide a “Section D” narrative indicating your ability to be insured for this project.

Please provide a “Section D” narrative for the following:

Firm Capabilities. The firm shall provide a description of its resources and limitations relative to facilities, staff personnel, on-going projects/contracts, etc.; specifically, what priority it intends to place on this project and how it intends to “staff up” if necessary, should it be chosen as the firm.

Candidate Firm Information.

List firm name, website, address, telephone number

Name of firm’s primary contact person(s), email addresses, and telephone number(s)

List firm’s total number of employees

List year firm was established

Tax ID#

Proposed Project Team Information

Please provide the names and experience of the personnel who would be assigned to this project if selected.

SECTION E EVALUATION FACTORS

The Town will evaluate the proposals based on merit and cost. It is the intent of the Town to choose the firm whose proposal provides the best value to the Town. The Town reserves the right to waive any irregularities, reject any and/or all proposals, in whole or in part, when, in the Town's opinion, such rejection is in the best interests of the Town.

Evaluation Method. The E-Government Team will review each proposal. Its review and evaluation will be based on the following factors:

1. Completeness, accuracy and integrity of the submitted proposal
2. Staffing capacity and experience on similar projects, especially those involving innovation and e-government service delivery
3. Ability to provide the services unique to a municipal government organization particularly the Town of Farragut
4. Proposed fees

Oral Presentations and Interviews. Following the evaluation of the proposals, the Team *may* request firms make an oral presentations and/or be interviewed. If a determination is made that presentations are necessary, the presentations will take place in the Town of Farragut, at a mutually acceptable date and time.

Negotiations. The Town may begin contract negotiations with the firm whose proposal is determined to be most advantageous to the Town. If negotiations with the selected firm fail, negotiations may be initiated with additional firms until an agreement is reached. The Town reserves the right to reject all offers and end the process without executing a contract.

Agreement. If the verbal negotiation escalates to written negotiation, a draft contract for services shall be offered by the Town (See Section I) to the firm for review and acceptance or counter-offer. This RFP will become an integral part of the contract for services and added as an exhibit to the executed contract; however, should the contract terms and RFP language conflict, the terms of the contract shall prevail. Firms may not modify or substitute any elements of the draft contract without prior approval by the Town. The Town reserves the right to accept a proposal, as submitted, and enter directly into a contractual agreement with that selected firm. Accordingly, it is imperative that all submittals contain both the best technical and fee proposals in their initial submission.

Reservations. Submittal of a proposal indicates acceptance of the conditions contained in this request. The Town reserves the right to retain all proposals submitted. All proposals are public record to the extent required by the Tennessee Open Records Act.



SH Data IT Proposal Cost

Prepared for Town of Farragut (569)
By Craig Reasor

Following your IT Assessment, SH Data Tech recommends the following solutions to optimize and improve your network and harden your data security posture. In addition to the town's basic IT services needs, SH has included a very comprehensive suite of cyber security tools that we will deploy and use to protect your environment should we be chosen as your technology provider.

Subscription Services

Services	QTY	Price
Microsoft Office Subscription - E3 Government Includes all the features of ProPlus and Office 365 E1 plus security and compliance tools, such as legal hold, data loss prevention, and more.	50	\$20.00
Mimecast Spam Filter - M2A Package Includes URL protection, impersonation protection, attachment scanning, content security, continuity, data loss protection, & email archiving	50	\$7.30
Arctic Wolf - Sensor 100 Series Sensor - AW Managed Detection and Response (MDR) and SOC service, 24x7 monitoring - main license	3	\$120.00
Arctic Wolf - Server License Server scanning and 24x7 monitoring- add-on (server)	6	\$12.00
Arctic Wolf - User License End user security monitoring service - add-on to cover endpoints (workstations)	50	\$12.00
Arctic Wolf - Office 365 User License Office 365 MDR service and scanning, monitors O365 security instances and covers service response - add-on (O365)	50	\$1.80
KnowBe4 Security Awareness Training Subscription Diamond 51-100 Users End user security training license subscription, access to mock phishing campaigns and training module services	50	\$5.95
Duo - Two Factor Authentication - MFA User protection against phishing and password attacks by requiring an additional method to verify a person's identity.	50	\$2.70

Total \$2,919.50

Managed Services

Services	QTY	Price
Private Cloud - Virtual Server I - West DC Shared environment virtual server. Includes 1vCPU, 4GB OS patching, monitoring, and Anti-Virus software	1	\$79.00
Private Cloud - Virtual Server II - West DC Shared environment virtual server. Includes 2 vCPU, 8GBs RAM, OS patching, monitoring, and Anti-Virus software	2	\$139.00
Private Cloud - Virtual Server III - West DC Shared environment virtual server. Includes 4 vCPU, 16GBs RAM, OS patching, monitoring, and Anti-Virus software	1	\$234.00
Managed Firewall as a Service On-premise managed Fortigate firewall for up to 100 users. Includes offline, resource, and performance alerting 24x7. Also includes backup/manage of configuration, quarterly firmware audits/updates, and operational support.	1	\$544.00
Managed Firewall as a Service On-premise managed Fortigate firewall for up to 25 users. Includes offline, resource, and performance alerting Monday - Friday (8 am - 5pm). Also includes backup/manage of configuration, quarterly firmware audits/updates, and operational support	2	\$185.00
On Premise Virtual Host II Fully Managed 6TB Usable Space 32GB RAM	1	\$300.00
Microsoft SQL - Standard License SQL Standard edition delivers basic data management and business intelligence database for small organizations to run their applications	4	\$149.00
Managed Access Point Monday - Friday (8 am-5 pm) offline alerting. Firmware updating as needed.	15	\$10.00
Managed Workstation Operating system patching & anti-virus	35	\$5.00
Help Desk Support (50 users) Help Desk technical assistance for up to 50 users including remote and on-site when requested and scheduled.	1	\$1,500.00

Total \$4,226.00

Backup Services

Services	QTY	Price
Private Cloud Backup - 1TB 1TB of private cloud backup storage via Rubrik	5	\$165.00
Private Cloud Archive - 1TB Long-term data retention service	5	\$35.00

Total \$1,000.00

Phone Service

Services	QTY	Price	Subtotal
Mitel Services Mitel Phone Solution - Includes Conference bridging, license for VOIP phone solution for Qty. (52) users and all customer DID's.	52	\$20.99	\$1,091.48
Polycom Conference Phones Polycom IP6000 Rental - (Conference Phones)	2	\$35.80	\$71.60
MiCloud Connect Telephony Profile Conference Phone Software License	2	\$19.99	\$39.98

Total \$1,203.06

*Mitel Phones will be billed direct from Mitel to the town of Farragut. Totals reflect actual charges from Mitel but will not be billed with SH Data Services.

In addition, we offer these qualifications that uniquely position us to manage your firm's IT infrastructure and data:

- SOC II Certified and Independently Audited Professional Technology Firm
- HIPAA Compliant Business Associate
- Microsoft Certified Engineers
- Fortinet Certified Engineers
- ComTIA A+, CompTIA Net+
- VMware VCP 6

Monthly Charges Summary.

Service Categories	Price
Backups	\$1,000.00
Cloud/Managed Services	\$4,226.00
Subscriptions	\$2,919.50
Phones	\$1,203.06

Total \$9,348.56

During the onboarding project we will plan and implement the following:

- Work with existing service provider to coordinate a seamless move of data and application services to our data center
- Document all relevant existing IT services, devices, circuits, key vendors and SMEs
- Configure and deploy new host for local file/print services
- Deploy new firewall, switches and repurposing the brocade equipment
- Take over management of Aerohive access points
- Setup RMM tool for AV/Patch management across both servers and workstations
- Implement our network monitoring tools for active alert management
- Setup ArcticWolf SOC-as-a-service to better detect and monitor cyber-threats.
- Setup KnowBe4 and train IT staff on how to setup and execute campaigns to improve employee's security awareness stance.
- Work with Jive, telephone carriers and IT staff to deploy new phone system

SH Data On-Boarding Project

On-boarding Payment Schedule	Total
One Time set-up fee Includes all equipment purchases, set-up, and on-boarding (see description breakdown above)	\$16,450.00

Client Initial _____
Town of Farragut (569)

Terms & Conditions

This Proposal for Services (this “Proposal”) is entered into by and between SH Data Technologies (“Company”) and Town of Farragut (“Client”) as of the latest date indicated in the signature blocks below (the “Effective Date”). This Proposal sets forth the basic terms of the Services (defined below) to be provided by Company to Client. This Proposal is entered into in connection with Company’s Master Services Agreement, a copy of which has been provided to Client at <https://www.shdatatech.com/msa.html> the “MSA”). Client hereby acknowledges that Client has reviewed the MSA or has had the opportunity to review the MSA but has elected not

to do so. The MSA is incorporated herein by reference and shall be made a part of this Proposal as if fully set forth herein verbatim. Client acknowledges and agrees that the MSA remains subject to change from time to time without notice to Client, and Company may update and/or restate the terms of the MSA from time to time as Company deems necessary or advisable in Company's unlimited discretion [Client Initial Here: ____]. Capitalized terms used but not defined herein shall be given the same meaning as is given such terms in the MSA.

1. **Services.** Company shall provide the following services to Client (the "Services") on the terms provided herein and in the MSA.

2. **Duration.** Company shall provide the Services for 36 months, beginning on the Effective Date (the "Term"); provided, however, if Client and Company ever enter into a separate Proposal with a Term extending beyond the Term of this Proposal, the Term of this Proposal shall automatically be amended and extended to such longer Term. The Term shall automatically renew at Company's then-current rates and charges for successive periods of one year each unless either party provides written notice of its intention to not renew the Term not less than ninety (90) days prior to the end of the Term (as may be extended). In the event that Client desires to terminate a Service prior to the end of the Term, Client shall pay liquidated damages to Company in accordance with Section 10.1.2 and Section 10.1.3 of the MSA. The parties agree that such liquidated damages are a reasonable estimation of the damages that Company would suffer if Client were to terminate a Service prior to the end of the Term. Notwithstanding the foregoing, or any provision herein or in the MSA to the contrary, General Technical Support hours and General Security Support hours shall expire if not used on or before the first anniversary of the Effective Date.

3. **Rates & Charges.** In consideration of Company's provision of the Services to Client, Client shall pay to Company the rates and charges for such Services as indicated in the table above (the "Fees"). Any Services which Client requests to be provided outside of regular business hours (Monday – Friday, 8:00 a.m. – 5:00 p.m. EST) or on a federal holiday shall be invoiced at a rate of 1.5 multiplied by the otherwise applicable rate for such Service. Client shall pay all Fees no later than ten (10) days after Client's receipt of Company's invoice for the same.

4. **Special Provisions.** Notwithstanding the foregoing or any provision herein to the contrary, the following terms shall apply to this Proposal and the MSA: SH Data has contracted with a best of breed phone vendor to provide VOIP telephony services to the town. Any monthly charges beyond the set-up fee (which is included by SH Data in the on-boarding fees) will be billed to the town of Farragut directly.

IN WITNESS WHEREOF, the parties hereto have entered into, executed and delivered this Agreement, to be effective as of the Effective Date.

Craig Reasor
Account Executive
SH Data Technologies

Ron Williams
Mayor
Town of Farragut

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: Darryl W. Smith, PE; Town Engineer

SUBJECT: Approval of Bids for Contract 2020-19, Sidewalk Curb Ramp Improvements

INTRODUCTION: The purpose of this item is consideration of bids and award of Contract 2020-19, Sidewalk Curb Ramp Improvements.

BACKGROUND: The Board of Mayor and Aldermen awarded our current resurfacing contract to APAC-Atlantic, Inc. on April 23. That contract included resurfacing of portions of Smith Road, Grigsby Chapel Road and Lookout Point, all of which have adjacent sidewalks. The Public Right of Way Accessibility Guidelines (PROWAG) require that pedestrian facilities be improved to current Americans with Disabilities Act (ADA) standards as part of any public construction in the immediate area (including resurfacing). The three roadways include curb ramps at 35 locations, and this project will adjust all to meet our requirements. Staff received bids from four contractors on May 14, and we have attached bid tabulations:

Adams Contracting, LLC	\$233,345.00
APAC-Atlantic, Inc.	\$199,663.00
PRI of East Tennessee, Inc.	\$346,132.50
Whaley Construction, LLC	\$158,963.00

Whaley Construction has performed work for the Town on numerous occasions, and staff has always been pleased with their work. Please note that this project is being funded through the Town's Resurfacing budget.

FINANCIAL SECTION:

Project: Contract 2020-19, Sidewalk Curb Ramp Improvements				
<u>Amended Budget</u>	<u>Requested Amount</u>	<u>Expenditures to Date</u>	<u>Contracts to Date</u>	<u>Available Amount</u>
\$1,287,859	\$158,963.00	\$550,803	\$481,596.50	\$96,496.50
Approved By: <u>A. Myers</u>				

RECOMMENDATION BY: Darryl Smith, Town Engineer, for approval

PROPOSED MOTION: Approval of bids and award of contract 2020-19 to Whaley Construction for their low bid of \$158,963.00.

BOARD ACTION:

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

<u>VOTE/TOTAL</u>	<u>WILLIAMS</u>	<u>POVLIN</u>	<u>PINCHOK</u>	<u>MEYER</u>	<u>BURNETTE</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

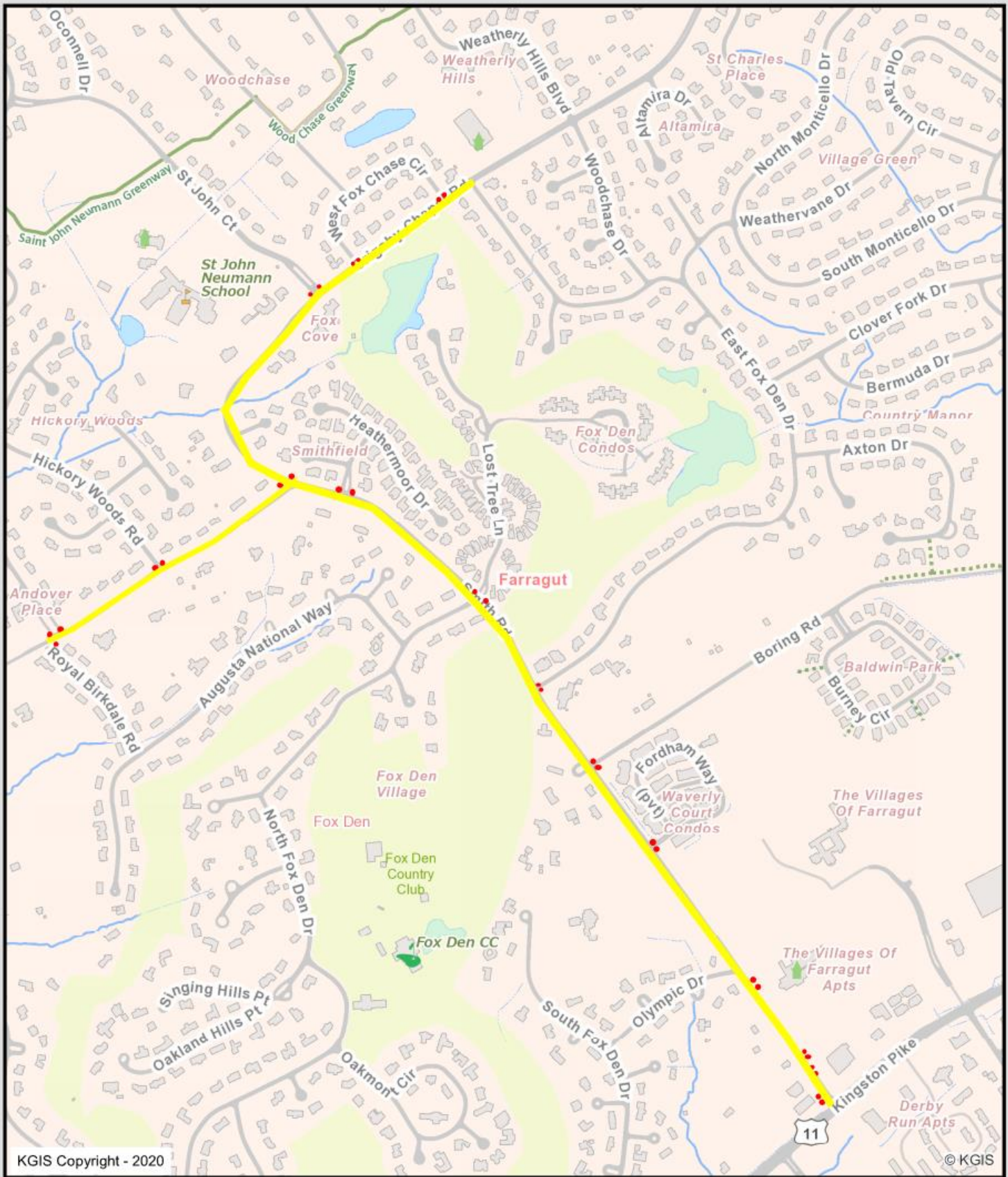


Sidewalk Curb Ramp Improvements

ITEM #	TDOT DESCRIPTION	UNIT	QUANTITY	Adams Contracting, LLC		APAC-Atlantic, Inc.		PRI of East Tennessee, Inc.		Whaley Construction, LLC	
				UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
701-01.01	CONCRETE SIDEWALK (4")	SF	875	\$ 20.00	\$ 17,500.00	\$ 21.50	\$ 18,812.50	\$ 18.50	\$ 16,187.50	\$ 15.00	\$ 13,125.00
701-02.01	CONCRETE CURB RAMP (RETROFIT)	SF	3675	\$ 35.00	\$ 128,625.00	\$ 35.50	\$ 130,462.50	\$ 46.60	\$ 171,255.00	\$ 23.00	\$ 84,525.00
701-02.06	DETECTABLE WARNING SYSTEM (REHABILITATION)	SF	64	\$ 55.00	\$ 3,520.00	\$ 10.75	\$ 688.00	\$ 48.00	\$ 3,072.00	\$ 44.00	\$ 2,816.00
702-01	CONCRETE CURB	CY	6	\$ 800.00	\$ 4,800.00	\$ 1,150.00	\$ 6,900.00	\$ 2,133.00	\$ 12,798.00	\$ 1,273.00	\$ 7,638.00
702-03	CONCRETE COMBINED CURB AND GUTTER	CY	27	\$ 700.00	\$ 18,900.00	\$ 550.00	\$ 14,850.00	\$ 1,160.00	\$ 31,320.00	\$ 717.00	\$ 19,359.00
712-01	TRAFFIC CONTROL	LS	1	\$ 50,000.00	\$ 50,000.00	\$ 13,200.00	\$ 13,200.00	\$ 67,500.00	\$ 67,500.00	\$ 15,750.00	\$ 15,750.00
717-01	MOBILIZATION	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 14,750.00	\$ 14,750.00	\$ 44,000.00	\$ 44,000.00	\$ 15,750.00	\$ 15,750.00
TOTAL BID				\$233,345.00		\$199,663.00		\$346,132.50		\$158,963.00	

SCHEDULE of CURB RAMP IMPROVEMENTS – 2020

Primary Street	Secondary Street	Number of Curb Ramps	Detectable Warning System
Smith Road	Weigel's Commercial Driveway	2	No
Smith Road	Walgreens Commercial Driveway	2	No
Smith Road	Click Funeral Home Commercial Driveway	2	No
Smith Road	Church of Christ Commercial Driveway	2	No
Smith Road	Waverly Court	2	Yes
Smith Road	Boring Road	2	Yes
Smith Road	East Fox Den Drive	2	Yes
Smith Road	Lost Tree Drive	2	Yes
Smith Road	Avallon Place	2	Yes
Smith Road	Grigsby Chapel	2	Yes
Smith Road	Hickory Woods Road	2	Yes
Smith Road	Andover Boulevard	3	Yes
Grigsby Chapel Road	St. Johns Court	2	Yes
Grigsby Chapel Road	West Fox Chase Circle	4	Yes
Lookout Point	Commodore Lane	2	No
Lookout Point	Hampton Roads Drive	2	No



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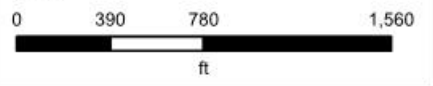
Contract 2020-19

Curb Ramp Improvements

Knoxville - Knox County - KUB Geographic Information System



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REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: David Smoak, Town Administrator

SUBJECT: Ordinance 20-07, on first reading, to adopt the annual General Fund, State Street Aid Fund, Capital Investment Fund, Equipment Replacement Fund, Tourism Fund and Insurance Fund budgets of the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2020 and ending June 30, 2021

INTRODUCTION: The purpose of this agenda item is to approve Ordinance 20-07, on first reading, adopting the annual budget for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

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 FY2021 budget started in January 2020, with departments turning in their budget requests. The BMA had a strategic planning session in February and the Town had a workshop in early March to review revenue and expenditures projections for next year. By the end of March, as the state of Tennessee was under Safer at Home Orders from Governor Lee, the budget for FY20 and FY21 were both reduced substantially due to the pending sales tax revenue shortfalls the Town would be incurring due to the COVID-19 pandemic.

DISCUSSION: The proposed year end FY2020 General Fund revenues are estimated at \$11,738,556, with expenditures of \$7,102,744. This year end estimate accounts for a 9.6% reduction in sales tax revenue, as well as additional revenue reductions to recreational fees, building permits and wholesale alcohol taxes. The proposed FY2021 General Fund revenues are \$10,890,879, which is a reduction of 7.2% from estimated FY2020. Sales tax revenue is estimated to be flat from FY20 at \$5,926,734. This revenue source accounts for 54.4% of the Town's total revenue. A second major revenue source is the Hall Income Tax, which is estimated at \$400,000. This is a very unpredictable revenue source as it relies on investment returns from prior fiscal years and is set to decrease by 17% as the state phases out the tax in two years. A final revenue source that is being estimated conservatively is interest income. As interest rates have been reduced to zero by the federal reserve, interest income is projected to be \$104,800 at year end.

General Fund Expenditures for FY2021 are proposed at \$7,286,228, which is a 2.6% increase over the FY2020 end of year estimate. Departments were asked to reduce their initial budget requests by over \$300,000 in order to provide for employee staffing needs in Engineering, Public Works and the Community Center. The facility operator position in the community center will only be filled once operations require it as the center is now currently closed to the public, although we anticipate it opening again at some point in FY2021. There are no merit increases for personnel nor implementation of any recommendations from the classification and compensation study included in the proposed budget. Employee health insurance costs are increasing by \$108,000 from FY2020.

The overall General Fund budget projects \$3.6 million in revenues over expenditures for FY21. We will also be funding our rainy-day fund at a total of \$2.185 million and project an available fund balance at the end of the FY21 budget year to be \$17.7 million.

The Tourism Fund is a new special revenue fund for FY2021, as all revenues and expenditures will be accounted for within the fund. A hotel/motel tax will be the primary source of revenue for this fund and based on previous budget discussions with the Board of Mayor and Aldermen, the tax is not scheduled to be implemented until September 1, 2020. Estimated revenues are \$226,000 and expenditures are \$213,738.

The Capital Investment Program (CIP) Fund budget has a total of \$1,100,000 in new projects planned to get underway in FY21. These projects include a pedestrian safety project on Watt Road at Mayor Bob Leonard Park, construction of Smith Road sidewalk from Andover Boulevard to Everett Road and stormwater improvements. Revenues for the CIP largely come from Town resources in the form of a \$100,000 transfer from the General Fund, \$707,020 from CIP reserves, and \$272,980 in FEMA reimbursement money from the February 2019 storm event. Overall, the projected five-year available fund balance based on all the projects in the current CIP is \$1,415,399.

The State Street Aid Fund has projected revenues of \$855,000 and estimated expenditures of \$1,015,000. This fund is primarily used to resurface streets in the Town of Farragut. At the end of the FY21 budget year there will be an estimated \$1,157,031 in fund balance.

The ADA Capital Projects Fund does not have any major projects planned for FY2021. Since developing the Town's ADA Transition Plan in 2018, the Town has made improvements to Anchor Park and the restroom facilities at Town Hall. When the street resurfacing projects are completed this year all curb ramps along the frontage of the road will be brought up to ADA standards and those funds will be paid out of State Street Aid. There is a proposed \$50,000 transfer from the General Fund to the ADA Fund in FY2021, with a projected fund balance of \$53,000.

The Equipment Replacement Fund will have projected expenditures of \$208,240 in FY21 and revenues of \$7,500 in interest. This fund is used to purchase all vehicles and equipment throughout the Town's fleet. The general fund is transferring \$157,500 to the equipment replacement fund this year. There will be an estimated fund balance in the Equipment Replacement fund of \$891,353.

The Insurance Fund has no estimated expenditures in FY21 and maintains a fund balance of \$105,972. This fund has been used to pay for retirement benefits for a closed retiree pension plan.

Although we are middle of a global health crisis the likes of which no one has seen in their lifetime, the conservative budget principals the Town of Farragut has maintained will allow for us to make it through this crisis with minimal impacts to our current service levels to the community.

Attached are the summary pages of each fund and Ordinance 20-07 for the Board's consideration.

RECOMMENDATION BY: Town Administrator David Smoak for approval.

PROPOSED MOTION: To approve Ordinance 20-07, on first reading, to adopt the annual budget for the Town of Farragut, Tennessee for the fiscal year beginning July 1, 2020 and ending June 30, 2021.

BOARD ACTION:

MOTION BY:_____ SECONDED BY:_____

<u>VOTE/TOTAL</u>	<u>MEYER</u>	<u>POVLIN</u>	<u>PINCHOK</u>	<u>BURNETTE</u>	<u>WILLIAMS</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE	20-07
PREPARED BY	Myers
1 ST READING	May 28, 2020
2 nd READING	June 11, 2020
PUBLISHED IN	Farragut Shopper News
DATE	June 25, 2020

**AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE
ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2020
AND ENDING JUNE 30, 2021.**

WHEREAS, Tennessee Code Annotated § 9-1-116 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 Board of Mayor and Aldermen 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 Board will consider final passage of the budget.

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF FARRAGUT, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2021, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years:

GENERAL FUND	Estimated		
	Actual FY 2019	Actual FY 2020	Budget FY 2021
Cash Receipts			
Local Sales Tax	\$ 6,306,005	\$ 5,926,734	\$ 5,926,734
State Sales Tax	2,006,408	2,040,840	2,091,861
Hall Income Tax	955,913	990,877	400,000
Wholesale Beer, Liquor & Mixed Drink	1,259,943	1,031,705	1,052,000
Intergovernmental	720,612	728,497	677,112
Building Permits & Licenses	607,237	381,235	257,200
Recreation Fees	249,939	168,120	235,000
Traffic Enforcement Program & Fines	117,410	108,310	60,200
Rent	90,504	85,985	85,972
Miscellaneous	391,075	276,253	104,800
	-	-	-
Total Cash Receipts	\$ 12,705,046	\$ 11,738,556	\$ 10,890,879
Appropriations			
Legislative	\$ 31,672	\$ 29,250	\$ 39,900
Town Court	41,733	51,170	54,570
Administration	642,182	699,821	685,428
Human Resources	183,392	201,048	176,317
Information Technology	365,466	420,716	377,016
Engineering	683,322	633,583	763,617
Community Development	841,806	929,180	941,032
General Government	175,109	270,000	197,600
Parks & Recreation	1,080,247	1,137,443	1,140,287
Public Works	1,721,349	1,905,565	1,999,118
Non-Departmental	440,439	454,468	436,000
Community Center	50,051	244,500	385,343
Economic Development	120,724	126,000	90,000
Transfers Out - to other funds	3,750,000	7,575,000	307,500
Total Appropriations	\$ 10,127,492	\$ 14,677,744	\$ 7,593,728
Change in Cash (Receipts - Appropriations)	2,577,554	(2,939,188)	3,297,151
Beginning Cash Balance July 1	16,999,175	19,576,729	16,637,541
Ending Cash Balance June 30	\$ 19,576,729	\$ 16,637,541	\$ 19,934,692
Ending Cash as a % of Total Cash Payments/Appropriations	193.3%	113.4%	262.5%

STATE STREET AID FUND		Actual FY 2019	Estimated Actual FY 2020	Budget FY 2021
Cash Receipts				
State Gas and Motor Fuel Taxes	\$	793,941	\$ 850,000	\$ 850,000
Interest		37,589	22,493	5,000
Transfers In - from other funds		100,000	-	-
Total Cash Receipts	\$	931,530	\$ 872,493	\$ 855,000
Appropriations				
Street Maintenance	\$	66,890	\$ 60,000	\$ 75,000
Resurfacing		716,765	1,287,859	800,000
Street Striping		33,922	45,000	50,000
Guardrails		0	5,000	15,000
Traffic Calming		3,540	7,000	25,000
Sidewalks/Greenways		931	50,000	50,500
		-	-	-
Total Appropriations	\$	822,048	\$ 1,454,859	\$ 1,015,500
Change in Cash (Receipts - Appropriations)		109,482	(582,366)	(160,500)
Beginning Cash Balance July 1		1,790,415	1,899,897	1,317,531
Ending Cash Balance June 30	\$	1,899,897	\$ 1,317,531	\$ 1,157,031
Ending Cash as a % of Total Cash Payments/Appropriations		231.1%	90.6%	113.9%

EQUIPMENT REPLACEMENT		Actual FY 2019	Estimated Actual FY 2020	Budget FY 2021
Cash Receipts				
Interest	\$	17,347	\$ 11,949	\$ 7,500
Sale of Equipment		5,978	31,543	-
Transfers In - from other funds		150,000	175,000	157,500
Total Cash Receipts	\$	173,325	\$ 218,492	\$ 165,000
Appropriations				
Major Equipment	\$	57,150	\$ 192,000	\$ 208,240
			-	-
Total Appropriations	\$	57,150	\$ 192,000	\$ 208,240
Change in Cash (Receipts - Appropriations)		116,175	26,492	(43,240)
Beginning Cash Balance July 1		791,926	908,101	934,593
Ending Cash Balance June 30	\$	908,101	\$ 934,593	\$ 891,353
Ending Cash as a % of Total Cash Payments/Appropriations		1589.0%	486.8%	428.0%

ADA CAPTIAL PROJECTS FUND		Actual FY 2019	Estimated Actual FY 2020	Budget FY 2021
Cash Receipts				
Interest Earnings		\$ -	\$ 1,500	\$ 1,500
Transfers In - from other funds		-	150,000	50,000
Total Cash Receipts		\$ -	\$ 151,500	\$ 51,500
Appropriations				
Improvement Projects		\$ -	\$ 150,000	\$ -
		-	-	-
Total Appropriations		\$ -	\$ 150,000	\$ -
Change in Cash (Receipts - Appropriations)		-	1,500	51,500
Beginning Cash Balance July 1		-	-	1,500
Ending Cash Balance June 30		\$ -	\$ 1,500	\$ 53,000
Ending Cash as a % of Total Cash Payments/Appropriations		0.0%	1.0%	0.0%

TOURISM FUND		Actual FY 2019	Estimated Actual FY 2020	Budget FY 2021
Cash Receipts				
Room Occupancy Tax		\$ -	\$ -	\$ 225,000
Interest Earnings				1,000
Total Cash Receipts		\$ -	\$ -	\$ 226,000
Appropriations				
Personnel		\$ -	\$ -	\$ 69,388
Operating Expenditures		-	-	144,350
Total Appropriations		\$ -	\$ -	\$ 213,738
Change in Cash (Receipts - Appropriations)		-	-	12,262
Beginning Cash Balance July 1		-	-	-
Ending Cash Balance June 30		\$ -	\$ -	\$ 12,262
Ending Cash as a % of Total Cash Payments/Appropriations		0.0%	0.0%	5.7%

INSURANCE FUND	Estimated		
	Actual FY 2019	Actual FY 2020	Budget FY 2021
Cash Receipts			
Interest	\$ 2,278	\$ 1,370	\$ 600
	-	-	-
Total Cash Receipts	\$ 2,278	\$ 1,370	\$ 600
Appropriations			
Retirement Benefits	-	-	-
Total Appropriations	\$ -	\$ -	\$ -
Change in Cash (Receipts - Appropriations)	2,278	1,370	600
Beginning Cash Balance July 1	101,724	104,002	105,372
Ending Cash Balance June 30	\$ 104,002	\$ 105,372	\$ 105,972
Ending Cash as a % of Total Cash Payments/Appropriations	0.0%	0.0%	0.0%

SECTION 2: At the end of the fiscal year 2019, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance at June 30, 2020
General Fund	\$ 16,637,539
State Street Street Aid Fund	\$ 1,317,531
Equipment Fund	\$ 934,593
ADA Capital Fund	\$ 1,500
Tourism Fund	\$ -
Insurance Fund	\$ 105,372

SECTION 3: That the governing body herein certifies that the condition of its sinking funds, if applicable, are compliant pursuant to its bond covenants, and recognizes that the municipality has outstanding bonded and other indebtedness as follows:

Bonded and/or Indebtedness	Debt	Interest	Total Debt
	\$0	\$0	\$0

SECTION 4: During the coming fiscal year (2021) the governing body has pending and planned capital projects with proposed funding as follows:

Pending Capital Projects	Pending Capital Projects - Total Expense	Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Pending Capital Projects Expense Financed by Debt Proceeds
Watt Road Sidewalk/Grisby Chapel	\$ 100,000.00	\$ 100,000.00	\$ -
Smith Road Sidewalk	\$ 650,000.00	\$ 650,000.00	\$ -
Stormwater Improvements	\$ 350,000.00	\$ 350,000.00	\$ -

Proposed Future Capital Projects	Proposed Future Capital Projects - Total Expense	Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves	Proposed Future Capital Projects Expense Financed by Debt Proceeds
Land Acquisition	\$ 1,200,000.00	\$ 1,200,000.00	\$ -
Pedestrian/Greenway Connectors	\$ 200,000.00	\$ 200,000.00	\$ -
Little Turkey Creek Greenway	\$ 300,000.00	\$ 300,000.00	\$ -
Campbell Station Inn Improvements	\$ 250,000.00	\$ 250,000.00	\$ -
MBLP Field 2 Turf Replacement	\$ 600,000.00	\$ 600,000.00	\$ -
MBLP Field Reconstruction	\$ 1,279,000.00	\$ 1,279,000.00	\$ -
Anchor Park Fence	\$ 150,000.00	\$ 150,000.00	\$ -
Anchor Park Basketball Resurfacing	\$ 40,000.00	\$ 40,000.00	\$ -
Anchor Park Playground	\$ 415,000.00	\$ 415,000.00	\$ -
MBLP Boardwalk/Overlook	\$ 50,000.00	\$ 50,000.00	\$ -
Stormwater Improvements	\$ 400,000.00	\$ 400,000.00	\$ -
Union Road Improvements	\$ 3,520,000.00	\$ 3,520,000.00	\$ -
Virtue Road Phase II	\$ 1,560,000.00	\$ 1,560,000.00	\$ -

SECTION 5: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 (TCA § 6-56-208). In addition, no appropriation may be made in excess of 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 Tennessee Code Annotated § 6-56-205.

SECTION 6: 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 7: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee

for approval if the Town has debt issued pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. This budget shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21 of the Tennessee Code Annotated (the "Statutes".) If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee. If the Town does not have such debt outstanding, it will file this annual operating and capital budget ordinance and supporting documents with the Comptroller of the Treasury or Comptroller's Designee.

SECTION 8: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 9: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 10: This ordinance shall take effect July 1, 2020, the public welfare requiring it.

Ron Williams, Mayor

Allison Myers, Town Recorder

REPORT TO THE BOARD OF MAYOR AND ALDERMEN

PREPARED BY: David Smoak, Town Administrator

SUBJECT: Ordinance 20-05, Public Hearing and Second Reading, to amend Title 5, Municipal Finance and Taxation, of the Farragut Municipal Code, Chapter 1, Hotel/Motel Tax

INTRODUCTION: The purpose of this agenda item is to approve Ordinance 20-05, which would amend the starting date of the ordinance from June 1, 2020 to September 1, 2020.

BACKGROUND: The Town of Farragut approved a hotel/motel tax at 3% of the room rate charged for transients that stay at local Farragut hotels in January 2020. At that time the Board of Mayor and Aldermen elected to delay implantation of the ordinance until June 1, 2020 to allow hotels time to prepare their books and get group bookings finalized.

DISCUSSION: Since the ordinance was enacted the entire world has been reeling from the health and economic impact of the COVID-19 virus. One sector of the economy that has been hit particularly hard has been the hospitality industry. Through budget discussions with the Board of Mayor and Aldermen it was proposed the Town of Farragut delay implementation of the hotel/motel tax for an additional three months. This would give hotels more time to weather this economic crisis and give visitors more time to feel comfortable traveling again once many states stay at home orders have been lifted.

FINANCIAL SECTION: The projected revenue from the hotel/motel tax was estimated to be \$25,000/month. In delaying the implementation of the tax until September 1, 2020, this would reduce our estimated revenue in the Tourism Fund for FY2021 from \$300,000 to \$225,000. Staff will make the necessary expenditure adjustments in the FY2021 budget that is presented to the Board of Mayor and Aldermen to balance the Tourism Fund budget.

RECOMMENDATION BY: Town Administrator David Smoak for approval.

PROPOSED MOTION: To approve Ordinance 20-05 on second and final reading, to amend Title 5, Municipal Finance and Taxation, of the Farragut Municipal Code, Chapter 1, Hotel/Motel Tax

BOARD ACTION:

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

<u>VOTE/TOTAL</u>	<u>MEYER</u>	<u>POVLIN</u>	<u>WILLIAMS</u>	<u>PINCHOK</u>	<u>BURNETTE</u>
YES	_____	_____	_____	_____	_____
NO	_____	_____	_____	_____	_____
ABSTAIN	_____	_____	_____	_____	_____

ORDINANCE	20-05
PREPARED BY	Smoak
PUBLIC HEARING	_____
DATE	_____
1 ST READING	_____
2 nd READING	_____
PUBLISHED IN	<u>Shopper News Farragut</u>
DATE	_____

AN ORDINANCE OF THE TOWN OF FARRAGUT, TENNESSEE

WHEREAS, the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, wishes to change the effective date for Title 5, Municipal Finance and Taxation, Chapter 1, Hotel/Motel Tax, of the Farragut Municipal Code,

NOW, THEREFORE, BE IT ORDAINED by the Board of Mayor and Aldermen of the Town of Farragut, Tennessee, that the Farragut Municipal Code is hereby amended as follows:

SECTION 1.

The Farragut Municipal Code, Title 5. Municipal Finance and Taxation, Chapter 1. Hotel/Motel Tax to amend the effective date of this Ordinance to September 1, 2020

SECTION 2.

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

Ron Williams, Mayor

Allison Myers, Town Recorder