

AGENDA

FRANKLIN CITY COUNCIL
MONDAY, APRIL 28, 2014 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVENUE

7:00 P.M.**REGULAR MEETING**

CALL TO ORDER. . . . MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEASE TURN OFF CELL PHONES . . . MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEDGE OF ALLEGIANCE

CITIZENS' TIME:

AMENDMENTS TO AGENDA

1. CONSENT AGENDA

- A. Minutes of the April 7, 2014 and April 14, 2014 City Council Meeting
- B. March 2014 Departmental Reports (Separate File)
- C. Building Safety Month Proclamation #2014 - 02

2. PUBLIC HEARING

- A. School Board Vacancy Nominations (Wards 1 & 3)

3. FINANCE

- A. Monthly Financial Report – March, 2014
- B. Treasurer's Report
- C. VRS Phase-in Resolution #2014 -04 & Rate Designation Resolution #2014 -05

4. OLD/NEW BUSINESS

- A. City Stormwater Management Ordinance Adoption (presented 03/20/14)
- B. WTRJ Refinancing Resolution Revision #2014 -06
- C. City Manager's Report
 - 1. FY 2014 – 2015 Proposed Budget Update

5. COUNCIL/STAFF REPORTS ON BOARDS AND COMMISSIONS

6. CLOSED SESSION – I move that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions, and to discuss personnel pursuant to Virginia Code Section 2.2-3711 (A) (1) & (5)

Motion Upon Returning to Open Session: I move that the only matters discussed during the Closed Session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened.

7. ADJOURNMENT

UPCOMING ITEMS TO BE SCHEDULED...

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

SUBJECT**TENTATIVE TIME LINE****Public Meeting Schedule for School Board Vacancies:**

- 1st Public Hearing to receive nominations
- 2nd Public Hearing to receive nominations

April 28, 2014, 7:00 P.M., City Hall**May 12, 2014, 7:00 P.M., City Hall****FY 2014 – 2015 Budget Council Work Sessions****May 5th, 7th & 13th, 6:00 P.M., City Hall****FY 2014 -2015 Budget Public Hearing(s)****June 2nd, 7:00 P.M., City Hall**

CONSENT AGENDA

- A. Minutes of the April 7, 2014 and April 14, 2014 City Council Meeting**
- B. March 2014 Departmental Reports (Separate File)**
- C. Building Safety Month Proclamation #2014 - 02**

April 7, 2014

**[MINUTES OF THE 2014-2015 BUDGET
APPROPRIATION/OUTSIDE AGENCIES]**

The Franklin City Council held a Called Meeting on Monday, April 7, 2014, at 6:30 P.M. in the Council Chambers at City Hall.

Council Members in Attendance: Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, and Mona Murphy (Mayor Raystine Johnson-Ashburn and Councilmen Greg McLemore and Don Blythe absent).

Staff in Attendance: Randy Martin, City Manager and Taylor Williams, IV, City Attorney

CALL TO ORDER

In the absence of Mayor Johnson-Ashburn who had advised she would be arriving late, Vice-Mayor Cheatham called the meeting to order at 6:30 P.M.

Agency & Organization Budget Presentations

Vice-Mayor Cheatham recognized City Manager Martin who reviewed the purpose of the meeting which was an opportunity for agencies and organizations to present their FY 2014-2015 budget requests to the City Council. He noted that not all organizations requesting funds would attend the meeting in person, but several indicated a desire to do a formal presentation.

Manager Martin then recognized Melissa Rollins, City Director of Finance to review a summary handout provided to Council containing a multi-year history of agency and organizational funding activity by the City including the requested funds for the upcoming budget year. Director Rollins also reviewed a summary of the categories of funds and uses by program.

Vice-Mayor Cheatham then advised agencies that had signed up to speak that they would be allowed five minutes for each presentation to be followed with any Council questions. Vice-Mayor Cheatham then recognized each of the representatives that had signed up.

1) Endeppendence Center

Mr. Sylvester Atkins representing the Endeppendence Center located in Norfolk commented on the history of the organization and Franklin's past support. The organization is requesting \$3,000 in funding to assist persons with disabilities. He projected the agency would be able to assist 20 families in Franklin with the funds requested. The funds requested are based on time estimated to continue to assist clients in Franklin that are currently being served.

2) Fifth District CASA – Voices for Kids

Ms. Judy Begland, volunteer Chair of the Board of Directors, addressed Council giving background on the organization and program highlights. The program began in the Franklin District in 2004. The agency is requesting \$6,000 in funding from the City.

3) Western Tidewater Free Clinic

Dr. Patsy Joyner, who serves on the agency's Board of Directors, addressed the Council on the mission of the clinic. In response to a question from Councilwoman Murphy, Dr. Joyner provided statistics on the number of clients from Franklin served by the agency and the total value of medication and medical assistance provided. The request of \$27,000 in funding is determined by applying the percentage of clients from Franklin to the budget need. The percentage is estimated for next year at 9% of the need.

4) Smart Beginnings of Western Tidewater

Anita Felts, Board Chair, Board Members Randy Betz and Philip Page and Executive Director, Ellen Couch each made comments in support of the agency's request for \$25,000 in funds from Franklin. Director Couch commented on new initiatives of the organization. Board Chair Felts thanked the Council for the City's support. A copy of the organization's annual report was distributed.

5) Western Tidewater Community Services Board (WTCSB)

Dr. Demetrios Peratsakis, Executive Director of WTCSB addressed the Council on the activities and challenges of what he referenced as the Public Department of Mental Health for the area including Franklin. The organization provides Behavioral Health and Developmental Disability services to the community. He stated an average one of every eight City Citizens are being served by ongoing mental health services. Approximately 1,000 citizens are served annually. The organization is requesting \$48,045 for FY 2014-15.

Councilwoman Murphy inquired about potential impacts on the organization as a result of the Federal Affordable Care Act. Dr. Peratsakis reviewed in detail potential impacts, but acknowledged the Virginia General Assembly is in a stalemate currently and the outcome is unknown and this decision will have significant impacts. Councilwoman Murphy also inquired about WTCSB impacts on City Emergency Service Organizations (e.g. Police, Fire/EM). The Director explained those impacts.

6) Boys & Girls Club

Mrs. Keary Dixon, Regional Director for the Hampton Roads Boys & Girls Club addressed the Council. She reviewed the organizational focus and the program's history in Franklin. She indicated the program has grown here and been successful. She introduced Miss Quanshee Taylor, a local student in the Franklin program that was selected as Youth of the Year for the district. She is a high school senior and she made comments about the importance of Boys & Girls club participation to her. Mayor Johnson-Ashburn recognized Ms. Taylor and the audience acknowledged her with applause.

Mrs. Dixon then reviewed the request and acknowledged the local leadership of Eric Taylor at the Franklin facility.

7) The Children's Center

Rosalind Cutchins, Director of The Children's Center addressed the Council regarding their budget request to the City. The request was for \$3400.00 to supplement the head start program operated by the Center in Franklin. Mrs. Cutchins commented on the Center and its activities. She also reviewed statistics that illustrate the impact of the Center on children with their pre-kindergarten focus. She distributed and reviewed the annual report of the 30 year old organization.

Mayor Johnson-Ashburn arrived at the meeting at 7:05 P.M. during the presentation.

8) STOP Organization

Mr. George Reid, Board Chair of the area's STOP Organization was present to give highlights of their program and activities. A handout was presented and reviewed. Mr. Reid advised that STOP will celebrate 50 years of service to the area next year. He noted the organization had not requested funds in several years, but this year \$11,424 is requested. Service will continue to be provided regardless of whether the funds are available was his pledge. The requested funds would be used to provide emergency assistance to clients. The organization has also started providing job training services. He described the adverse impact on STOP of federal budget changes. This has prompted these requests to all communities served for support.

Councilwoman Murphy asked Mr. Reid to review the total program support provided to Franklin residents. Mr. Reid reviewed the details and referenced statistics on page 2 of the handout.

In closing, Mr. Reid recognized STOP Vice-President and Staff present.

Mayor Johnson-Ashburn thanked Mr. Reid for his service and for coming to Franklin.

9) Virginia Legal Aid Society

Mrs. Amy Disel-Allman, Managing Attorney for the Society presented the budget for the agency. She distributed a handout and gave a brief history of the organization since it was formed in 1977. She described how federal and state funding had been drastically reduced forcing some Virginia Offices to be closed. She referenced information in the handout describing success stories of clients assisted by the organization. She concluded by reviewing the agency's request for \$3,000 in funding from the city.

10) Genieve Shelter

Mr. James Gregory, spokesperson for the shelter, presented the budget request of \$5,000. He detailed the history of the organization locally which was begun in Isle of Wight County in 1988. He reviewed services offered and statistics showing increased demand between 2011-2013 of 10%.

Mayor Johnson-Ashburn inquired about the distribution of their facilities within the region and any planned changes. Mr. Gregory reviewed the status and expansion plans for shelter facilities in the area.

April 7, 2014

[MINUTES OF THE 2014-2015 BUDGET
APPROPRIATION/OUTSIDE AGENCIES]

11) Franklin City Schools

Superintendent Dr. Michelle Belle had advised City Staff she would not be present to review her proposed budget and that the School Board desired to separately submit a supplemental budget after a planned budget work session of the board scheduled for next week. City Manager Martin distributed copies of the Superintendent's budget he had received. He gave a summary comparison of the total request to the current year budget.

City Manager Martin also commented on a written request he received from the Superintendent on behalf of the School Board expressing their desire that Council adopt the School Board portion of the City budget before June 1st to allow the School Board to issue contracts to teaching staff.

Councilman Burgess stated his disappointment that no representative of the School System was at the meeting to present the agency's budget and answer questions. He noted, however, that the schools have been basically level funded for the past several budgets in terms of their base budget amount.

Mayor Johnson-Ashburn commented that the City had moved its budget calendar ahead two weeks at the request of the School Board Chair to accommodate earlier budget approval with action stated for June 9th on the approved budget calendar. The Mayor then read aloud the written request for the earlier budget approval by June 1st. She noted City Staff would be hard pressed to move the schedule up further at this time especially since the School Board has not finalized their budget request.

Councilman Burgess stated the City should give the school's priority to the extent possible to improve on their process of contracting personnel as early as possible to minimize turnover in instructional staff.

Councilwoman Murphy agreed with comments that she also wished the School System had made a budget presentation at this meeting.

It was noted that two members of the School Board were in attendance (Nancy Godwin and Dawna Walton). In response to comments about the contract issuance being as early as possible for instructional staff, School Board member, Nancy Godwin commented on the advantage of getting contracts to teachers as early as possible and preferably before the school year ends.

ADJOURNMENT

There being no further business for this Called Meeting, Mayor Johnson-Ashburn asked for a motion to adjourn. Councilwoman Murphy made a motion to adjourn which was seconded by Vice-Mayor Cheatham. The motion was approved by a vote of 5-0 (Councilman McLemore and Blythe absent).

The meeting adjourned at 8:10 P.M.

The Franklin City Council held a regular meeting on Monday, April 14, 2014 at 7:00 p.m. in the Council Chambers at City Hall.

Council Members in Attendance: Raystine D. Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, Greg McLemore and Mona Murphy (Councilman Don Blythe absent).

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Brenda Rickman, Commissioner of Revenue; Melissa Rollins, Director of Finance; Russ Pace, Director of Public Works; Carolyn Joyner, Human Resources Manager; Jennifer Maynard, Voter Registrar; Mark Carr, Deputy Chief of Emergency Services; Alan Hogge, Director of Social Services; Dan Howe, President, Downtown Franklin Association; Amanda Jarratt, President, Franklin Southampton Economic Development Inc.; Lieutenant Kenneth Barham, Franklin Police Department and Mark Bly, Director of Power and Light.

Other Staff in Attendance: Sergeant Todd Lyons, Franklin Police Department; Brenon Artis, Recreational Aide, Parks and Recreation, JoAnne Faulk, Finance Department; Stephen Newsome, Information Technology Specialist and Teresa Rose-McQuay, Administrative Assistant and Acting Secretary, Recording Minutes.

CALL TO ORDER

Mayor Raystine Johnson-Ashburn called the regular City Council Meeting to order at 7:02 p.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

CITIZENS' TIME

Three citizens signed up to speak at Citizen's time.

Citizen 1

Audrey Lee of 507 Vaughans Lane addressed the Council thanking them for supporting the youth of the City. Her son Brenon Artis works with the Department of Parks and Recreation. She thanked Mr. Martin and Mr. Williams for mentoring Mr. Artis.

Citizen 2

Kenneth S. Sanford of 205 Harrison Street introduced himself to Council. He started to comment about the upcoming city election, but was informed by the Mayor that Council policy prohibits campaigning at City Council meetings.

Citizen 3

Thomas H. Council of 423 Bracey Street wanted to file a complaint about his Councilman being limited in his opportunity to speak before a vote concerning his Ward. He feels that it was not right and wants his claims investigated. He asked that the Council stop infringing on His Councilman's' right to represent his Ward.

Amendments to Agenda

Councilman Greg McLemore made a motion that the Agenda be amended to discuss procedures that involve police action toward an elected official. Mayor Johnson-Ashburn asked for a second to the motion. The motion died due to the lack of a second.

Vice-Mayor Barry Cheatham made a motion to amend the Agenda to include a presentation from a representative of Financial Advisor, Davenport and Co., to explain a refinance of existing debt by the Western Tidewater Regional Jail Authority that will reduce the interest payment and consolidate and levelize the different outstanding obligations of the Authority and require the City to provide a non-binding moral obligation as additional security for the loan on a pro rata basis. The Vice-Mayor suggested the item go in the Finance section before the Hospital Refund Appropriation Authorization. Councilwoman Mona Murphy seconded the motion and it passed with a 6 – 0 vote (Councilman Blythe absent).

Vice-Mayor Barry Cheatham made another motion to amend the Agenda to go into closed session to add a discussion of employee performance and the negotiation of a public contract. The motion was seconded by Councilwoman Mona Murphy.

The vote was approved with the vote as follows:

Mayor Raystine Johnson-Ashburn, AYE; Vice-Mayor Barry Cheatham, AYE; Councilman Gregory McLemore, NAY; Councilman Benny Burgess, AYE; Councilwoman Mary Hilliard, AYE; and Councilwoman Mona Murphy, AYE (Councilman Don Blythe absent).

Consent Agenda

Minutes of the March 24, 2014 Regular Meeting

A motion was made by Vice-Mayor Barry Cheatham to adopt the minutes as presented from the City Council Meeting held on March 24, 2014. The motion was seconded by Councilwoman Mary Hilliard.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Barry Cheatham, AYE; Councilman McLemore, NAY; Councilman Burgess, AYE; Councilwoman Hilliard, AYE; and Councilwoman Murphy, AYE; (Councilman Blythe absent).

Child Abuse Prevention Month Proclamation

City Manager Martin recognized Alan Hogge, Director of Social Services to speak about Child Abuse Prevention Month. April is National Child Abuse Prevention month. The Proclamation before Council has been recognized by the President of the United States as well as the governor of Virginia. Director Hogge distributed blue and silver pinwheels that are a symbol of participation in National Child Abuse Prevention month, as well as a 2014 Virginia Campaign to Prevent Child Abuse and Neglect handout.

Mayor Raystine Johnson-Ashburn read the Proclamation. Councilman Greg McLemore made a motion to adopt the Proclamation and Councilwoman Mary Hilliard seconded it. The motion was approved by a 6 – 0 vote (Councilman Don Blythe absent).

FINANCE

Financial Advisor, Kyle Laux with Davenport and Company

City Manager Martin introduced Mr. Kyle Laux, Vice President of Davenport & Company; Financial Advisor to explain a proposal to refinance existing debt owed by the Western Tidewater Regional Jail Authority of which the City is a member. The refinancing will reduce the interest payment and consolidate and levelize the different outstanding obligations of the Authority and requires the City to provide a non-binding moral obligation as additional security for the loan on a pro rata basis. The outstanding long-term debt for WTRJ is about \$5 million. The refinancing will do two things: It will smooth the annual payments for the Authority making them more level and ensure that the Authority is paying less in debt service after the refinancing than before. The refinancing will save the Authority about \$95,000.00. The Authority will have the ability to refinance this debt in the future. The purpose of the refinancing is to realize net interest savings while not extending the term or issue any more debt.

Mayor Johnson-Ashburn asked for questions and comments.

Councilman Greg McLemore asked if this was separate from the debt refinancing that Davenport & Company did for the City of Franklin.

Mr. Laux answered yes it was. This is being done for the Western Tidewater Regional Jail Authority.

Councilman McLemore asked how much the service was costing and who was paying for it?

Mr. Laux said that it will cost about \$52,000.00 and it is paid by the Authority and included in the financing.

City Manager Martin asked what the new interest rate savings would be with the refinance.

Mr. Laux said the loan will reduce average interest rates about 1% or 100 basis points for the loan below current levels.

Councilman Burgess wanted to make sure that we weren't extending the loan, only flattening out the payment?

Mr. Laux commented that was correct.

Councilman McLemore asked why do we need a Resolution for this if it is only dealing with the Jail Authority and is it costing the citizens' of Franklin?

Mayor Johnson-Ashburn explained that the reason the City is involved is because Franklin is one of the member localities associated with the jail with representatives on the Authority Board.

Councilman Burgess commented that for the last 20 plus years we have contributed to the Authority's budget to support jail activities.

Vice-Mayor Cheatham said that we contribute to the Authority's budget as does the state, the federal government and the other member localities.

Councilman McLemore said that he just wanted clarity as to how the money the City of Franklin was giving to the jail was being spent and thanked the members of Council for explaining how it is done.

Vice-Mayor Barry Cheatham read the Resolution of the City Council of the City of Franklin, Virginia approving the issuance of Revenue refunding Bonds by the Western Tidewater Regional Jail for the purpose of Council voting on the resolution.

Mayor Johnson-Ashburn asked if there were any further questions concerning the presentation.

Councilman Burgess asked when the bonds would be issued and if this would affect the next budget cycle.

City Manager Martin responded the bonds would be issued in May and yes it will affect the next budget cycle.

Councilman Burgess stated that the issuance of the bonds will save money on what we give to the jail.

City Manager Martin acknowledged that it would result in a reduction in the City's budget costs.

In reference to a statement in the resolution, Councilman McLemore made a motion to table the resolution until he understood why it "shall not be published" was included in the resolution language.

Mayor Johnson-Ashburn asked for a second. There was none. The motion died due to a lack of a second. The Council returned to the original motion.

The original motion to approve the Resolution was approved with the vote as follows:

Mayor Raystine Johnson-Ashburn, AYE; Vice-Mayor Barry Cheatham, AYE; Councilman Gregory McLemore, NAY; Councilman Benny Burgess, AYE; Councilwoman Mary Hilliard, AYE; and Councilwoman Mona Murphy, AYE (Councilman Don Blythe absent).

Hospital Refund Appropriation Authorization

Mayor Johnson-Ashburn recognized Director Melissa Rollins to present the Hospital Refund Appropriation Authorization.

Director Rollins reminded Council that the Manager and staff reported on this refund in the March 24, 2014 Council Meeting. The refund is due the Southampton Hospital Corporation in the amount of \$59,284.80 for overpayment of business license taxes for the tax years 2010 – 2013. The hospital over reported business license taxes which caused the need for the refund.

The required action by City Council is to authorize payment from the City's Contingency line item in the amount of \$59,284.80 for overpayment of business license taxes by the Southampton Hospital Corporation for the tax years 2010 through 2013. The only payout from the contingency year-to-date was a \$10,000.00 transfer to the School System for Grant Matching Funds. With the Authorization of the refund the Contingency line item will be reduced to \$62,850.20.

Councilwoman Murphy made the motion to authorize payment and Councilwoman Hilliard seconded it. The motion was approved by a vote of 6 – 0 (Councilman Don Blythe absent).

OLD/NEW BUSINESS

USGS Flood Gauge Agreement

After brief comments reminding Council of the discussion on this topic at the last Council meeting, City Manager Martin deferred to City Attorney Taylor Williams to discuss the proposed Memorandum of Agreement concerning the Chowan River Basin Flood Gauge project. The Council was asked to consider renewing the obligation with USGS to operate and maintain 6 rain gauges installed on the Meherrin River, the Nottoway River, and the Blackwater River. The City had previously agreed to participate in the original agreement signed in 2012 that covered the time period from July, 2012 to June, 2014. The City, along with the other six localities, has been asked to participate in a new agreement to cover the period from July, 2014 thru June, 2019 and act as the fiduciary agent once again to collect the annual payments for the maintenance and operation of the rain gauges. The proposed agreement is presented for Council consideration to allow the City to act as the fiduciary agent and continue participation.

Mayor Johnson-Ashburn asked if there were any questions concerning this topic.

Councilman McLemore asked what happens if one of the member cities fails to pay their part.

City Attorney Williams answered the City of Franklin would not be responsible to pay another community's share if they failed to pay.

Councilman McLemore wanted to know where the closest gauge was to the City of Franklin.

City Attorney Williams stated that the closest one upstream is above Burdette in Southampton County.

Mayor Johnson-Ashburn recognized Councilwoman Murphy who read the Memorandum of Agreement aloud.

Councilwoman Hilliard made the motion to authorize the agreement and to allow the City to act as the fiduciary agent and Vice-Mayor Cheatham seconded it. The motion was approved by a vote of 6 – 0 (Councilman Don Blythe absent).

CITY MANAGER'S REPORT

Annual Employee Health Insurance Plan Renewal

Mayor Johnson-Ashburn recognized City Manager Martin for the City Manager's report. The first thing presented was the Annual Employee Health Insurance Plan Renewal. He made mention that in the coming year the City would be seeking additional information from other Insurance carriers to compare rates and get more competitive pricing. The State commissioned a committee to study the State's health plan to see if they can extend their plan to the local governments, thus far that has not been acted upon by the General Assembly. The hope is that could be another resource to help in this process to keep rates affordable. The City's employee Safety, Health and Wellness Committee success is another factor that will help reduce our rates in the future.

City premiums will rise on 7/1/2014 by 6.8% for FY 2014-2015 compared to a 9.7% increase in FY 2013-2014. The Council's existing policy as prescribed in the plan agreement indicates that the City will assume 80% of the single employee cost of the plan and an additional 20% of the dependent cost coverage. Most other municipalities have seen rate increases in the double digits so the City is fortunate to only see a single digit increase.

The recommendation to Council is to approve the increased rate adjustment for the Key Advantage Expanded and the Key Advantage 500 Plans to allow the continued coverage for the City of Franklin Employees health insurance services for FY 2014-2015. The city is required to give notice to the Company if coverage is to be renewed by July 1, 2014.

Mayor Johnson-Ashburn asked if anyone had any questions regarding the Employee Health Insurance program.

Councilwoman Murphy asked why there was a delay in notifying the Program Manager, Mr. Walt Norman before April 1st.

City Manager Martin replied that we did not receive the quote until sometime in March and we wanted to see how it would fit into our budget before it was presented. It is routine for the carrier to give a thirty day extension which gives more time for the City to evaluate the impact.

Councilwoman Murphy wanted to know how long the City has had the current plan.

Mrs. Joyner responded that the City has had Anthem since the 1990's.

Councilwoman Murphy wanted to know how many options the City has considered in recent years since City Manager Martin has been here.

City Manager Martin said that the City has not sought proposals but the staff has intentions on doing so in the coming year. It takes considerable advance time to get proposals before renewal dates.

Councilwoman Murphy asked how many companies had been looked at before Mr. Martin came here.

Mayor Johnson-Ashburn then recognized Mrs. Joyner, HR Manager who commented on past actions. The Mayor remembered that the City had solicited and there were companies that had sent in proposals in the past but Council had opted to stay with the current carrier.

Councilwoman Murphy expressed a desire to review available information submitted to the state for evaluation on health insurance coverage.

Councilman Greg McLemore made the motion to approve the insurance rate adjustment for the Key Advantage Expanded and the Key Advantage 500 plans to allow the continued coverage for the City of Franklin employees' health insurance services for FY 2014 – 2015 and Vice Mayor Barry Cheatham seconded the motion. The motion was approved with a vote of 6 – 0 (Councilman Blythe absent).

FY 2014 – 2015 Preliminary Proposed Budget Update

In presenting a preliminary Budget update for FY 2014 – 2015, City Manager Martin stated a disclaimer that this is not a balanced budget presentation but an update as requested by Council. The details of this preliminary budget report should not be misinterpreted as estimating the proposed tax rate that will be recommended for FY 2014 – 2015. Significant adjustment will be made before a final recommendation is

presented. The property tax estimate is based solely on a preliminary report of Real Estate Assessment data as of April 10th to illustrate the impact for discussion purposes only. The cost of confinement numbers are also subject to change as noted. Another major budget driver is school debt which is fixed. Remaining requested increases are typically smaller in scale, but cumulatively will also factor into the budget balancing equation along with identified service cost efficiencies.

General Fund:

Continued Utilization of consistent and conservative revenue projections are a key component of progress towards achieving compliance with fund balance and cash reserve policies. City staff want to be accurate in projections so if we miss we will be low and we end up with more revenue received rather than less. This report excludes any use of available debt reserves as of 4/10/14. The reserve is currently at \$927,409.00. This was set up at the time of the IP closure to offset revenue losses..

Taking a look at some of the major budget drivers, the preliminary projection is a net 8.0% decrease in real property values based on the Real Estate Reassessment currently underway but incomplete. If the tax rate stays exactly where it is the estimated loss of revenue is \$432,000.00 below the current year at 4/10/14. In order to achieve revenue neutrality the rate adjustment would be rounded to \$0.08. Each one cent on the Tax Rate is equivalent to \$58,000.00.

The next major budget driver is the increased cost for Jail Administration which is estimated to go up by \$408,560. The cost of Juvenile detention is up \$14,000 and for Adult detention is up \$394,560. Based on the potential refinancing of the Western Tidewater Regional Jail Authority debt, the cost associated with jail administration will decrease. The final recommended budget will reflect all cost savings realized as a result of the refinancing which will be the City's proportionate share of the reduction estimated at \$34,015 which lowers the requested appropriation increase to \$360,545 for adults. The City of Franklin pays 16% of the cost for the Western Tidewater Regional Jail.

The third major budget driver is the School Debt. FY 2014 – 2015 shows an increase of \$172,000. This money does not show up in the School Board's budget request or appropriation, the City pays that directly on their behalf for their debt. There is a requested funding increase in School Appropriation that includes a carryover of \$345,599 for FY 2013. This excludes the April 9th School Board Supplemental Increased Request to the Superintendent's Proposed Budget of \$272,613. That makes the total requested increase beyond base appropriation of \$4,837,395 an increase of \$618,212 excluding the change in School related debt service.

Personnel are an additional Budget driver to consider. There is a salary adjustment of 1.1% to cover the required 1.0% VRS employee contribution. This is the 3rd year of 5 years for the incremental increase of the state mandated 5.0% employee contribution to VRS. The 6.8% increase on health insurance premiums will take effect on July 1, 2014. The City's share of the increase in the General Fund is approximately \$50,000. It also includes full year funding of shared services and grant subsidized positions.

The projected increase in the Industrial Corridor Revenue Sharing contribution to Southampton County is estimated at \$100,000 per agreement terms. The projected increase in the Department of Social Services Local match is \$69,675; along with the projected increase in the Comprehensive Services Act local match of \$60,790.

Other Discretionary Budget request increases from various agencies are \$71,496. The summary of these requests were presented at the April 7th City Council budget work session. There are various Building repairs and maintenance requests equaling \$202,000. Street and Utility excavating equipment cost of \$90,000 to be shared between the streets and the water and sewer fund. This will have little to no impact

on the General Fund. There are also miscellaneous personnel related requests from various departments in the amount of \$159,047.

The bottom line as of April 14th is revenues are estimated to be \$21,212,174 which is flat without taking into consideration the impact of the reassessment. These numbers will change but this gives a snapshot of where we are at. All expenditures requested total \$23,645,148 which is a variance of expenditures over revenue of \$2,432,974. There will be cuts and this budget will be balanced when recommended to Council.

In summary, the estimated loss of revenue as a result of reduction in Real Estate property values; added to the increase in cost of confinement for Juveniles and Adults and the increased School debt has the potential for a significant budgetary impact in the General Fund.

Enterprise Funds:

The City is maintaining a solid cash balance going into FY 2014 – 2015. The new Solid Waste Fund had a beginning cash balance of \$191,000. The Cash balance at 3/31/14 was \$392,000(28%of the total budget) and is projected to be \$450,000 at 6/30/14. The proposed budget maintains the current fee for solid waste collection services at \$39.74 per month for residential customers. It also includes the requested purchase of a new piece of equipment which is a grapple truck for streamlining yard waste collection. The proposed use of a portion of Cash Reserve Funds for the capital purchase of the grapple truck is based upon a pay-as-you-go option to buy it out right and with no impact on the General Fund.

The Water & Sewer Fund maintains a solid cash balance and there are no proposed changes in Water and Sewer rates. The program for city-wide meter upgrades is nearing completion which will reduce the cost for Water Meter purchases in the amount of \$90,000. We are looking at efficiencies by reducing personnel cost in Sewer Operations in a net reduction of 3 FT positions; we will pick up the necessary things that crew has done with specialized contractual services as needed. This will lower operating costs while eliminating the future need to purchase new equipment to replace outdated equipment in this area. The proposed budget will provide adequate funds for water line and sewer system improvements.

The Electric Fund's cash position shows improvement at the end of the third quarter at \$827,000 on March 31st compared to the \$559,000 reported at the end of February, the projected Cash balance as of June 30th will be \$1.0 million. A fund balance policy evaluation shows the projected cash balance as a % of annual revenue excluding fuel adjustments would be 7.5% at June 30th.

Based on projected annual revenues of \$13,316,084, the minimum cash balance in accordance with the established policy guidelines would be \$1,331,608 or 10%. Based on the assumption of the relationship between revenue and operating costs remaining relatively constant, it was expected to take four to five years for the fund to reach the policy guideline and meet the level of cash balances required at the end of each quarter depending upon how much capital reserve funding was set aside and expended. The projections also assumed that the City would pass through future major changes in fuel adjustments and wholesale power charges to customers in a timely manner. This statement was an excerpt of the City's Adopted Budget document approved June 25, 2012 in an effort to restore a minimum Cash balance in the Electric Fund. It is now projected that policy compliance will be achieved within three years and during FY 2014 – 2015.

There is a projected wholesale rate increase from Dominion of 8.9% as of March 31st for the FY 14 – 15. The proposed budget is based on a Department Recommended 5.0% increase in the retail rate necessary to pass through the Dominion rate increase proposed. The net impact of the rate increase to customers as a result of no change to the base rate equals 4.13%. There is no change in the fuel adjustment rate as of

4/10/14. The impact to the residential customer is \$4.73 per month based on 1,000 kilowatts per hour usage. This would generate an additional \$371,990 for the Electric Fund to offset the increased wholesale costs of power purchased from Dominion.

There are no changes in the Operating Budget for the Airport Fund. Included in the operating budget are two primarily Grant funded capital projects: a weather station upgrade and runway lighting. The total costs for the weather station upgrade is \$84,422. The Federal funds for the project are \$80,201, State funds are \$4221 and the local match is \$0. The cost for Runway lighting is \$1,515,410. Federal funds are \$1,363,869; State funds are \$121,232 with a Local match of \$30,308. Fortunately other costs in the fund are reduced which will offset the City's one-time share of the project and cause no net impact to the City's budget.

The remaining FY 2014 – 2015 Proposed Budget Schedule is as follows:

- April 28th – Highlights of Recommended Budget by City Manager
- May 5th, 7th & 13th – Budget Work Sessions – 6:00 P.M.
- May 16th – Proposed Budget Advertisement
- June 2nd – Public Hearing – 7:00 P.M.
- June 9th – Scheduled City Council Action on Budget

Mayor Johnson-Ashburn stated that because of an upcoming lengthy closed session at the end of tonight's meeting, Council members were asked to email any budget related questions to the City Manager. He was asked to incorporate the questions and answers into his report at the next City Council Meeting. Mayor Johnson-Ashburn asked Manager Martin to email Councilman McLemore and copy Council on discussions with the Army Corps of Engineers on other flood investigation efforts. The City Manager made the Council aware that VDOT will be starting the road improvements for the Hunterdale Road project sometime in early May.

Mayor Johnson-Ashburn reminded the citizen's of the Public Meeting being held on Tuesday, April 15, 2014 at 6:30 P.M. for the Ward 3 vacancy on the School Board coming in June, 2014, in the Franklin City Council Chambers.

Closed Session

Vice-Mayor Barry Cheatham moved for the City Council of Franklin to meet in closed session to discuss and consider appointments for Boards and Commissions, and to discuss and consider the performance of an employee of the City Council, for the City Council to discuss perspective Business and Industries where no previous announcements had been made and the discussion of the award of a Public Contract involving the expenditure of public funds where discussion in open session would adversely affect the bargaining position, when negotiating the strategy of the City of Franklin pursuant to the Virginia Code 2.2-3711 (A) (1) (5) & (29). Councilwoman Murphy seconded the motion.

The motion was approved with the vote as follows:

Mayor Raystine Johnson-Ashburn, AYE; Vice-Mayor Barry Cheatham, AYE; Councilman Gregory McLemore, NAY; Councilman Benny Burgess, AYE; Councilwoman Mary Hilliard, AYE; and Councilwoman Mona Murphy, AYE (Councilman Don Blythe absent).

The City Council entered into Closed Session at 8:46 P.M.

Vice-Mayor Cheatham exited the closed session at 9:50 p.m.
Mayor Johnson-Ashburn reconvened the open session and requested a motion certifying the closed session.

Councilman Burgess made a motion that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. Councilwoman Hilliard seconded the motion.

The motion was approved by a 5 – 0 vote (Vice-Mayor Cheatham and Councilman Blythe absent).

ADJOURNMENT

Councilman Burgess made a motion to adjourn. Councilwoman Hilliard seconded and the motion was approved by a 5 – 0 vote (Vice-Mayor Cheatham and Councilman Blythe absent).

The Mayor declared the meeting adjourned at 10:05 P.M.



**Building Safety Month 2014
Proclamation**



Whereas, our City’s continuing efforts to address the critical issues of safety, energy efficiency, and resilience in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound, and;

Whereas, our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

Whereas, these guardians—dedicated members of the International Code Council—use a governmental consensus process that brings together local, state and federal officials with expertise in the built environment to create and implement the highest-quality codes to protect Americans in the buildings where we live, learn, work, worship, play, and;

Whereas, the International Codes, the most widely adopted building safety, energy and fire prevention codes in the nation, are used by most U.S. cities, counties and states; these modern building codes also include safeguards to protect the public from natural disasters such as hurricanes, snowstorms, tornadoes, wildland fires and earthquakes, and;

Whereas, Building Safety Month is sponsored by the International Code Council, to remind the public about the critical role of our communities’ largely unknown guardians of public safety—our local code officials—who assure us of safe, efficient and livable buildings, and;

Whereas, “Building Safety: Maximizing Resilience, Minimizing Risks” the theme for Building Safety Month 2014, encourages all Americans to raise awareness of the importance of building safe and resilient construction; fire prevention; disaster mitigation, backyard safety; energy efficiency and new technologies in the construction industry. Building Safety Month 2014 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,

Whereas, each year, in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments and federal agencies in protecting lives and property.

NOW, THEREFORE, I, Raystine H. Johnson - Ashburn,(Mayor of the City of Franklin, Virginia, do hereby proclaim the month of May 2014 as Building Safety Month. Accordingly, I encourage our citizens to join with their communities in participation in Building Safety Month activities.

Date: _____

Mayor

ATTEST: _____

Clerk

APRIL 28, 2014

FRANKLIN CITY COUNCIL AGENDA

PUBLIC HEARING

A. School Board Vacancy Nominations (Wards 1 & 3)

**NOTICE OF PUBLIC HEARING FOR
NOMINATION OF PERSONS TO THE FRANKLIN CITY SCHOOL BOARD**

The Franklin City Council will conduct a Public Hearing at its regular meeting to be held on Monday, April 28, 2014 at 7:00 p.m. and again on Monday, May 12, 2014 at 7:00 p.m. at the Franklin City Hall at 207 West Second Avenue, Franklin, Virginia 23851 for the purpose of considering individuals for nomination to the Franklin City School Board. Nominations of persons for the Ward 1 seat and the Ward 3 seat can be made to fill terms beginning July 1, 2014 and expiring June 30, 2017.

Any person desiring to nominate individuals to serve or apply to serve on the Franklin City School Board should attend one of the Public Hearing dates and make such nomination on either April 28 or May 12 as he or she desires. A resume may be presented to Council at that time. No nominee or applicant whose name has not been considered at a Public Hearing shall be appointed as a school board member.

The public hearing is to be held at a public facility to be accessible to persons with disabilities. Any persons with questions concerning the accessibility of the facility or those who have need for reasonable accommodations should contact Teresa Rose-McQuay at (757) 562-8508. Persons needing interpreter services for the deaf must notify Mrs. McQuay at least seven (7) days in advance of the hearing.

Franklin City Council
R. Randy Martin, Clerk

Please run in Tidewater News
Block Ad

FINANCE

- A. Monthly Financial Report – March, 2014**
- B. Treasurer’s Report**
- C. VRS Phase-in Resolution #2014 -04 & Rate Designation Resolution #2014 -05**



**Monthly Financial Report Summary (Unaudited)
for the 3rd Quarter Ending March 31, 2014**

General Fund Revenue Assumptions
Accruals: Local Sales & Use Taxes, Meals Taxes, and Lodging Taxes. The Financial Report has been modified to adjust for these revenue sources on an accrual basis.

General Fund Revenue Summary

The General Fund is the City’s primary operating fund and is used to account for all resources except those that are required to be accounted for in another fund. With three quarters of the fiscal year complete, General Fund Revenues continue to track slightly higher than revenue from the prior year period. Overall, General Fund revenue of \$12.4 million at the end of the month is 65.2% of budget compared to \$12.12 million or 63.2% of budget at February 28 2013. An overview of the various local, state and federal sources is as follows:

Property Tax Revenue

- Property tax revenue in Fiscal Year 2013-2014 reflects a favorable increase in general property tax collections over the prior year period. Current real estate taxes is consistent with the prior year at \$2.50 mil; in both periods 48.6% of the budget was realized at the end of the 3rd quarter; delinquent real estate, current personal property taxes and penalties & interest on taxes continue to reflect gains from the prior year period. Revenue from delinquent personal property taxes show less received in the current fiscal year, however, revenue from this source is expected to improve in the 4th quarter of the fiscal year. Noteworthy is the delinquent tax revenue of nearly \$252,000 which has exceeded prior year period collections of \$192,000 by 31%. Collectively, the taxes as shown below reflect a 1.8% gain from the prior year period.

REVENUE SOURCE	ACTUAL 3/31/2014	ACTUAL 3/31/2013	Prior Year Change Dollar and %	
Real Estate Taxes-Current	\$ 2,502,997	\$ 2,497,870	\$ 5,127	0.2%
Real Estate Taxes-Delinquent	251,779	\$ 192,237	\$ 59,542	31.0%
Personal Property Taxes-Current	1,236,012	\$ 1,208,087	\$ 27,925	2.3%
Personal Property Taxes-Delinquent	31,329	\$ 52,598	\$ (21,269)	-40.4%
Penalties & Interest Taxes	113,752	\$ 111,952	\$ 1,800	1.6%
GENERAL PROPERTY TAXES	\$ 4,135,869	\$ 4,062,744	\$ 73,125	1.8%



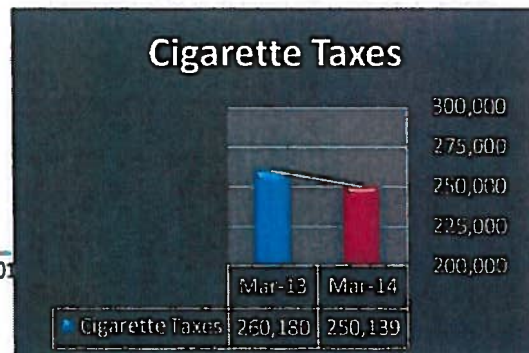
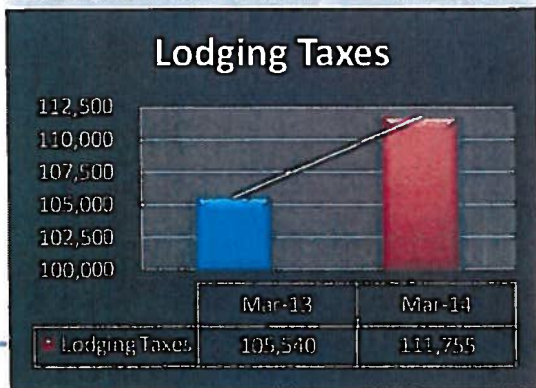
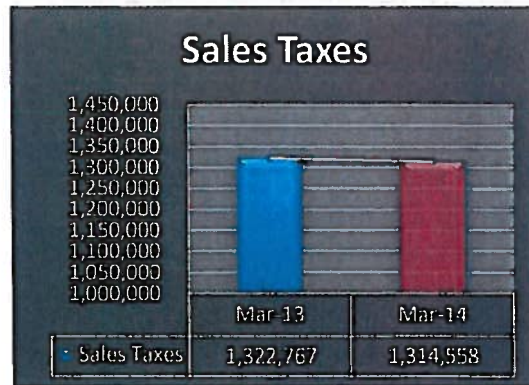
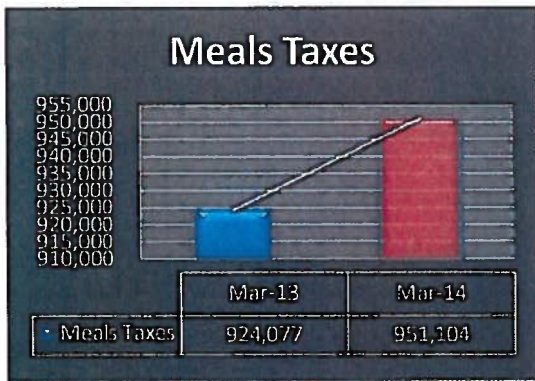
Local Taxes

- Taxes indicative of the City’s local economy collectively are tracking close to the prior year period. Estimated meals and lodging taxes yield positive gains of 2.9% and 5.8% respectively, while revenue from cigarette and projected sales taxes reflect less favorable trends decreasing from the prior year period by 3.8% and less than 1.0% respectively as shown in table 1 and the accompanying charts. However, all sources are on target with budgeted projections ranging from 75% to 83% of the budget realized at the end of the month.

Table 1.

Fiscal Period	Meals Taxes	Lodging Taxes	Cigarette Taxes	Sales Taxes	Total
Mar-13	924,077	105,540	260,180	1,322,767	2,612,564
Mar-14	951,104	111,755	250,139	1,314,558	2,627,556
Change \$	27,027	6,215	(10,041)	(8,209)	14,992
Change %	2.92%	5.89%	-3.86%	-0.62%	0.57%

FY14 % of Budget					
Realized	76.1%	74.5%	83.4%	76.2%	



h 31, 201



Other Local Revenue

- Revenue from permits, fees and fines reflect an increase in the current accounting period from \$87,000 in March 2014 to over \$151,000 in March 2014 due to the consolidation of planning and inspection services with Southampton County. Fees collected year to date have reached 97% of budget.
- Charges for services reflect the budgeted reduction in the general fund associated with the transitioning to the separate Solid Waste Fund effective July 1, 2013. One month of revenue for June 2013 billed services (collected in July) is reflected in the General Fund. Effective August 1st, all revenue collected for solid waste services was reported in the Solid Waste Fund.
- Charges for services also include the administrative transfer from the City's Enterprise Funds to the General Fund; the budget and expenditures for FY13-14 increased as a result of accurate cost allocation and service charges for the newly established Solid Waste Fund. Other charges for services include ambulance billing charges (which reflect significant gains due to timely billing of Medicaid claims) and parks & recreation fees which also reflect gains over the prior year period. Collectively, receipts for charges for services are 79% of budget at the end of the quarter.
- State and Federal Revenue – For state aid, revenue is higher than the prior year period as a result of fire program grant funds and additional funds for street and highway maintenance; federal aid in the current year increased as a result of the SAFER grant federal reimbursement

General Fund Expenditure Summary

General Fund expenditures increased overall by \$1.14 million or 11% from the prior year period. Budgetary changes were made in the current fiscal year for public safety and capital outlay expenditures associated with loan proceeds; year to date expenditures at 70% of budget are higher when compared overall to the prior fiscal year. This is largely due to the expenditure of those capital outlay items in the current year, budgeted increases for personnel expenditures, and service consolidation in Community Development. Primary decreases and increases in the current fiscal year versus expenditures from the prior year period are as follows:



<u>Category of Expenditure</u>	<u>FY 13-14</u>	<u>FY 12-13</u>	<u>Variance</u>
	<u>3/31/2014</u>	<u>3/31/2013</u>	
Legislative, General & Financial	1,455,088	1,382,404	72,684
Law Enforcement	2,680,220	2,463,958	216,262
Refuse Collection & Disposal	212,709	669,288	(456,579)
Planning & Beautification	132,403	37,154	95,249
Streets	1,738,174	1,066,794	671,380
Buildings and Grounds	993,312	672,098	321,214
Fire and Rescue	1,583,613	1,197,998	385,615
Total	8,795,519	7,489,694	1,305,825

Explanation for Above Variances

Legislative, General and Financial Administration: budgeted personnel increases, real estate reassessment, cost for retirees health insurance, full time IT staff and other IT operating costs.

Law Enforcement: Personnel cost - (budgeted and mid-year adjustments, overtime, leave- payouts) capital outlay - police vehicles

Planning – Personnel & operating cost for shared services (Storm water Management)

Streets – Personnel cost to include filling vacancies, street paving & drainage, snow & ice removal and equipment & repairs

Building & Grounds – capital outlay roof replacements; various other operating expenses increased over prior year period

Fire & Rescue – personnel cost for SAFER grant positions and other expenses as vehicle repairs

Anticipated Additional Appropriations Needed in General Fund for FY13-14

Southampton County Revenue Sharing payment
Retiree Health Insurance



WATER & SEWER FUND

- The Water & Sewer Fund continues to perform according to budget with 73% or \$2.18 million of \$3.12 million of budgeted revenue realized at March 31.
- Operating expenses show a decrease of about \$174,000 due to the timing of projects completed primarily in the water division (i.e. waterline rehabilitation).
- After factoring in transfers to the General Fund and debt service, the variance between revenue and expenditures is nearly \$480,000. Cash in the Fund increased from the prior month by \$150,000 to \$2.09 million.

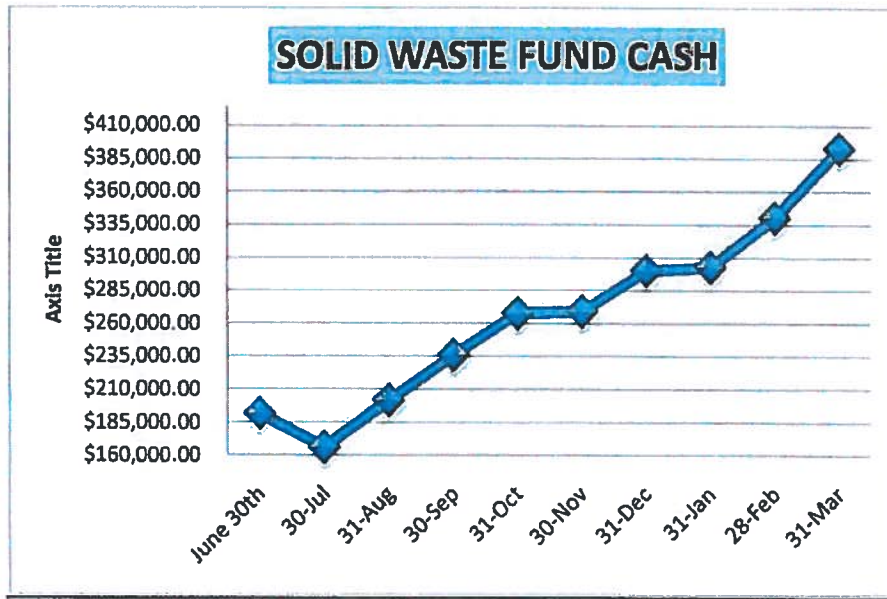
SOLID WASTE FUND SUMMARY

- Revenue for the Solid Waste Fund of \$923,000 is recorded for eight months beginning with the August 2013 financial report. (Revenue for solid waste services received in July 2013 was for the prior year service period (June 2013) and therefore credited to the City's General Fund). Consequently, revenue will track behind budget until the end of the fiscal year.
- Expenditures are 62% of budget for operating cost and 50% of the total budget when factoring in capital outlay.
- After factoring in transfers to the General Fund and debt service, total expenditures of \$736,000 represent 53% of the Fund's total budget;
- As a result of year to date revenue earned and expenditures made, net income for the month is nearly \$187,000; Cash in the Solid Waste Fund at the end of March was \$392,655 for an overall increase of \$201,000 in the fund's cash position since July 1.

Below is a snapshot of the funds' cash position by month for fiscal year 2013-2014.



	<u>Month</u>	<u>Cash Balance</u>	<u>Variance</u>
	June 30th	\$191,478	
	July 30th	\$166,060	(\$25,418)
	Aug 30th	\$201,680	\$35,620
	Sept 30th	\$235,700	\$34,020
	October 31st	\$267,523	\$31,823
	Nov 30th	\$268,902	\$1,379
	December 31st	\$300,148	\$31,245
	January 31st	\$302,728	\$2,580
	February 28th	\$340,434	\$37,706
	March 31st	\$392,655	\$52,221
	Net Change Since July 1, 2013		\$201,177





Airport Fund Summary

- Fuel sales reported at March 31st was nearly \$83,000; sales activity improved slightly in March with nearly \$9,000 in fuel sales. This is just slightly higher than sales revenue in the prior year period of \$78,000. Revenue collected for fuel sales is 47% of budget compared to 44% in the prior year period.
- Other local revenue of nearly \$51,000 consists primarily of airport rental fees are slightly less than the prior period revenues of \$48,000; however, on target with budget at nearly 79% of the budget realized at the end of the period.
- While state and federal grant revenue is currently less than \$11,000, the City does expect a federal/state reimbursement for land acquisition costs and other airport projects in April 2014.
- Net loss (\$45,975) will revert to a favorable net gain position in April upon receipt of federal reimbursement.

Electric Fund Summary

- Revenue in the Electric Fund is at roughly 77% of budget and represents nine months of billed revenue at \$10.08 million (sale of energy). This is 4.46% higher than the same period in FY 2012-2013 in which billed revenue of \$9.65 million was 74% of budget.
- Revenue from other sources of \$204,000 is performing well with 79% of the budget realized as of March 31.
- On the expense side, operating expenses of \$851,000 (57.8% of budget) are slightly under prior year period expenses of \$902,000 (60.1% of budget). Funds set aside for reserves should remain unspent for the purposes of cash replenishment and future capital outlay.
- Expenditure for the sale of energy is \$7.23 million at the end of the period, or 81% of budget, comparable to the \$7.20 million spent in the prior year period.



CASH BALANCE

The Electric Fund experienced improvement in its cash position from February 2014 to March 2014. Cash in the Fund at the end of February was \$559,511. The balance at the end of March is \$803,846 for an increase of \$244,455 or 44%. This balance is \$433,120 higher than the cash balance reported in the Fund at the end of March 2013 (\$370,727). *See tables 1 and 2 and 3 (graph).* Cash in the Fund has grown over \$160,000 from the cash balance at the beginning of the fiscal year; overall, this is a good improvement when reviewing cash balance activity in fiscal year 2012-2013.

Prior Year (Table 1)

Month	FY12-13	Revenue	Expenses	Month to Month Variance	Cash Balance	VMEA PAYMENTS
					\$ 365,374	
July		\$ 1,010,040	\$ (1,143,237)	\$ (133,197)	\$ 232,177	\$ (887,569)
August		\$ 1,281,182	\$ (1,333,420)	\$ (52,238)	\$ 179,939	\$ (1,015,441)
September		\$ 1,289,437	\$ (1,197,113)	\$ 92,324	\$ 272,263	\$ (928,938)
October		\$ 1,170,681	\$ (1,096,168)	\$ 74,513	\$ 346,776	\$ (818,226)
November		\$ 972,947	\$ (960,696)	\$ 12,251	\$ 359,027	\$ (663,847)
December		\$ 1,084,084	\$ (1,155,921)	\$ (71,837)	\$ 287,190	\$ (882,269)
January		\$ 1,276,135	\$ (1,173,339)	\$ 102,796	\$ 389,986	\$ (871,815)
February		\$ 1,268,293	\$ (1,370,515)	\$ (102,222)	\$ 287,764	\$ (1,091,529)
March		\$ 1,392,237	\$ (1,309,274)	\$ 82,963	\$ 370,727	\$ (1,013,256)
TOTAL		\$ 10,745,036	\$ (10,739,683)	\$ 5,353		\$ (8,172,890)

Current Year (Table 2)

Month	FY13-14	Revenue	Expenses	Month to Month Variance	Cash Balance	VMEA PAYMENTS
					\$643,257.00	
July		\$ 1,124,201	\$ (1,125,373)	\$ (1,172)	\$ 642,085	\$ (816,474)
August		\$ 1,273,234	\$ (1,242,781)	\$ 30,453	\$ 672,538	\$ (908,442)
September		\$ 1,245,217	\$ (1,133,186)	\$ 112,031	\$ 784,569	\$ (870,736)
October		\$ 1,159,090	\$ (1,038,735)	\$ 120,355	\$ 904,924	\$ (744,689)
November		\$ 963,168	\$ (991,325)	\$ (28,157)	\$ 876,767	\$ (689,136)
December		\$ 1,036,073	\$ (1,178,982)	\$ (142,909)	\$ 733,858	\$ (950,909)
January		\$ 1,229,938	\$ (1,525,452)	\$ (295,514)	\$ 438,344	\$ (1,012,802)
February		\$ 1,579,828	\$ (1,458,781)	\$ 121,047	\$ 559,391	\$ (1,318,546)
March		\$ 1,529,951	\$ (1,285,496)	\$ 244,455	\$ 803,846	\$ (1,037,055)
TOTAL		\$ 11,140,700	\$ (10,980,111)	\$ 160,589		\$ (8,348,789)

A Look Ahead: Preliminary Projected Cash Balance at June 30, 2014 is \$1.0 million as previously reported.



Table (3) – Graph of Three Fiscal Year History – Electric Fund Cash Position

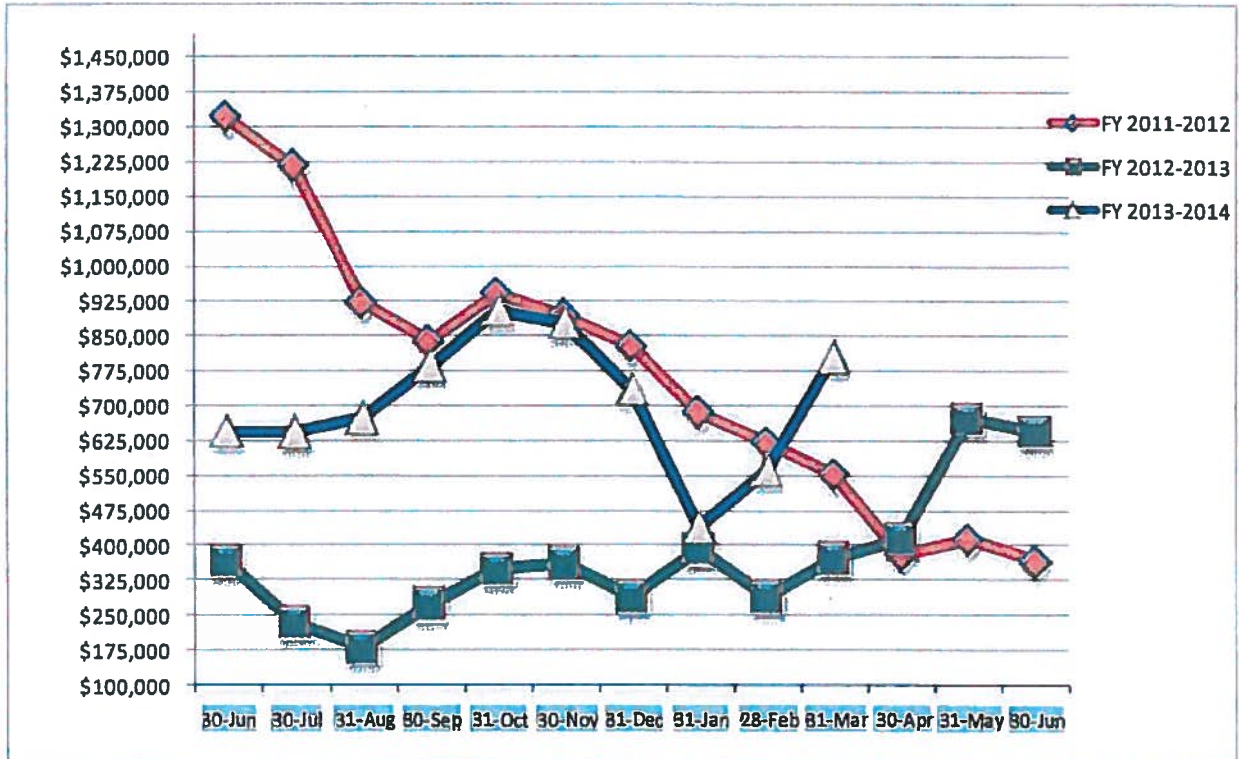


Table (3) Chart of Three Year Fiscal Year History – Electric Fund Cash Position

	FY 2011-2012	FY 2012-2013	FY 2013-2014
30-Jun	\$ 1,320,285	\$ 365,374	\$ 643,257
30-Jul	\$ 1,215,100	\$ 232,177	\$ 642,085
31-Aug	\$ 922,039	\$ 179,939	\$ 672,538
30-Sep	\$ 839,265	\$ 272,263	\$ 784,569
31-Oct	\$ 941,608	\$ 346,776	\$ 904,924
30-Nov	\$ 893,591	\$ 359,027	\$ 876,767
31-Dec	\$ 827,204	\$ 287,190	\$ 733,859
31-Jan	\$ 686,342	\$ 389,986	\$ 438,344
28-Feb	\$ 620,337	\$ 287,764	\$ 559,511
31-Mar	\$ 552,907	\$ 370,727	\$ 803,846



Table 4.
FY 2013-2014 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS

	October	November	December	January	February	March	TOTAL
BILLING	\$ 912,746	\$ 1,058,860	\$ 1,356,659	\$ 1,605,050	\$ 1,491,255	\$ 1,299,191	\$ 11,333,830
TOTAL PAYMENTS*	\$ 1,123,384	\$ 937,101	\$ 1,094,581	\$ 1,221,909	\$ 1,551,735	\$ 1,463,619	\$ 10,906,999
VARIANCE	\$ 210,638	\$ (121,759)	\$ (262,078)	\$ (383,141)	\$ 60,480	\$ 164,428	\$ (426,831)

96.2% of YTD billed has been collected

Table 5.
FY 2012-2013 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS

	October	November	December	January	February	March	TOTAL
BILLING	\$ 878,274	\$ 1,187,308	\$ 1,148,471	\$ 1,294,486	\$ 1,414,622	\$ 1,196,897	\$ 10,788,845
TOTAL PAYMENTS*	\$ 1,129,249	\$ 935,060	\$ 1,060,843	\$ 1,214,002	\$ 1,225,110	\$ 1,358,200	\$ 10,416,250
VARIANCE	\$ 250,975	\$ (252,248)	\$ (87,628)	\$ (80,484)	\$ (189,512)	\$ 161,303	\$ (372,595)

96.5% of YTD billing was collected

*Payments applied are for any month, current or past due.

Cash Balance Policy Evaluation

FY 2013-14 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at 3/31/14 = \$803,000 or 6.0%.

FY 2012-13 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at FYE 3/31/13 = \$370,000 or 2.78%.

FY 2014 TOTAL REVENUE	15,051,745
Less Fuel Adjustment	(1,667,809)
Budget Basis for Policy	13,383,936
10% of Annual Revenue	\$ 1,338,394

Policy Evaluation: At the end of February, cash is below minimum policy level by \$535,000; however, this is an improvement from the prior month where cash was \$779,000 below guideline. FY 13-14 reflects a gain in the Fund's cash position also from the prior year period. In comparison, cash in the Fund was below minimum policy level (\$1.330 million) by \$960,000 at the end of March 2013.

Monthly Financial Report
 Period Ending March 2014

CITY OF FRANKLIN		(Unaudited)				
FISCAL YEAR 2013-14						
LOCAL TAX REVENUES						
REVENUE SOURCE	2013-2014 BUDGET	ACTUAL 3/31/2014	BUDGET %	2012-2013 BUDGET	ACTUAL 3/31/2013	BUDGET %
Real Estate Taxes-Current	\$ 5,150,432	\$ 2,502,997	48.6%	\$ 5,141,289	\$ 2,497,870	48.6%
Real Estate Taxes-Delinquent	175,000	251,779	143.9%	175,000	192,237	109.8%
Personal Property Taxes-Current	1,325,000	1,236,012	93.3%	1,314,394	1,208,087	91.9%
Personal Property Taxes-Delinquent	70,000	31,329	44.8%	95,000	52,598	55.4%
Machinery & Tools	60,000	62,322	103.9%	60,000	59,876	99.8%
Penalties & Interest Taxes	120,000	113,752	94.8%	120,000	111,952	93.3%
Public Service Corporation Taxes	66,000	62,750	95.1%	61,000	62,973	103.2%
GENERAL PROPERTY TAX	\$ 6,966,432	\$ 4,260,941	61.2%	\$ 6,966,683	\$ 4,185,593	60.1%
Local Sales & Use Tax	\$ 1,725,000	\$ 1,314,557	76.2%	\$ 1,670,000	\$ 1,322,767	79.2%
Consumer Utility Tax- Elec. & Water	543,000	419,110	77.2%	645,000	325,652	50.5%
Business License Tax	930,500	879,914	94.6%	940,000	897,711	95.5%
Motor Vehicle Licenses	172,000	130,077	75.6%	167,000	134,908	80.8%
Cigarette Tax	300,000	250,139	83.4%	262,900	260,179	99.0%
Restaurant Meals Tax	1,250,000	951,104	76.1%	1,250,000	924,077	73.9%
Lodging Taxes	150,000	111,755	74.5%	140,000	105,540	75.4%
Bank Stock	55,000	-	0.0%	62,000	-	0.0%
Tax on Recordation & Wills	30,000	33,643	112.1%	30,000	20,988	70.0%
Right of Way Use Fees	28,000	13,543	48.4%	30,000	18,509	61.7%
Additional Taxes	-	15,645	0.0%	400	14,985	0.0%
OTHER LOCAL TAXES	\$ 5,183,500	\$ 4,119,488	79.5%	\$ 5,197,300	\$ 4,025,316	77.5%
TOTAL TAXES & LICENSES	\$ 12,149,932	\$ 8,380,429	69.0%	\$ 12,163,983	\$ 8,210,909	67.5%
			1			

FINANCIAL REPORT AS OF MARCH, 2014 - 9 Months = 75%						
	2013-2014		ACTUAL		BUDGET	BUDGET
	BUDGET	3/31/2014	BUDGET	%		
REVENUE:					2012-2013	BUDGET
	\$	\$	\$	%	BUDGET	%
Taxes; Licenses	12,149,932	8,380,429	12,163,983	68.98%	8,210,909	67.50%
Permits, Fees, Fines	155,190	151,068	125,225	97.34%	86,771	69.29%
Use of Money & Property	247,757	204,677	251,026	82.61%	210,159	83.72%
Total Charges for Services	1,326,464	1,048,227	2,625,187	79.02%	1,817,244	69.22%
Misc & Recovered Costs	351,216	185,089	185,750	52.70%	270,813	145.79%
Isle of Wight Rev. Sharing	530,000	530,000	202,251	100.00%	238,835	0.00%
Proceeds Loans/Bonds	-	-	-	-	1,207,000	0.00%
State Aid:						
Non Categorical Aid	1,670,397	1,359,991	1,679,397	81.42%	1,365,983	81.34%
Shared Expenses	174,989	91,984	167,412	52.57%	86,296	51.55%
Categorical Aid	2,006,013	1,557,200	1,968,811	77.63%	1,460,306	74.17%
Total State Aid	3,851,399	3,009,175	3,815,620	78.13%	2,912,585	76.33%
Federal Aid	538,295	271,342	22,966	50.41%	6,311	27.48%
Total Current Revenue	\$ 19,150,253	\$ 13,780,008	\$ 19,392,008	71.96%	\$ 14,960,627	77.15%
EXPENDITURES:						
Operating Expense:						
Legislative, General & Financial	2,464,769	1,455,088	2,134,834	59.04%	1,382,404	64.75%
Elections, Courts, Sheriff	1,089,322	943,479	1,069,122	86.61%	981,771	91.83%
Law Enforcement	3,688,458	2,680,220	3,531,339	72.67%	2,463,958	69.77%
Fire and Rescue	2,136,870	1,583,613	1,608,758	74.11%	1,197,998	74.47%
Community Development	447,371	312,304	371,387	69.81%	269,065	72.45%
Streets	2,626,315	1,738,174	1,983,665	66.18%	1,066,794	53.78%
Garage	226,527	155,689	195,169	68.73%	136,725	70.05%
Refuse Collection & Disposal	185,000	212,709	1,401,916	0.00%	669,288	47.74%
Buildings and Grounds	1,284,015	993,312	967,715	77.36%	672,098	69.45%
Health	167,198	55,000	166,173	32.90%	82,500	49.65%
Parks and Recreation	600,458	406,926	585,077	67.77%	403,483	68.96%
Library	290,300	215,242	283,723	74.14%	212,681	74.96%
Planning & Beautification	309,751	132,403	82,451	42.74%	37,154	45.06%
Downtown Development	108,707	73,333	105,516	67.46%	71,091	67.37%
Subtotal- Operating Expenses	15,625,061	10,957,489	14,486,845	70.13%	9,647,010	66.59%
				2		

GENERAL FUND CONT'D												
EXPENDITURES:	2013-2014		ACTUAL		BUDGET		2012-2013		ACTUAL		BUDGET	
	BUDGET		3/31/2014	%	BUDGET	%	BUDGET		3/31/2013	%		
Payments to Southampton Co.	\$	650,000	\$	500,000		76.92%	\$	650,000	\$	644,894		99.21%
Non-Departmental Miscellaneous		40,000		25,598		64.00%		10,322		28,019		271.45%
Non-Departmental Debt Reserve		-		-		0.00%		242,151		-		0.00%
Other Debt Expenses		-		-		0.00%		-		17,694		0.00%
Total Operating Expense	\$	16,315,061	\$	11,483,088		70.38%	\$	15,389,318	\$	10,337,617		67.17%
Net Operating Income	\$	2,835,192	\$	2,296,920		81.01%	\$	4,002,690	\$	4,623,010		115.50%
TRANSFERS - IN:												
Transfer from Unappr Surplus	\$	-	\$	-		0.00%	\$	-	\$	-		0.00%
Transfer from Electric Fund		1,409,891		1,057,418		75.00%		1,409,891		1,057,418		75.00%
Use of Prior Year Fund Balance		1,201,049		-		0.00%		475,222		-		0.00%
Use of Fund Bal Reserve for Debt		689,386		-		0.00%		876,222		-		0.00%
Transfer W/S Debt Reserve		-		-		0.00%		157,915		118,436		75.00%
Use of Restricted Fund Balance		1,066,675		-		0.00%		132,213		-		0.00%
Transfer Electric Debt Reserve		-		-		0.00%		80,175		60,131		75.00%
Total Transfers In	\$	4,367,001	\$	1,057,418		24.21%	\$	3,131,638	\$	1,235,985		39.47%
To General Debt	\$	498,604	\$	493,122		98.90%	\$	543,689	\$	494,989		91.04%
To School Debt		424,162		-		0.00%		727,579		-		0.00%
To Water Fund		-		-		0.00%		6,503		-		0.00%
To Electric Fund		-		-		0.00%		8,215		-		0.00%
To Airport Fund		95,231		95,231		100.00%		88,122		86,897		98.61%
To Education Fund		4,847,395		3,637,246		75.04%		4,980,153		3,735,115		75.00%
To Education Fund-Carryover		643,174		-		0.00%		-		-		0.00%
To Social Services Fund		397,338		-		0.00%		464,989		168,011		36.13%
To Comprehensive Services Act		92,750		-		0.00%		151,584		38,727		25.55%
To Economic Dev Incubator		78,539		78,539		100.00%		63,494		63,038		99.28%
To Economic Dev Joint Fund		125,000		125,000		100.00%		100,000		100,000		100.00%
Total Transfers Out	\$	7,202,193	\$	4,429,138		61.50%	\$	7,134,328	\$	4,686,777		65.69%
Variance (Revenue vs. Expense)	\$	-	\$	(1,074,800)			\$	-	\$	1,172,218		

WATER AND SEWER FUND	2013-2014		2012-2013		2011-2010		BUDGET %	ACTUAL 3/31/2013	BUDGET %
	BUDGET	ACTUAL 3/31/2014	BUDGET	ACTUAL 3/31/2014	BUDGET	ACTUAL 3/31/2013			
REVENUES:									
Sale of Water	\$ 1,300,000	\$ 946,324	\$ 1,300,000	\$ 928,835	\$ 1,300,000	\$ 928,835	71.45%		
Sewer Service Charges	1,750,000	1,233,730	1,750,000	1,235,642	1,750,000	1,235,642	70.61%		
Treatment Fees - Counties	70,000	72,342	70,000	67,547	70,000	67,547	96.50%		
Other Revenues	250	37,892	500	15,624	500	15,624	3124.80%		
Administrative Connection Fee	-	1,370	-	-	-	-	0.00%		
Total Current Revenue	\$ 3,120,250	\$ 2,291,658	\$ 3,120,500	\$ 2,247,648	\$ 3,120,500	\$ 2,247,648	72.03%		
EXPENDITURES:									
Operating Expense:									
Water System	\$ 1,361,348	\$ 543,377	\$ 1,254,500	\$ 724,320	\$ 1,254,500	\$ 724,320	57.74%		
Sewer System	1,093,027	198,275	890,955	199,683	890,955	199,683	22.41%		
Treatment Plant	743,603	491,134	729,232	482,925	729,232	482,925	66.22%		
Total Operating Expenditures	3,197,978	1,232,786	2,874,687	1,406,928	2,874,687	1,406,928	48.94%		
TRANSFERS:									
GF Transfer - Administrative Services	257,305	192,979	346,361	259,771	346,361	259,771	75.00%		
GF Transfer - Payment in Lieu of Taxes	26,460	19,845	26,460	19,845	26,460	19,845	75.00%		
GF Transfer - Debt Restructuring	-	-	157,915	118,436	157,915	118,436	75.00%		
Total Transfers Out	\$ 283,765	\$ 212,824	\$ 530,736	\$ 398,052	\$ 530,736	\$ 398,052	75.00%		
Net Operating Income	\$ 2,836,485	\$ 846,048	\$ 2,589,764	\$ 442,668	\$ 2,589,764	\$ 442,668	17.09%		
OTHER FINANCING SOURCES									
Use of Prior Year Fund Balance	\$ 727,617	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%		
Transfer from General Fund	-	-	-	-	-	-	0.00%		
Total Other Financing Sources	727,617	-	-	-	-	-	-		
Total Revenue & Other Sources	3,847,867	2,291,658	3,120,500	2,247,648	3,120,500	2,247,648	72.03%		
Debt Service	\$ 366,124	\$ 366,123	\$ 138,061	\$ 130,303	\$ 138,061	\$ 130,303	94.38%		
Total Expenditures	\$ 3,847,867	\$ 1,811,733	\$ 3,543,484	\$ 1,935,283	\$ 3,543,484	\$ 1,935,283	54.62%		
Variance - Revenue vs. Expenses	\$ -	\$ 479,925	\$ -	\$ 312,365	\$ -	\$ 312,365			
							4		

ELECTRIC FUND	2013-2014		ACTUAL		BUDGET	2012-2013		ACTUAL		BUDGET
	BUDGET		3/31/2014			BUDGET	%	BUDGET	3/31/2013	
REVENUES:										
Sale of Energy	\$ 13,126,639		\$ 10,088,569		\$ 13,080,084	76.86%	\$ 9,657,669		73.83%	
Sale of Energy Fuel Adj	1,667,809		1,320,076		1,346,515	79.15%	1,035,114		76.87%	
Other Revenue	232,297		204,802		236,000	88.16%	172,191		72.96%	
Administrative Connection Fee	25,000		19,130		-	76.52%	-		0.00%	
Proceeds Loan/Bonds	-		-		-	0.00%	-		0.00%	
Total Current Revenue	\$ 15,051,745		\$ 11,632,576		\$ 14,662,599	77.28%	\$ 10,864,974		74.10%	
EXPENDITURES:										
Energy for Resale	\$ 8,891,025		\$ 7,235,745		\$ 9,095,800	81.38%	\$ 7,209,874		79.27%	
Energy for Resale Fuel Adj	1,683,110		1,496,287		1,359,260	88.90%	1,090,055		80.19%	
Other Expenses	1,471,551		851,225		1,498,768	57.85%	901,874		60.17%	
Capital Outlay	297,000		83,239		377,304	28.03%	113,882		30.18%	
Reserve for Capital Expenditures	250,000		-		154,675	0.00%	-		0.00%	
Reserve for Cash Replenishment	323,908		-		266,667	0.00%	-		0.00%	
Total Operating Expenses	\$ 12,916,594		\$ 9,666,495		\$ 12,752,474	74.84%	\$ 9,315,685		73.05%	
<i>Net Operating Income</i>	<i>\$ 2,135,151</i>		<i>\$ 1,966,081</i>		<i>\$ 1,910,125</i>	<i>92.08%</i>	<i>\$ 1,549,289</i>		<i>81.11%</i>	
OTHER FINANCING SOURCES:										
Use of Prior Year Fund Balance	\$ -		\$ -		\$ 67,274	0.00%	\$ -		0.00%	
TRANSFERS:										
GF Transfer-Council Approved	\$ 1,409,891		\$ 1,057,418		\$ 1,409,891	75.00%	\$ 1,057,418		75.00%	
GF Transfer - Administrative Services	388,960		291,720		325,945	75.00%	244,459		75.00%	
GF Transfer - Payment in Lieu of Taxes	59,282		44,461		59,282	75.00%	44,462		75.00%	
GF Transfer - Debt Restructuring	-		-		80,175	-	60,131		-	
Total Transfers (Out)	\$ 1,858,133		\$ 1,393,600		\$ 1,875,293	75.00%	\$ 1,406,470		75.00%	
Debt Service	\$ 277,018		\$ 268,854		\$ 102,106	97.05%	\$ 50,539		49.50%	
Total Expenses	\$ 15,051,745		\$ 11,328,950		\$ 14,729,873		\$ 10,772,694			
Variance - Revenue versus Expenses	\$ -		\$ 303,626		\$ -		\$ 92,280			
						5				

CITY OF FRANKLIN
 FISCAL YEAR 2013-14
 CASH BALANCES - MARCH 2014

FUND	CURRENT YEAR	PRIOR YEAR
General Fund	\$ 5,579,409	\$ 5,226,112
Fund SNAP Proceeds	\$ 234,102	\$ 1,324,360
Total General Fund	\$ 5,813,512	\$ 6,550,472
Water & Sewer Fund	\$ 2,091,510	\$ 1,460,086
Fund SNAP Proceeds	\$ 234,921	\$ 482,628
Total Water & Sewer Fund	\$ 2,326,431	\$ 1,942,714
Electric Fund	\$ 803,847	\$ 370,727
Fund SNAP Proceeds	\$ 532,613	\$ 835,864
Total Electric Fund	\$ 1,336,459	\$ 1,206,591
Solid Waste Fund	\$ 385,135	\$ -
Airport Fund	\$ (126,609)	\$ (32,054)
TOTAL CASH FOR OPERATIONS	\$ 8,733,291	\$ 7,024,871
TOTAL CASH FOR CAPITAL PROJECTS	\$ 1,001,637	\$ 2,642,852
TOTAL CASH	\$ 9,734,928	\$ 9,667,723