

**AGENDA**

## FRANKLIN CITY COUNCIL

MONDAY, June 22, 2015 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.

**6:00 P.M.****Work Session**

- A. Call To Order . . . . .MAYOR RAYSTINE D. JOHNSON-ASHBURN
- B. Comprehensive Plan Update
- C. Adjournment

**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: June 8, 2015 Regular Meeting, Called Meetings of May 26, 2015 June 1, 2015
  - B. Departmental Reports: May, 2015 (Separate File)
2. **FINANCE**
  - A. Monthly Financial Report: May, 2015
  - B. FY 2014 – 2015 City Budget Amendment/Transfer # 2015 – 21
  - C. FY 2014 – 2015 City Neighborhood Stabilization Program Amendment # 2015 – 22
  - D. FY 2014 – 2015 School Budget Amendment Carryover Request
3. **OLD/NEW BUSINESS**
  - A. 500 N. Mechanic Street Purchase Contract Extension
  - B. City Manager's Report
    1. FY 2015 – 2016 Council Regular Meeting Schedule
4. **COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS**
5. **CLOSED SESSION**

**Closed Session** - I move that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions and evaluation of the performance of employees pursuant to Virginia Code Section 2.2 – 3711 (A)(1).

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

6. **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**

**City Council/School Board Joint Meeting**  
**Personnel Policy Work Session**

**TBA**  
**TBA**

---

**CONSENT AGENDA**

- A. Minutes: June 8, 2015 Regular Meeting, Called Meetings of May 26, 2015 June 1, 2015**
- B. Departmental Reports: May, 2015 (Separate File)**

The Franklin City Council held a regular meeting on Monday, June 8, 2015 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, Frank Rabil and Mona Murphy.

**Staff in Attendance:** Randy Martin, City Manager; Phil Hardison, Chief of Police; Brenda Rickman, Commissioner of Revenue; Dinah Babb, Treasurer; Melissa Rollins, Director of Finance; Russ Pace, Director of Public Works; Donald Goodwin, Director of Community Development; Jennifer Maynard, Voter Registrar; Alan Hogge, Director of Social Services; and Mark Bly, Director of Power and Light.

**Others in Attendance:** Dan How, Executive Director, Downtown Franklin Association; Joe Ann Faulk, Financial Accountant; Stephanie Sumpter, Police Officer; and Teresa Rose-McQuay, Administrative Assistant and Acting Secretary, Recording Minutes.

## **CALL TO ORDER**

Mayor Johnson-Ashburn called the regular City Council Meeting to order at 7:00 p.m.

## **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited by everyone in attendance.

## **CITIZENS' TIME**

Mr. John Rose of 313 Delk Street came forward and presented a petition to Council asking that Ms. Edna King be reappointed to the At – Large Seat for the Franklin City Public School Board.

## **AMENDMENTS TO AGENDA**

Councilman Burgess made a motion to amend the agenda to request communication with the school board regarding the \$119,000 request for carryover funding that the school system made to Council and which was approved earlier this fiscal year and an update on where the schools are in the QZAB project process. Vice-Mayor Cheatham seconded the motion.

The motion to amend the agenda was approved by a vote of 7 – 0. Mayor Johnson-Ashburn placed that item under old/new business; item A and moved everything under the Old/New Business section down one slot

## **Consent Agenda**

### **Minutes of the May 11, 2015 Regular Meeting; Called Meetings of May 4<sup>th</sup>, 5<sup>th</sup> and 7<sup>th</sup>**

A motion was made by Councilwoman Hilliard to adopt the minutes of May 11, 2015; May 4, 2015; May 5, 2015 and May 7, 2015 as presented and Vice-Mayor Cheatham seconded the motion.

The motion was approved by a vote of 7 – 0.

### **Minutes of the May 19, 2015 Called Meeting**

A motion was made by Vice-Mayor Cheatham to adopt the minutes as presented for the Called Meeting held on May 19, 2014. The motion was seconded by Councilman Rabil.

The motion was approved with a 6 – 0 vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, ABSTAIN; Councilwoman Murphy; AYE; Councilman Rabil; AYE and Councilwoman Hilliard; AYE.

### **Departmental Reports**

There were no questions or comments concerning the April 2015 Departmental Reports.

### **Finance**

#### **Financial Report April 2015**

Mayor Johnson-Ashburn recognized Melissa Rollins, Director of Finance for an overview of the Financial Report for April 2015. Below are the highlights:

#### **General Fund Revenue Summary**

- With ten months of the fiscal year complete, General Fund Revenues are tracking 3.0% higher than the prior year period
- General Fund revenue of \$15.60 million at the end of April 2015 is 78.3% of budget compared to \$14.57 million or 76.1% of budget at April 30, 2014

#### **Property Tax Revenue**

- Fiscal Year 2014 – 2015 reflects a favorable increase in general property tax collections over the prior year at 10% higher.

#### **Local Taxes**

- Taxes indicative of the City's local economy are collectively tracking higher than the prior year period gaining 4.8%

#### **Other Local Revenue**

- Other local tax revenue (i.e. permits, fees, fines, charges for services) has surpassed prior year period collections. Revenue at the end of the month has reached 95% of the total budget.
- Other local revenue changes from the prior year period include: (1) increased revenue sharing from IOW County - \$70,000 and (2) miscellaneous revenue - \$261,000 (late fees on utility accounts).

- State revenue collections are higher than the prior year period due to increased Street & Highway maintenance funds as budgeted and fire & rescue equipment and communications grant funds (E911) received in FY 2014 – 2015
- Federal revenue – reflect SAGER grant funds received to date.

#### **General Fund Expenditure Summary**

- General Fund expenditures overall are over \$439,625 less than the prior year period with \$11.59 mil or nearly 76% of the budget spent compared to \$12.03 million or 77% of the budget spent at the end of last year.

#### **Water & Sewer Fund Summary**

- The cash balance in the Solid Waste Fund at the end of the month is reported at \$552,444; an increase of nearly 5.0% or \$24,373 in Cash from the prior month.
- Expenditures for the Fund are significantly higher than the prior year period resulting from sewer system improvements and waterline rehabilitation projects completed in the first part of the fiscal year.
- The cash balance in the fund at the end of the month is \$1.86 million, a \$106,000 gain in the fund's cash of \$1.75 million reported last month.

#### **Solid Waste Fund Summary**

- The cash balance in the Solid Waste Fund at the end of the month is reported at \$552,444; an increase of nearly 5.0% or \$24,373 in Cash from the prior month.
- Revenue for the Solid Waste Fund at the end of the month is \$1.13 million or nearly 83% of the total budget; and is comparable to the prior year period.
- Total expenditures of \$825,822 are higher than prior period expenses as a result of the equipment purchase and represents 65% of the total budget.

#### **Airport Fund Summary**

- Fuel sales of \$57,196 remain considerably less than the prior year period in which revenue was \$85,571.
- Other local revenue consists primarily of airport rental fees and is also slightly less than the revenue realized during the prior year period.
- Operating expenditures at the end of the month are less than the prior year period as a result of less fuel purchases.
- Capital Outlay expenditures of \$508,974 is for grant funded projects. State and federal revenue received of \$486,000 represents 95% in reimbursements for these projects.

#### **Electric Fund Summary**

- Revenue in the Electric Fund is at nearly 80% of budget and represents ten months of billed revenue at \$11.1 million (sale of energy).
- Collectively, revenue is up from the prior year period at \$13.30 million or nearly 80% of budget.
- Expenditures associated with the sale of energy/fuel at \$8.25 million are 84.0% of the total budget or 5.4% higher than expenditures reported during the prior year period of \$7.82 million which represented a higher percentage of the total budget at 88%.
- Cash in the Electric Fund reflects a favorable gain from the prior year reaching \$906,867 million at the end of April 2015 versus \$751,999 at the conclusion April 2014.

Mayor Johnson-Ashburn asked if Council had questions concerning the Financial Report. There were no questions or comments.

### **FY 2014 – 2015 City Budget Amendment Ordinance #2015 – 20**

City Departments are requesting the following amendments to the FY 2014-2015 General Fund Budget:

- In FY 14-15, The City will receive state funds for Highway Maintenance totaling \$1,571,280; this is **\$42,688** more than the budgeted amount of \$1,529,132. These funds need to be amended to **Public Works-Street Division** and appropriated for expenditure for street paving projects.
- The City was awarded \$10,000 from Franklin Southampton Charities of which \$5,000 is for the Franklin Fire & Rescue Department and \$5,000 is pass-thru for the Hunterdale Volunteer Fire Department. These funds require amendment to the budget and appropriation for expenditure.

The City is requesting the following General Fund budgetary transfers:

- **Finance** – the request is to transfer funds from Full Time wages (\$15,000) to part-time wages to cover professional services (payroll related-\$13,000) and personnel cost (part time employees - \$2,000). These funds were included in the budget under full time salaries pending hiring of full time personnel.
- **Police** – the request is to transfer \$73,000 from Full Time Salaries to overtime wages to cover overtime costs. According to the Deputy Chief, this is due to full year vacancy of three positions. Also, two (2) additional absences were in the department for portions of the fiscal year (military and medical leave related). If authorized, approximately \$60,000 should be remaining in Full Time Salaries.
- **Credit Card Fees** – the City will incur approximately \$46,000 in credit card fees. Only \$21,000 was budgeted in anticipation of Council action to establish a fee structure for accepting credit cards mid-year in FY 14-15 upon staff recommendation. Additional appropriation is required to cover the fees for the fiscal year. The recommendation is to transfer \$25,000 from the Industrial Corridor Revenue Sharing payment (\$97,695 was remaining after payment to the County).

### **REQUIRED ACTION FROM CITY COUNCIL: Authorize Budget Amendment/Transfer #2015-20 which will:**

1. Authorize the amendment of state revenue in the amount of \$42,688 to the FY 14-15 Public Works Streets Division budget and appropriate the funds for expenditure.
2. Authorize the amendment of local grant funds in the amount of \$10,000 to the FY 14-15 Foundation Grant budget and appropriate the funds for expenditure.
3. Authorize the line item transfers exceeding \$10,000 as requested in the FY 14-15 Finance and Police Department budgets as outlined.

Mayor Johnson-Ashburn asked if anyone had any questions for Director Rollins and there were no questions.

Councilman Burgess made the motion to authorize Budget Amendment/ Transfer # 2015 – 20 and Vice-Mayor Cheatham seconded the motion.

Mayor Johnson-Ashburn asked if there were any questions or comments and hearing none Council voted.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, NAY; Councilwoman Murphy; AYE; Councilman Hilliard, AYE and Councilman Rabil, AYE.

### **FY 2015 – 2016 City Budget Actions:**

#### **Resolution Setting the Tax Rates, Adopting the Budget & Appropriating Funds for FY 2015 - 2016**

Manager Martin presented the Resolution Setting the Tax Rates, Adopting the Budget & Appropriating Funds for FY 2015 – 2016 to Council.

Mayor Johnson-Ashburn asked if anyone had any questions concerning the budget.

Councilman McLemore asked if the budget items included in the Resolution would be voted on collectively.

Mayor Johnson-Ashburn stated that all the items and actions are detailed in the resolution and it would need to be voted on collectively.

Vice-Mayor Cheatham made the motion to adopt the resolution setting the tax rates, adopting the budget, and appropriating the funds for FY 2015 – 2016. Councilman Burgess seconded the motion.

Mayor Johnson-Ashburn asked if there were any questions or comments and hearing none Council voted.

Councilman McLemore stated he supported lowering the tax collection rate and solid waste fee, but he would vote not to increase any rates.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, NAY; Councilwoman Murphy; AYE; Councilman Hilliard, AYE and Councilman Rabil, AYE.

#### **Amendment to City Ordinance 8 – 14 (a) To Increase Electric Rates**

Manager Martin recognized Director Mark Bly of Power & Light to update Council on the increase to the Electric rates.

Director Bly presented the final increase concerning the wholesale electric rates and gave a correction from the rate increase reported on 6/1/15. The Dominion wholesale rate will go up 4.2% effective 7/1/15. This 4.2% increase is in better alignment with the retail increase proposed in the budget.

Mayor Johnson-Ashburn asked if anyone on Council had any questions.



Councilman McLemore asked if the increase in the retail rate was justifiable.

Director Bly stated that yes it would be justified based on the facts and figures presented in the budget work sessions that the wholesale increase by Dominion required the additional revenue be collected from the retail rate to pay costs.

All the Council members commented on the electric rate increase. It was noted that, even with the retail rate increase of 4.0%, all customers would see a reduced overall bill based upon kwh usage due to the lower fuel charge that went into effect in May, 2015.

Mayor Johnson-Ashburn asked for further comments and hearing none requested a motion.

Councilman Burgess made the motion to approve the proposed amendment to City Ordinance 8 – 14 (a) to increase electrical rates and Vice-Mayor Cheatham seconded the motion.

Mayor Johnson-Ashburn asked if there were any questions or comments on the motion.

Councilwoman Hilliard asked for clarity concerning the increase.

Councilman Burgess clarified that the Dominion wholesale rate increase for the city is 4.2% and the retail rate increase effective 7/1/15 is 4.0%.

There being no more questions or comments Council voted.

The vote was approved with a vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, NAY; Councilwoman Murphy; AYE; Councilman Hilliard, AYE and Councilman Rabil, AYE.

### **Adopt 2030 Vision Statement & Franklin City Council 3 Year Priorities**

Manager Martin presented the Proposed Revised City vision statement and the Franklin City Council 3 year priorities. This was a result of the January 30 – 31, 2015 Council Retreat work session and Council has been working on this over the last several months. These items have been put on the agenda for adoption as directed by Council.

Mayor Johnson-Ashburn stated that the vision statement and the priorities will be displayed on the City of Franklin website. Mayor Johnson-Ashburn read the revised Vision statement aloud.

Councilwoman Hilliard made a motion for Council to adopt the Vision statement and the Franklin City Council 3 year priorities and Councilman Rabil seconded the motion.

Mayor Johnson-Ashburn asked if there were any comments or questions and hearing none Council voted.

The motion was approved by a 7 – 0 vote.

### **Public Hearing**

Mayor Johnson-Ashburn recognized Attorney Williams to present the Public Hearing request to close a portion of a 12' Wide Alley between Chestnut Street & Walnut Street. Director Goodwin of Community

Development assisted Attorney Williams with the presentation. This request comes from the property owner of 509 Walnut Street, Maria Abunal. The adjacent property owner of Chestnut Street has declined to accept any part of the 12' alley that abuts the rear of their property. A copy of the notarized declination statement was presented along with the initial request and a copy of the proposed boundary adjustment plat. The required public hearing notice was published twice in the Tidewater News on May 22<sup>nd</sup> and 29<sup>th</sup>, 2015. Also, notification has been sent by certified mail to all property owners affected by the proposed alley vacation of the public hearing.

Director Goodwin advised that the Planning Commission at its regular meeting on April 23, 2015 voted unanimously to recommend that the Franklin City Council vacate a portion of the alley described in the referenced plat entitled "Plat showing the portion of 12' alley between Walnut St. and Chestnut St. to be abandoned by the City of Franklin, Virginia for the enlargement of tax parcel 139 – (77) – BLK. E – 116, 118 property of Maria Nenita Abunal located at 509 Walnut Street City Franklin Virginia".

Mayor Johnson-Ashburn opened the public hearing at 7:43 p.m.

Mr. Breaucop of 509 Walnut Street spoke of his desire for the vacation of the alley adjacent to his property. His intent is to maintain the alley for safety reasons as well as keeping the area attractive. He thanked Council for their time and for listening to his request.

Mayor Johnson-Ashburn asked if there were any further comments on the alley closing request and hearing none the public hearing was closed at 7:46 p.m.

Mayor Johnson-Ashburn asked if there were any questions or comments from Council.

Councilman McLemore observed that the alley would be added to the deed for the property and the owner would be paying taxes on the vacated alley.

Mayor Johnson-Ashburn acknowledged he was correct.

Councilwoman Murphy made the motion to adopt the attached ordinance to close a portion of a 12' wide alley as described and Councilman McLemore seconded the motion.

Mayor Johnson-Ashburn asked if there were any further questions or comments from Council and hearing none Council voted.

The motion was approved by a 7 – 0 vote.

### **Old/New Business**

#### **Request for Schools to Supply Information Concerning QZAB**

Councilman Burgess requested that Council make a formal request to the Franklin City Public Schools to furnish a report showing where money has been allocated from the \$119,000 carryover funds requested as well as an update on the QZAB money and where they are in the process.

Councilwoman Hilliard asked School Board Chairwoman King who was present if she could elaborate on this item.

Chairwoman King stated that the School Board has amended their monthly agendas to include an itemized accounting of the QZAB funds. Chairwoman King asked Mayor Johnson-Ashburn and Council

to give them a format which they would like them to use for this request. She stated the information was on their website.

Mayor Johnson-Ashburn suggested Manager Martin make a formal request to the schools for the information and to collaborate with Superintendent Bell to come up with a form to detail the items spent concerning the QZAB project funding. Mayor Johnson-Ashburn asked that communication between the School Board and Council be emailed or directly sent to Council on funding in the future.

After some discussion amongst the Council members; Councilman Burgess made a motion to formally request the schools supply information concerning the expenditure of the \$119,000 in carryover funds approved earlier this fiscal year and a report on the QZAB money that has been spent. Councilman Rabil seconded the motion.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, NAY; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, AYE; Councilwoman Murphy; AYE; Councilman Hilliard, AYE and Councilman Rabil, AYE.

### **Access Proffer Amendment Request**

Manager Martin stated that Council is not being asked to take action on the access proffer amendment at this meeting but rather consider whether to waive the public hearing requirement for this item. Manager Martin referred presentation of this item to Director Goodwin of Community Development.

Director Goodwin gave a brief history of this matter. This is a request to amend conditional rezoning proffers Tax Map # 122 – (060) 3 b.

Director Goodwin has met with Mr. Ricks, Board President of the House of Prayer Holiness Church which wants to locate on this property and advised him that the only way this office would be able to approve the access from Armory Drive was for them to share the existing entrance into the former 7-11 property through an ingress/egress access easement from the current owner of the former 7-11 property which is adjacent to the proposed church site. This is due to the conflict in the VDOT Access Management Regulations and the approximate location of an additional entrance to the current entrance to the former 7-11 site and the Armory Field access in the curve along that stretch of Armory Drive.

Director Goodwin advised that the only other option is for them to request that the City consider amendments to the current proffers that would allow access from where Second Avenue and Pace Court meet. Because there was no condition of use in the current proffers, as churches are permitted uses in the B-1 district, Council may elect not to hold a public hearing. Director Goodwin is seeking guidance from Council as to how they would like him to proceed in this matter regarding the public hearing requirement assuming the applicant proceeds with the request.

Mayor Johnson-Ashburn asked if anyone had any questions.

Councilman McLemore asked if any members of Council had talked to any of the citizens who lived in the Pace Court community.

Mayor Johnson-Ashburn stated that she had.

Mayor Johnson-Ashburn suggested a compromise; instead of the expense of a public hearing could Council send out communication to the citizens in the Pace Court area concerning the request.

Attorney Williams advised Council that was an option as long as Council heard those who addressed the topics in the meeting; Council would need to remove the five minute time limit on the issue to hear all that they had to say on the matter like a typical public hearing to be fair to all.

After some discussion among Council about the cost and validity associated with the Public Hearing; action was taken. Councilman McLemore made the motion that the City Council direct the Office of Community Development to schedule a Public Hearing before the City Council and to give notice to those residents living on Second Avenue and Pace Court that may be impacted by the request to amend the existing set of proffers for the parcel identified as Tax Map 122 – (060) – 3 b, one of which limits vehicular access to Armory Drive, thus keeping commercial traffic from accessing the property through the Pace Court residential area. Vice-Mayor Cheatham seconded the motion.

Mayor Johnson-Ashburn asked if there were any more questions on the motion hearing none Council voted.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, NAY; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, AYE; Councilwoman Murphy, NAY, Councilwoman Hilliard, NAY; and Councilman Rabil, AYE.

Director Goodwin added that he would so advise the applicant and if the applicant wished to go forward with formally requesting action requiring the Public Hearing he would come back to Council with a report on traffic impact based on the size of the facility and the occupancy level.

#### **Resolution Authorizing a USDA Police Equipment Grant Application**

Manager Martin presented a memorandum outlining the USDA Rural Development Grant Application process along with all the forms that are required for submission from Captain Whitt of the Franklin City Police Department.

The action requested by Council is to approve and adopt the Resolution #2015 – 19 to move forward in the USDA grant process.

Vice-Mayor Cheatham made the motion for the City Council to approve and adopt the resolution concerning the USDA grant application and to move the grant application process forward and Councilman Rabil seconded the motion.

Mayor Johnson-Ashburn asked if anyone had questions or comments on the motion concerning the USDA Police Equipment Grant Application.

Councilman McLemore asked if the City had to contribute or match any funds for the grant. City Manager Martin replied the grant if funded requires a dollar for dollar match up to \$50,000.

Mayor Johnson-Ashburn asked for a vote on the motion.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, Aye; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, NAY; Councilwoman Murphy, AYE; Councilwoman Hilliard, AYE; and Councilman Rabil, AYE.

### **School Board Vacancy Appointments**

The Council next considered the nominations received to fill three upcoming vacancies on the City School Board effective July 1, 2015.

Mayor Johnson-Ashburn instructed Council members that if desired they would have up to two minutes each to speak concerning the school board vacancy appointments before any action is taken.

Councilman McLemore asked to pass on comments at this time.

Councilman Burgess did not comment.

Councilwoman Hilliard voiced her opinion on how experience is essential to the candidate for the At Large position. She commented on the number of terms allowed and the history of Council action. She will support experience on the School Board in her candidate selection.

Vice-Mayor Cheatham stated that the candidate with the knowledge and experience in human resources and business would be pivotal to the At Large position. Mr. Lilley would bring much needed business experience to the board.

Councilman Rabil did not comment.

Councilwoman Murphy stated that under the current board with the obstacles they were faced with; they have worked together and created solutions to correct the situation; that in and of itself is a testament to what is needed to continue on the path to the schools being successful. She stated Mr. Lilley may have budget experience, but Mrs. King has other experience. She will vote for experience by supporting Mrs. King.

Councilman McLemore stated that he was not happy with everything that has gone on with the schools; however, he does acknowledge that they are making strides. Councilman McLemore stated that he feels like experience in the At-Large position is needed and that is how he will vote.

Mayor Johnson-Ashburn thanked citizens for their support and encouragement. Mayor Johnson-Ashburn stated that all the candidates that were nominated are capable of making positive contributions to the board. She stated that there have been countless sleepless nights leading up to her decision. Mayor Johnson-Ashburn stated that her decision is based solely on what is right for the children and the school division.

With the Council comments concluded, Manager Martin reminded citizens that three terms on the Franklin City School Board will expire effective 6/30/15. These seats are for Ward 4, Ward 6 and the At-Large seat. Council held a public hearing on April 27, 2015 to receive nominations for appointments for the upcoming vacancies. Nominated for the Ward 4 seat was Verta Jackson. Nominated for the Ward 6 seat was Robert Holt. Nominated for the At-Large seat were Charles Lilley and Edna King.

The City Council held a called meeting on May 19, 2015 to conduct interviews of the four nominees for the three vacancies. In keeping with the Council's previous discussions and planned schedule, the June 8<sup>th</sup> agenda includes School Board Vacancy Appointments for further consideration and action. Following Council action, newly appointed members will begin their three year terms of office effective July 1, 2015 and ending June 30, 2018. Consistent with State law, this very important action is one of only two functions City Council has authority with regard to schools with the other being determining the level of local funding for the public school division.

Councilwoman Murphy made the motion to appoint Ms. Verta Jackson, Ward 4 and Mr. Robert Holt, Ward 6 to the School Board and Councilman Rabil seconded it.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, NAY; Councilwoman Murphy, AYE, Councilwoman Hilliard, AYE; and Councilman Rabil, AYE.

Councilwoman Murphy made the motion to re-appoint Ms. Edna King to the At-Large position of the School Board and Councilwoman Hilliard seconded the motion.

The motion was approved as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, NAY; Councilman Burgess, NAY; Councilman McLemore, AYE; Councilwoman Murphy, AYE, Councilwoman Hilliard, AYE; and Councilman Rabil, NAY.

Mayor Johnson-Ashburn asked if there were any further comments or discussion.

Councilman McLemore stated that he was not happy with the process that if we only have one candidate nominated for a position we vote for that one.

### **City Manager's Report**

Mayor Johnson-Ashburn recognized Manager Martin to give his report. Manager Martin reminded Council that the Biannual Statement of Economic Interest is due by June 15, 2015.

Manager Martin then advised Council of the memo from Amanda Jarratt, President & CEO of Franklin Southampton Economic Development, Inc. (FSEDI) regarding a one year contract extension with Hollingsworth. The existing contract will expire July 10, 2015.

The contract extension Hollingsworth has proposed consists of the following terms:

1. The Annual Subscription will become \$0 (zero dollars).
2. The option will be extended for a one year period.
3. We will not be responsible for property maintenance (essentially a non-issue).

All parties agree that we would not want to commit the City, FSEDI, or Hollingsworth for any more than one year in light of the potential that a more favorable circumstance may come along.

This partnership is an additional tool to attract national attention to Pretlow Park and market our area through a vast network of real estate brokers and business interests as well as our current efforts, and our affiliations with HREDA and VEDP. It also leverages a relationship with a contractor able to fulfill many of the build to suit requirements we respond too. The recommendation is to continue the relationship for the one year period with no associated fee as proposed by Hollingsworth.

Manager Martin deferred to Attorney Williams to further discuss the contract. Attorney Williams stated that it was the desire of Hollingsworth to continue their relationship with FSEDI and he then reviewed terms.

Mayor Johnson-Ashburn asked for a motion.

Councilwoman Hilliard made the motion that City Council authorize the City Manager to execute a one year extension to expire on July 10, 2016 of the Hollingsworth Southern Advantage Development Contract currently due to expire on July 10, 2015, on condition that the annual subscription fee called for in the contract is waived for the period of the one year extension, that the City is not Responsible for the property maintenance and that all other terms and conditions remain the same in the contract. Councilman Burgess seconded the motion.

Mayor Johnson-Ashburn asked if there were any further questions or comments on the motion.

Councilman McLemore inquired about the benefits of this contract extension.

Mayor Johnson-Ashburn replied that the extension would allow staff and FSEDI time to explore other options while the property is still being marketed. The benefit is the exposure of the Pretlow Park being marketed versus not being seen at all.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman Burgess, AYE; Councilman McLemore, NAY; Councilwoman Murphy, AYE, Councilwoman Hilliard, AYE; and Councilman Rabil, AYE.

### **Council/Staff Reports on Boards and Commissions**

Councilman Burgess briefed Council on the Incubator's 10<sup>th</sup> Anniversary event held on Friday, May 22, 2015. The Franklin City Council presented a resolution to the initial board of the Incubator. The Incubator Board dedicated a fourth floor conference room to Mr. Charles Wrenn, who was appointed by the Franklin City Council as the Council's representative on the organizing Committee for the Incubator project. Councilman Burgess thanked Council for their support of the Incubator and he touted the success of those who have graduated from and continue to graduate from the Incubator. Councilman Burgess stated that the community will continue to benefit from this organization.

Councilman McLemore left the meeting at 8:42 p.m.

Vice-Mayor Cheatham informed Council that the Western Tidewater Regional Jail Authority had met and approved the Jail budget as it was presented. Vice-Mayor Cheatham stated that at the upcoming meeting the board will be looking into ways to cut costs associated with utilities.

Councilman Rabil reminded Council that there will be a meeting of the Downtown Franklin Association on Tuesday, June 9, 2015 @ 5:30 p.m. at the train station. Councilman Rabil also reminded citizens of the Cruise In every Wednesday night from 5 p.m. – 7 p.m. in the parking lot in front of Fred's until the end of the summer.

Dan Howe, Executive Director of the Downtown Franklin Association shared with Council that Kathy Worrell, Secretary of the DFA was in the hospital.

Councilman Rabil also reminded Council that there will be a future meeting of the Business Friendly Committee in July. There will be more information concerning that meeting at a later date.

### **Closed Session**

Councilman Burgess made a motion that the Franklin City Council meet in Closed Session to discuss and consider appointments to Boards & Commissions and evaluation of the performance of employees pursuant to Virginia Code Section 2.2-3711 (A) (1). Councilwoman Hilliard seconded the motion. The motion was approved by a 6 – 0 vote (Councilman McLemore absent).

### **The Council entered the Closed Session at 8:45 p.m.**

The Mayor reconvened the open session and asked for a motion certifying the closed session.

Vice-Mayor Cheatham made the motion that the only matters discussed during the session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. Councilman Burgess seconded the motion and it was approved by a 6 – 0 vote (Councilman McLemore absent).

### **Action # 1**

Councilwoman Murphy made a motion to nominate Mrs. Felicia Blow to the FSDEI Board for reappointment as the City's representative to that Board for another three year term effective 7/1/15 to 6/30/18. The motion was seconded by Vice-Mayor Cheatham and approved by 6 – 0 vote (Councilman McLemore absent).

### **Action # 2**

Mayor Johnson-Ashburn announced that the Council would meet again on Wednesday, June 17, 2015 in a called meeting for the purpose of conducting a closed session to discuss the evaluation of the performance of employees pursuant to Virginia Code Section 2.2 – 3711 (A) (1).

### **Adjournment**

Councilman Rabil made a motion to adjourn. The motion was seconded by Vice-Mayor Cheatham and approved by a 6 – 0 vote (Councilman McLemore absent).

**Mayor Johnson-Ashburn declared the meeting adjourned at 8:55 p.m.**



**These Minutes for June 8, 2015 City Council Meeting were adopted on the 22<sup>nd</sup> day of June, 2015.**

\_\_\_\_\_  
**Mayor**

\_\_\_\_\_  
**Clerk to City Council**

**Franklin City Council Called Meeting**  
**Budget Work Session**  
**May 26, 2015 – 6:00 p.m.**  
**City Council Chambers**

The Franklin City Council met in a Called Meeting on Tuesday, May 26, 2015 at 6 p.m. in the Conference Room adjacent to the Council Chambers for the purpose of continuing work session discussions on the proposed city budget for FY 2015 – 2016.

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

**Others in Attendance:** Randy Martin, City Manager; Taylor Williams, City Attorney; and Melissa Rollins, Director of Finance.

Vice-Mayor Cheatham called the session to order explaining that the Mayor was in route and should arrive anytime. Vice-Mayor Cheatham recognized City Manager Martin to review updated information requested by members of Council and any new information available since the Manager had distributed the complete budget detail to Council following the formal presentation of the proposed FY 2015 – 2016 budget summary on May 11, 2015.

Mayor Johnson-Ashburn arrived at 6:10 p.m. during the Manager’s comments.

Manager Martin distributed and reviewed in detail a summary listing of potential amendments to the proposed budget including management identified changes and those items identified or questioned by Council members at previous work sessions or resulting from discussions, individual members of Council had with the City Manager since the budget detail was distributed.

Manager Martin also shared pros and cons related to each item listed. The specific items discussed were as follows:

**Proposed Expenditure Adjustments**

- 1) Eliminate the debt service requirement for the Southampton County Courthouse project \$20,650. Manager Martin advised that he had received an update from County Administrator Mike Johnson on the project timing since the budget recommendation was made. The City will not need to budget the funds until 2016 -2017 and the cost has been reduced slightly for the City share. Manager Martin recommended this adjustment to Council without any concern and the Council agreed by consensus.
- 2) Reduce the General Fund transfer to the Economic Development Fund by \$31,345 less an increase in related funding to the Streets Department of \$14,002. The result is a net cost reduction to the General Fund of \$17,343. The City Manager recommended this change without reservation and Council concurred by consensus.
- 3) An increase of \$2,500 in several departments to include non-seasonal part-time personnel in the proposed 2.0% salary increase for staff effective 9/1/15. The City Manager

**Franklin City Council Called Meeting**  
**Budget Work Session**  
**May 26, 2015 – 6:00 p.m.**  
**City Council Chambers**

recommended this adjustment to be consistent with past COLA increases. No Council objections were raised.

- 4) A \$49,301 decrease in the contingency funding allocated for the General Fund. The City Manager recommended this change to balance the budget if all the other adjustments are approved; otherwise, this amount would likely need further revision.
- 5) The City Manager had recommended in the proposed budget a delay on replacing most capital equipment in the General Fund with the exception of an allocation for police car replacement. The exception was made to provide \$50,000 to match a USDA grant of \$50,000 to allow two vehicles to be acquired for the price of one. Feedback from some Council members questioned this allocation until approval of the grant is certain at which time the allocation could be considered. In essence, this would delay any vehicle purchase unless the grant is received and Council approved the required match. Members of Council had differing opinions and recommendations, as Finance Director Rollins had suggested, a compromise was offered to include the grant funding as additional revenue with the understanding that if the grant is funded an additional allocation of \$50,000 would be required to meet grant match requirements and acquire the vehicle replacements. Council debated at length this item and reviewed a number of other potential options and reviewed various other line items in the police, as well as, fire & rescue department expenditures.
- 6) Some members of Council also suggested consideration of a decrease in the proposed increase to the School budget base allocation. Reviewed was a potential adjustment in the base allocation increase proposed to \$150,000 (which is a 3% increase) instead of \$200,000 the Manager recommended (a 4.1% increase). Members of Council discussed at length the impacts of this change for the schools and the city budget.

The expenditure adjustments, if all were acceptable, result in a net decrease in spending of \$184,794.

The potential revenue adjustments were presented for consideration by Manager Martin and reviewed as follows:

- 1) Establish a General Fund transfer from the Solid Waste Fund of \$55,084 and a General Fund transfer from the Water & Sewer Fund of \$82,626. The City Manager advised that the solid waste transfer would not likely be an issue in terms of sustainability considering an expected reduction in landfill tipping fees in the future and an anticipated reduction in landfill closure costs included in the proposed budget. The City Manager expressed concern about the Water & Sewer Fund transfer in terms of sustainability. He referenced earlier budget discussions about the need to increase revenues by ten percent in the fund to better meet capital needs for the aging utility systems and that this increase was deferred until later in the new fiscal year. The Manager recommended that consideration

**Franklin City Council Called Meeting**  
**Budget Work Session**  
**May 26, 2015 – 6:00 p.m.**  
**City Council Chambers**

of the transfer only be accepted with the understanding that the revenue from the rate increase to be proposed be increased to adequately fund the transfer without reducing the funding proposed to do capital improvements to aging utility infrastructure. These transfers had been suggested for consideration by some members of Council as a means of more fairly distributing the burden of General Fund operations between property tax payers and residents who do not pay property taxes but benefit from city services provided by the General Fund. Council members debated at length the pros and con of these adjustments particularly the implications of the water and sewer rate increase proposal recommended by Management to be effective in the new fiscal year. The timing was of particular concern to some members. Of course, all members were concerned about the amount of the property tax rate proposed in the original recommended budget at a nine cent increase per \$100.00 of real property value.

- 2) The City Manager reviewed two additional adjustments listed for consideration in balancing the budget. It is necessary to reduce the farm rent payments for a portion of Pretlow Industrial Park by \$2,000 to account for the approved sale of 10 acres of property for the new Providence Agriculture investment on the site. The budget can also be adjusted to provide an additional \$10,000 in revenue from the upcoming sale of the 500 Mechanic Street property for the relocation of Highground Services Engineering firm to the site. Manager Martin stated no concerns with these adjustments and recommended their approval.

The cumulative impact of the listed revenue adjustments if acceptable would result in a net revenue increase of \$145,710 in the General Fund budget proposal. The combined expenditure adjustments and revenue adjustments would in total reduce the General Fund support needed from the real estate property tax by \$330,504. In summary, this would reduce the recommended tax rate increase from nine cents to three cent bringing the revised property tax rate recommended for FY 2015 – 2016 to \$.99 per hundred dollars of real property value. If the changes are acceptable, the budget would remain balanced. Looking ahead, the City Manager recommended that staff pursue finalizing the utility rate changes for potential mid fiscal year adoption and implementation following a public hearing on recommended changes with the effective date determined at that time. Management also intends to pursue, with Council support, a review of potential debt restructuring options to further reduce City reliance on debt reserve funds to finance General Fund expenditures in future budget cycles. Manager Martin indicated other miscellaneous fees and collection policies would be reviewed and discussed with the utility rate charges specifically EMS service collection policies and practices.

During Council discussion that followed, Council members debated the merits of the list of changes presented by the City Manager for consideration. A number of departments and expenditure items were debated and questions posed to management. Council members

**Franklin City Council Called Meeting  
Budget Work Session  
May 26, 2015 – 6:00 p.m.  
City Council Chambers**

discussed the pros and cons outlined on the items which members had differing views as earlier noted. Council members did not take action, but it was a consensus of all members present that management finalize and incorporate all the adjustments as discussed into the budget documents for consideration at and following the public hearing on June 1<sup>st</sup> with the final action as scheduled being considered at the June 8<sup>th</sup> regular meeting.

Given the consensus reached at this meeting, Council members agreed it would not be necessary to meet at 6:00 p.m. prior to the public hearing, scheduled for 7:00 p.m., to continue the budget work session as tentatively scheduled on the budget development calendar.

The Council having concluded its discussions for this meeting, Manager Martin congratulated the Council members for the professional manner in which they had debated their differing opinions on the challenging budget topics and yet were able in the final analysis to reach a consensus on a workable financial plan for consideration following the receipt of public input.

**Adjournment**

Mayor Johnson-Ashburn thanked Council for their many hours of effort during the budget process. There being no further business scheduled for this called meeting, the Mayor requested a motion to adjourn.

Councilman Rabil made a motion to adjourn and Vice-Mayor Cheatham seconded the motion. The motion was approved by a 6 – 0 vote (Councilman McLemore absent).

Mayor Johnson-Ashburn declared the meeting adjourned at 7:42 p.m.

**These Minutes for May 26, 2015 City Council Meeting were adopted on the 22<sup>nd</sup> day of June, 2015.**

\_\_\_\_\_  
**Mayor**

\_\_\_\_\_  
**Clerk to City Council**

The Franklin City Council held a called meeting on Monday, June 1, 2015 at 7:00 p.m. in the Council Chambers at City Hall to conduct a Public Hearing on the proposed FY 2015 – 2016 city Budget.

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

**Staff in Attendance:** R. Randy Martin, City Manager; Taylor Williams, City Attorney; Frank Davis, Interim Director of Parks & Recreation; Melissa Rollins, Director of Finance; Brenda Rickman, Commissioner of Revenue; Dinah Babb, Treasurer; Mark Bly, Director of Power & Light; Jennifer Maynard, Voter Registrar; and Chief Vince Holt, Director of Emergency Medical Services.

**Others in Attendance:** Dan Howe, Executive Director of Downtown Franklin Association; and Teresa Rose-McQuay, Administrative and Acting Secretary, Recording Minutes.

### **Call to Order**

Vice-Mayor Cheatham called the public hearing to order and recognized Manager Martin to present the final proposed FY 2015 – 2016 balanced Budget as adjusted following Council work sessions. Manager Martin advised that as a result of the work sessions, the proposed property tax rate increase had been reduced from the Manager recommended 9 cent increase to a 3 cent increase. He distributed a handout of the adjustments and reviewed the details of the various funds.

Manager Martin reviewed the purpose of the Public Hearing as described in the advertised notice and advised that the public hearing was intended to give citizens an opportunity to comment on the upcoming FY 2015 – 2016 city Budget. Manager Martin stated that the culmination of the FY 2015 – 2016 balanced budget exercise was achieved after many hours of labor by both staff and Council. Manager Martin stated that the proposed budget is 8.38% less than the prior fiscal year budget.

Manager Martin recognized Director Mark Bly to update Council on the latest information related to the Electric Rate Increase proposed. Director Bly stated that the increase was expected to be 5.6% as of Friday, May 29, 2015 when the city received information from VMEA representatives who had analyzed Dominion Virginia Power's wholesale rate increase data.

Councilman Burgess asked why the staff is recommending only raising the retail rate 4.0% if the increase from Dominion on the wholesale rate was much higher at 5.6%.

Director Bly stated that given the financial progress over the years he has been here this will be sufficient in his opinion despite the higher increase. It will reduce the funds available in capital reserve, but otherwise meet budget requirements.

Mayor Johnson-Ashburn arrived at this time and apologized for being late and thanked Vice-Mayor Cheatham for conducting the meeting in her absence.

Mayor Johnson-Ashburn opened the public hearing for public comments on the proposed FY 2015 – 2016 budget.

Ms. Vantoria Clay spoke on behalf of the Endependence Center located on Virginia Beach Boulevard in Norfolk, VA. She requested that City Council consider reinvesting in the program that serves the Hampton Roads area including the City of Franklin. She thanked Council for the opportunity to speak.

Mayor Johnson-Ashburn asked if anyone else would like to speak and hearing none the Public Hearing was closed at 7:30 p.m.

### **Adjournment**

There being no further discussion or budget presentations scheduled for this meeting, Vice-Mayor Cheatham made a motion that the meeting be adjourned. Councilman Burgess seconded and the motion was approved by a 6 – 0 vote (Councilman McLemore absent).

Mayor Johnson-Ashburn declared the meeting adjourned at 7:31 p.m.

**These Minutes for June 1, 2015 City Council Meeting were adopted on the 22<sup>nd</sup> day of June, 2015.**

---

Mayor

---

Clerk to City Council

**FINANCE**

- A. Monthly Financial Report: May, 2015**
- B. FY 2014 – 2015 City Budget Amendment/Transfer # 2015 – 21**
- C. FY 2014 – 2015 City Neighborhood Stabilization Program Amendment # 2015 – 22**
- D. FY 2014 – 2015 School Budget Amendment Carryover Request**





**Monthly Financial Report Summary (Unaudited)  
for the Period Ending May 31, 2015**

**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 ten months of the fiscal year complete, General Fund Revenues are tracking 4.0% higher from the prior year period. Overall, General Fund revenue of \$17.47 million at the end of the month is 87.1% of budget compared to \$16.81 million or 87.8% of budget at the end of the prior year period. An overview of the various local, state and federal sources is as follows:

Property Tax Revenue

Year to date revenue in Fiscal Year 2014-2015 shows a 4.8% decrease in general property tax collections over the prior year period; however, this is mainly associated with the timing of payments of the 2<sup>nd</sup> half of real estate tax revenue due June 5th. The June 2015 report will reflect a reversed scenario of real estate property tax collections exceeding the prior year period. To further explain, please note the following:

RE Taxes Collected in FY 13-14 during the first 10 days of June 2014	\$911,782
RE Taxes Collected in FY 14-15 during the first 10 days of June 2015	\$1,294,967
<b>Difference</b>	<b>\$383,185</b>

Current personal property taxes show a favorable gain of 8.4% over the prior year period. Delinquent real estate taxes, although less favorable in amount than the previous fiscal period, has exceeded budgeted projections with well over 100% realized at the end of the period. Collectively general property taxes of \$5.54 million are 77.4% of budget at the end of the period less than the \$5.84 million (84% of budget) reached at the conclusion of the prior year period due to the real estate tax collections which will show a favorable trend in the preceding month. **All general property tax sources (with the exception of machinery and tools) are expected to meet or exceed targeted projections by the end of the fiscal year.**



REVENUE SOURCE	ACTUAL	ACTUAL	Variance	Variance
	5/31/2015	5/31/2014	\$	%
Real Estate Taxes-Current	\$ 3,577,105	\$ 3,943,673	\$ (366,568)	-9.30%
Real Estate Taxes-Delinquent*	256,483	284,270	\$ (27,787)	-9.77%
Personal Property Taxes-Current*	1,412,592	1,302,414	\$ 110,178	8.46%
Personal Property Taxes-Delinquent	62,780	38,754	\$ 24,026	61.99%
Penalties & Interest Taxes*	152,560	147,858	\$ 4,702	3.18%
Public Service Corporation Taxes*	64,977	62,750	\$ 2,227	3.55%
<b>GENERAL PROPERTY TAX</b>	<b>\$ 5,526,497</b>	<b>\$ 5,779,718</b>	<b>\$ (253,221)</b>	<b>-4.38%</b>

*\*indicates collections at 5/31/15 in excess of budget*

Local Taxes

- Taxes indicative of the City’s local economy (Table 1) are overall tracking higher than the prior year period gaining 4.5%.
- Estimated meals taxes earned reflect a positive gain of 11.1% over the prior year period; collections for the period of \$1.32 mil have exceeded budgeted projections!
- Revenue from cigarette taxes reflects a favorable gain over the prior year period of 3.0%; revenue from this source has surpassed budgeted projections by \$32,000.
- Revenue from lodging taxes, is slightly higher than the prior year period, and is on target with FY 14-15 projections with 92.1% of the budget realized at the end of the period.
- Estimated sales tax revenue is tracking 2.33% higher than the prior year period with an estimated 92.4% of budgeted projections realized at the end of the period.
- Business License revenue is also tracking favorably with 97.7% of total projections reached at the end of the period.

Table 1

	Meals Taxes	Lodging Taxes	Cigarette Taxes	Sales Taxes	Business License	Total
May-15	1,321,353	138,191	332,182	1,616,361	909,181	4,317,268
May-14	1,188,613	134,972	322,517	1,579,566	905,835	4,131,503
Change \$	132,740	3,219	9,665	36,795	3,346	185,765
Change %	<b>11.17%</b>	<b>2.38%</b>	<b>3.00%</b>	<b>2.33%</b>	<b>0.37%</b>	<b>4.50%</b>



Table 2 is a projection of the same sources at 6/30/15. All sources are anticipated to exceed budgeted projections and reflect favorable trend from 6/30/14.

Table 2

	<b>Meals Taxes</b>	<b>Lodging Taxes</b>	<b>Cigarette Taxes</b>	<b>Sales Taxes</b>	<b>Business License</b>	<b>Total</b>
6/30/15 Projected	1,441,352	150,000	355,000	1,756,000	960,000	4,662,352
6/30/14 Actual	1,299,247	149,854	342,433	1,722,799	953,294	4,467,627
Change \$	142,105	146	12,567	33,201	6,706	194,725
Change %	<b>10.94%</b>	<b>0.10%</b>	<b>3.67%</b>	<b>1.93%</b>	<b>0.70%</b>	<b>4.36%</b>

Other Local, State & Federal Revenue

- Other local tax revenue (i.e. permits, fees, fines, charges for services) has surpassed prior year period collections. Revenue at the end of the month has reached 95% of the total budget. Increased collections are primarily associated with an increase in building permit fees.
- Charges for services include the administrative transfer from the City’s Enterprise Funds to the General Fund; the budget and expenditures for FY14-15 increased as a result of accurate cost allocation for administrative costs to the general fund. Other charges for services include ambulance billing charges which have reached 68% of the budget (no accrual); collections are under the prior period. Parks & recreation fees are also included in charges for services and reflect a decrease from the prior year period.
- Other local revenue changes from the prior year period include: (1) increased revenue sharing from IOW County - \$70,000, and (2) miscellaneous revenue - \$292,000 (late fees on utility accounts).
- State revenue collected represents communication taxes, personal property tax relief, railroad tax revenue (non-categorical aid) shared expenses and CJS Law Enforcement, Street & Highway Maintenance Funds and state grants (categorical aid). Collections overall are higher than the prior year period due to increased Street & Highway maintenance funds as budgeted and fire & rescue equipment and communications grant funds (E911) received in FY 2014-2015.
- Federal revenue (primarily federal grant reimbursements) – reflect SAFER grant funds received to date.



**General Fund Expenditure Summary**

General Fund expenditures overall are over \$445,000 less than the prior year period with \$12.5 mil or 76% of the budget spent compared to \$12.99 mil or 83.1% of the budget spent at the end of last year. The categories as outlined reflect significant variances (increases & decreases) as explained.

<u>Category of Expenditure</u>	<u>5/31/2015</u>	<u>5/31/2014</u>	<u>Variance</u>	<u>Primary Reason for Decrease/Increase</u>
Elections, Courts, Jail Administration	1,228,412	974,532	253,880	Increase Jail Admin Cost
Fire and Rescue	2,155,290	1,912,793	242,497	Acquisiton of Grant Funded Amnulance
Streets	1,486,960	2,161,633	(674,673)	Capital Outlay projects in FY 13-14 (Paving & Equipment)
Buildings and Grounds	883,635	1,151,991	(268,356)	Capital Outlay and vacany savings
Health	110,000	145,198	(35,198)	Timing of Agency Contribution Payment
Parks, Recreation & Culture	371,563	452,886	(81,323)	Vacancies and other operating expenses
	6,235,860	6,799,033	(563,173)	

**Water & Sewer Fund Summary**

- The Water & Sewer Fund continues to perform according to budget. Revenue from the sale of water is comparable to the prior year period while sewer charge revenue is slightly higher than the prior year period. At the end of the month, \$2.74 mil or 87.7% of the budget for water and sewer charges has been realized; this is relatively consistent with the \$2.79 million or 89.6% of the budget realized at the end of the prior year period.
- Expenditures for the Fund are significantly higher than the prior year period resulting from sewer system improvements and waterline rehabilitation projects completed in the first part of the fiscal year.
- The cash balance in the fund at the end of the month is \$1.91 million, a \$50,000 gain in the fund’s cash of \$1.86 million reported last month. A gain has been realized in the current month after experiencing a “planned reduction in cash” to complete major capital projects in the current fiscal year using fund balance.

**Solid Waste Fund Summary**

- The cash balance in the Solid Waste Fund at the end of the month is reported at \$529,345; a slight increase in Cash from the prior month. When compared to the prior year, this is a \$73,000 or 16% gain over the 12 month period.
- June 30, 2015 cash balance is projected at \$530,000.

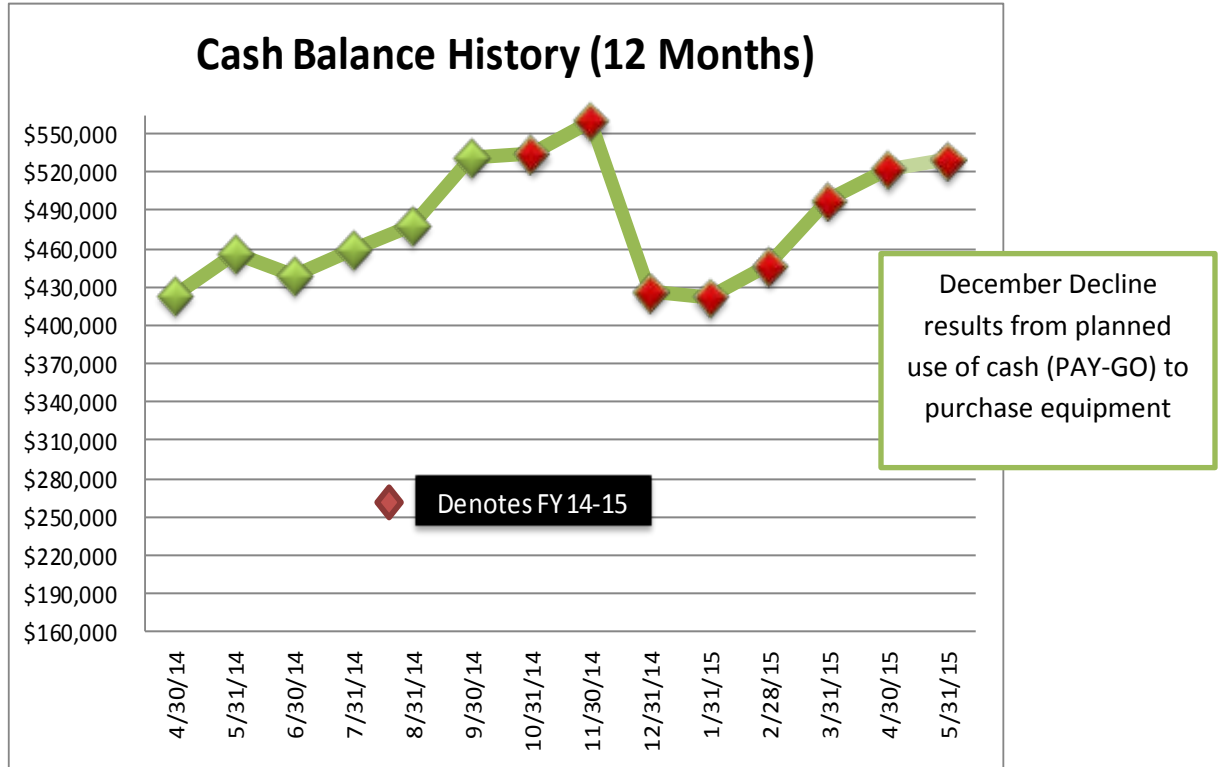


- Revenue for the Solid Waste Fund at the end of the month is \$1.25 million or nearly 91% of the total budget, and is comparable to the prior year period.
- Total expenditures as shown at \$920,424 are comparable to the prior year period and represents 73% of the total budget (capital outlay expenditure for the solid waste fund was re-allocated from the general fund to the Solid Waste Fund in FY 13-14).

**Below is a snapshot of the funds' cash position by month for fiscal year 2013-2014 and the current year (FY2014-2015 cash balance).**

	<u>Month</u>	<u>Cash Balance</u>	<u>Variance</u>
	June 30th	\$191,478	
<b>FY 13-14</b>	July 31st	\$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
	April 30th	\$423,857	\$31,202
	May 31st	\$455,642	\$31,785
	June 30th	\$438,294	(\$17,348)
<b>Net Change Since July 31, 2013</b>			<b>\$272,234</b>

	<u>Month</u>	<u>Cash Balance</u>	<u>Variance</u>
	June 30th	\$438,294	
<b>FY 14-15</b>	July 31st	\$460,019	\$21,725
	Aug 30th	\$478,038	\$18,019
	Sept. 30th	\$530,723	\$52,685
	Oct. 31st	\$534,742	\$4,019
	Nov. 30th	\$560,877	\$26,135
	Dec. 31st	\$426,565	(\$134,312)
	January 31st	\$422,523	(\$4,042)
	February 28th	\$446,966	\$24,443
	March 30th	\$498,207	\$51,241
	April 30th	\$522,444	\$24,237
	May 31st	\$529,345	\$6,901
<b>Net Change Since July 31, 2014</b>			<b>\$91,051</b>



#### *Airport Fund Summary*

- Fuel sales of \$61,723 remain considerably less than the prior year period in which revenue was \$95,651; however, the month of May experienced some growth in sales. The Airport has seen less activity overall in the current fiscal year.
- Other local revenue consists primarily of airport rental fees and is also slightly less than the revenue realized during the prior year period.
- Operating expenditures at the end of the month are less than the prior year period as a result of less fuel purchases; only \$37,000 has been spent in the current fiscal year versus \$60,000 in the prior year period.
- Capital Outlay expenditure of \$721,939 is for grant funded projects. State and federal revenue received of \$912,777 is inclusive of the reimbursements for these projects. Additional expenditures relative to the reimbursements occurred in June.

*Cash in the Airport Fund reflects a positive balance of \$62,720*

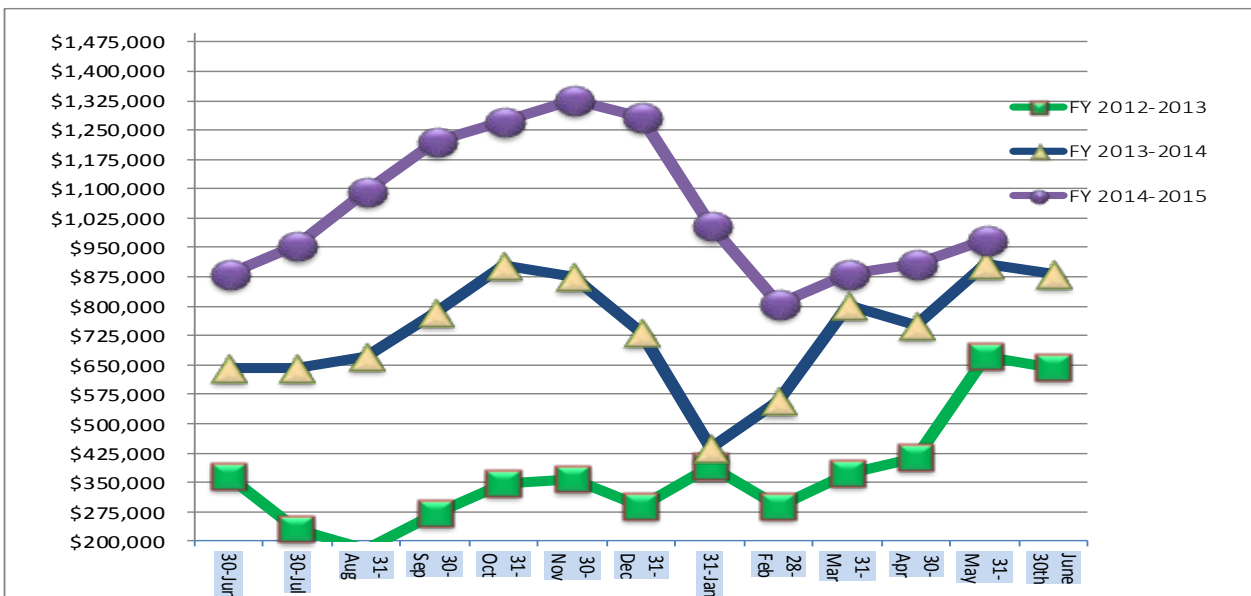
**Electric Fund Summary**

- Revenue in the Electric Fund represents 11 months of billed revenue at \$ 11.9 million for the sale of energy (85% of budget); the prior year period reflects revenue from the sale of energy of \$13.4 million (90% of budget).
- Collectively, from all sources, revenue is up from the prior year period at \$14.2 million or 85% of budget versus \$13.7 million or 91% of the budget realized at the conclusion of the prior year period; however, this is mostly attributed to revenue from the sale of energy (fuel adjustment charge-pass thru costs) which is 23% higher than the prior year as projected. Non pass thru charges are comparable to the prior year period.
- Expenditures associated with the sale of energy/fuel at \$8.95 million are 91.0% of the total budget or 5.5% higher than expenditures reported during the prior year period of \$8.48 million which represented a higher percentage of the total budget at 95.0%. (The Fund continues to be in a good position budget-wise in the current fiscal period).

**CASH BALANCE**

Cash in the Electric Fund reflects a favorable gain from the prior year period reaching \$968,713 at the end of May 2015 versus \$908,048 at the end May 2014. Cash also increased slightly from the prior month as shown in Table 1. (This increase from April 2015 to May 2015 of \$60,000 is less than projected). FY 14-15 reflects a similar trend (increases and decreases) when compared to FY 13-14.

**Table (1) – Past Fiscal Year History (2 Years) & Current Fiscal Year – Electric Fund Cash Position**



**VMEA**

**PAYMENT HISTORY**

Billing Month	FY 13-14	FY 14-15
December	\$1,012,802	\$1,067,345
January	\$1,318,098	\$1,395,984
February	\$1,037,055	\$1,494,927
March	\$1,125,074	\$1,207,428
April	\$731,330	\$732,035
May	\$817,091	\$796,547
	\$6,041,450.00	\$6,694,266.00

**Cash Balance Policy Evaluation**

**FY 2014-15 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at FYE 5/31/2015 = \$ or 6.76%.**

FY 2015 TOTAL REVENUE	16,670,873
Less Fuel Adjustment	(2,335,039)
Budget Basis for Policy	14,335,834
<b>10% of Annual Revenue</b>	<b>\$</b>

**FY 2013-14 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at 5/31/14 = \$908,048 or 6.8%.**

**Policy Evaluation:** At the end of the month cash is below minimum policy level by **\$465,000**. FY 14-15 reflects a \$60,000 gain in the Fund's cash position from the prior year period. In FY 13-14, cash in the Fund was below minimum policy level (\$1.330 million) by **\$421,000** at the end of same period.

**Table 2.**

**FY 2014-2015 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS**

	October	November	December	January	February	March	April	May	
BILLING	\$ 923,126	\$ 1,193,378	\$ 1,500,615	\$ 1,285,171	\$ 1,832,867	\$ 1,304,826	\$ 1,004,702	\$ 870,166	\$
TOTAL PAYMENTS*	\$ 1,182,544	\$ 950,516	\$ 1,212,493	\$ 1,336,734	\$ 1,492,269	\$ 1,729,720	\$ 1,414,047	\$ 1,083,328	\$
VARIANCE	\$ 259,418	\$ (242,862)	\$ (288,122)	\$ 51,563	\$ (340,598)	\$ 424,894	\$ 409,345	\$ 213,162	\$

YTD - >100% of Billed Revenue has been collected





**Table 3.**  
**FY 2013-2014 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS**

	October	November	December	January	February	March	April	May	
BILLING	\$ 912,746	\$ 1,058,860	\$ 1,356,660	\$ 1,605,050	\$ 1,491,255	\$ 1,299,191	\$ 1,003,918	\$ 1,020,411	
TOTAL PAYMENTS*	\$ 1,123,385	\$ 937,102	\$ 1,094,581	\$ 1,221,909	\$ 1,551,736	\$ 1,463,619	\$ 1,307,754	\$ 1,112,433	
VARIANCE	\$ 210,639	\$ (121,758)	\$ (262,079)	\$ (383,141)	\$ 60,481	\$ 164,428	\$ 303,836	\$ 92,022	\$

**YTD – 99% of Billed Revenue had been collected**

\*\*Total Payments reflects the payments received by customers monthly, payment could be for any billing period.

**Table 4**  
**FY 2012-2013**

	October	November	December	January	February	March	April	May	
BILLING	\$ 878,274	\$ 1,187,308	\$ 1,148,471	\$ 1,294,486	\$ 1,414,622	\$ 1,196,897	\$ 1,033,450	\$ 921,599	
TOTAL PAYMENTS*	\$ 1,129,249	\$ 935,060	\$ 1,060,843	\$ 1,214,002	\$ 1,225,110	\$ 1,358,200	\$ 1,239,399	\$ 1,114,140	
VARIANCE	\$ 250,975	\$ (252,248)	\$ (87,628)	\$ (80,484)	\$ (189,512)	\$ 161,303	\$ 205,949	\$ 192,541	\$

**YTD = 98.6% of Billed Revenue had been collected**

Monthly Financial Report  
Period Ending May 31, 2015

Unaudited							
CITY OF FRANKLIN							
FISCAL YEAR 2014-15							
LOCAL TAX REVENUES							
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET	
REVENUE SOURCE	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%	
Real Estate Taxes-Current	\$ 5,283,742	\$ 3,577,105	67.7%	\$ 5,150,432	\$ 3,943,673	76.6%	\$ (366,568)
Real Estate Taxes-Delinquent	190,000	256,483	135.0%	175,000	284,270	162.4%	\$ (27,787)
Personal Property Taxes-Current	1,367,446	1,412,592	103.3%	1,325,000	1,302,414	98.3%	\$ 110,178
Personal Property Taxes-Delinquent	65,000	62,780	96.6%	70,000	38,754	55.4%	\$ 24,026
Machinery & Tools	65,000	18,867	29.0%	60,000	63,548	105.9%	\$ (44,681)
Penalties & Interest Taxes	135,000	152,560	113.0%	120,000	147,858	123.2%	\$ 4,702
Public Service Corporation Taxes	61,818	64,977	105.1%	66,000	62,750	95.1%	\$ 2,227
GENERAL PROPERTY TAX	\$ 7,168,006	\$ 5,545,364	77.4%	\$ 6,966,432	\$ 5,843,266	83.9%	\$ (297,902)
							-5.10%
<b>Local Sales &amp; Use Tax</b>	\$ 1,750,000	\$ 1,616,361	92.4%	\$ 1,725,000	\$ 1,579,566	91.6%	\$ 36,795
Consumer Utility Tax- Elec. & Water	540,000	\$ 515,025	95.4%	543,000	508,860	93.7%	\$ 6,165
Business License Tax	930,500	\$ 909,181	97.7%	930,500	905,835	97.3%	\$ 3,346
Motor Vehicle Licenses	170,000	\$ 191,772	112.8%	172,000	169,246	98.4%	\$ 22,526
Cigarette Tax	300,000	\$ 332,182	110.7%	300,000	322,517	107.5%	\$ 9,665
Restaurant Meals Tax	1,260,000	\$ 1,321,352	104.9%	1,250,000	1,188,613	95.1%	\$ 132,739
Lodging Taxes	150,000	\$ 138,191	92.1%	150,000	134,972	90.0%	\$ 3,219
Bank Stock	58,000	\$ 58,618	101.1%	55,000	22,255	40.5%	\$ 36,363
Tax on Recordation & Wills	35,000	\$ 48,461	138.5%	30,000	38,050	126.8%	\$ 10,411
Right of Way Use Fees	25,000	\$ 19,001	76.0%	28,000	18,992	67.8%	\$ 9
Additional Taxes	-	\$ 2,921	0.0%	-	3,000	0.0%	\$ (79)
OTHER LOCAL TAXES	\$ 5,218,500	\$ 5,153,065	98.7%	\$ 5,183,500	\$ 4,891,906	94.4%	\$ 261,159
							5.34%
<b>TOTAL TAXES &amp; LICENSES</b>	<b>\$ 12,386,506</b>	<b>\$ 10,698,429</b>	<b>86.4%</b>	<b>\$ 12,149,932</b>	<b>\$ 10,735,172</b>	<b>88.4%</b>	
			1				

FINANCIAL REPORT AS OF MAY 2015 - 11 Months = 92%						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUE:	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%
Taxes; Licenses	\$ 12,386,506	\$ 10,698,429	86.37%	\$ 12,149,932	\$ 10,735,172	88.36%
Permits, Fees, Fines	231,836	253,625	109.40%	155,190	183,978	118.55%
Use of Money & Property	242,522	229,909	94.80%	247,757	231,842	93.58%
<b>Charges for Services:</b>						
Court Services	9,300	8,377	90.08%	11,300	3,997	35.37%
Fire & Rescue	463,519	332,756	71.79%	398,354	384,235	96.46%
Animal & Building Services	16,600	13,645	82.20%	29,800	23,517	78.92%
Waste Removal Services	13,900	4,679	33.66%	9,000	108,488	1205.42%
Administrative Services	940,390	862,024	91.67%	852,260	720,217	84.51%
Recreational Services	15,100	6,701	44.38%	15,750	9,129	57.96%
<b>Total Charges for Services</b>	<b>1,458,809</b>	<b>1,228,182</b>	<b>84.19%</b>	<b>1,316,464</b>	<b>1,249,583</b>	<b>94.92%</b>
Misc & Recovered Costs	489,492	621,816	127.03%	351,216	285,860	81.39%
Isle of Wight Rev. Sharing	600,000	600,000	100.00%	530,000	530,000	100.00%
<b>State Aid:</b>						
Non Categorical Aid	1,675,397	1,517,687	90.59%	1,670,397	1,514,541	90.67%
Shared Expenses	179,500	136,862	76.25%	174,989	115,232	65.85%
Categorical Aid	2,315,225	1,871,572	80.84%	2,006,013	1,598,202	79.67%
<b>Total State Aid</b>	<b>4,170,122</b>	<b>3,526,121</b>	<b>84.56%</b>	<b>3,851,399</b>	<b>3,227,975</b>	<b>83.81%</b>
Federal Aid	480,533	321,717	66.95%	538,295	366,122	68.02%
<b>Total Current Revenue</b>	<b>\$ 20,059,820</b>	<b>\$ 17,479,799</b>	<b>87.14%</b>	<b>\$ 19,140,253</b>	<b>\$ 16,810,532</b>	<b>87.83%</b>
			2		\$ (669,267)	

	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
EXPENDITURES:	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%
Operating Expense:						
Legislative, General & Financial	\$ 2,451,452	\$ 1,860,317	75.89%	\$ 2,464,769	\$ 1,842,813	74.77%
Elections, Courts, Sheriff	1,368,939	1,228,412	89.73%	1,089,322	974,532	89.46%
Law Enforcement	3,867,677	3,281,921	84.86%	3,688,458	3,229,290	87.55%
Fire and Rescue	2,417,739	2,155,290	89.14%	2,136,870	1,912,793	89.51%
Community Development	505,279	416,355	82.40%	447,371	384,640	85.98%
Streets	2,178,763	1,486,960	68.25%	2,626,315	2,161,633	82.31%
Garage	242,107	199,626	82.45%	226,527	190,618	84.15%
Refuse Collection & Disposal	-	-	0.00%	185,000		0.00%
Buildings and Grounds	1,029,796	883,635	85.81%	1,284,015	1,151,991	89.72%
Health	156,198	110,000	70.42%	167,198	145,198	0.00%
Parks and Recreation	546,166	371,563	68.03%	600,458	452,886	75.42%
Library	292,373	278,924	95.40%	290,300	282,865	97.44%
Planning & Beautification	317,612	198,062	62.36%	309,751	185,185	59.79%
Downtown Development	107,093	80,618	75.28%	108,707	82,646	76.03%
<b>Subtotal- Operating Expenses</b>	<b>15,481,194</b>	<b>12,551,683</b>	<b>81.08%</b>	<b>15,625,061</b>	<b>12,997,089</b>	<b>83.18%</b>
			3			

GENERAL FUND CONT'D						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
EXPENDITURES:	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%
Payments to Southampton Co.	\$ 750,000	\$ 652,305	86.97%	\$ 650,000	\$ 772,665	118.87%
Non-Departmental Miscellaneous	21,000	38,219	182.00%	40,000	32,313	80.78%
Pass through Contributions	-	-	0.00%	-	-	0.00%
<b>Total Operating Expense</b>	<b>\$ 16,252,194</b>	<b>\$ 13,242,207</b>	<b>81.48%</b>	<b>\$ 16,315,061</b>	<b>\$ 13,802,067</b>	<b>84.60%</b>
						0.00%
Net Operating Income	\$ 3,807,626	\$ 4,237,592	111.29%	\$ 2,825,192	\$ 3,008,466	106.49%
<b>TRANSFERS - IN:</b>						
Transfer from Electric Fund	1,409,891	1,292,400	91.67%	1,409,891	1,292,400	91.67%
Use of Prior Year Fund Balance	555,815	-	0.00%	1,201,049	-	0.00%
Use of Fund Bal Reserve for Debt	927,409	-	0.00%	689,386	-	0.00%
Transfer from Other Fund (Disaster)					48,264	
Use of Restricted Fund Balance	373,288			1,066,675		
<b>Total Transfers In</b>	<b>\$ 3,266,403</b>	<b>\$ 1,292,400</b>	<b>39.57%</b>	<b>\$ 4,367,001</b>	<b>\$ 1,340,664</b>	<b>30.70%</b>
To General Debt	\$ 413,130	\$ 413,266	100.03%	\$ 498,604	\$ 494,490	99.17%
To School Debt	591,182	-	0.00%	424,162	-	0.00%
To Airport Fund	112,247	-	0.00%	95,231	95,231	100.00%
To Education Fund	4,837,395	4,434,278	91.67%	4,847,395	4,443,479	91.67%
To Education Fund-Carryover	345,594	435,895	126.13%	643,174		
To Social Services Fund	456,738	-	0.00%	397,338	-	0.00%
To Comprehensive Services Act	135,000	-	0.00%	92,750	-	0.00%
To Economic Dev Incubator	57,833	-	0.00%	78,539	78,539	100.00%
To Economic Dev Joint Fund	125,000	125,000	100.00%	125,000	\$ 125,000	100.00%
<b>Total Transfers Out</b>	<b>\$ 7,074,119</b>	<b>\$ 5,408,439</b>	<b>76.45%</b>	<b>\$ 7,202,193</b>	<b>\$ 5,236,739</b>	<b>72.71%</b>
Variance (Revenue vs. Expense)		\$ 121,554	4		\$ (887,609)	

WATER AND SEWER FUND						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUES:	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%
Sale of Water	\$ 1,300,000	\$ 1,134,212	87.25%	\$ 1,300,000	\$ 1,151,768	88.60%
Sewer Service Charges	1,750,000	1,507,929	86.17%	1,750,000	1,514,230	86.53%
Treatment Fees - Counties	75,000	73,912	98.55%	70,000	91,296	130.42%
Water/Sewer Connection Fees	-	23,000	100.00%	-	38,152	
Administrative Connection Fee	5,000	4,970	99.40%	-	2,330	
Other Revenues	250	1,490	596.00%	500	-	0.00%
<b>Total Current Revenue</b>	<b>\$ 3,130,250</b>	<b>\$ 2,745,513</b>	<b>87.71%</b>	<b>\$ 3,120,500</b>	<b>\$ 2,797,776</b>	<b>89.66%</b>
<b>EXPENDITURES:</b>						
Operating Expense:						
Water System	\$ 1,419,018	\$ 685,226	48.29%	\$ 1,361,348	\$ 678,574	49.85%
Sewer System	1,153,588	897,076	77.76%	1,093,027	241,905	22.13%
Treatment Plant	763,453	588,576	77.09%	743,603	607,199	81.66%
<b>Total Operating Expenditures</b>	<b>3,336,059</b>	<b>2,170,878</b>	<b>65.07%</b>	<b>3,197,978</b>	<b>1,527,678</b>	<b>47.77%</b>
<b>TRANSFERS:</b>						
GF Transfer - Administrative Services	285,920	262,093	91.67%	257,305	235,863	91.67%
GF Transfer - Payment in Lieu of Taxes	26,460	24,255	91.67%	26,460	24,255	91.67%
<b>Total Transfers Out</b>	<b>\$ 312,380</b>	<b>\$ 286,348</b>	<b>91.67%</b>	<b>\$ 283,765</b>	<b>\$ 260,118</b>	<b>91.67%</b>
<b>Net Operating Income</b>	<b>\$ 2,817,870</b>	<b>\$ 288,287</b>	<b>10.23%</b>	<b>\$ 2,836,735</b>	<b>\$ 1,009,980</b>	<b>35.60%</b>
<b>OTHER FINANCING SOURCES</b>						
Use of Prior Year Fund Balance	\$ 972,773	\$ -	0.00%	\$ 727,617	\$ -	0.00%
Total Other Financing Sources	972,773	-	-	727,617	-	
<b>Total Revenue &amp; Other Sources</b>	<b>4,103,023</b>	<b>2,745,513</b>	<b>66.91%</b>	<b>3,848,117</b>	<b>2,797,776</b>	<b>72.71%</b>
<b>Debt Service</b>						
Debt Service	\$ 366,934	\$ 366,934	100.00%	\$ 366,124	\$ 366,124	100.00%
<b>Total Expenditures</b>	<b>\$ 4,015,373</b>	<b>\$ 2,824,160</b>	<b>70.33%</b>	<b>\$ 3,847,867</b>	<b>\$ 2,153,920</b>	<b>55.98%</b>
<b>Variance - Revenue vs. Expenses</b>	<b>\$ -</b>	<b>\$ (78,647)</b>		<b>\$ -</b>	<b>\$ 643,856</b>	
			5			

ELECTRIC FUND						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUES:	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%
Sale of Energy	\$ 14,094,334	\$ 11,990,002	85.07%	\$ 13,126,639	\$ 11,868,547	90.42%
Sale of Energy Fuel Adj	2,335,039	1,962,423	84.04%	1,667,809	1,590,382	95.36%
Administrative Connection Fee	30,000	10,910	36.37%	-	21,030	100.00%
Other Revenue	211,500	252,823	119.54%	257,297	288,441	112.10%
Proceeds Loan/Bonds	-	466	0.00%	-	-	0.00%
<b>Total Current Revenue</b>	<b>\$ 16,670,873</b>	<b>\$ 14,216,624</b>	<b>85.28%</b>	<b>\$ 15,051,745</b>	<b>\$ 13,768,400</b>	<b>91.47%</b>
<b>EXPENDITURES:</b>						
Energy for Resale (a)	\$ 9,816,189	\$ 8,952,729	91.20%	\$ 8,891,025	\$ 8,482,697	95.41%
Energy for Resale Fuel Adj (a)	2,335,039	1,952,021	83.60%	1,683,110	1,805,526	107.27%
Other Expenses	1,487,039	1,167,795	78.53%	1,471,551	1,035,005	70.33%
Capital Outlay	265,000	185,658	70.06%	297,000	128,771	43.36%
Reserve for Capital Expenditures	250,000	-	0.00%	250,000	-	0.00%
Reserve for Cash Replenishment	331,197	-	0.00%	323,908	-	0.00%
<b>Total Operating Expenses</b>	<b>\$ 14,484,464</b>	<b>\$ 12,258,203</b>	<b>84.63%</b>	<b>\$ 12,916,594</b>	<b>\$ 11,451,999</b>	<b>88.66%</b>
<i>Net Operating Income</i>	<i>\$ 2,186,409</i>	<i>\$ 1,958,421</i>	<i>89.57%</i>	<i>\$ 2,135,151</i>	<i>\$ 2,316,401</i>	<i>108.49%</i>
<b>OTHER FINANCING SOURCES:</b>						
<b>TRANSFERS:</b>						
GF Transfer-Council Approved	\$ 1,409,891	\$ 1,292,401	91.67%	\$ 1,409,891	\$ 1,292,400	91.67%
GF Transfer - Administrative Services	440,218	403,533	91.67%	388,960	356,547	91.67%
GF Transfer - Payment in Lieu of Taxes	59,282	54,342	91.67%	59,282	54,342	91.67%
GF Transfer - Debt Restructuring	-	-	-	-	-	-
<b>Total Transfers (Out)</b>	<b>\$ 1,909,391</b>	<b>\$ 1,750,276</b>	<b>91.67%</b>	<b>\$ 1,858,133</b>	<b>\$ 1,703,289</b>	<b>91.67%</b>
Debt Service	\$ 277,018	\$ 271,414	97.98%	\$ 277,018	\$ 269,038	97.12%
<b>Total Expenses</b>	<b>\$ 16,670,873</b>	<b>\$ 14,279,893</b>		<b>\$ 15,051,745</b>	<b>\$ 13,424,326</b>	
<b>Variance - Revenue versus Expenses</b>	<b>\$ -</b>	<b>\$ (63,269)</b>		<b>\$ -</b>	<b>\$ 344,074</b>	
			6			
<i>(a) Operating expenses for energy for resale and fuel adjustment costs reflect the June payment for the May 2015 Invoice billed in May but paid in June. Financial statements reflect 11 months of billed revenue and 11 months of expenditures to more accurately reflect the Fund's cash position even though nine months of expenses to VMEA have occurred.</i>						

AIRPORT FUND						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUE:	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%
Fuel Sales	\$ 177,232	\$ 61,723	34.83%	\$ 177,232	\$ 95,651	53.97%
Other Revenue	63,700	54,271	85.20%	64,700	60,486	93.49%
State Grants	204,956	139,056	67.85%	14,142	9,470	66.96%
Federal Grants	1,380,406	773,721	0.00%	352,828	70,566	0.00%
Total Current Revenue	\$ 1,826,294	\$ 1,028,771	56.33%	\$ 608,902	\$ 236,173	38.79%
<b>EXPENDITURES:</b>						
Operating Expenses	\$ 309,167	\$ 175,066	56.63%	\$ 308,710	\$ 197,210	63.88%
Capital Outlay	\$ 1,617,239	\$ 721,939	44.64%	\$ 391,398	\$ 99,798	25.50%
Total Operating Expenses	\$ 1,926,406	\$ 897,005	46.56%	\$ 700,108	\$ 297,008	42.42%
Net Operating Income	\$ (100,112)	\$ 131,766	-131.62%	\$ (91,206)	\$ (60,835)	66.70%
<b>TRANSFERS:</b>						
Use of Prior Year Fund Balance	\$ 6,728	\$ -		\$ 13,808	\$ -	
Transfer from Other Funds	\$ 112,247	\$ -	0.00%	\$ 95,231	\$ 95,231	100.00%
Total Revenue	\$ 1,945,269	\$ 1,028,771		\$ 717,941	\$ 331,404	
Transfer to Other Funds	\$ 18,863	\$ 17,291	91.67%	\$ 17,833	\$ 16,347	91.67%
Net Transfers To/From						
Debt Service	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Total Expenses	\$ 1,945,269	\$ 914,296	47.00%	\$ 717,941	\$ 313,355	43.65%
<b>NET INCOME(LOSS)</b>		\$ 114,475		\$ -	\$ 18,049	
			7			



SOLID WASTE FUND						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUE:	BUDGET	5/31/2015	%	BUDGET	5/31/2014	%
Waste Collection & Disposal Fees	\$ 1,375,081	\$ 1,247,651	90.73%	\$ 1,390,831	\$ 1,261,939	90.73%
Administrative Connect Fee	\$ 4,000	\$ 4,160	104.00%	\$ -	214	100.00%
Miscellaneous Revenue	-	316	0.00%	500	1,040	208.00%
<b>Total Current Revenue</b>	<b>\$ 1,379,081</b>	<b>\$ 1,252,127</b>	<b>90.79%</b>	<b>\$ 1,391,331</b>	<b>\$ 1,263,193</b>	<b>90.79%</b>
<b>EXPENDITURES:</b>						
Operating Expenses	\$ 885,349	\$ 696,481	78.67%	\$ 890,942	\$ 683,074	76.67%
Capital Outlay	\$ 370,000	\$ 223,953	60.53%	\$ 274,171	\$ 239,574	87.38%
<b>Total Operating Expenses</b>	<b>\$ 1,255,349</b>	<b>\$ 920,434</b>	<b>73.32%</b>	<b>\$ 1,165,113</b>	<b>\$ 922,648</b>	<b>79.19%</b>
Net Operating Income	\$ 123,732	\$ 331,693	268.07%	\$ 226,218	\$ 343,661	151.92%
<b>TRANSFERS:</b>						
Use of Prior Year Fund Balance	\$ 99,174	\$ -	0.00%	\$ -	\$ -	0.00%
<b>Total Revenue</b>	<b>\$ 1,478,255</b>	<b>\$ 1,252,127</b>		<b>\$ 1,391,331</b>	<b>\$ 1,263,193</b>	
Transfer to General Fund	\$ 195,389	\$ 179,107	91.67%	\$ 198,162	\$ 182,482	92.09%
Net Transfers To/From						
Debt Service	\$ 28,057	\$ -	0.00%	\$ 28,056	\$ 5,654	0.00%
<b>Total Expenses</b>	<b>\$ 1,478,795</b>	<b>\$ 1,099,541</b>	<b>74.35%</b>	<b>\$ 1,391,331</b>	<b>\$ 1,110,784</b>	<b>79.84%</b>
<b>NET INCOME(LOSS)</b>		<b>\$ 152,586</b>		<b>\$ -</b>	<b>\$ 152,409</b>	
			8			

CITY OF FRANKLIN  
 FISCAL YEAR 2014-2015  
 CASH BALANCES

FUND	CURRENT YEAR	PRIOR YEAR
General Fund	\$ 5,379,131	\$ 5,645,789
Fund SNAP Proceeds	\$ 183,712	\$ 226,489
<b>Total General Fund</b>	<b>\$ 5,562,843</b>	<b>\$ 5,872,278</b>
Water & Sewer Fund	\$ 1,911,506	\$ 2,254,554
Fund SNAP Proceeds	\$ 195,406	\$ 234,977
<b>Total Water &amp; Sewer Fund</b>	<b>\$ 2,106,912</b>	<b>\$ 2,489,531</b>
Electric Fund	\$ 968,713	\$ 908,048
Fund SNAP Proceeds	\$ 328,183	\$ 529,990
<b>Total Electric Fund</b>	<b>\$ 1,296,896</b>	<b>\$ 1,438,038</b>
Solid Waste Fund	\$ 529,345	\$ 455,642
Airport Fund	\$ 62,720	\$ (62,587)
<b>TOTAL CASH FOR OPERATIONS</b>	<b>\$ 8,851,415</b>	<b>\$ 9,201,446</b>
<b>TOTAL CASH FOR CAPITAL PROJECTS</b>	<b>\$ 707,301</b>	<b>\$ 991,456</b>
<b>TOTAL CASH</b>	<b>\$ 9,558,716</b>	<b>\$ 10,192,902</b>

CITY OF FRANKLIN  
 FISCAL YEAR 2014-2015  
 CASH BALANCES

FUND	CURRENT YEAR	PRIOR YEAR
General Fund	\$ 5,379,131	\$ 5,645,789
Fund SNAP Proceeds	\$ 183,712	\$ 226,489
Total General Fund	\$ 5,562,843	\$ 5,872,278
Water & Sewer Fund	\$ 1,911,506	\$ 2,254,554
Fund SNAP Proceeds	\$ 195,406	\$ 234,977
Total Water & Sewer Fund	\$ 2,106,912	\$ 2,489,531
Electric Fund	\$ 968,713	\$ 908,048
Fund SNAP Proceeds	\$ 328,183	\$ 529,990
Total Electric Fund	\$ 1,296,896	\$ 1,438,038
Solid Waste Fund	\$ 529,345	\$ 455,642
Airport Fund	\$ 62,720	\$ (62,587)
TOTAL CASH FOR OPERATIONS	\$ 8,851,415	\$ 9,201,446
TOTAL CASH FOR CAPITAL PROJECTS	\$ 707,301	\$ 991,456
<b>TOTAL CASH</b>	<b>\$ 9,558,716</b>	<b>\$ 10,192,902</b>



June 12, 2015

To: Randy Martin  
City Manager

From: Melissa D. Rollins *Melissa D. Rollins*  
Director of Finance

Re: **Budget Amendment/Transfer Request #2015-21**

City Departments are requesting the following amendments to the FY 2014-2015 Economic Development Fund Budget:

- In FY 14-15, The City will approximately \$26,500 in additional revenue from **Incubator** rents and program fees; the request is to amend the budget to appropriate to the line item for professional services for unanticipated expenditures associated with North Mechanic Street property sale (relocation of fiber, land survey work, engineering assessments). Funds are also available within the Public Works (Streets Division) to cover a portion of the cost. The request is to transfer \$30,000 from PW – Streets (landfill closure) to professional services through June 30th.

Expenditures to Date	
Fiber relocation -	\$20,463
Land Survey, Appraisal , Test	\$8,041
Engineering Work	\$18,870

The City is requesting the following General Fund budgetary transfers:

- **Fire & Rescue** – the request is to transfer \$20,000 from Full Time Salaries to overtime wages to cover overtime costs. According to the Chief, this is due to the vacancy of two positions resulting in the need for overtime to cover shifts. If authorized, approximately \$20,000 should be remaining in Full Time Salaries.
- **Storm water Revenue** – Funds totaling \$45,000 was included in the FY 14-15 budget under local revenue (recovered cost from SH County); however, revenues under the program were received from the State of Virginia. The request is to re-allocate this revenue source from local revenue to a state revenue source per audit requirements.

**REQUIRED ACTION FROM CITY COUNCIL: Authorize Budget Amendment/Transfer #2015-21 which will:**

1. Authorize the amendment of additional local revenue in the amount of \$26,500 to the FY 14-15 Economic Development Fund budget and appropriate the funds for expenditure.
2. Authorize the transfer of \$30,000 from the General Fund budget (PW-Streets Division) to the Economic Development Fund and appropriate the funds for expenditure.
3. Authorize the line item transfers exceeding \$10,000 as requested in the FY 14-15 Fire & Rescue Budget.
4. Properly classify a state revenue source from a local category to comply with audit regulations.

## BUDGET AMENDMENT 2015-21

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2014-15 City Budget is hereby amended as follows:

			FY 14-15 Budget	Amended Budget	Increase/ Decrease
<b>General Fund Tranfers Exceeding \$10,000</b>					
32100	1101	Fire & Rescue, Full Time Salaries	1,059,289	1,039,289	<b>20,000</b>
32100	1200	Fire & Rescue, OT Wages	121,000	141,000	<b>(20,000)</b>
					-

			FY 14-15 Budget	Amended Budget	Increase/ Decrease
<b>Fund 510</b>					
15020	100	Rents-Incubator	100,000	125,000	<b>(25,000)</b>
15020	110	Program Fees	6,000	7,500	<b>(1,500)</b>
<b>TOTAL GENERAL FUND REVENUE</b>					<b>(26,500)</b>
<b>Expenditures</b>					
20010	3160	Professional Services	-	26,500	<b>26,500</b>

			FY 14-15 Budget	Amended Budget	Increase/ Decrease
<b>General Fund Tranfers Exceeding \$10,000</b>					
19020	8	SH County Stormwater Mgmt. Recovery	45,000	-	<b>45,000</b>
24040	423	Stormwater Management Grant Revenue	-	45,000	<b>(45,000)</b>
					-

*To amend the FY 14-15 budget to recognize additional revenue received beyond budgeted projections in the Economic Development Fund, to appropriate additional funds from one line item to another in which expenditures exceed \$10,000 and to properly classify budgeted revenue source.*

*Certified copy of resolution adopted by  
Franklin City Council.*

\_\_\_\_\_  
*Clerk to the City*

Agenda  
Franklin City Council  
June 22, 2015



June 15, 2015

TO: Randy Martin  
City Manager

FROM: Melissa D. Rollins   
Director of Finance

RE: **Budget Amendment - Neighborhood Stabilization Grant (NSP3)  
#2015-22**

The Department of Housing and Community Development (DHCD) requires the re-appropriation of all unexpended grants each fiscal year. Attached is budget amendment #2015-22 requesting appropriation of unexpended Neighborhood Stabilization Program (NSP) #1 and #3 grant funds from FY 2013-2014 to the FY 2014-2015 budget.

**Required Action from City Council:** Amend the FY 2014-2015 budget to reflect the appropriation of unexpended NSP #1 and NSP #3 grant funds to the FY 14-15 budget.

NOTE: Funds not expended in FY 14-15 will require appropriation to the FY 15-16 budget.

## BUDGET AMENDMENT 2015-22

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2014-2015 City Budget is hereby amended to appropriate grant carryover to the current year budget:

<u>REVENUE</u>			<u>NEIGHBORHOOD STABILIZATION</u>					
			2014-2015	Amended	Increase			
			Budget	Budget	(Decrease)			
294	33000	100 NSP #1 - Federal Aid	\$ -	\$ 37,443	\$ 37,443			
294	33000	300 NSP #3 - Federal Aid	\$ -	\$ 127,655	\$ 127,655			
<b>TOTAL REVENUE</b>			<b>\$ -</b>	<b>\$ 165,098</b>	<b>\$ 165,098</b>			
<b>EXPENSES - NSP #1</b>								
294	84000	4101 Real Property Acquisition	\$ -	\$ 1,249	\$ 1,249			
294	84000	4201 Construction	\$ -	\$ 1,625	\$ 1,625			
294	84000	4203 Rehab Specialist	\$ -	\$ 2,490	\$ 2,490			
294	84000	4304 Closing Costs	\$ -	\$ 17,575	\$ 17,575			
294	84000	4402 Program Delivery	\$ -	\$ 14,504	\$ 14,504			
				<b>\$ 37,443</b>	<b>\$ 37,443</b>			
<b>EXPENSES - NSP #3</b>								
<b><u>ADMINISTRATION</u></b>								
294	84100	3140 Pre Contract Services	\$ -	\$ 494	\$ 494			
294	84100	3141 Monthly Reporting	\$ -	\$ 578	\$ 578			
294	84100	3142 Acquisition	\$ -	\$ 2,200	\$ 2,200			
294	84100	3143 Rehabilitation	\$ -	\$ 2,200	\$ 2,200			
294	84100	3144 Transfers	\$ -	\$ 2,200	\$ 2,200			
294	84100	3145 Interim Compliance Review	\$ -	\$ 1,800	\$ 1,800			
294	84100	3148 Administrative Closeout	\$ -	\$ 1,594	\$ 1,594			
<b><u>ACQUISITION</u></b>								
294	84100	4101 Real Property Acquisition	\$ -	\$ 52,897	\$ 52,897			
294	84100	4102 Program Delivery	\$ -	\$ 7,067	\$ 7,067			
294	84100	4104 Appraisals	\$ -	\$ 150	\$ 150			
<b><u>HOUSING REHABILITATION</u></b>								
294	84100	4201 Construction	\$ -	\$ 23,475	\$ 23,475			
294	84100	4203 Rehabilitation Specialist	\$ -	\$ 2,000	\$ 2,000			
<b><u>HOME OWNERSHIP</u></b>								
294	84100	4304 Closing Costs	\$ -	\$ 16,000	\$ 16,000			
294	84100	4402 Program Delivery-Homebuyer	\$ -	\$ 10,000	\$ 10,000			
294	84100	4403 Program Delivery-Property Transfer	\$ -	\$ 5,000	\$ 5,000			
<b>TOTAL EXPENSES</b>			<b>\$ -</b>	<b>\$ 165,098</b>	<b>\$ 165,098</b>			



*\*Neighborhood Stabilization Program Grant (NSP 3) unspent/budgeted funds for unfinished projects; re-appropriation required per DHCD regulations.*

*Certified copy of resolution adopted by  
Franklin City Council*

---

*Clerk to the City Council*



*Office Of The City Manager  
R. Randy Martin*

June 17, 2015

To: Mayor and Council Members  
From: Randy Martin, City Manager  
Subject: FY 2014 – 2015 School Budget Carryover Request

As previously advised, School Superintendent Willie Bell and I have been communicating regularly regarding the School System's FY 2014 – 2015 budget and their estimates for needed funding to close out the current fiscal year and meet financial obligations. The Superintendent and I met most recently on Tuesday, June 16, 2015 following a School Board Called meeting to discuss budget matters held on Monday, June 15, 2015.

Superintendent Bell informed me that the School system is now projecting a shortfall of \$240,000 on June 30, 2015, resulting directly from the reduction in state funding linked to the drop in student enrollment this school year which was reported some time ago. Superintendent Bell stated the estimated short fall amount had increased by approximately \$70,000 due to an additional cut in funding for exceptional education. He advised that the schools had made reductions since near the beginning of the calendar year when the enrollment funding reduction was initially determined.

After discussing next steps, I recommended he submit a written request for carryover funds necessary to meet obligations for FY 2014 – 2015 and that he be available to answer questions. He advised me the School Board had given him direction to make a request for the full amount of carryover funding available in the amount of \$343,545. As of this writing, I have not received the request in writing. Upon receipt, I will forward any written documentation received supporting the request.

The School Board appropriation increase request is included on the agenda for the June 22, 2015 meeting based upon my understanding of the Superintendent's direction from the School Board to do so. Be reminded, all of the carryover funding in the amount of \$343,545 was approved for appropriation by Council in the adopted FY 2015 – 2016 budget for the school system on June 8, 2015. Any approved appropriation made to the school system by Council for FY 2014 – 2015 should only be done by concurrently reducing the approved FY 2015 – 2016 budget by the same amount. I expect this will have a significant adverse impact on the School's FY 2015 – 2016 budget, but it is also essential that School Officials finish the current fiscal year with adequate funding to meet obligations.

**OLD/NEW BUSINESS**

- A. 500 N. Mechanic Street Purchase Contract Extension**
- B. City Manager's Report**
  - 1. FY 2015 – 2016 Council Regular Meeting Schedule**



*Office Of The City Attorney  
H. Taylor Williams, IV*

June 17, 2015

To: Members of City Council

From: H. Taylor Williams, IV, City Attorney

Re: Third contract extension of time to complete due diligence for purchase of property at 500 North Mechanic Street

Union Street Properties, LLC, and the City of Franklin entered into a contract for the sale of the old power plant owned by the City and located at 500 North Mechanic Street to Union Street Properties, LLC. The contract provided a period of time to allow the purchaser to perform due diligence to investigate any potential environmental issues on the property. A Phase I environmental impact study was performed. It recommended additional testing in a Phase II environmental impact study. A Phase II environmental impact study was performed. The Phase II study identified one location that requires a report to Virginia Department of Environmental Quality with possible additional testing and remediation. As a result of this additional work, we agreed to a second extension of the due diligence period. The second request to extend the due diligence period was granted and the extension was to expire on June 30, 2015. Just this week a report was issued from DEQ stating the pollution complaint case is closed. Now the contract purchaser can proceed to obtain financing and close. A third extension to September 30, 2015 is requested.

It is recommended that the contract extension be granted and that the Mayor be authorized to sign the extension agreement.

Suggested motion: I move that the Franklin City Council approve the requested third extension of time to obtain financing and close the purchase on the Contract dated December 10, 2014 for the sale of the old power plant located at 500 North Mechanic Street and authorize the Mayor to sign this third extension agreement.

H. Taylor Williams, IV  
City Attorney



# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF ENVIRONMENTAL QUALITY

TIDEWATER REGIONAL OFFICE

5636 Southern Boulevard, Virginia Beach, Virginia 23462

(757) 518-2000 Fax (757) 518-2009

[www.deq.virginia.gov](http://www.deq.virginia.gov)

David K. Paylor  
Director

Maria R. Nold  
Regional Director

Molly Joseph Ward  
Secretary of Natural Resources

June 16, 2015

VIA EMAIL: [rpace@franklinva.com](mailto:rpace@franklinva.com)

Mr. Russ Pace  
City of Franklin  
Department of Public Works  
1050 Pretlow Street  
Franklin, VA 23851

Re: **Case Closure**

Site Name/Location: Former Franklin Fire Department, 500 North Mechanic Street,  
Franklin, VA 23851

DEQ Tracking Number: PC# 2015-5194

Dear Mr. Pace:

Thank you for providing a Site Characterization Report dated June 2015 and prepared by Draper Aden Associates, for the referenced site to the Department of Environmental Quality (DEQ). Based upon the information you have provided, the State Water Control Board acting through DEQ, as authorized by Virginia Code § 62.1-44.34:8-9 and 14-23 and 9 VAC 25-580, believes that contamination levels at this site do not warrant further corrective action. This pollution complaint case is now closed. Should future environmental problems occur, which DEQ determines are related to this release, additional investigation and corrective action may be required in accordance with State Law.

Virginia Law prohibits the payment of corrective action and third party liability reimbursement claims which are filed more than two years after DEQ closes a case. All claims for this release must be received by DEQ no later than **June 16, 2017** in order to be eligible for reimbursement.

If you have any questions regarding petroleum contamination at this site, please contact me at (757) 518-2121 or by email at [amy.webster@deq.virginia.gov](mailto:amy.webster@deq.virginia.gov).

*Mr. Russ Pace, City of Franklin/PC#2015-5194*

*June 16, 2015*

*Page 2 of 2*

Sincerely,

A handwritten signature in cursive script that reads "Amy T. Webster".

Amy T. Webster  
Geologist Senior II  
Remediation Program

cc: Mr. Leonard "Rip" Ford, Draper Aden Associates (via email)  
File PC#2015-5194

**UNION STREET PROPERTIES, LLC**  
**601 N. Mechanic Street, Suite 140**  
**Franklin, Virginia 23851**

June 16, 2015

The City of Franklin, Virginia  
207 W. Second Avenue  
Franklin, Virginia 23851  
Attn: R. Randy Martin, City Manager  
H. Taylor Williams, IV, City Attorney

Re: Real Estate Purchase Agreement between the City of Franklin ("Seller") and Union Street Properties, LLC ("Buyer"), dated December 10, 2014 (the "Agreement") - **Third Extension of Due Diligence Period**

Gentlemen:

This letter is written in reference to the captioned Agreement. Capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings given to them in the Agreement.

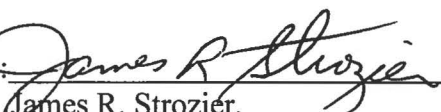
This will confirm our mutual agreement and understanding that, in light of additional time needed for Buyer's lenders to assess and review various environmental matters associated with the Property and otherwise complete their loan underwriting process, the Due Diligence Period set forth in Section 3 of the Agreement is hereby extended until 5:00 p.m. EST, September 30, 2015. As contemplated by the Agreement, Buyer may terminate the Agreement, in its sole discretion, by giving written notice of termination to Seller at any time prior to the expiration of the Due Diligence Period as extended by this letter amendment.

Except as modified hereby, the Agreement is hereby ratified and confirmed in all respects. Please confirm your agreement to the foregoing by countersigning this letter amendment where indicated below.

This letter amendment may be executed in counterparts as permitted by Section 16 of the Agreement.

Yours truly,

UNION STREET PROPERTIES, LLC,  
a Virginia limited liability company

By:   
James R. Strozier,  
Manager

**ACCEPTED AND AGREED:**

THE CITY OF FRANKLIN,  
a municipal corporation of the Commonwealth of Virginia

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*Approved as to form:*

\_\_\_\_\_  
H. Taylor Williams, IV, City Attorney





**COUNCIL REGULAR MEETING SCHEDULE  
FISCAL YAR 2015 – 2016**

<u>MONTH/YEAR</u>	<u>1<sup>ST</sup> MEETING</u>	<u>2<sup>ND</sup> MEETING</u>
<b><u>2015</u></b>		
<b>JULY</b>	<b>13<sup>th</sup></b>	<b>27<sup>th</sup></b>
<b>AUGUST</b>	<b>10<sup>th</sup></b>	<b>24<sup>th</sup></b>
<b>SEPTEMBER</b>	<b>14<sup>th</sup></b>	<b>28<sup>th</sup></b>
<b>OCTOBER</b>	<b>Columbus Day (NO MEETING)</b>	<b>26<sup>th</sup></b>
<b>NOVEMBER</b>	<b>9<sup>th</sup></b>	<b>23<sup>rd</sup></b>
<b>DECEMBER</b>	<b>14<sup>th</sup></b>	<b>CHRISTMAS (NO MEETING)</b>
<b><u>2016</u></b>		
<b>JANUARY</b>	<b>11<sup>th</sup></b>	<b>25<sup>th</sup></b>
<b>FEBRUARY</b>	<b>8<sup>th</sup></b>	<b>22<sup>nd</sup></b>
<b>MARCH</b>	<b>14<sup>th</sup></b>	<b>28<sup>th</sup></b>
<b>APRIL</b>	<b>11<sup>th</sup></b>	<b>25<sup>th</sup></b>
<b>MAY</b>	<b>9<sup>th</sup></b>	<b>23<sup>rd</sup></b>
<b>JUNE</b>	<b>13<sup>th</sup></b>	<b>27<sup>th</sup></b>

**MEETING TIME: REGULAR MEETINGS @ 7:00 p.m. LOCATION: City Hall –  
207 West 2<sup>nd</sup> Avenue – Council Chambers**

---

**COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS**