
MEETING MINUTES
BUDGET & FINANCE COMMITTEE
CITY OF FRANKLIN, TENNESSEE
CITY HALL BOARDROOM
THURSDAY, OCTOBER 21, 2010 @ 5:00 P.M.

Committee Members

Alderman Ann Petersen, Chair P
Alderman Ken Moore, Vice Chair P
Alderman Beverly Burger P
Alderman Michael Skinner P

Other Attendees

Eric Stuckey, City Administrator P
Russell Truell, ACA Finance & Administration P
Shirley Harmon, Human Resources Director P
Mayor John Schroer P
Alderman Clyde Barnhill P
Lanaii Benne, Assistant City Recorder P
Linda Fulwider, Board Recording Secretary P

1. Call to Order

Alderman Petersen called the meeting to order at 5:00 p.m.

2. Approval of the Minutes

Alderman Moore moved to approve the September 16, 2010 minutes as presented. Seconded by Alderman Skinner. Motion carried unanimously.

3. Review and Discussion of Auto Allowance Policy

Eric Stuckey, City Administrator

Russ Truell, ACA Finance & Administration

Information requested previously was provided and included estimated cost of vehicles, an AAA article regarding car ownership costs rising in 2009, COF take-home vehicle list, and current auto allowance list. Thirty-four (34) individuals have take home vehicles and five (5) individuals receive some form of auto allowance. The current allowance rate is \$200 per month.

Russ Truell reported most cities continue to assign vehicles. Six or seven cities allow \$150 up to \$600 per month. Clarksville's allowance is \$350. Weigh the cost of the vehicle vs. an allowance flexible enough to cover expenses; \$200 per month will not cover expenses. Money to purchase 14 or 15 vehicles is in the approved budget. A decision should be made before purchasing any vehicles.

Discussion

- ◆ Create a more specific policy
- ◆ Need specifics on savings allowance vs. vehicle, vehicle use, inventory of City vehicles, and information on other cities.
- ◆ Some positions require vehicles
- ◆ Is a City-owned vehicle a job perk and would lack of such be a problem with recruitment and retention.

Mr. Stuckey said staff would work up a more specific policy, check on costs, and the other requested numbers, and bring back for further discussion.

4. Review and Discussion of Retiree Insurance

Shirley Harmon, Human Resources Director

The sunset clause for all retiree insurance expires July 1, 2011. Currently, there are several plans in effect for retirees and all coverage ends when the individual reaches age 65. Ms. Harmon said options are being explored with the attorneys. There are stand-alone retirement plans to look at as well. Eric Stuckey noted this is another part of pension issues. An update of employee benefits is due this year as well.

5. Review and Discussion of Professional Investment Advisory Services

Russ Truell, ACA Finance & Administration

Mr. Truell said the idea to move toward a professional advisor on investment portfolios came from the National Finance Officers Conference. Cities the size of Franklin are beginning to move toward professional advisers. Currently, investments are done by staff; sometimes it involves considerable amounts of money. Investments are conservative and the portfolio is not as diversified as it could be with an advisory service. There are many across the nation that specialize in municipal investments; however, Mr. Truell said he is familiar with Portfolio Services for Government, LLC. Firms such as these originate investment policies and RFP's to acquire proposals from advisors. Staff could do an RFP but it would be without the expertise needed. The process is to interview, analyze and engage an advisor later. Cost for PSG \$13,000.

Alderman Skinner moved to recommend to BOMA that the City pursue establishment of an investment policy and an RFP for selecting an investment manager for the City of Franklin with Portfolio Services for Government, LLC. Seconded by Alderman Burger. Motion carried unanimously.

6. Monthly Reports (Information Only)

Russ Truell, ACA Finance & Administration

- Sales Tax Report
- Model Debt Policy
- Fuel Hedging Report

ADJOURN

Meeting adjourned @ 5:35 p.m.

Ann Petersen, Chair

Minutes prepared by Linda Fulwider, Board Recording Secretary, City Administrator's Office – 10/22/2010 11:07 AM