
**CITY OF GALLATIN
COUNCIL COMMITTEE MEETING**

June 14, 2016

6:00 pm

**Dr. J. Deotha Malone
Council Chambers**

- Call to Order – Vice Mayor Hayes
- Roll Call: Alexander – Brackenbury – Camp – Vice Mayor Hayes – Kemp – Mayberry – Overton – Mayor Brown
- Approval of Minutes: May 10, 2016 Council Committee Meeting; May 24, 2016 Council Committee Meeting
- Public Recognition
- Mayor’s Comments

AGENDA

1. July 2016 Bad Debt Accounts to be Purged **(David Gregory, Public Utilities Superintendent)**
2. Landscaping at Copeland Hardwood Floors **(Rosemary Bates, Special Projects Director)**
3. Internal Controls Manual **(Rachel Nichols, Finance Director)**
4. Relay for Life Donation **(Rachel Nichols, Finance Director)**
5. Revised Sidewalk Priorities for Active Transportation Grant **(Bill McCord, City Planner & Nick Tuttle, City Engineer)**
6. Appointment of Lynda Love to the Historic District Commission **(Paige Brown, Mayor)**
7. Continued Discussion of 2016/2017 Budget **(Paige Brown, Mayor)**

- Other Business
- Department Head Reports
- Adjourn

**City of Gallatin
Council Committee Meeting**

Tuesday, May 10, 2016
Dr. J. Deotha Malone Council Chambers

PRESENT:

Mayor Paige Brown
Councilman John D. Alexander
Councilwoman Julie Brackenbury
Councilman Steve Camp
Vice Mayor Craig Hayes
Councilwoman Anne Kemp
Councilman Ed Mayberry
Councilman Jimmy Overton

ABSENT:

OTHERS PRESENT:

Rachel Nichols, Finance Director
Don Bandy, Police Chief
Zach Wilkinson, Public Works Dir.
David Gregory, Public Utilities Dir.
David Brown, Leisure Services Dir.
James Fenton, EDA Director
Lori Smiley, IT Director
Debbie Johnson, Human Resource Dir.

Chuck Stuart, Building Official
Nick Tuttle, City Engineering
Bill McCord, City Planner
Connie Kittrell, City Recorder
Gallatin News Reporter
News Examiner Reporter
Victor Williams, Fire Chief

Vice Mayor Craig Hayes called the meeting to order at 6:00 P.M.

Approval of Minutes

Vice Mayor Hayes presented April 12, 2016 Council Committee Meeting minutes for approval. Councilman Alexander made motion to approve; Councilman Overton seconded. Motion carried with 7 ayes and 0 nays.

Public Recognition

Vice Mayor Hayes opened public recognition and with no one wishing to speak public recognition was closed.

Mayor's Comments

- Transit Alliance of Middle Tennessee Workshop in the City Hall Dining Room this Thursday
- Channel 2 News was here today doing a story on Building Safety Month and highlighted our Codes Department.
- Sumner Teen Center is starting a Summer Concert series and the first concert is in Hendersonville on May 14th The remainder summer concerts will be in Gallatin at the Sumner Teen Center.
- Vol State Cycling Class is this Saturday at 8:00 A.M. at Volunteer State Community College.
- Gallatin High School graduates of the 1950 - 1960 classes are having a class reunion this weekend at the First United Methodist Church from 1:00 - 4:00 P.M. on Saturday
- Grand Opening at Bledsoe Creek State Park for their new Playground Park is Saturday at 1:00 P.M.
- Spring Fest for Children Are People is Saturday at the Comer Barn

Agenda

1. Ordinance Setting Tax Rate for 2016-2017

Finance Director Rachel Nichols presented the tax rate ordinance setting the tax rate at \$0.99 per \$100 of assessed value for 2016-2017.

Councilman Overton made motion to approve; Councilman Alexander seconded. Motion carried with 7 ayes and 0 nays.

2. Ordinance Appropriating Funds to Clear Up Accounts Before Year End

Finance Director Rachel Nichols presented this ordinance appropriating funds to various accounts to clear up anticipated overages. Ms. Nichols provided a revised report adding the Greenway and explained each appropriation.

Councilman Overton made motion to approve; Councilwoman Brackenbury seconded.

Mayor explained the Greenway contract had an open ended CEI which is much more than expected. Mayor said typically the CEI should be 15% of the project but this is 34% of the project.

Vice Mayor Hayes called for the vote. Motion carried with 7 ayes and 0 nays.

3. Resolution Accepting Public Improvements for Kennesaw Farms, Phase 5, Section 1

City Engineer Nick Tuttle presented this resolution.

Councilman Overton made motion to approve; Councilwoman Kemp seconded. Motion carried with 7 ayes and 0 nays.

4. Ordinance Approving an Amendment to the Foxland Crossing Preliminary Master Development Plan for the Vintage at Foxland Harbor

City Planner Bill McCord explained the request to amend the plan for Foxland Crossing to allow for a 206 unit apartment complex; Vintage at Foxland Harbor. Mr. McCord stated the Planning Commission approved this request.

Councilman Overton made motion to approve; Councilwoman Brackenbury seconded.

Councilman Camp asked about any effect on the current greenhouses. Mr. McCord stated that had been addressed with tempered lighting and additional buffering.

Vice Mayor Hayes called for the vote. Motion carried with 7 ayes and 0 nays.

5. Ordinance Amending the City of Gallatin, Tennessee Zoning Ordinance, Article 13.00 Performance and Design Standards, Section 13.07 Sign Regulations

City Planner Bill McCord gave a history of amending the sign ordinance and provided Council with a map of billboard locations in the City. Mr. McCord highlighted the changes to the sign ordinance and suggested several specific areas to review again.

There was much discussion.

City Attorney Susan High-McAuley stated #6. on page 14 would be removed.

Mr. McCord spoke about #12. on page 15 concerning maximum change time. Ms. High-McAuley recommended staying with state law.

Mr. McCord continued to explain the changes.

Mr. McCord stated the Planning Commission reviewed this ordinance and recommended approval.

There was discussion on video signs, the content, no scrolling allowed, replacement sign sizes, distance requirements, the Highway Beautification Act under TDOT and landscaping under the signs.

Councilman Overton made motion to approve; Councilwoman Kemp seconded. Motion carried with 7 ayes and 0 nays.

6. Ordinance Approving an Amended Preliminary Master Development Plan for Bakers Crossing

City Planner Bill McCord explained the request to amend the plan for Bakers Crossing. Mr. McCord said the developer plans to build this in phases. The first phase would be the primary hotel.

Councilman Overton made motion to approve; Councilwoman Kemp seconded.

There was discussion on Martha Vineyards Way roadway being owned by two different property owners.

EDA Director James Fenton spoke about the two owners; a group out of Knoxville and Home Depot Corporation.

Vice Mayor Hayes called for the vote. Motion carried with 7 ayes and 0 nays.

7. Ordinance Approving a Preliminary Master Development Plan for Twice Daily

City Planner Bill Mc Cord explained the request to approve the plan for Twice Daily. Mr. McCord stated the Planning Commission reviewed and recommended approval with conditions.

Councilman Overton made motion to approve; Councilman Alexander seconded. Motion carried with 7 ayes and 0 nays.

8. Resolution Adopting Policies for PCI DSS Compliance

IT Director Lori Smiley explained the requirements for this resolution to adopt the policies for PCI DSS Compliance.

Councilwoman Brackenbury made motion to approve; Councilwoman Kemp seconded. Motion carried with 7 ayes and 0 nays.

9. Resolution Awarding Property, Liability, Gas Liability and Workers Compensation Insurance

Risk Manager Official Jamiann Hannah informed Council of the two bids received for property, liability, gas liability and workers compensation insurance; TML Risk Management Pool and Travelers Insurance. Ms. Hannah stated she formed an Insurance Review Committee to review the bids and make a recommendation. Ms. Hannah said the recommendation of the review board was to award the bid to the City's current carrier, TML Risk Management Pool.

Councilman Mayberry made motion to approve; Councilwoman Kemp seconded. Motion carried with 7 ayes and 0 nays.

Mayor suggested moving Other Business before Item #10. Continued Discussion of 2016-2017 Budget and there was no objection from council.

Other Business

Vice Mayor Hayes called for other business.

- Bill Troutt, lifelong resident of Gallatin and Sumner County stated he is the executor of his wife's estate, Paula Alexander Troutt. Mr. Troutt requested the City of Gallatin do away with or at least lessen the easement on the Alexander Funeral Home property; the northeast corner where Maple Street extension and Tulip Poplar come together. Mr. Troutt stated that he has been advised by his estate attorney to present this to the council before closing his wife's estate.

Councilman Mayberry asked if he knew how the city obtained the easement. Mr. Troutt stated to the best of his knowledge his wife Paula and her brother Tony Alexander donated this easement to the city.

City Engineer Nick Tuttle provided a map of the property being discussed to Council. Mr. Tuttle said he had researched this and contacted former City Engineer Brad Bivens for a footprint of the project to build a bridge over the railroad. He said he hopes to have more information to report at the next committee meeting. Mr. Tuttle added that he did a quick deed search and no money was exchanged so it appears it was gifted to the city but not sure.

There was discussion on the cost to build an overpass over the railroad at that location.

- Dave Roland with Roland Digital Media provided an information packet to Council for their consideration. Mr. Roland said he was present on behalf of a local land owner and Sumner Regional Medical Center to address some things on the sign ordinance.

Mr. Roland provided a listing of suggestions to the proposed sign ordinance and highlighted/explained those suggestions.

With no further business to discuss Vice Mayor Hayes closed other business.

10. Continued Discussion of 2016/2017 Budget

Budget discussions continued.

Councilman Overton made motion to approve the following list of employees:

City Attorney new position to begin in July
Engineering - stays the same
Finance - will get one (1) new employee to start in January
Firefighter 1 - leave at three (3)
Fire Lieutenant -move to three (3)
Fire Inspector - leave at one (1)
Planner 1 - stays the same
Police - Two (2) from city and two (2) from Civic Center to equal four (4)
Public Works - one (1) Inmate Crew Leader
Public Utilities - two (2) positions
Leisure Services - add Operations Manager

Councilwoman Kemp seconded.

Fire Chief Williams stated this renders his department again to not meet national standards and it's important that we understand the liability behind that. Chief Williams added that if anything should happen and we are willfully not meeting the

standards we will be held accountable. I implore you to rethink this before making a decision.

Discussion continued.

Mayor Brown requested that before any determinations are made that you hear from Chief Bandy and Leisure Services Director David Brown relevant on the positions they want.

City Attorney Susan High-McAuley echoed the concerns expressed by Chief Williams; you are setting yourself up for potential liability if we are not meeting the minimum standards.

Much discussion continued.

Police Chief Bandy and Leisure Services Director David Brown explained the purpose and responsibilities for their requests for additional positions.

Councilman Mayberry stated that this year's proposed budget is \$5 million more (including capital) in expenses than the expenses of last fiscal year. He added that we balance the budget with a \$2 million surplus.

Councilman Mayberry made several suggestions for synergy and efficiency; security level of the parks, combining all IT people under the IT Director, combining all marketing personnel (Civic Center and Mayor), no changes to amounts or organizations for Community Enhancements, and review in December the funded positions to begin in January.

There was discussion on these suggestions.

Public Utilities Director David Gregory questioned the suggestion to put all IT personnel under the IT Director Lori Smiley.

Councilman Mayberry stated he is only floating the idea for synergy and efficiency.

Discussion continued.

Councilman Overton said to make the City Attorney's new position starting July 1st and leave all the other positions including the six (6) Fire Lieutenants as is, add the Leisure Services Operation Managers position, add the \$44,000 for City Attorney position and the extra costs for the Leisure Services Operations Managers position.

There was discussion on the Rainy Day Fund and the things that skew the numbers.

Councilwoman Anne Kemp left the meeting at this time.

Finance Director Rachel Nichols said we should be closer to \$10 million as a true balance on June 30, 2016.

Councilman Camp suggested Council consider placing a cap on the Rainy Day Fund and have a set amount that goes into the Rainy Day Fund each year. He said this should be done this fall and it will require a charter change.

There was more discussion on the Rainy Day Fund and finding extra revenue to fund these requests.

Vice Mayor Hayes asked Leisure Services Director David Brown if he can do anything at the golf course to help with finding extra revenue.

Leisure Services Director David Brown said June 1st the fees will be raised to match Country Hills Golf Course and he's looking at some employee situations.

There was discussion on cutting employees at the golf course.

Vice Mayor Hayes asked Mr. Brown to come back with a recommendation. Mr. Brown said he would have to cut an employee in maintenance and an employee in the club house.

Discussion continued.

Mayor Brown asked Mr. Brown to provide the numbers on this. Mr. Brown said he could provide a close estimate and asked for council's backing on this.

Discussion continued on funding the new proposals and community enhancements.

Mayor Brown suggested Council review all personnel requests first and then review all other requests.

Council set a special called meeting at 5:00 P.M. next week before the Council Meeting to continue discussion on budgets.

Mayor stated she appreciated the recommendations from Council members.

Councilman Overton asked if there is a time frame to spend bond money. Ms. Nichols said you have to spend the money within three (3) years.

Department Head Reports

- Leisure Services Director David Brown said they will paving the basketball courts at Clearview Park so all the basketball goals will be down for a few days.
- Building Official Chuck Stuart provided Council with a handout on permits issued during the 3rd quarter of 2015-2016.

Adjourn

Councilman Overton made motion to adjourn; Councilman Alexander seconded. Motion carried with 6 ayes and 0 nays.

Vice Mayor Hayes adjourned the meeting at 8:10 P.M.

Mayor Paige Brown

Connie Kittrell, City Recorder

**City of Gallatin
Council Committee Meeting**

Tuesday, May 24, 2016
Dr. J. Deotha Malone Council Chambers

PRESENT:

Mayor Paige Brown
Councilman John D. Alexander
Councilwoman Julie Brackenbury
Councilman Steve Camp
Vice Mayor Craig Hayes
Councilman Ed Mayberry
Councilman Jimmy Overton

ABSENT:

Councilwoman Anne Kemp

OTHERS PRESENT:

Rachel Nichols, Finance Director
Don Bandy, Police Chief
Zach Wilkinson, Public Works Dir.
David Gregory, Public Utilities Dir.
David Brown, Leisure Services Dir.
James Fenton, EDA Director
Lori Smiley, IT Director
Debbie Johnson, Human Resource Dir.

Chuck Stuart, Building Official
Brad Simpson, Engineering Dept.
Bill McCord, City Planner
Jennifer Morris, City Recorder Dept.
Gallatin News Reporter
News Examiner Reporter
Victor Williams, Fire Chief
Susan High-McAuley, City Attorney

Vice Mayor Craig Hayes called the meeting to order at 6:00 P.M.

Approval of Minutes

Vice Mayor Hayes presented the April 26, 2016 Council Committee Meeting minutes for approval. Councilman Overton made motion to approve; Councilman Alexander seconded. Motion carried with 6 ayes and 0 nays.

Public Recognition

Vice Mayor Hayes opened public recognition.

- Jodi Oats Hermey of 115 Rustic Lane, Gallatin came forward to speak about a water bill. Ms. Hermey stated she also owns the property at 306 Dobbins Pike; the property had been vacant for approximately 6 months to a year and she turned the water meter off at the street. At some point someone turned the water back on. She said during the winter the water froze and the pipes burst.

Ms. Hermey said she received a \$3,000 water bill. She requested and received an adjustment from the water department of \$1,500 but that leaves a balance of \$1,500.

Ms. Hermey said she spoke with Public Utilities Director David Gregory and he explained he could only adjust the bill for the \$1,500. Mr. Gregory recommended she ask Council to grant him the authority to adjust the bill for the remaining \$1,500.

Council discussed.

Councilwoman Brackenbury made motion to approve the authority to Public Utilities Director David Gregory for additional adjustment of water bill at 306 Dobbins Pike; Councilman Overton seconded. Motion carried with 6 ayes and 0 nays.

- Joe Debord of 1007 Hart Street thanked everyone for the well wishes during his recovery time.

Mr. Debord spoke about his budget concerns:

- Trash collection and handling refuge
 - Flat fee vs. sliding scale dependent upon fuel costs
 - Two trash trucks picking up same trash/same time
 - More efficiency
 - City employee's certified in their specific areas/jobs
- City Planner Bill McCord introduced new Planner II Jillian Ogden.

Mayor's Comments

Mayor Brown had no comments at this time.

Agenda

1. Maple Street Extension

Brad Simpson representing the Engineering Department stated this is the property located on the northeast corner of Tulip Poplar (Alexander Funeral Home). Mr. Simpson said the current property owner is requesting the city release the property/easement back to the original owner.

Mr. Simpson requested Council not return the easement/property back to the property owner. He explained the necessity for this property to construct the overpass for the Maple Street Extension.

Councilman Mayberry stated there was an agreement drafted approximately 15 years ago outlining the arrangement of the city and the land owners. Mr. Mayberry said one of the co-owners has a copy of that agreement if needed.

2. Amend Gallatin Municipal Code Chapter 9, Fire Protection and Prevention, by adding Article V, Blasting Regulations and Permitting

Building Codes Official Chuck Stuart explained the need for a notification process of blasting within the city. Mr. Stuart said this requires a permit from the city to blast and adheres to the state rules.

Councilman Mayberry made motion to approve; Councilwoman Brackenbury seconded. Motion carried with 6 ayes and 0 nays.

3. Dangerous Building - 118 Bales Street (135D-A-14 - Sandra Henon, Owner)

Assistant Building Official Donnie Sullivan presented these two (2) dangerous buildings. Mr. Sullivan explained that both properties have been identified as dangerous buildings and the required notification has been given.

Mr. Sullivan said that there has been no response from either property owner from the certified mail.

Councilman Overton made motion to approve; Councilman Camp seconded. Motion carried with 6 ayes and 0 nays.

City Attorney Susan High-McAuley stated for clarification the Codes Officials will give another report at next week's council meeting and the Council will set a date for a Show Cause Hearing.

There was discussion on notice requirements/options.

4. Dangerous Building - 535 West Eastland Street (113O-M-3 - Melissa Sulcer, Owner)

Mr. Sullivan stated this is the same as the previous property discussed; notification has been given and the taxes have not been paid since 2009.

Councilman Camp made motion to approve; Councilwoman Brackenbury seconded.

There was discussion on delinquent tax sales.

Vice Mayor Hayes called for the vote. Motion carried with 6 ayes and 0 nays.

5. Appropriate Reimbursement from The Pool Property Conservation Grant

Finance Director Rachel Nichols stated the city received a reimbursement grant from The Pool for \$5,000 and this puts the money back into the budget.

Councilman Overton made motion to approve; Councilwoman Brackenbury seconded. Motion carried with 6 ayes and 0 nays.

6. Internal Controls Manual

Finance Director Rachel Nichols provided Council with the draft copy of the Internal Controls Manual. Ms. Nichols explained that the State is requiring all municipal governments approve an Internal Controls Manual by 6/30/2016.

Ms. Nichols requested Council review the draft and take no action tonight.

7. Speeding and Traffic Calming Measures in Various Areas in Gallatin

Councilwoman Brackenbury explained the request from citizens for speeding and traffic calming measures in various areas of Gallatin. Ms. Brackenbury added that several neighborhood streets are being used as a "cut through".

Police Chief Don Bandy explained his findings from previous surveys, identified the issues and possible solutions. Chief Bandy spoke about several problem areas.

Mayor Brown provided information on the Traffic Calming program that is available to all citizens on-line.

There was much discussion on calming options, patrolling, adjusting speed limits and problematic areas.

8. Request to Submit List of Projects to the Nashville Area MPO for Inclusion in the FY17 to FY20 MPO Transportation Improvement Program

City Planner Bill McCord said the Nashville MPO issued a request for the city to identify projects to include in the next four year TIP. Mr. McCord said he has worked with the Engineering Department and explained the attachments of existing projects/ adding additional projects.

Mr. McCord said that City Engineer Nick Tuttle stated that the Transportation Management Center is a little premature at this time and that will not be submitted.

Mr. McCord spoke about the vehicle fleet replacement with low emissions vehicles, the sidewalk/ trail projects and a few others added at the bottom of the list.

Councilman Overton asked about a survey conducted several years ago about a multi-purpose path from the end of Lock 4 Road to Nichols Lane.

Mayor Brown recommended looking back for any other projects that might have been discussed around that time.

There was also discussion on other projects, streets, sidewalks and a timeline.

9. CMAQ Grant Application for Vehicle/Equipment Replacement

Public Works Director Zach Wilkinson presented the request to apply for the CMAQ funding. Mr. Wilkinson said there are basically three (3) grants; two vehicle replacement grants and one (1) sidewalk grant. Mr. Wilkinson provided handouts to Council.

Mr. Wilkinson outlined the three grants:

- Diesel Equipment Replacement Grant - this covers replacement for David Brown's equipment
- Alternative Fuel Replacement Grant - this covers several different departments

Mr. Wilkinson said the total for the Public Works Department is \$333,000 with a 20% match. He proposes to use the capital money from the 2016/2017 budget to cover the 20% match for the Alternative Fuel Replacement Grant.

Mr. Wilkinson said it would take an appropriation to make the 20% match for the Diesel Equipment Replacement Grant.

There was discussion on the different types of gas/fuel and completing the list.

Councilman Alexander made motion to approve the two (2) vehicle grants; Councilwoman Brackenbury seconded. Motion carried with 6 ayes and 0 nays.

City Planner Bill McCord requested funding for the stretch of sidewalk on Nashville Pike from Green Wave Drive to Lock 4 Road. He also requested funding for the first phase of the Volunteer State/Gap Trail; conceptually winding through the Kennesaw/Plantation properties/Greensboro Village/GreenLea Boulevard/Vol State.

Council discussed a letter of intent for pedestrian/sidewalk and other vehicle replacement projects due this Friday.

Councilwoman Brackenbury made motion to approve; Councilman Camp seconded. Motion carried with 6 ayes and 0 nays.

10. Continued Discussion of 2016/2017 Budget

Mayor Brown explained the new budget and the changes/revisions made last week.

Councilman Overton suggested returning to the old process of budget hearings and seeing all the Department Head budgets.

Discussion continued.

Councilwoman Brackenbury made motion to approve; Vice Mayor Hayes seconded. Motion carried with 6 ayes and 0 nays.

Councilman Mayberry noted that he does not agree with the budget but he will move it forward. He added that he would not vote for it tonight without amendments and so forth.

Discussion continued.

Other Business

Vice Mayor Hayes called for other business.

- City Planner Billy McCord distributed a list of approved plats to Council from January 2015 through April 2016.
- Finance Director Rachel Nichols presented the contract with Alexander Thompson Arnold PLLC to audit accounts from July 1, 2015 to June 30, 2016.

Councilman Overton made motion to approve; Councilwoman Brackenbury seconded. Motion carried with 6 ayes and 0 nays.

With no further business to discuss Vice Mayor Hayes closed other business.

Department Head Reports

Vice Mayor Hayes called for Department Head reports and there were none.

Adjourn

Councilman Overton made motion to adjourn; Councilwoman Brackenbury seconded. Motion carried with 6 ayes and 0 nays.

Vice Mayor Hayes adjourned the meeting.

Mayor Paige Brown

Connie Kittrell, City Recorder

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

June 14, 2016

DEPARTMENT: Public Utilities

AGENDA # 1

SUBJECT:
JULY 2016 BAD DEBT ACCOUNTS TO BE PURGED

SUMMARY:
REPORT OF UTILITY 299 ACCOUNTS (BAD DEBT) TO BE PURGED FOR FY-2016

RECOMMENDATION:

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
Rejected
Deferred

Notes:
LIST WILL BE AVAILABLE FOR REVIEW AT COMMITTEE MEETING.

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

June 14, 2016

DEPARTMENT: Economic Development Agency

AGENDA #2

SUBJECT:

Landscaping at Copeland Hardwood Floors

SUMMARY:

During construction of the last leg of the Town Creek Greenway, the City worked closely with Copeland Hardwood Floors, 156 E. Eastland, to restore landscaping impacted by construction. The landscaping subcontractor for Sessions Paving did install landscaping, but the results are less than satisfactory and the City has limited options in pursuing a remedy with the contractor on the greenway project. The City asked Extreme Lawn Service to meet with Copeland Hardwood Floors and suggest a plan in consultation with Copeland's. Attached is the plan with costs. If the Council is agreeable, the City would like Extreme Lawn Service to install the landscaping. Additionally, the City would have Copeland's sign an agreement removing the City of any responsibility or liability once the landscaping is installed.

RECOMMENDATION:

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
Rejected
Deferred

Notes:

Estimate



P.O. Box 8803
Gallatin, TN 37066

Date	Estimate #
5/17/2016	1004

Name / Address
City of Gallatin Attn: J.R. Smith 132 West Main Street Gallatin, TN 37066

Job Name

Project

Description	Qty	Cost	Total
Landscape Repair at Copeland Hardwood Floors			
Emerald Green Arborvitae - 10-12 ft.	6	225.00	1,350.00
Knock-out Rose- 3 gal.	5	25.00	125.00
Crape Myrtle - 15 gal.	2	105.00	210.00
Metal Edging	7	40.00	280.00
Pine Straw & Pre-emergent		225.00	225.00
Soaker Hose		100.00	100.00
Labor		960.00	960.00
		Total	\$3,250.00

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

6/14/2016

DEPARTMENT: Finance

AGENDA #3

SUBJECT:

Internal Controls manual

SUMMARY:

New State law requires municipalities to approve an internal controls manual before 6/30/2016. The proposed manual has been created by documenting current practices.

RECOMMENDATION:

approve

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
Rejected
Deferred

Notes:

RESOLUTION ESTABLISHING INTERNAL CONTROLS MANUAL

WHEREAS, Tenn. Code Ann. Sec. 9-18-102 requires the City Council to establish an internal controls manual; and

WHEREAS, such manual must be consistent with the *Standards for Internal Control in the Federal Government* (the Green Book), issued by the U.S. Government Accountability Office (GAO);

NOW THEREFORE BE IT RESOLVED BY THE CITY OF GALLATIN, TENNESSEE, that the Internal Controls manual attached to this Resolution as Exhibit A is hereby approved and adopted.

BE IT FURTHER RESOLVED BY THE CITY OF GALLATIN, TENNESSEE, that this Resolution shall take effect from and after its final passage, the public welfare requiring such.

IT IS SO ORDERED.

PRESENT AND VOTING

AYE:

NAY:

DATED:

MAYOR PAIGE BROWN

ATTEST:

CONNIE KITTRELL
CITY RECORDER

APPROVED AS TO FORM:

SUSAN HIGH-MCAULEY
CITY ATTORNEY



CITY OF GALLATIN INTERNAL CONTROL MANUAL

June 21, 2016

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Internal Control Manual

2 INTRODUCTION

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

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

The internal control system consists of 3 objectives and 5 main components. Within the 5 components there are 17 principles that apply to certain components. The state considers the 5 elements mandatory and the 17 principles are optional. The City of Gallatin has chosen to address all components and principles in this manual.

THREE (3) OBJECTIVES OF INTERNAL CONTROLS:

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

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

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

The purpose of this manual is to ensure that the objectives of reporting and compliance are established. The operational objective is addressed at the department level with departmental Standard Operating Procedures (SOPs). The policies to achieve the objectives are derived from various financial best practices, state and federal laws, and regulations. Detailed procedures (SOPs) are developed and documented as a means to comply with the established policies.

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

CONTROL ENVIRONMENT:

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

RISK ASSESSMENT:

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

CONTROL ACTIVITIES:

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

INFORMATION AND COMMUNICATION:

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

MONITORING:

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

Source: GAO. GAO-14-704G.

3 CONSIDERATIONS IN DEVELOPMENT OF INTERNAL CONTROLS

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

Consistent monitoring of all components will ensure that the ICS is effective. It will be reviewed annually and updated whenever changing conditions justify.

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

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

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

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

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

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

4 FIVE COMPONENTS OF INTERNAL CONTROL

4.1 CONTROL ENVIRONMENT

Overview

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

OBJECTIVES

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

Policies

1. A conflict of interest form is completed as needed. See attached Code of Ethics.
2. A professional code of conduct has been adopted by the City Council and management and is reviewed minimally annually with all employees. See attached Code of Ethics.
3. The City Council through management has adopted a personnel manual which includes job descriptions with minimum job requirements.
4. The City Council also uses the budget process as a means of oversight with department heads.
5. Organizational charts are reviewed for needed changes in regards to authority and responsibility.

4.1 Control Environment (Continued)

Procedures

Procedures of policy 1 – Conflict of Interest Forms

- The Conflict of Interest forms are distributed and filed with the City Recorder.
- Outside Employment forms are distributed to all employees during on-boarding. The employees are required to complete the forms on an annual basis. Forms are signed by the Mayor and City Attorney and returned to the Human Resources Department for filing.
- If there are any conflicts documented or any conflicts suspected but not documented the cases should be discussed with the Mayor.
- The Mayor will schedule a meeting with the employee in question to discuss the conflict and a resolution will be made.
- The Mayor will question the employee to determine if a suspected conflict exists that the employee was not aware was a problem and a resolution will be made.
- When an employee leaves an exit checklist is required which includes a conflict of interest form.

Sec. 2-3. Disclosure of personal interest by official with vote. An official with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and so it appears in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official's vote on the measure. In addition, the official may recuse himself from voting on the measure.

Sec. 2-4. Disclosure of personal interest in non-voting matters. An official or employee who must exercise discretion relative to any matter, other than casting a vote, and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on a form provided by and filed with the recorder. In addition, the official or employee may, to the extent allowed by law, charter, ordinance, or policy, recuse himself from the exercise of discretion in the matter.

Sec. 2-9. Outside employment. No full time officer or employee of the city shall accept outside employment without written authorization from the mayor. Even if consent is obtained, no full-time official or employee of the City may accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of the municipal position, creates the appearance of impropriety, or conflicts with any provision of the municipality's charter, code, personnel rule or regulation, or policy.

4.1 Control Environment (Continued)

Procedures for policy 2 and 3

- The City Council appoints the Finance Director to review the annual audit for internal controls findings. A corrective action plan is to be developed and submitted.
- The city holds annual required training where human resource topics are covered. The code of ethics are part of the training.
- The ethics policy is signed by every employee during in-processing. Distributed annually to every employee with annual policies for signature.
- Training agendas, content and sign-sheets are reviewed to ensure all employees have attended.
- Employees who miss training are required to take make-up classes and sign a form verifying the code of ethics and personnel rules have been made available to them on the City's website.
- When an employee leaves an exit checklist is required which includes a statement that they have attended the required training in the current year or the past calendar year.
- Updated detailed job descriptions with minimum job requirements are distributed to each employee. The minimum job requirements are based on like positions in similar governments and will meet state or federal requirements if applicable, and based on a recent compensation study.
- Hiring procedures are detailed in the personnel rules and prohibit hiring anyone who does not meet the minimum job requirements.

4.1 Control Environment (Continued)

Procedures for policy 4

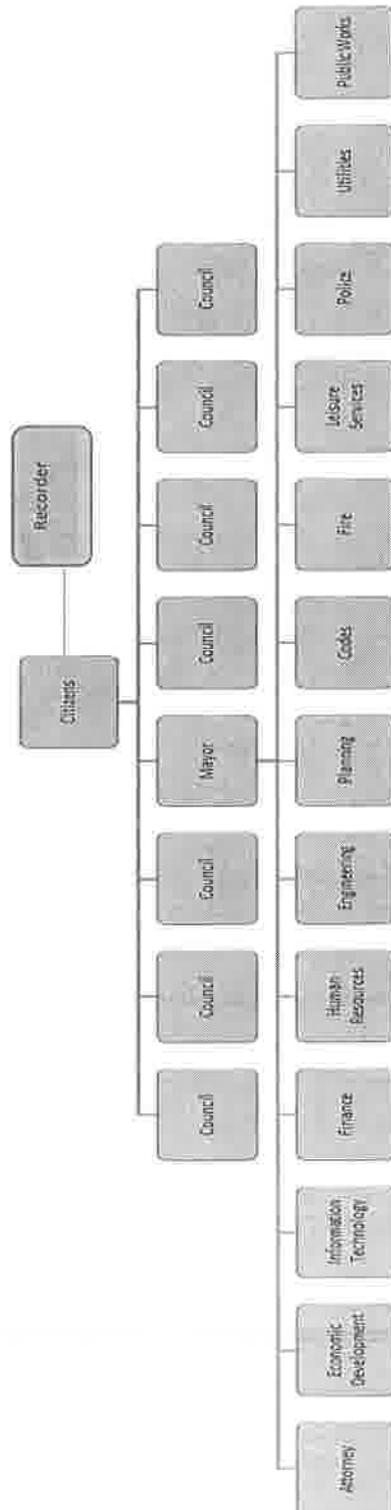
- In the first week in February the Finance Director opens the budget module for the upcoming fiscal year for entry by departments and notifies all department heads of such. Additionally, 5-year capital request spreadsheets are distributed to departments for completion. The budgets are due back to the Finance Director by the last working day of February.
- The Finance Director estimates revenues using the past 3 years collection history and current growth indicators along with any current information relevant to the revenue streams. The Finance Director will also estimate all the appropriations not otherwise assigned to a department head.
- The Mayor will meet with individual department heads during March. All department heads are present to explain their respective budgets and work to reduce any budget overages or request additional funding based on their department strategic plan of operation.
- The Mayor makes recommended changes to the department requests. The Finance Director makes the changes to the proposed budget and identifies problem areas that still exist. During April, the Mayor meets with department heads to discuss the finalized recommendations.
- The Mayor presents his/her recommended budget to City Council during the month of May. The Finance Director will prepare the budget ordinance for its first reading no later than the first Council Meeting of June.
- The required public notice will be placed in the local newspaper no less than 10 days prior to second (final) reading.

Procedures for policy 5

- City organizational charts were developed based on the city structure required in the city charter and code. Charts begin on the following page.
- The charts are reviewed periodically as positions are added or changed to determine if the reporting structure, authority, and responsibility documented in the chart is still accurate.
- As part of the personnel rules, all positions have detailed job descriptions which identifies the immediate supervisor and explains the responsibilities of the position.
- The charts are updated only during the budget cycles. However, when jobs change, the job descriptions are changed.

4.1.1 Organizational Charts for City of Gallatin

4.1.1.1 Strong Mayor



Mayor's Office



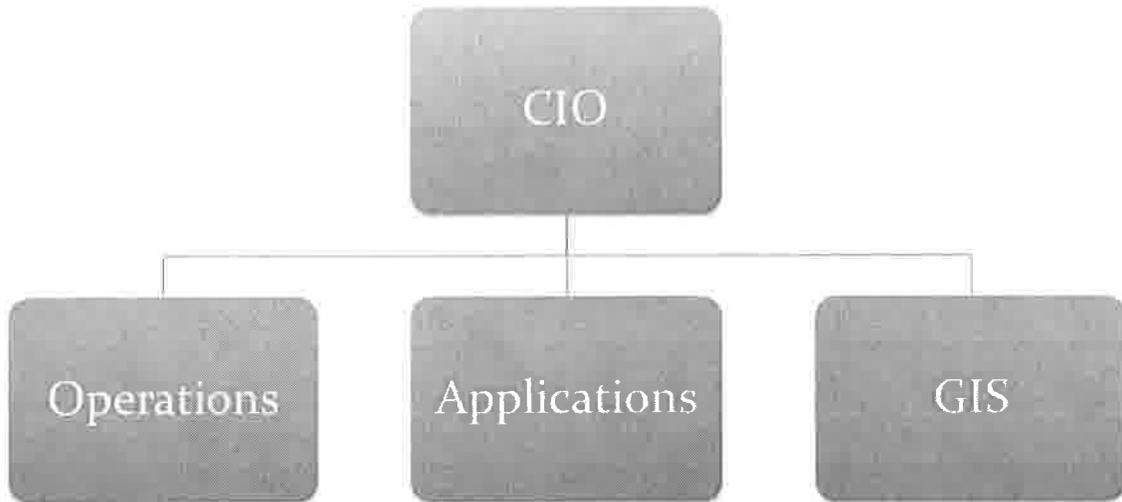
City Attorney Office



Economic Development Agency



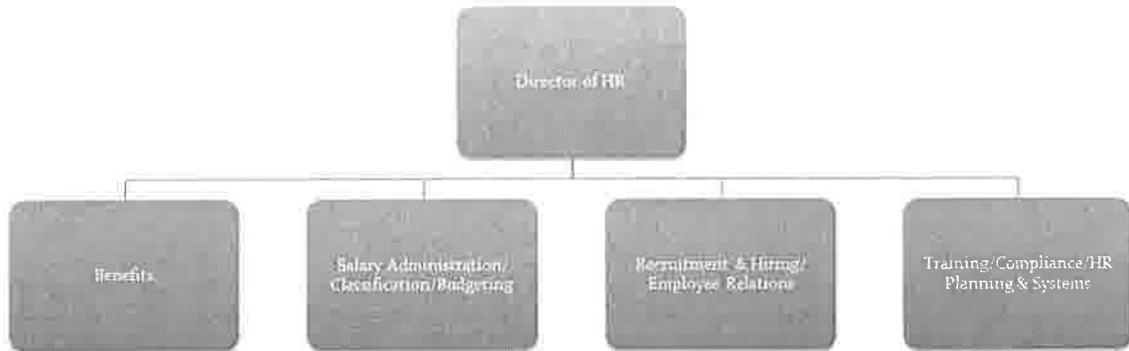
Information Technology



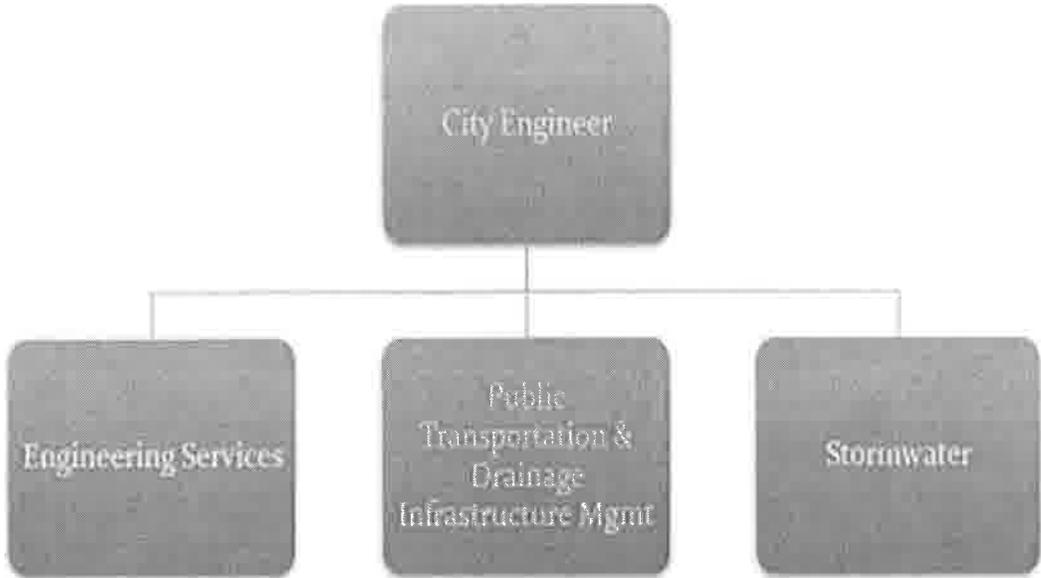
Finance



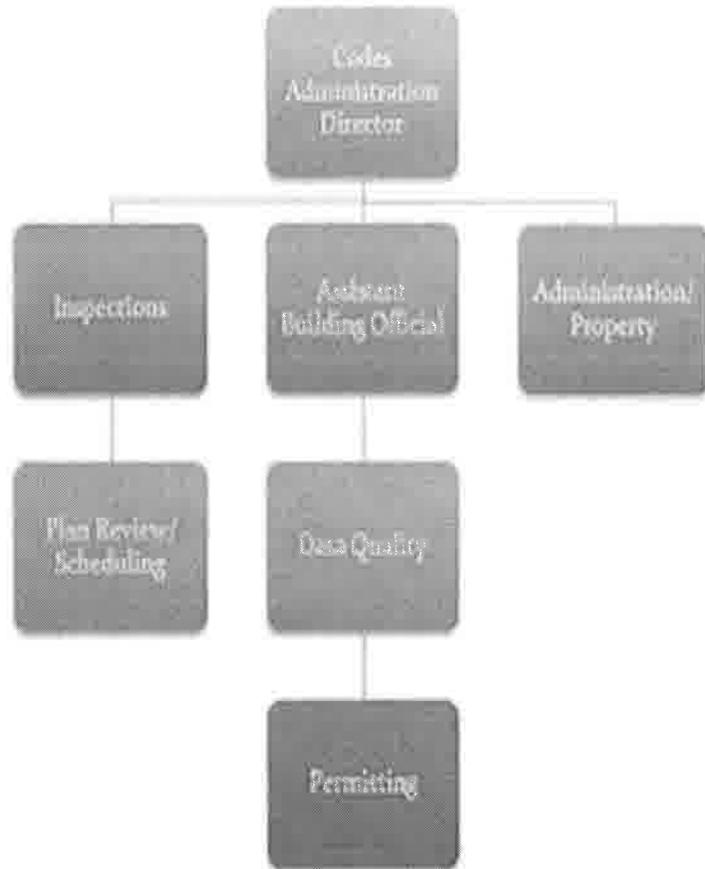
Human Resources



Engineering



Codes



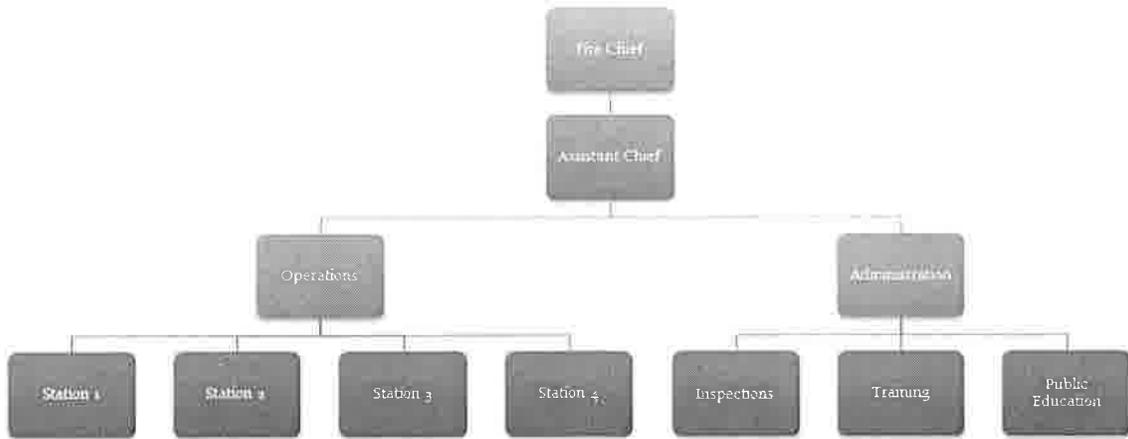
Planning



City Recorder's Office



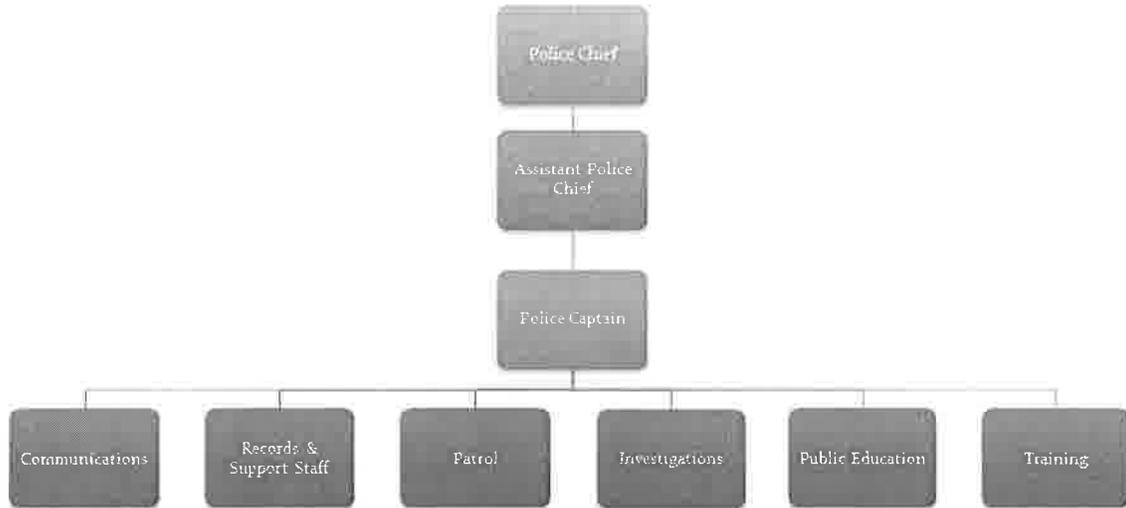
Fire Department



Leisure Services



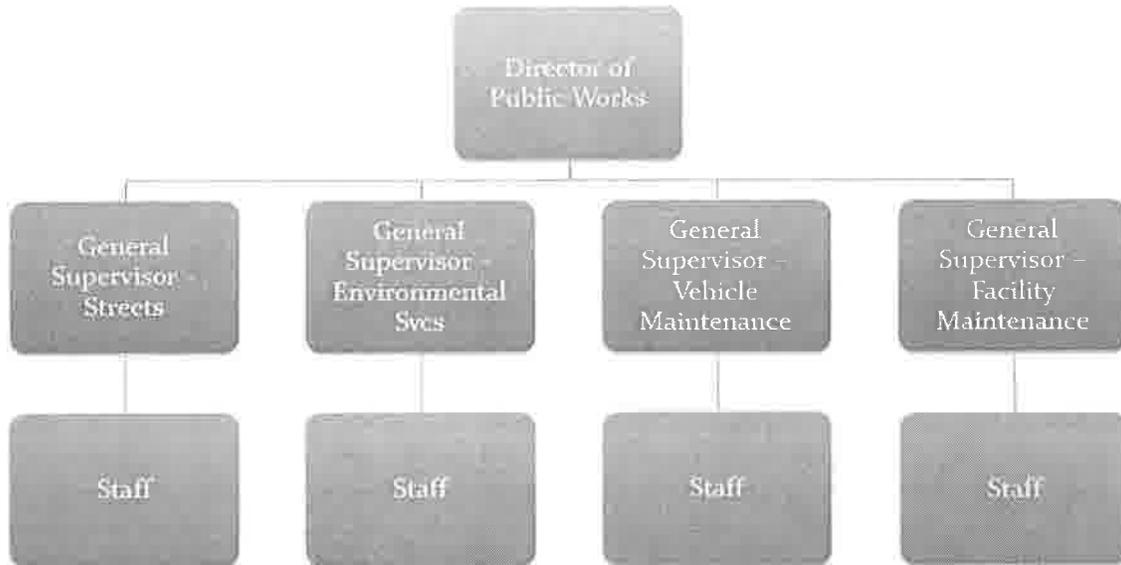
Police Department



Public Utilities



Public Works



4.2 RISK ASSESSMENT

Overview

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

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

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

Objectives

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

Risk

Objective 1

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

4.2 Risk Assessment (Continued)

Risk

Objective 2

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

Risk

Objective 3

1. Bank balances may be inaccurate due to failure to reconcile bank accounts.
2. Capital assets or inventory items could be missing.
3. Inventory is not available when needed.

Risk

Objective 4

1. Grant funds could be spent for unallowable items.
2. Grant rules may not be followed which could result in having to return federal funds.
3. Federal reporting requirements were not met.

The significant areas of risk are identified above and policies and procedures will be documented in the **next section** to explain how the city plans to put internal controls in place to help reduce some of the risks associated with these area of operations.

4.3 CONTROL ACTIVITIES

Overview

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

4.3.1 General Collections/ACHs

Objectives

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

Policies

Objective 1

1. A receipt will be issued for each collection made.
2. Each cashier will have their own cash drawer.
3. Employee will count down each cash drawer daily and sign the report.
4. Employees are prohibited from working from another person's cash drawer.
5. No checks will be cashed from the cash drawers.
6. All cash drawers will be closed out and counted daily.
7. All funds will be deposited daily.
8. There will be no checks or cash left out of a deposit. If there is a question as to how it should be processed, it will be deposited as miscellaneous revenue in the General Fund to be resolved later.

4.3.1 General Collections (continued)

Procedures

Procedures for policies 1-8

- See attached Gallatin City Recorder SOP 15
- Cashiers immediately stamp all checks “for deposit only” and issue prenumbered receipts for all collections. Receipt lists date, amount, payer, proper accounting code, cash, check or credit/debit card and identifies cashier. A copy is given to every customer or retained with daily cash report.
- Only check or credit/debit card payments are allowed at Codes, Planning, and Engineering; no cash transactions.
- For collections in the City Recorder’s Office, Codes, Planning and Engineering, Daily cash reports are given to the Finance department who makes up the bank deposits. For collections at decentralized locations, departments prepare their own deposit slips.
- A public safety officer or police officer is notified and takes the deposit to the bank for the Finance department. Specifically identified employees of GPU and LSV take deposits for their departments.
- Daily cash reports and bank deposit records are given to the Finance department by decentralized departments. Information from these reports are manually entered into the financial software by the Accountant I.
- The Finance Department will reconcile the daily cash reports, deposit slips, and bank statements on a monthly basis.
- The Finance Director will periodically perform surprise cash counts to ensure there are no personal checks being held in the cash drawers and to ensure the drawers are in balance.
- Individual receipts issued at decentralized locations will be reconciled to the city hall receipt to determine if receipts are being turned in daily and intact. Other records will be compared such as the number of children registered for an event on a given day, etc.

4.3.1 General Collections (continued)

Policies

Objective 2

9. All cash draws are locked when unattended.
10. All cash drawers are locked in the vault during closed hours.
11. Access to the vault is always restricted.
12. Deposit bag is secured until the police officer/personnel arrives to transport it to the bank.
13. At no time will cash be left out in the open unattended.
14. Employees are prohibited from comingling city assets with personal assets.

Procedures

Procedures for policies 9 - 14

- See attached Gallatin City Recorder SOP 15
- Each cashier is issued a separate cash drawer to which they have the key. The drawers are to remain locked at all times when unattended.
- The vault should be unlocked each morning, it may be left unlocked but should remain closed during the day. Once all cash drawers are counted down they should be placed in the vault and locked for the night and the weekend. Only the department head and designee should have access to the vault combination, which should be changed as there are changes in these positions.
- All cash drawers will be closed and counted away from the front desk and will be done one at a time so there is always one cashier to take payments.
- All computer passwords will be changed periodically and access to collection, adjustment, voiding and other administrative functions will be restricted and checked regularly.
- The Finance Department will reconcile the daily cash reports, deposit slips, and bank statements on a monthly basis.
- The Finance Director will periodically perform surprise cash counts to ensure there are no personal checks being held in the cash drawers and to ensure the drawers are in balance.
- The Finance Director and Information Technology Director are the only person authorized to have computer software support change restrictions or change control levels.

4.3.1 General Collections (continued)

Policies

Objective 3

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

Procedures

Procedures for polices 15-18

- All revenue codes used by the city are kept with each cashier. The Finance Director will notify the cashiers if an account code is changed or added.
- The Information Technology Director will notify the office staff when computer updates are scheduled. Staff is to report any problems to the I.T. Director immediately.
- The Finance Department will reconcile the daily cash reports, deposit slips, and bank statements on a monthly basis.
- The Finance Director will periodically perform surprise cash counts to ensure there are not personal checks being held in the cash drawers and to ensure the drawers are in balance.

4.3.1.1 *City Courts*

- Objectives – same as 4.3.1
- Policies – same as 4.3.1
- Procedures – same as 4.3.1

4.3.1 General Collections (continued)

4.3.1.2 *Property Tax Collections*

- Objectives – same as 4.3.1
- Policies – same as 4.3.1
- Procedures – same as 4.3.1

4.3.1.3 *Utility Billings and Collections*

- Objectives – same as 4.3.1
- Policies – same as 4.3.1

Procedures

Procedures for policies 1-18 at GPU

- The Utility has a total of 8 drawers. 3 drawers at the inside window, 3 drawers at Clerk I desks, and with 2 drawers between the two teller windows. The utility also has 2 petty cash drawers, one for gas and one for water/sewer and also a change drawer. Petty cash is generally used for reimbursement of Tags, CDL licenses, and Postage. Petty Cash follows identical procedure as city hall.
- All cashiers work from their own drawers that are lockable (they just put their tray in a drawer). Cashiers also use individual user names/passwords when receipting and posting.
- Cashiers collect money and note cash/check through the system generated receipt.
- At the end of a shift the cashiers count their drawers and reconcile cash/check totals to a register tape and put the report and money into a bank bag.
- The reconciled drawer and bank bag are then put in the vault overnight.
- The following morning specific staff reconciles the bags, check/cash back to the system and prepares the daily deposit.
- Separate staff takes the deposit to the bank and brings back the bank receipt.
- Staff prepare weekly reports and Supervisor prepares monthly reports which are given to the Finance department.
- The Supervisor runs a daily receipt report which is given to the Finance department to help eliminate differences in AR posting. Finance enters the information into the Munis system through an import process.
- The Supervisor periodically selects a random cash drawer for verification.

4.3.1 General Collections (continued)

4.3.1.4 Civic Center and Parks Collections

- Objectives – same as 4.3.1
- Policies – same as 4.3.1

Procedures

Procedures for policies 1-18 at the Civic Center and Parks

- Jonas Fitness provides software used to keep up with all fees collected at the Civic Center.
- Front Desk Supervisor keeps up with the receipts at the Civic Center.
- Start-up money for the concession stand is kept in a safe at the Civic Center.
- There is a tally sheet kept for all concessions.
- Daily reports are generated from the system and tally sheets to prepare and balance bank deposits.
- A public safety officer or police officer is notified and takes the deposit to the bank.
- The Finance Department receives a Cash Summary report and a Deposit slip and enters amounts directly from the Cash Summary sheets into the G/L on a daily basis.

4.3.1.5 Golf Course Collections

- Objectives – same as 4.3.1
- Policies – same as 4.3.1

Procedures

Procedures for policies 1-18 at the Golf Course

- Quickbooks program is used to record all golf course collections.
- Daily reports are generated from the system to prepare and balance bank deposits.
- Due to closing times varying, Personnel make their own deposits daily.
- The Finance Department receives a Cash Summary report and a Deposit slip and enters amounts directly from the Cash Summary sheets into the G/L on a daily basis.

4.3.2 General Disbursements/Drafts

Objectives

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

Policies

Objective 1 and 2

1. The city has adopted purchasing policies that comply with state law.
2. Various levels of authority have been assigned.
3. Purchase orders and packing slips are matched and sent to city hall for payment as soon as possible.
4. Checks are issued multiple times per week to ensure invoices are paid timely.
5. All checks require two signatures.
6. All checks have documentation attached at the time of signing.

4.3.2 General Disbursements/Drafts (continued)

Procedures for policies 1-2

- Purchasing Policy approved by Council in 2010, Ordinance O1007-47
- Purchases over \$2,500 require Purchase Orders. Departments requisition items. Through workflow, the request passes from staff to Department Head to Purchasing Agent. After request and required documentation is reviewed, Finance department converts Requisition to Purchase Order.

Procedures

Procedures for policies 3-6

- Invoices are reviewed for accuracy by the department. They are stamped with the proper G/L code and signed/approved by the Department Head. They are attached with PO when applicable and packing slips and sent to the Finance department for payment.
- AP Clerk reviews, requests any missing information from departments, enters invoices, generates reports, generates checks.
- Purchasing Agent reviews all disbursements before mailing.
- Checks are signed electronically during the check printing process.
- Signature key is required to print checks. Key is kept in location away from printer when not in use.
- Check stock is completely blank, no bank information, no company information, no format. All information is printed during check printing process.
- Software is password protected and users have unique logins.

4.3.2 General Disbursements/Drafts (continued)

Policies

Objective 3 and 4

7. The finance department uses a computerized accounts payable system.
8. All purchase orders are coded by purchaser and verified by the accounts payable clerk.
9. Invoices are entered in the accounts payable system daily.
10. Budget availability is verified by the software prior to check run.

Procedures

Procedures for policies 7-10

- Purchasing Policy approved by Council in 2010, Ordinance O1007-47
- AP Clerk reviews, requests any missing information from departments, enters invoices, generates reports, generates checks.
- Software automatically alerts users when available budget is exceeded. Only Finance Department personnel can override the warning.
- Department heads have access to G/L information at all times. Data is current and all activity detail is available for review by department heads and administrative assistants. Departments are encouraged to review data to insure accuracy.

4.3.2.1 Payroll disbursements and payroll liabilities

Objectives

- Disbursements accurately reflect employee earnings and deductions.
- Disbursements are to a valid city employee.
- Disbursements are timely.
- Liabilities and deductions are accurate and are remitted timely.
- Leave balance, earning and usage is accurate.
- Disbursements are accurately coded and recorded in the accounting system.
- Pay policies and calculations comply with State and Federal labor laws.

Policies

1. Automated time and attendance system is used to accurately capture employee time and calculate total hours worked during a pay period.
2. Employees and Supervisors are required to submit/approve timesheets as official record of time worked and/or leave used during a pay period.
3. Segregation of duties and multiple levels of approval safeguard public funds and prevent payments to unauthorized individuals.
4. Federal Publication 15, Circular E, is followed to ensure accurate federal tax withholdings and remittance.
5. Leave is earned in accordance with the Council approved Personnel Rules and Regulations and Employee Handbook. Leave can be used only as defined in same documents.
6. Payroll is processed every two weeks.

4.3.2.1. Payroll disbursements and payroll liabilities (cont.)

Procedures

Procedures for policies 1 - 2

- Employees record hours worked by clocking in and out daily using the automated time and attendance system.
- Every two weeks employees certify the accuracy of the timesheet.
- Supervisors add any approved leave for the pay period and approve submitted timesheets. Through automated workflow, Department Heads approve submittals and pass the information to the Finance Department.
- Finance Department electronically pulls the approved time into the payroll software for processing.

Procedures for policies 3 - 6

- The Human Resources Department is responsible for setting up employees, collecting authorizing documentation from the hiring department, collecting required documentation for employment eligibility purposes, collecting required documentation for payroll deductions, setting rates of pay, setting rates of leave earnings, and assigning the employee to the proper department and G/L code.
- The Finance Department is responsible for bi-weekly posting of leave earnings, collecting hours worked and leave used, calculating pay and deductions, calculating mid-period pay adjustments when applicable, issuing checks or direct deposits for net pay, and remitting federal tax withholdings.
- Federal tax table information is updated annually before the first payroll of the calendar year to ensure accurate tax withholdings. Quarterly filings and annual filings are made per Federal guidelines/deadlines.

4.3.3 Safeguarding of Assets

Objectives

1. Ensure city assets are properly valued and protected.
2. Ensure city assets are protected against loss, misappropriation or theft.
3. Ensure Cash, Accounts Receivable and other asset accounts are reconciled.
4. Ensure investments are safe and in accordance with adopted investment policy.
5. Ensure city assets are protected against loss, misappropriation or theft.
6. Ensure inventory items are available when needed for use.

Policies

1. All bank account statements (checking, savings, investments, etc.) are reconciled to the municipal general ledger accounts within 30 days of the date of the statement.
2. Accounts receivable subsidiary ledgers are reconciled to original billings and amounts collected.
3. All bank accounts are appropriately collateralized. Any bank account balance that exceeds the FDIC coverage limit will be covered at 105% of the balance as per state statute. Any bank account balance maintained in a bank participating in the State Collateral Pool will be made to verify annually the accounts held are classified on the records of the bank as "Public."
4. All bank accounts are held in financial institutions under the municipality's name.
5. All withdrawals, checks, liquidations, etc., from any bank account requires two signatures. Exceptions are construction retainage accounts.
6. All investments require two signatures.
7. The city should keep detailed information to readily identify capital assets by a log with serial numbers or by tagging the assets.
8. The inventory should be conducted at least annually. Conducting an annual inventory provides an accurate accounting of current assets and it requires the city to safeguard and monitor the assets. This will help prevent the abuse or theft of assets.
9. This inventory should be sent in to the Risk Manager and Finance Director on an annual basis.
10. Inventory records contain enough information to readily identify corresponding capital assets. Capital assets are tagged or otherwise identified during a physical inventory that is performed annually.
11. Proper safeguards are in place to prevent theft or loss of assets.

4.3.3 Safeguarding of Assets, (continued)

Procedures

Procedures for policies 1-6

- Bank statements are reconciled monthly (or as received for the small accounts that only issue quarterly statements) by the Finance department.
- General Ledger account information is available to departments for confirmation of balances and reconciliation of accounts receivable. Departments work with Finance when discrepancies are noted to identify and correct postings.
- When new bank accounts are opened, accounts are appropriately collateralized or banks are confirmed to be in the State Collateral Pool.
- All bank accounts are opened in financial institutions under the municipality's name.
- The Mayor and Director of Finance are the authorized signers on city accounts.
- All withdrawals, checks, liquidations, etc., from any bank account requires two signatures. Exceptions are construction retainage accounts and electronic funds transfers.

Procedures for policies 7-11

- The City has insurance coverage in place to protect assets from loss.
- Policies for asset tagging to be developed and implemented prior to 6/30/2017.

4.3.4 Compliance

Objectives

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

4.3.4 Compliance, (continued)

Policies

Objective 1

1. The city had adopted a debt management policy in accordance with state requirements.
2. The Finance Director is well versed on the state requirements for issuing debt.

Objective 2

3. Every department must notify the Finance Director when an application for grant funding is submitted and subsequently awarded. All grants with matching requirements must be approved by the City Council prior to submission of application.
4. Once awarded, the Finance Director is to be notified of the project budget and detailed expenditure requirements of the grantor agency.
5. The Finance Director must be provided with the grant contact information, grant or contract numbers and whether the grant is state or federal funds.

Procedures

Procedures for Policies 1-2

- The city had adopted a debt management policy in accordance with state requirements.
- Departments annually submit 5-year capital projections to assist in determining if/when debt issues will be required.
- The Finance Director keeps current on all changes from the State Comptroller's Office through annual training, workshops, informative meetings, professional associations, webinars, written communications, etc.

4.3.4 Compliance, (continued)

Procedures for Policies 3-5

- Departments notify the Finance Director when an application for grant funding is submitted and subsequently awarded.
- All grants with matching requirements are presented to the City Council for approval prior to submission of application.
- Once awarded, the awarded department provides the Finance department with the grant contact information, grant/contract numbers, type of award (state or federal funds), the project budget, and the detailed expenditure requirements of the grantor agency.
- Awarded departments submit required periodical filings to the awarding agency per the grant terms.

4.4 INFORMATION AND COMMUNICATION

Overview

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

Objectives

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

4.4 Information and Communication, (continued)

Policies

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

Procedures

Procedures for Policies 1-3

- The City is transparent with public information.
- Employees are given copies of personnel policies upon hire.
- Current Personnel Policies and Procedures and current Employee Handbook documents are available on the city's website.
- Current and prior year city-wide approved budgets are available on the city's website.
- Current and prior years CAFRs are available on the city's website.
- Financial reports are made to City Council after monthly reconciliations are completed.
- Department access to their financial information is available real-time.
- All Public Records Requests are handled by the City Recorder's Office and all State laws pertaining to such are followed.
- The City Charter and Municipal Code are available on the city's website.
- City Council meetings are televised to the public real-time on local access and are available for view on UStream.

4.4 Information and Communication, (continued)

Procedures for Policy 4

- The City has its own IT Department in house that monitors software and hardware for all departments/locations except the Gallatin Public Utilities Department.
- The IT Department performs daily back-ups of data and email servers for all departments except for the Gallatin Public Utilities Department.
- The facilities housing the network and server hardware are equipped with smoke, heat, and fire detection devices; they are equipped with a FE-25 fire suppression system.
- The IT Department has a long range plan for technology as far as upgrading and expansion needs of all systems under its oversight.
- Access to systems is controlled with individual usernames and passwords for personnel needing permission to perform their job functions.
- The IT department has developed policies regarding how to handle usernames/passwords for new/terminated employees in order to control access to all systems.

4.5 MONITORING

Overview

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

Objectives

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

Policies

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

Procedures

Procedures for policies 1 and 2

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

Procedures for policy 3

- A member of management will review cash drawers and deposits randomly once a month to ensure policies are being followed, such as no cashing of personal checks, no borrowing from cash drawer and the makeup of cash vs checks is being documented.
- All accounts with financial institutions (checking, savings, investment, etc.) will be reconciled to the general ledger within 30 days of receipt of any statement from the financial institution.
- The above reconciliation will include a listing of outstanding checks and will be reviewed by management.
- Reconciling items on the above reconciliation will not be carried for more than 90 days.
- Reports comparing actual to budget amounts for revenues and expenditures (expenses) will be generated monthly and reviewed by those in a position of authority over financial operations. Those in a position of authority include, but are not limited to, Department Heads, CMFO, Mayor, and City Council.

4. Selected State Laws Affecting Municipalities

Municipalities must comply with federal, state, and local laws and regulations and charter and contract requirements. When determining which laws and regulations have a material direct or indirect impact on the financial statements, both quantitative and qualitative aspects must be considered. No one source summarizes all the applicable laws and regulations. The following list of references should be used only as a guideline in determining which state laws affect the municipality and should not be considered a comprehensive list of compliance features. These references do not necessarily represent the most significant laws, but represent areas in which recurring questions have arisen.

Many municipalities have "Private Act" charters. The Private Acts of the State of Tennessee should be reviewed for these municipalities to assess compliance requirements.

Selected Tennessee Code Annotated References for Municipalities**Charters**

Section 6-1-101	Mayor - Alderman
Section 6-18-101	City Manager - Commission
Section 6-30-101	Modified City Manager - Council

Books and Records

Section 6-56-201	Municipal budget law of 1982
Section 8-44-104	Minutes required, open for public inspection
Section 9-2-102	Uniform accounting system
Section 9-2-102	Books closed within two (2) months after fiscal year end (<i>GO TO DETAILED GUIDANCE – APP.D-9</i>)
Section 9-2-103 – 104	Consecutively prenumbered receipts required
Section 9-2-106	Violation of receipt requirements is a Class C misdemeanor
Section 9-18-102(a)	Government to establish internal controls (effective 6-30-2016)
Section 39-14-130	Destruction of valuable papers with intent to defraud
Section 39-16-504	Destruction of and tampering with governmental records
Section 66-29-113	Reporting abandoned property

Audits and Other Regulatory Reporting to Local Government Audit

Section 4-30-101	Local Government Electronic Technology Act of 2009
Section 6-54-903	Travel Policies – Filing Requirements
Section 6-56-105	Audits of municipalities
Section 8-4-109	Audits of governmental entities, Comptroller authorized
Section 8-4-115	Audit of Standardized Booking Procedures
Section 8-4-501 – 505	Local Government Instances of Fraud Reporting Act

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Audits and Other Regulatory Reporting to Local Government Audit (continued)

Section 9-3-212	Duty to order and pay for audits
Section 9-3-405	Audit Committees
Section 12-9-101 – 112	Local Government Joint Venture Entity Reporting (see Section K of this manual for additional information)
Section 47-10-101 – 103	Uniform Electronic Transactions (audit contract and audit report)
Section 47-10-119	Filing of pre-implementation statement and post-implementation review for electronic business systems that provide for electronic records of signatures and/or authorizations
Section 54-4-203	Request to combine State Street Aid with General Fund
Section 68-221-1012	Reporting water loss

Taxes

Section 6-55-101	Collection and payment of tax
Section 6-55-201	Sale of real estate for delinquency
Section 6-55-301	Privilege tax
Section 8-21-107	Payment (receipt) of fees, fines, costs, etc. by credit card
Section 9-1-108	Collection of taxes with credit or debit card
Section 57-4-306	Mixed drink tax allocation of funds
Section 67-5-2005	Delinquent municipal real property tax certified to county trustees
Section 67-5-2404	Delivery of delinquent tax list to attorney

Purchasing

Section 6-54-107	Officers' interest in municipal contracts prohibited
Section 6-56-301	Municipal purchasing law
Section 12-2-407	Sale of surplus property to governmental entities and not-for-profit corporations
Section 12-3-1201	Purchases for local governmental units (by department of general services)
Section 12-3-1209	Contracts with professional persons
Section 12-4-101	Personal interest of officers prohibited
Section 12-4-107	Contracts for professional services - engineering
Section 39-16-105	Buying and selling in regard to offices held or elected to

Investing and Banking

Section 6-56-106	Authorized investments
Section 6-56-110	Deposits to be secured by collateral
Section 9-1-107	Investments—deposits exceeding insurance limits
Section 9-4-101	Collateral

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Debt

Section 9-21-408	Interfund loans
Section 9-21-601	Capital outlay notes
Section 9-21-903	Refunding bond issues

Disbursements

Section 6-54-111	Appropriation of funds for nonprofit organizations (<i>GO TO LAW SUMMARY – APP.D-15</i>)
Section 6-54-901	Reimbursement for expenses incident to holding office
Section 6-56-111	Deposit within three working days – petty cash fund
Section 6-56-111(c)	Use of consecutively prenumbered checks
Section 6-56-112	Expenditures for lawful municipal purpose
Section 54-4-204	State street aid: Purposes for expending funds; Accounting

Deficits and Unaccounted for Water

Section 68-221-1010	Report filed with Water and Wastewater Financing Board
Section 68-221-1012	Unaccounted for water

Landfills/Solid Waste

Section 68-211-835(g)	Solid Waste Disposal Fees
Section 68-211-874	Accounting

Municipal Utilities

Section 7-34-115	Disposition of revenue
Section 7-35-401	Sewers and waterworks – authority granted
Section 7-39-302	Municipal gas companies
Section 7-52-101	Municipal electric plant law
Section 7-52-401	Telecommunications Services
Section 7-52-601	Cable Television, Internet and Related Services
Sections 7-39-404, 7-52-118, 7-52-304, 7-52-404, and 7-52-606	In-lieu of tax payments

Police and City Courts

Section 8-4-115	Standardized procedures for booking of arrestees
Section 18-1-105	Court Clerk – Duties
Section 18-1-206	Disposal of physical evidence
Section 39-16-609	Failure to appear

Police and City Courts (continued)

Section 39-17-420	Drug control fines and forfeitures, allowed use of drug funds, Comptroller's guidelines must be followed for confidential expenditures—fingerprinting equipment
Section 39-17-428	Mandatory minimum fines—allocation of proceeds
Section 39-17-505	Possession of gambling device or record—forfeiture
Section 39-17-1317	Confiscation and disposition of confiscated weapons
Section 39-17-1318	New serial numbers for confiscated firearms
Section 40-33-201	Application (procedures in confiscation – general)
Section 40-35-313	Expungement from official records
Section 53-11-201	Procedure in confiscation
Section 53-11-204	Disposition of proceeds
Section 53-11-415	Special revenue account for drug fund
Section 53-11-451	Goods subject to forfeiture – seizure—disposition
Section 55-8-198	Citations based on surveillance cameras
Section 55-10-204	Illegal cancellation of traffic citations
Section 55-10-207	Electronic citation fees – special revenue fund
Section 55-10-208	Uniform traffic citation form
Section 55-10-303	Disposition of collections
Section 55-10-306	Record of traffic cases—report of convictions to department
Section 55-10-403	Forfeiture of vehicles (DUI)
Section 55-16-101	Report of unclaimed vehicles
Section 55-50-502	Suspension of licenses
Section 55-50-503	Surrender of license

Criminal Statutes

Section 39-11-106	Definitions (criminal offenses)
Section 39-14-104	Theft of services
Section 39-16-401	Definitions for public misconduct offenses
Section 39-16-402	Official misconduct
Section 39-16-403	Official oppression
Section 39-16-501	Definitions for interference with government operations offenses
Section 39-16-503	Tampering with or fabricating evidence
Section 40-39-201	Tennessee Sexual Offender and Violent Sexual Offender Registration, Verification and Tracking Act of 2004

Other

Section 4-4-108	Blanket surety bond required
Section 6-21-104 - 105	Surety bond required – City Manager-Commissioner Charter
Section 6-35-411	Surety bond required – Modified City Manager-Council Charter

Other (continued)

Section 6-51-121	Recording of annexation ordinance or resolution by annexing municipality
Section 6-56-401 et al	Municipal Finance Officer Certification and Education Act of 2007
Section 6-56-407	Penalty for noncompliance with Municipal Finance Officer Certification and Education Act of 2007
Section 8-44-101	Sunshine Law – Policy
Section 8-44-102	Open meetings
Section 8-44-103	Notice of public meetings
Section 9-1-109	Penalty for worthless checks/money orders
Section 9-3-504	Pension Funding Policies
Section 9-21-130	Guidelines and rules and regulations relating to contracts and agreements authorized. <i>(GO TO SUMMARY – APP.D-9)</i>
Section 10-7-503	Records open to public inspection
Sections 6-54-107 & 12-4-101	Conflict of interest
Section 62-2-107	Employment of licensees in public works

5. Municipal Donations to Nonprofit Organizations

Section 6-54-111, *Tennessee Code Annotated*, as amended, authorizes a municipality's governing body to appropriate funds for the financial aid of any nonprofit charitable organization that provides year-round services benefiting the general welfare of the residents of the municipality or any nonprofit civic organization working to maintain and increase employment opportunities in the municipality. This section also provides for the Comptroller of the Treasury to establish standard procedures to assist the municipal governing body in the disposition of funds so appropriated. The auditor should consider whether the municipality has complied with the following laws and rules:

1. A municipality may appropriate funds for only those nonprofit charitable organizations that provide year-round services benefiting the general welfare of the residents of the municipality, or any nonprofit civic organization classified under Sections 501(c)(4) or (6) of the Internal Revenue Code working to maintain and increase employment opportunities in the municipality.
2. Municipal payments to nonprofit organizations shall be limited to the amounts appropriated for such purposes and in keeping with the municipality's guidelines for how the appropriated funds may be spent.
3. The municipality shall require that each nonprofit organization receiving financial assistance from the municipality file with the disbursing official of the municipality a copy of an annual audit* of its business affairs and transactions and the proposed use of the contributed funds.
4. For appropriations to nonprofit civic organizations, notices shall be published in a newspaper of general circulation in the municipality of the intent to make an appropriation, specifying the intended amount and purpose.

* Attorney General Opinion number 91-52, addresses the requirement for an annual audit. The basis for the opinion indicates that an annual audit as used in this statute does not mean an audit conducted by an independent certified public accountant.

7. Selected Attorney General Opinions

The State Attorney General issues written legal opinions to certain state officials upon request. The Attorney General is required to provide written legal opinions to "the governor, secretary of state, state treasurer, comptroller of the treasury, members of the general assembly and other state officials...in the discharge of their official duties." 8-6-109 (b)(6), *Tennessee Code Annotated*.

The following is a summary of select opinions of interest;

Books and Records

<u>Date</u>	<u>Opinion Number</u>	<u>Description</u>
08/16/89	89-102	Accounting and auditing standards for local housing authorities
11/28/89	U89-134	Vending machines and pay telephone operations
08/13/90	U90-114	Application of open meetings act to city council interviews with applicants for city manager position
12/23/91	U91-164	Publication of official notices

Audit

<u>Date</u>	<u>Opinion Number</u>	<u>Description</u>
05/29/91	91-52	Filing annual audit under Section 6-54-111(c), <i>Tennessee Code Annotated</i>

Bids

<u>Date</u>	<u>Opinion Number</u>	<u>Description</u>
08/23/13	13-065	Requirement for local governments to seek competitive bids for liability insurance

Disbursements

<u>Date</u>	<u>Opinion Number</u>	<u>Description</u>
11/04/80	None	In-lieu-of-tax payments by a municipality's wholly-owned utility
10/27/88	88-194	Use of state street aid funds at the intersection

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Laws and Regulations - Section APP.D
June 2015

		of a state highway and a municipal street
11/09/89	U89-130	Providing municipal services to residents on a private street
02/06/90	90-12	Spouse travel expenses
10/12/90	U90-149	Donations to nonprofit charitable and civic organizations

Disbursements (Continued)

09/01/92	U92-100	Municipal utilities and utility revenues
03/04/92	93-18	Loan by municipality to county industrial development corporation
06/11/93	U93-63	Conflict of interest/employee serving as mayor
04/08/94	U94-070	Installation of water lines in a private development
03/06/95	U95-021	Municipality's authority to engage in development of a residential subdivision

Police and City Courts

<u>Date</u>	<u>Opinion Number</u>	<u>Description</u>
11/01/88	88-195	Disposition of confiscated weapons, Section 39-6-1708, <i>Tennessee Code Annotated</i>
10/22/90	90-98	Law enforcement agencies' authority to use drug funds to acquire and install satellite communication equipment and pay officer tuition fees for drug enforcement training
10/28/91	91-85	Disposition of criminal fines
05/28/92	92-45	Use of drug fines for drug education programs
10/08/92	U92-121	Deposit of fines under Section 39-17-428, <i>Tennessee Code Annotated</i>
11/26/08	08-179	Issuance of traffic citations based on evidence obtained from a surveillance camera

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ORDINANCE NO. 00702-17

AN ORDINANCE TO AMEND GALLATIN MUNICIPAL CODE CHAPTER 2, ARTICLE I,
SECTION 2-1 – 2-11 ADOPTING A CODE OF ETHICS
FOR THE CITY’S OFFICERS AND EMPLOYEES

BE IT ORDAINED BY THE CITY OF GALLATIN, TENNESSEE:

SECTION 1. Chapter 2 of the Gallatin Municipal Code is amended by adding the following Division 1 to Article I:

DIVISION 1. CODE OF ETHICS

Sec. 2-1. Applicability. This chapter is the code of ethics for personnel of the City of Gallatin. It applies to all full-time and part-time elected or appointed officials and employees, whether compensated or not, including those of any separate board, commission, committee, authority, corporation, or other instrumentality appointed or created by the municipality. The words “municipal” and “municipality” include these separate entities.

Sec. 2-2. Definition of “personal interest.”

(a) For purposes of Sections 2-3 and 2-4, “personal interest” means:

- (1) Any financial, ownership, or employment interest in the subject of a vote by a municipal board not otherwise regulated by state statutes on conflicts of interests;
or
- (2) Any financial, ownership, or employment interest in a matter to be regulated or supervised; or
- (3) Any such financial, ownership, or employment interest of the official’s or employee’s spouse, parent(s), step-parent(s), grandparent(s), sibling(s), child(ren), or step-child(ren).

(b) The words “employment interest” include a situation in which an official or employee or a designated family member is negotiating possible employment with a person or organization that is the subject of the vote or that is to be regulated or supervised.

(c) In any situation in which a personal interest is also a conflict of interest under state law, the provisions of the state law take precedence over the provisions of this chapter.

Sec. 2-3. Disclosure of personal interest by official with vote. An official with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and so it appears in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official’s vote on the measure. In addition, the official may recuse himself from voting on the measure.

Sec. 2-4. Disclosure of personal interest in non-voting matters. An official or employee who must exercise discretion relative to any matter, other than casting a vote, and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on a form provided by and filed with the recorder. In addition, the

EXHIBITS

official or employee may, to the extent allowed by law, charter, ordinance, or policy, recuse himself from the exercise of discretion in the matter.

Sec. 2-5. Acceptance of gratuities, etc. An official or employee may not accept, directly or indirectly, any money, gift, gratuity, or other consideration or favor of any kind from anyone other than the City:

- (a) For the performance of an act, or refraining from performance of an act, that he would be expected to perform, or refrain from performing, in the regular course of his duties; or
- (b) That might reasonably be interpreted as an attempt to influence his action, or reward him for past action, in executing municipal business.

Sec. 2-6. Use of information.

- (a) An official or employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law except as authorized by law.
- (b) An official or employee may not use or disclose information obtained in his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

Sec. 2-7. Use of municipal time, facilities, etc.

- (a) An official or employee may not use or authorize the use of municipal time, facilities, equipment, or supplies for private gain or advantage to himself.
- (b) An official or employee may not use or authorize the use of municipal time, facilities, equipment, or supplies for private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease that is determined by the City Council to be in the best interests of the City.

Sec. 2-8. Use of position or authority.

- (a) An official or employee may not make or attempt to make private purchases, for cash or otherwise, in the name of the City.
- (b) An official or employee may not use or attempt to use his position to secure any privilege or exemption for himself or others that is not authorized by the charter, general law, or ordinance or policy of the City.

Sec. 2-9. Outside employment. No full time officer or employee of the city shall accept outside employment without written authorization from the mayor. Even if consent is obtained, no full-time official or employee of the City may accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of the municipal position, creates the appearance of impropriety, or conflicts with any provision of the municipality's charter, code, personnel rule or regulation, or policy.

Sec. 2-10. Ethics complaints.

EXHIBITS

(a) The city attorney is designated as the ethics officer of the City. Upon the written request of an official or employee potentially affected by a provision of this chapter, the city attorney may render an oral or written advisory ethics opinion based upon this chapter and other applicable law.

(b)

(1) Except as otherwise provided in this subsection, the city attorney shall investigate any credible complaint against an appointed official or employee charging any violation of this chapter, or may undertake an investigation on his own initiative when he acquires information indicating a possible violation, and make recommendations for action to end or seek retribution for any activity that, in the attorney's judgment, constitutes a violation of this code of ethics.

(2) The city attorney may request that the City Council hire another attorney, individual, or entity to act as ethics officer when he has or will have a conflict of interest in a particular matter.

(3) When a complaint of a violation of any provision of this chapter is lodged against a member of the City Council, the City Council shall either determine that the complaint has merit, determine that the complaint does not have merit, or determine that the complaint has sufficient merit to warrant further

investigation.

investigation, it

another individual or entity

If the City Council determines that a complaint warrants further

shall authorize an investigation by the city attorney or

chosen by the City Council.

(c) The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforcing this code of ethics.

(d) When a violation of this code of ethics also constitutes a violation of a personnel policy, rule, or regulation, the violation shall be dealt with as a violation of the personnel provisions rather than as a violation of this code of ethics.

Sec. 2-11. Violations. An elected official or appointed member of a separate municipal board, commission, committee, authority, corporation, or other instrumentality who violates any provision of this chapter is subject to punishment as provided by the municipality's charter or other applicable law, and in addition is subject to censure by the City Council. An appointed official or an employee who violates any provision of this chapter is subject to disciplinary action.

SECTION 2. The following sections of the Gallatin Municipal Code are hereby repealed and deleted in their entirety:

Sec. 13-122. Business dealings.

Sec. 13-123. Acceptance of gratuities.

Sec. 13-124. Outside employment.

Sec. 13-125. Use of municipal time, facilities, etc.

Sec. 13-126. Use of position.

EXHIBITS

EXHIBIT

SECTION 3. This Ordinance shall take effect from and after its final passage, the public welfare requiring such.

PASSED FIRST READING: April 3, 2007.

PASSED SECOND READING: April 17, 2007.

MAYOR JO ANN GRAVES

ATTEST:

CONNIE KITTRELL
CITY RECORDER

APPROVED AS TO FORM:

JOE H. THOMPSON
CITY ATTORNEY

EXHIBITS

A. PROCEDURES

B. 1. Purpose

This policy establishes a uniform procedure for daily operation, opening, closing and storage of individual cash drawers. The City Recorder and City Court are responsible for receiving and processing City Property Tax Payments, Various License and Permit Fees, as well as Court Fines and Costs. Each City Recorder/City Court employee will be assigned a cash drawer as well as a locking cash bag and key for the purpose of processing, receipting payment transactions and storage of operating cash. Employees are responsible for his or her assigned cash drawer, locking money bag and key and should never allow any other individual access. Each cash drawer shall begin and each day with \$250.

C. 2. Procedure

- D. At the beginning of each day, Employee is to retrieve his or her assigned locking cash bag from the Vault.
- E. Employee is to count the currency contained in his or her assigned locking cash bag and verify there is an opening balance of \$250.
 - a. Employee shall sign and date the Daily Opening/Closing Cash Drawer Log. Any Overage/Shortage shall be recorded on the Daily Opening/Closing Cash Drawer Log. Additionally, the Employee shall immediately notify a supervisor of the Overage/Shortage or irregularity.
- C. A receipt is to be generated for any and **all** transactions an Employee performs. Upon completion of the transaction, a receipt is given to the customer.

VOIDED/REVERSED TRANSACTIONS

- a. In the event an Employee voids or reverses a transaction, a voided or reversed receipt must be generated.
- b. On the voided or reversed receipt, employee shall record an explanation of the transaction, then date and sign the receipt. *All explanations must include the name of the customer and any other identifying information such as citation number, property number, permit number, etc. and batch number. Additionally, explanations are to be noted in Munis/Incode in the comments or notes section.*
- c. The voided/reversed receipt(s) are to be included in the Employee's end of day batch report he or she submits to the Supervisor.
- D. At approximately 3:00 p.m., Employee shall balance all of his or her transactions in any applicable software program(s), print all applicable report(s), and record daily cash, check and credit card amounts on the Cash Reconciliation/Court Reconciliation form. Employee is to verify that all amounts listed on day end reports, reconciliation forms and generated currency amounts agree.

EXHIBITS

- E. Employee is to count the currency remaining in his or her assigned cash drawer to verify a closing balance of \$250. Employee is to then place the \$250 in operating cash in his or her assigning locking cash bag. Any Overage/Shortage shall be recorded on the Daily Opening and Closing Drawer/Bag Count Log. Additionally, the Employee shall immediately notify a supervisor of the Overage/Shortage or irregularity.
- F. All locking cash bags are to be stored in the Vault overnight or when employee is otherwise out of the office.

F. 3. General

- During the course of the normal business day, all Cash Drawers are to be kept in the Employee's desk and locked. All desks are to be capable of locking. If an Employee is unable to lock his or her desk, he or she is to immediately notify a Supervisor.
- At no point in time is Employee to leave his or her assigned Cash Drawer unsecured. In the event an Employee is to leave his or her desk for any amount of time, Employee shall lock his or her desk. *Any Employee leaving his or her cash drawer unsecured will be held accountable and may be subject to disciplinary action.*
- At no time is Employee to allow any other individual (with the exception of a Supervisor) access to his or her assigned cash drawer, locking cash bag, desk key or locking cash bag key.
- Any overages, shortages or irregularities will be investigated by the Supervisor. The Supervisor will then respond accordingly. During the investigation, Employee is to cooperate with the Supervisor to ensure a timely resolution. Excessive overages, shortages, or irregularities by an Employee could result in disciplinary action.
- If an Employee is contacted by the Finance Department with questions regarding financial reports, monies, etc., Employee shall **immediately** notify a Supervisor.
- The last Employee to close the Vault at night is responsible for ensuring the Vault is LOCKED. After closing the Vault door, the vault handle shall be turned to a horizontal position. Lastly, the combination dial is to be turned completely both clockwise and counter clockwise.
- Supervisors have the right to perform cash drawer audits at any time to ensure Employee compliance.

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

5/24/2016

DEPARTMENT: **Finance**

AGENDA #

SUBJECT:

Internal Controls manual

SUMMARY:

The State of Tennessee enacted T.C.A. 9-18-102 during the 2015 session which requires all municipal governments to approve an Internal Controls manual by 6/30/2016. The draft manual will be distributed at the meeting. The manual is not intended to change any processes currently in place, only to document the processes and have them formally approved by the governing body. (Prior to this document, the City used the State of Tennessee, Division of Municipal Audit, Internal Controls and Compliance Manual for Tennessee Municipalities.)

RECOMMENDATION:

approve

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
Rejected
Deferred

Notes:

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

6/14/2016

DEPARTMENT: Finance

AGENDA #4

SUBJECT:

Relay for Life donation

SUMMARY:

Approval of donation to American Cancer Society, Relay for Life event

RECOMMENDATION:

approve

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
Rejected
Deferred

Notes:

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

JUNE 14, 2016

DEPARTMENT: Planning Department

AGENDA # 5

SUBJECT:

The Planning and Engineering Departments request that Council establish a prioritization or preferred course of action for applying the approved funds for the Active Transportation Grant. The Council approved a grant request for \$560,000 with \$140,000 in local matching funds to construct sidewalks in various locations throughout the City. However, based on revised cost estimates, the grant funds are not sufficient to cover the costs to complete the various segments.

SUMMARY:

See Attachment

RECOMMENDATION:

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
Rejected
Deferred

Notes:

Attachment

Active Sidewalk Grant Funding/Development Options

The TDOT has informed the City that grant funding for the sidewalk projects will need to be encumbered or obligated this fiscal year (fiscal year end on September 30, 2016). The City Engineering Department has developed a more comprehensive assessment of the sidewalk projects including full costs for design, environmental review, right-of-way, construction and construction engineering and inspection. The initial cost estimates were for construction based on a set cost per linear foot. The revised cost estimates significantly increase the cost of the project since additional cost items such as right-of-way and easements will be needed. Based on these revised costs, staff is requesting the Council to consider a strategy for completing the project or pairing it to ensure that at least some stage of the project can be completed with the limited funds.

The revised estimated cost for the six approved segments totals \$5,526,755 (see attachment)(Although there is a small section on Carson Street included twice in the listing.) (Staff made minor adjustments to the location of some of these projects based on connectivity requirements and ease of development and has broken the projects into smaller segments identify additional options for establishing a priority for selecting which projects to pursue with the limited funds.) The identified costs represent a very conservative estimate and reflect all aspects of project development following the federal requirements which significantly increase the cost of the project. It is possible that the projects could be developed at a cost much less than indicated in the table.

Two strategies should be considered for implementing the project or portions of the project.

Scenario One includes:

Use the \$560,000 in federal grant funds with the \$140,000 in local funds to cover all environmental review, design and right-of-way costs but not construction costs and then seek additional grant funding for construction-related costs in future years. Under this scenario, all construction of the designed facilities must be completed within 10 years. If additional grant funding is not secured then the City would be responsible for constructing the sidewalk with local funds.

Scenario Two: Select one or more projects for full development using the \$700,000 grant and local match funds and forego development of the remaining portions of the project until additional funding is provided. This will allow for the design and construction of at least one or two, and possibly three sidewalk segments with the funds. Under this scenario a multitude of options is possible. Only three of the projects provide direct access to schools. The Coles Ferry Road project will provide access to Guild Elementary, the Anthony Street/Carson Street project* and the North Boyers Avenue project. Access to schools should be considered as a

priority. The northern portion of the Lock 4 Road project could be a school access route if the city is rewarded the Safe Routes to School grant.

To qualify for funding the segment must connect to an existing sidewalk. Therefore, some of the listed projects could not be developed with the grant funds unless an adjacent segment is first constructed.

*This project provides access to school that is not the primary school serving the neighborhood.

Estimated Sidewalk Cost Project Summary

Project Description	Sidewalk Length	NEPA - PE Costs	Total Right-of-Way Costs	Total	
				Construction Costs	Estimated Project Total
North Westland Avenue from East Main Street to Greenway Trailhead	1731	\$ 45,975.85	\$ 60,585.00	\$ 498,837.97	\$ 605,398.82
North Boyers Avenue from Housing Authority to R.T. Fisher	443	\$ 6,140.77	\$ 31,010.00	\$ 66,627.35	\$ 103,778.12
Blythe Avenue and Carson Street from Housing Authority to Union Elementary	2618	\$ 57,258.50	\$ 33,010.00	\$ 621,254.73	\$ 711,523.23
Anthony Street from Small Street to Carson Street	1561	\$ 34,965.75	\$ 23,415.00	\$ 379,378.39	\$ 437,759.14
Anthony Street from Carson Street to Hatten Track Road	2464	\$ 58,517.75	\$ 36,960.00	\$ 634,917.59	\$ 730,395.34
Coles Ferry Road from South Water to Chapel Ridge Apartments	2180	\$ 27,572.40	\$ 7,640.00	\$ 299,160.54	\$ 334,372.94
Browns Lane to Starpoint Drive	1821	\$ 19,342.54	\$ -	\$ 209,866.56	\$ 229,209.10
Browns Lane from Starpoint Drive to Greenlea Boulevard	1635	\$ 52,032.90	\$ 3,822.00	\$ 564,556.97	\$ 620,411.87
Lock 4 Road from Nashville Pike to Peninsula Drive	3464	\$ 88,735.15	\$ -	\$ 962,776.38	\$ 1,051,511.53
Lock 4 Road from Peninsula Drive to Nichols Lane at Livingston Road	3125	\$ 52,420.68	\$ 81,210.00	\$ 568,764.38	\$ 702,395.06
Totals	21,042	\$ 442,962.29	\$ 277,652.00	\$ 4,806,140.85	\$ 5,526,755.14

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

June 14, 2016

DEPARTMENT: Mayor Paige Brown

AGENDA #6

SUBJECT:

Appointment of Lynda Love to the Historic District Commission

SUMMARY:

RECOMMENDATION:

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
Rejected
Deferred

Notes:

RESOLUTION APPOINTING LYNDA LOVE AS BOARD MEMBER OF THE GALLATIN HISTORIC DISTRICT COMMISSION

WHEREAS, Section 10.02.040A of the Gallatin Zoning Ordinance authorizes the Mayor to appoint members to the Gallatin Historic District Commission; and

WHEREAS, the Mayor has forwarded the appointment of Lynda Love to the City Council for confirmation to fill John Garrott’s position on the board; and,

WHEREAS, Lynda Love will serve the remainder of Garrott’s term expiring January 2017; and

WHEREAS, the Mayor has forwarded the reappointment of Lynda Love to serve a five year term expiring in January, 2022; and,

WHEREAS, Section 10.02.040.A requires that the City Council confirm appointment by resolution;

NOW THEREFORE BE IT RESOLVED, that the Gallatin City Council confirms Lynda Love as appointee to the Gallatin Historic District.

BE IT FURTHER RESOLVED that this resolution shall take effect from and after its final passage the public welfare requiring such.

IT IS SO ORDERED.

PRESENT AND VOTING:

AYE:

NAY:

DATED:

ATTEST:

MAYOR PAIGE BROWN

APPROVED AS TO FORM:

CONNIE KITTRELL
CITY RECORDER

SUSAN HIGH-MCAULEY
CITY ATTORNEY

**CITY OF GALLATIN
COUNCIL COMMITTEE AGENDA**

June 14, 2016

DEPARTMENT: Mayor's Office

AGENDA #7

SUBJECT:

Continued Discussion of 2016/2017 Budget

SUMMARY:

RECOMMENDATION:

ATTACHMENT:

Resolution
 Ordinance

Correspondence
 Contract

Bid Tabulation
 Other

Approved
 Rejected
 Deferred

Notes: