



City of Bartlett
A. Keith McDonald, Mayor

BOARD OF MAYOR AND ALDERMEN MEETING MINUTES

TUESDAY, JUNE 28, 2016 - BARTLETT CITY HALL - 7:00 PM

CALL TO ORDER

Mayor A. Keith McDonald: Present, Alderman W.C. Pleasant: Present, Alderman Emily Elliott: Present, Alderman David Parsons: Present, Alderman Bobby Simmons: Present, Vice Mayor Jack Young: Present, Alderman Paula Sedgwick: Present.

INVOCATION

Opening Prayer by Danny Sinuefield, Faith Baptist Church

FUTURE MEETINGS

Family Assistance Commission, July 5 at 6 p.m.

Planning Commission, July 5 at 7 p.m.

Bartlett Station Commission, July 6 at 7:30 a.m.

City Beautiful Commission, July 7 at 7 p.m.

Bartlett Historical Society, July 11 at 7 p.m.

RECOGNITIONS

Troop 459 Citizenship one

*****Official Business of the Day*****

MINUTES ACCEPTANCE

Minutes of the June 16, 2016 Board of Mayor and Aldermen Regular Meeting

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	Bobby Simmons, Alderman
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

CONSENT AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Bobby Simmons, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

- 1 Authorization to auction surplus property. (Dick Phebus, Director of Finance)**
Sixteen items have been identified as having a potential auction-value of \$500 or more and will be auctioned on GovDeals.com.
- 2 Renewal of maintenance agreement for Watson Field Reporting. (Gary Rikard, Chief of Police)**
Request to renew service agreement with Data Driven for Watson Field Reporting Suite in the amount of \$37,364.90. This is an annual agreement running from July 1, 2016 to June 30, 2017. Funds are available in Account 123.48123.264.
- 3 Fourth-year renewal of water tank maintenance project. (Rick McClanahan, Director of Engineering)**
Recommend awarding Year Four of water tank maintenance project to Utility Service Company, Inc., in the amount of \$130,800, plus a contingency amount of \$10,000 for a total cost of \$140,800. Funds are available in Account 510.51051200.945.
- 4 Bid for Fiscal Year 2017 annual transportation projects. (Rick McClanahan, Director of Engineering)**
Recommend accepting the lowest bids from the following contractors:
Concrete Replacement - A&B Construction
Traffic Signal Repair - Desoto County Electric, McCrory Electric
Pavement Markings- Traf-Mark Industries
Asphalt Pavement - Lehman-Roberts, Standard Construction, APAC-Tennessee
These are all budgeted items.
- 5 Bid for Wastewater Treatment Plant roof replacement. (Rick McClanahan, Director of Engineering)**
Recommend accepting the lowest bid from B Four Plie in the amount of \$43,173.00, plus a contingency amount of \$6,827.00 For a total cost of \$50,000.00. Funds are available in Account 510.51400.945.
- 6 Bid for Wastewater Plant sludge disposal. (Rick McClanahan, Director of Engineering)**
Recommend accepting the only bid from Republic Services in the amount of \$25 per ton of sludge disposed and \$43.50 per ton of sludge hauled to the landfill. Funds are available in Account 510.51400.290.

7 Fair Housing Law information as required for receipt of state grant. (Rick McClanahan, Director of Engineering)

The Tennessee Department of Economic and Community Development requires presentation of the Fair Housing Law as part of receiving a disaster grant that will fund drainage improvements to Harrington and Fletcher Creeks.

8 Apple Capital Lease Debt Obligation Form for school computers. (Dick Phebus, Director of Finance)

State of Tennessee Comptroller's Office requires presentation to the Board of Mayor and Aldermen of the Report on Debt Obligation form for certain obligations. Attached form is presented for the Apple Computer capital lease approved on June 16, 2016.

9 Treasurer's Report for May 2016. (Dick Phebus, Director of Finance)

Adopted Budget Expenditures	\$70,251,836
Year-to-date Expenditures	\$64,448,859
Adopted Budget Revenues	\$70,251,836
Year-to-date Revenues	\$60,747,125

NEW BUSINESS

1 Appoint Carol Price to the Bartlett Performing Arts and Conference Center Advisory Board. (A. Keith McDonald, Mayor)

Carol Price will complete Suzanne Leslie's term. The term will expire December 31, 2018.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bobby Simmons, Alderman
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

2 Appoint Doug Conn to the City Beautiful Commission. (A. Keith McDonald, Mayor)

Doug Conn will complete Alison Shores' term. The term will expire December 31, 2016.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	W.C. Pleasant, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

3 Appoint Charlene Mitchell to the Grievance Review Board. (A. Keith McDonald, Mayor)

Charlene Mitchell will complete Ted Archdeacon's term. The term will expire December 31, 2016.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	W.C. Pleasant, Alderman
SECONDER:	Jack Young, Vice Mayor
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

4 Property, Liability, Auto, and other general insurance renewals. (Dick Phebus, Director of Finance)

Mr. Phebus noted that the Bartlett City School System will now have a separate general liability policy, but will continue to share policies for all other insurances.

Additionally, the City received a credit in the worker's compensation policy, and the premium will decrease by \$16,000.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

5 Resolution 26-16, a resolution to delete uncollectible accounts from utility customers accounts receivable. (Dick Phebus, Director of Finance)

Mr. Phebus stated that this resolution will write off a total of \$77,110.54 in uncollectible utility bills. This is an increase from of \$11,000 from last year.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bobby Simmons, Alderman
SECONDER:	Paula Sedgwick, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

6 Resolution 27-16, a resolution to establish and adopt internal controls, including its initial annual assessment of risk, as required by state law. (Dick Phebus, Director of Finance)

Mr. Phebus explained that this is a new requirement from the State Legislature. It's a 73-page document that details the daily tasks of the Finance Department.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	W.C. Pleasant, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

7 Resolution 28-16, a resolution to amend the Fiscal Year 2015-2016 General Purpose School Fund Budget of the Bartlett City Board of Education. (Dick Phebus, Director of Finance)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Paula Sedgwick, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

8 Resolution 29-16, a resolution to amend the Fiscal Year 2015-2016 Education Capital Projects Fund Budget of the Bartlett City Board of Education. (Dick Phebus, Director of Finance)

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Paula Sedgwick, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

9 Resolution 30-16, a resolution to write off outstanding checks receivable resulting from uncollectable bad checks payable to the City of Bartlett. (Dick Phebus, Director of Finance)

Mr. Phebus noted that this resolution will write off \$6,532.35 in bad checks written to the City's various departments.

Alderman Elliott said she noticed some people had written multiple bounced checks. She asked why there isn't a system in place to have those individuals pay in cash. Mr. Phebus said such a system exists for water payments, but not for other payments. Mayor McDonald added that the City needs to address this issue.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	W.C. Pleasant, Alderman
SECONDER:	Jack Young, Vice Mayor
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

10 Resolution 31-16, a resolution to delete uncollectable property taxes, interest, penalties, and associated costs from the City of Bartlett tax rolls. (Dick Phebus, Director of Finance)

This resolution will write off \$6.01 in property taxes on a parcel the City owns. The City does not pay property taxes.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bobby Simmons, Alderman
SECONDER:	Jack Young, Vice Mayor
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

- II Resolution 32-16, a resolution to accept a grant from the State of Tennessee Highway Safety Office in the amount of \$24,167.60 for a 2016 Multiple Violations Traffic Grant and amend the Fiscal Year 2016 Budget to appropriate the grant funds. (Dick Phebus, Director of Finance)**

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Emily Elliott, Alderman
SECONDER:	Bobby Simmons, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

OPEN DISCUSSION

Alderman Pleasant invited the public to his tenth annual fish fry on Saturday, July 16.

Alderman Elliott reminded citizens to visit the Bartlett Farmers Market every Saturday from 8 a.m. to 12 p.m. at W.J. Freeman Park.

ADJOURNMENT

Meeting adjourned at 7:21 PM



City of Bartlett
A. Keith McDonald, Mayor

BOARD OF MAYOR AND ALDERMEN MEETING MINUTES

THURSDAY, JUNE 16, 2016 - BARTLETT CITY HALL - 7:00 PM

CALL TO ORDER

Mayor A. Keith McDonald: Present, Alderman W.C. Pleasant: Present, Alderman Emily Elliott: Present, Alderman David Parsons: Present, Alderman Bobby Simmons: Present, Vice Mayor Jack Young: Present, Alderman Paula Sedgwick: Absent.

INVOCATION

Opening Prayer by David Johnson, Fountain of Truth Church

FUTURE MEETINGS

Historic Preservation Commission, June 20 at 7 p.m.

BPACC Advisory Board, June 21 at 6 p.m.

Bartlett Arts Council, June 21 at 6:30 p.m.

Design Review Commission, June 21 at 6:30 p.m.

RECOGNITIONS

Mayor McDonald and the Aldermen recognized several Boy Scouts from Troop 265 who attended the meeting to earn their Citizenship in the Community Merit Badge.

Chief Administrative Officer Mark Brown presented David Thompson and Shan Criswell, Director and Assistant Director of Parks and Recreation respectively, with the Tennessee Municipal League Award for Excellence in Parks and Recreation.

*****Official Business of the Day*****

MINUTES ACCEPTANCE

Minutes of the May 24, 2016 Board of Mayor and Aldermen Regular Meeting

RESULT:	ACCEPTED AS AMENDED [UNANIMOUS]
MOVER:	Bobby Simmons, Alderman
SECONDER:	David Parsons, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young

Minutes Acceptance: Minutes of Jun 16, 2016 7:00 PM (MINUTES ACCEPTANCE)

PUBLIC HEARING

Individuals will have a maximum of three minutes to speak either for or against the item, with a total of 20 minutes for each side.

1. Ordinance 16-05, an ordinance to adopt the 2016-2017 General Fund, Street Aid Fund, Solid Waste Fund, General Improvement Fund, Drug Enforcement Fund, DEA Enforcement Fund, Drainage Fund, Parks Improvement Fund, Bartlett City School Fund, Utility Fund, Debt Service Fund, and Capital Improvements Fund Budgets.

The Board of Mayor and Aldermen held a work session May 10, 2016 to discuss the Budget. No one spoke in favor or in opposition of Ordinance 16-05.

2. Ordinance 16-06, an ordinance to levy and assess a tax rate for ad valorem taxes upon real property and personal property in the City of Bartlett for the Tax Year 2016.

No one spoke in favor or opposition of Ordinance 16-06.

UNFINISHED BUSINESS

- 1 **Third Reading of Ordinance 16-05, an ordinance to adopt the 2016-2017 General Fund, Street Aid Fund, Solid Waste Fund, General Improvement Fund, Drug Enforcement Fund, DEA Enforcement Fund, Drainage Fund, Parks Improvement Fund, Bartlett City School Fund, Utility Fund, Debt Service Fund, and Capital Improvements Fund Budgets. (Dick Phebus, Director of Finance)**

RESULT:	APPROVED ON THIRD AND FINAL RE [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young

- 2 **Third Reading of Ordinance 16-06, an ordinance to levy and assess a tax rate for ad valorem taxes upon real property and personal property in the City of Bartlett for the Tax Year 2016. (Dick Phebus, Director of Finance)**

The City's property tax rate will remain at \$1.62 per \$100 of assessed value.

RESULT:	APPROVED ON THIRD AND FINAL RE [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young

CONSENT AGENDA

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Bobby Simmons, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young

- 1 Special event permit for Weekly Mountain Bike Time Trial Series. (Jim Brown, Director of Code Enforcement)**
The event will be held on Wednesdays July 27, August 3, August 10 and August 17 from 6 to 8 p.m. at Nesbit Park.
- 2 Annual Bartlett Kids' Triathlon. (David Thompson, Director of Parks and Recreation)**
The event is scheduled for Saturday, October 1 starting at 7:30 a.m. and will take place in and around the Bartlett Recreation Center. The Center will be closed until 11 a.m. the day of the event.
- 3 Baseball and softball tournament schedule for 2016. (David Thompson, Director of Parks and Recreation)**
- 4 Bid for Animal Control operational supplies. (Bill Yearwood, Director of Public Works)**
Recommend accepting the sole bid from Animal Core Equipment & Services at a cost of \$15,890.42, plus a contingency amount of \$864.89 for a total cost of \$16,755.31. Funds are available in account 131.43000.341.062.
- 5 Proposal for vehicle maintenance software. (Bill Yearwood, Director of Public Works)**
Recommend accepting the lowest bid from Ron Turley Associates Inc. at a cost of \$30,364.50. Funds are available in account 311.48311.785.30716 CIP.
- 6 Bid to replace Germantown Road Water Plant dehumidifier. (Rick McClanahan, Director of Engineering)**
Recommend accepting the lower bid from National HVAC Service at a total cost of \$54,917, plus a contingency amount of \$5,083, for a total cost of \$60,000. Funds are available in Account 510.51200.945.
- 7 Bids for Fletcher Creek Greenway Bike and Pedestrian Trail. (Rick McClanahan, Director of Engineering)**
Recommend accepting the lowest bid from Vucon, LLC in the amount of \$932,787.20, plus a contingency amount of \$70,000 for a total cost of \$1,002,787.20. This project is an 80/20 federal/local match. The City's portion of the total cost will be \$200,557.44. Funds are available in Account 311.48311.780.451.
- 8 Contract Administration for Fletcher Creek Greenway Bike and Pedestrian Trail. (Rick McClanahan, Director of Engineering)**

Minutes Acceptance: Minutes of Jun 16, 2016 7:00 PM (MINUTES ACCEPTANCE)

Recommend approving Barge Waggoner Sumner & Cannon as the contract administrator for the Fletcher Creek Greenway Bike and Pedestrian Trail project. This project is an 80/20 federal local match. The City's portion of the contract administration is \$44,415.20. Funds are available in Account 311.48311.780.451.

9 Renewal of Computer-Assisted Dispatch maintenance agreement. (Gary Rikard, Chief of Police)

Request to renew annual service agreement from Tritech Software Systems for a total cost of \$64,397.00. Funds are available in Account 123.48123.264.

10 Extension of Consultant Contract for Public Safety Radio System. (Dick Phebus, Director of Finance)

Recommend accepting the extension of contract with Federal Engineering for additional services related to installation and testing of public safety radio system in an amount not to exceed \$22,949, including labor and travel expense. Funds are available in Account 110.41100.897.

Alderman Simmons asked to pull this item from the Consent Agenda for separate discussion.

Mr. Phebus explained that the City's contract with Federal Engineering expired in the middle of May. Federal Engineering has assisted the City in the oversight of acquiring and installing the public safety radio system. When their contract expired, Federal Engineering sent a list of action items worth of \$160,000 for the City to consider. With the assistance of consultant group AMK/Harris, the City selected two testing items that Federal Engineering's help was needed on that will cost a maximum of \$22,000.

Alderman Simmons asked if this affects the total cost of the whole project. Mr. Brown explained that this contract extension is separate from the radio contract.

11 Planning Commission Report for June 2016. (Terry Emerick, Director of Planning and Economic Development)

- Item 1 - Richland Valley Planned Development hearing was tabled to the July meeting.
- Item 2 - Rezoning hearing for Bartlett Logistics was tabled to the July meeting.
- Item 3 - Reinstatement of Brunswick Village PD, Phase 2 Area B was approved with conditions.
- Item 4 - Planned Residential Development for Bartlett Station was tabled to the July meeting.
- Item 5 - Site plan for Precision Laser was approved with conditions.
- Item 6 - Final plan for Reyes Subdivision was approved with conditions.

12 Treasurer's Report for April 2016. (Dick Phebus, Director of Finance)

Adopted Budget Expenditures:	\$70,251,836
Year-to-date Expenditures:	\$59,088,555
Adopted Budget Revenues:	\$70,251,836
Year-to-date Revenues:	\$56,184,155

NEW BUSINESS

I Appoint Stan Burton to the Design Review Commission. (A. McDonald, Mayor)

Stan Burton will complete Frederic Rudd's term. The term will expire December 31, 2016.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Bobby Simmons, Alderman
SECONDER: David Parsons, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young

2 Appoint Matt Crenshaw to the Pension Board and to the Retirement Plan Committee. (A. McDonald, Mayor)

Matt Crenshaw will complete Aaron Davidson's term. The term will expire December 31, 2016.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: David Parsons, Alderman
SECONDER: Jack Young, Vice Mayor
AYES: Pleasant, Elliott, Parsons, Simmons, Young

3 Appoint Ted Archdeacon to the Pension Board and to the Retirement Plan Committee. (A. McDonald, Mayor)

Ted Archdeacon will replace Peter Voss as a permanent member of the Pension Board and the Retirement Plan Committee.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Emily Elliott, Alderman
SECONDER: W.C. Pleasant, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young

4 Resolution 21-16, a resolution to delete uncollectable property taxes, interest, penalties, and associated costs from the City of Bartlett tax rolls. (Dick Phebus, Director of Finance)

Mr. Phebus noted that the total amount the resolution writes off is \$42.17.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Jack Young, Vice Mayor
SECONDER: W.C. Pleasant, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young

5 Resolution 22-16, a resolution to amend the Fiscal Year 2015-2016 General Purpose School Fund Budget of the Bartlett City Board of Education. (Dick Phebus, Director of Finance)

Mr. Phebus explained that Bartlett City Board of Education approved this general fund budget amendment at its May 26, 2016 meeting. The Board will spend \$385,000 to purchase Apple computers for teachers, and \$330,000 to pave several parking lots and renovate the high school stadium's restrooms.

Minutes Acceptance: Minutes of Jun 16, 2016 7:00 PM (MINUTES ACCEPTANCE)

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Jack Young, Vice Mayor
SECONDER: W.C. Pleasant, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young

6 Resolution 23-16, a resolution to amend the Fiscal Year 2015-2016 Education Capital Projects Fund Budget of the Bartlett City Board of Education. (Dick Phebus, Director of Finance)

The Bartlett City Board of Education approved this capital budget amendment at its May 26, 2016 meeting. This resolution adds \$1,265,000 to the schools' capital budget.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Jack Young, Vice Mayor
SECONDER: Bobby Simmons, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young

7 Resolution 24-16, a Resolution to amend the Fiscal Year 2015-2016 Federal Funds Budget of the Bartlett City Board Of Education. (Dick Phebus, Director of Finance)

The Bartlett City Board of Education approved this resolution during its May 26, 2016 meeting. It accepts an additional \$11,000 from the federal government. The remainder of the resolution addresses accounting issues.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: David Parsons, Alderman
SECONDER: Emily Elliott, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young

8 Resolution 25-16, a resolution authorizing the execution and delivery of a lease purchase agreement for the acquisition of computers for the Bartlett City School System and an agreement with the Bartlett City Board of Education for the payment of obligations under the lease purchase agreement. (Dick Phebus, Director of Finance)

Mr. Phebus explained that the Bartlett City School system would like to lease 2,000 MacBook Air laptops for students in tenth through twelfth grades. The cost of this lease is \$1.96 million. The City has to enter into this lease agreement because, according to State law, the School Board is not authorized to borrow funds. The School Board will repay the loan over four years.

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Jack Young, Vice Mayor
SECONDER: David Parsons, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young

9 Memorandum of understanding between the City of Bartlett and the Bartlett City Board of Education for the purchase and repayment of Apple computers. (Dick Phebus, Director of Finance)

This is the agreement between the Bartlett City Board of Education and the Board of Mayor and Aldermen for the repayment of the \$1.96 million for the 2,000 Apple computers over four years.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Emily Elliott, Alderman
SECONDER:	W.C. Pleasant, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young

OPEN DISCUSSION

No one spoke during Open Discussion.

ADJOURNMENT

Meeting adjourned at 7:31 PM

W.C. Pleasant, Register to the
Board of Mayor and Alderman

A. Keith McDonald
Mayor

Minutes Acceptance: Minutes of Jun 16, 2016 7:00 PM (MINUTES ACCEPTANCE)



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Budget

Prepared By: Stefanie McGee

Department Head: Dick Phebus

Authorization to auction surplus property.

Article V Section 4 of the Charter of the City of Bartlett designates the authority to the Mayor to sell surplus property with Board approval for items valued over \$500. The following items have been identified as surplus with a potential value of over \$500 and are eligible to be sold at public auction.

Dept	Year	Make/Model	Color	Vehicle ID#
Public Works	1997	Ford F-150	White	1FTDF1760VNC77001
Police	2008	Chevrolet Impala	Silver	2G1WB58K389217821
Police	2007	Dodge Ram	Silver	1D7HA16K47J515592
Police	2002	Mitsubishi Diamanta	Maroon	6MMAP67P42T005974
Police	1997	Ford Explorer	Green	1FMDU32X4VZB40603
Police	2001	Chevrolet Suburban	Beige	1GNEC16TX1J213450
Police	1998	Ford Crown Vic	Purple	2FAFP71WXWX153857
Police	1997	Ford Expedition	Red	1FMEU17L5VLB50610
Police	2016	(3) Sets Back Seats, Panels & Speakers		Ford Explorers
Police	2014	(12) Rear Seat Assemblies		Dodge Chargers
Police	2012	(6) Rear Seat Assemblies		Dodge Chargers
Police		Left & Right Rear Seats for SUV		
Police		Eiki Reel to Reel Projector		
Police	2008	Kenwood Monitor DVD Receiver		KVT-516
Police	2001	Delco Dolby AM/FM CD Cassette Player		
Police		Misc. Items from Lost & Found Property		

It is our recommendation that these items be approved to be sold at public auction. If approved, the City of Bartlett will advertise the items to be auctioned on the GovDeals website (www.govdeals.com).

Thank you for your consideration of the above item.

RESULT: **APPROVED BY CONSENT VOTE [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Bobby Simmons, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM

Department: Police

Category: Agreement

Prepared By: Penny Medlock

Department Head: Gary Rikard

Renewal of maintenance agreement for Watson Field Reporting.

Purchase an annual service agreement for Watson Field Reporting Suite for \$37,364.90 from Data Driven. Covers Maintenance and Upgrades from July 1, 2016 - June 30, 2017. This is a budgeted item in Account 123.48123.264.

RESULT: **APPROVED BY CONSENT VOTE [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Bobby Simmons, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM

Department: Engineering

Category: Contract

Prepared By: Stefanie McGee

Department Head: Rick McClanahan

Fourth-year renewal of water tank maintenance project.

In 2013 the bid for water tank maintenance from Utility Service Company was accepted. The Project bid was for maintenance during a 10-year period.

Please award Year Four of this project to Utility Service Company, Inc. in the amount of **\$130,800**. Also, please approve an additional **\$10,000** for possible paint testing and inspection by Mid-South Tank Consultants. Total maximum cost would be **\$140,800**.

Funding is available in the Account 510.51051200.945.

RESULT:	APPROVED BY CONSENT VOTE [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Bobby Simmons, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Engineering

Category: Bid

Prepared By: Stefanie McGee

Department Head: Rick McClanahan

Bid for Fiscal Year 2017 annual transportation projects.

The FY2017 Yearly bids for Asphalt Pavement, Pavement Markings, Parking Lot Pavement Markings, Traffic Signal Repair, and Concrete Replacement were advertised in *The Daily News* and on the City of Bartlett website on April 27, 2016. On May 12, 2016 we received bids for these yearly contracts. The bid prices submitted by the contractors are included as attachments. Based on the bid prices submitted, please award these bids to each of the following contractors:

FY2016-04-048 Asphalt Pavement	Lehman-Roberts Co.** (option I) Standard Construction Co. Inc** (option I) APAC-Tennessee, Inc.** (option I)
FY2016-04-049 Pavement Markings	Traf-Mark Industries, LLC**
FY2016-04-051 Traffic Signal Repair	DeSoto County Electric Inc.** McCrary Electric Co.**
FY2016-04-052 Concrete Replacement	A & B Construction Co., Inc.**

The City Asphalt Pavement contract for FY2017 is being awarded to Lehman-Roberts, Co. using option I, for the period from July 1, 2016 through June 30, 2017. Funding is available in **Account 311.48311.780.446**.

Asphalt Pavement is being awarded to all three vendors for the item 411-D Picked up at the plant as Public Works uses this item throughout the year as needed for patching and will pick it up from whichever asphalt plant and vendor has that asphalt mix available at that time.

Traffic Signal Repair is being awarded to DeSoto County Electric and McCrary Electric because each was low bidder on certain items. Each project will be evaluated on a case-by-case basis throughout the year and awarded to the contractor that has the lower estimate for that project's needs. Funding is available in **Account 121.48121.979**.

A&B Construction Co. submitted several much lower bids than the second lowest bidder. We verified with them that there was no mistake, and they are willing to perform the concrete replacement items for the unit prices that they submitted. Funding is available in **Accounts 121.48121.966 and 121.48121.975**.

For Pavement Markings, we only received one bid from Traf-Mark, Inc. Their submitted unit prices are the same or less than last year's unit prices for most items. Please award the Pavement Markings contract to Traf-Mark, Inc. Funding is available in **Account 311.48311.780.446**.

We did not receive any bids on Parking Lot Pavement Markings. For the past two years we have done a separate project for parking lot markings in order to attract contractors that don't work in the active roadway, in order to secure better unit prices for this work. However we still included these items on the contract for Pavement markings, so for FY2017 if parking lot markings are needed, they will be done under the Pavement Marking yearly bid contract.

All of these contractors have performed work in the City of Bartlett.

These bids have been reviewed by the Contract Committee, and the committee agrees with these recommendations and awards.

A copy of the bid tabulation sheets are attached to this MinuteTraq file.

RESULT:	APPROVED BY CONSENT VOTE [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	Bobby Simmons, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

BIDDER'S TABULATION SHEET
FY2016-04-048 ASPHALT PAVEMENT
12-May-16

OPTION 1: SPECIFICATIONS FOR FISCAL YEAR

Bidder	411 - D		307 - C			Milling (\$/ton)	Adjustment of Manholes (\$/EACH)
	In Place (\$/ton)	Picked up (\$/ton)	Patching (\$/ton)	In Place (\$/ton)	Patching, Subdivisions (\$/ton)		
Lehman Roberts	\$77.50	\$51.25	\$132.50	\$108.50	\$132.50	\$37.00	\$100.00
Standard	\$81.25	\$50.00	\$148.00	\$87.50	\$148.00	\$25.75	\$75.00
APAC	\$82.50	\$60.00	\$165.00	\$175.00	\$275.00	\$24.00	\$125.00

OPTION 2: SPECIFICATIONS FOR SUMMER/FALL

Bidder	411 - D		307 - C			Milling (\$/ton)	Adjustment of Manholes (\$/EACH)
	In Place (\$/ton)	Picked up (\$/ton)	Patching (\$/ton)	In Place (\$/ton)	Patching, Subdivisions (\$/ton)		
Lehman Roberts	\$77.00	\$51.25	\$131.50	\$102.75	\$131.50	\$37.00	\$100.00
Standard	\$81.25	\$50.00	\$148.00	\$87.50	\$148.00	\$25.75	\$75.00
APAC	\$79.50	\$58.00	\$160.00	\$175.00	\$275.00	\$24.00	\$125.00

OPTION 3: SPECIFICATIONS FOR FISCAL YEAR WITH ASPHALT INDEX

Bidder	411 - D		307 - C			Milling (\$/ton)	Adjustment of Manholes (\$/EACH)
	In Place (\$/ton)	Picked up (\$/ton)	Patching (\$/ton)	In Place (\$/ton)	Patching, Subdivisions (\$/ton)		
Lehman Roberts	\$74.50	\$51.25	\$131.50	\$108.50	\$131.50	\$37.00	\$100.00
Standard	\$81.25	\$50.00	\$148.00	\$87.50	\$148.00	\$25.75	\$75.00
APAC	\$82.50	\$60.00	\$165.00	\$175.00	\$275.00	\$24.00	\$125.00

Attachment: asphalt bid results fy17 (1823 : Transportation Engineering Yearly Bids)

Bidders Tabulation Sheet
Thursday, May 12, 2016
FY2016-04-049 Pavement Markings

		Bidder	
		Traf-Mark Industries, LLC	
Painted Items	Unit	Bid	
		Re-Marking	New Marking
Painted Pavement Marking (4" line)	LF	\$0.14	\$0.15
Painted Pavement Marking (4" parking lot line)	LF	\$0.35	\$0.35
Painted Pavement Marking (6" line)	LF	\$0.20	\$0.25
Painted Pavement Marking (8" lines)	LF	\$2.20	\$2.40
Painted Pavement Marking (12" lines)	LF	\$3.50	\$3.50
Painted Pavement Marking (18" lines)	LF	\$4.25	\$4.25
Painted Pavement Marking (24" lines)	LF	\$6.00	\$6.00
Painted Pavement Marking (Turn Arrow)	Each	\$50.00	\$50.00
Painted Pavement Marking (Straight - Turn Arrow)	Each	\$70.00	\$75.00
Painted Pavement Marking (Straight Arrow)	Each	\$50.00	\$50.00
Painted Word Pavement Marking (ONLY)	Each	\$60.00	\$65.00
Painted Word Pavement Marking (STOP AHEAD)	Each	\$160.00	\$170.00
Painted Word Pavement Marking (SCHOOL)	Each	\$90.00	\$90.00
Painted Word Pavement Marking (BIKE LANE)	Each	\$150.00	\$150.00
Painted Word Pavement Marking (XX MPH)	Each	\$50.00	\$50.00
Painted Pavement Marking (R X R, for railroad crossing)	Each	\$230.00	\$230.00
Painted Pavement Marking (Bike Lane Symbol, bike + person)	Each	\$80.00	\$100.00
Painted Pavement Marking (Bike Lane Straight Arrow)	Each	\$30.00	\$30.00
Painted Pavement Marking (R X R, for bike lane)	Each	\$50.00	\$50.00
Painted Pavement Marking (White Handicap Symbol)	Each	\$40.00	\$40.00

Attachment: pavement marking bid results fy17 (1823 : Transportation Engineering Yearly Bids)

Bidders Tabulation Sheet (Continued)

5/12/2016

FY2016-04-049

		Bidder	
		Traf-Mark Industries, LLC	
Plastic Items	Unit	Bid	
		Re-Marking	New Marking
Plastic Pavement Marking (4" Line)	LF	\$0.50	\$0.50
Plastic Pavement Marking (6" Line)	LF	\$0.60	\$0.60
Plastic Pavement Marking (8" lines)	LF	\$3.00	\$3.00
Plastic Pavement Marking (12" lines)	LF	\$6.00	\$6.00
Plastic Pavement Marking (18" lines)	LF	\$8.00	\$8.00
Plastic Pavement Marking (24" lines)	LF	\$10.00	\$10.00
Plastic Pavement Marking (Turn Arrow)	Each	\$130.00	\$130.00
Plastic Pavement Marking (Straight - Turn Arrow)	Each	\$160.00	\$160.00
Plastic Pavement Marking (Straight Arrow)	Each	\$130.00	\$130.00
Plastic Word Pavement Marking (ONLY)	Each	\$140.00	\$145.00
Plastic Word Pavement Marking (STOP AHEAD)	Each	\$350.00	\$350.00
Plastic Word Pavement Marking (SCHOOL)	Each	\$200.00	\$200.00
Plastic Word Pavement Marking (BIKE LANE)	Each	\$130.00	\$130.00
Plastic Word Pavement Marking (XX MPH)	Each	\$130.00	\$130.00
Plastic Pavement Marking (R X R, for railroad crossing)	Each	\$450.00	\$450.00
Plastic Pavement Marking (Bike Lane Symbol, bike + person)	Each	\$135.00	\$135.00
Plastic Pavement Marking (Bike Lane Straight Arrow)	Each	\$500.00	\$500.00
Plastic Pavement Marking (R X R, for bike lane)	Each	\$110.00	\$110.00
Plastic Pavement Marking (White Handicap Symbol)	Each	\$80.00	\$80.00

		Bidder	
		Traf-Mark Industries, LLC	
Miscellaneous Items	Unit	Bid	
Raised Reflective Marker, Bi-directional (Yellow, White, Blue)	Each	\$8.00	
Painted/Plastic Pavement Marking Eradication - lines	SF	\$2.50	
Painted/Plastic Pavement Marking Eradication - word, symbol	Each	\$60.00	
Rumble Bar White	LF	\$25.00	
Rumble Bar Black	LF	\$25.00	
White 4" Rumble Bar Base	LF	\$25.00	
Black 4" Rumble Bar Base	LF	\$25.00	

Attachment: pavement marking bid results fy17 (1823 : Transportation Engineering Yearly Bids)

Bidder's Tabulation
12-May-16
FY2016-04-051 Traffic Signal Repair

		Desoto County Electric Inc.	McCrary Electric Co.
Item	Unit	Unit Price	Unit Price
Loop Wire - Replaced	EACH	\$1,642.00	\$2,255.00
Tether Wire - Replaced	EACH	\$777.00	\$655.00
Tether Wire - Tightened	EACH	\$735.00	\$395.00
Span Wire - Tightened/Raise	EACH	\$740.00	\$460.00

Bidder's Tabulation Sheet
FY2016-04-052 Concrete Replacement Yearly Bid
Bid Date: Thursday, May 12, 2016

		A & B Construction Co., Inc	Mark Weeks Consulting and Construction
Item	Unit	Bid Price	Bid Price
6-30 Curb and Gutter (SCS-1)	LF	\$25.00	\$28.00
Drive Gutter	LF	\$12.00	\$28.50
5' Minimum Handicap Ramp (SCS-2)	EACH	\$600.00	\$1,300.00
10' New Construction Ramp with Coping (SCS-3)	EACH	\$1,200.00	\$2,360.00
10' New Construction Ramp (SCS-4)	EACH	\$1,000.00	\$2,200.00
10' Retrofit Ramp with Coping (SCS-5)	EACH	\$1,150.00	\$2,400.00
10' Retrofit Ramp (SCS-6)	EACH	\$1,000.00	\$2,300.00
One Way Handicap Ramp (SCS-7)	EACH	\$400.00	\$725.00
T-Intersection Parallel Handicap Ramp (SCS-8)	EACH	\$525.00	\$850.00
Coping Wall (SCS-2, SCS-3, SCS-5)	LF	\$10.50	\$9.00
Detectable Warning Surface Mat (all ramp details)	EACH	\$312.50	\$225.00
Driveway Apron, Residential 6" (SCS-9, SCS-12)	SF	\$6.25	\$7.00
Driveway Apron, Commercial 8" (SCS-12)	SF	\$7.25	\$9.00
Remove and Replace Sidewalk (SCS-10)	LF	\$31.25	\$30.00
New Construction Sidewalk (SCS-10)	LF	\$21.25	\$30.00
Saw-Cutting (4" thick)	LF	\$3.50	\$5.50
Saw-Cutting (6" or 8" thick)	LF	\$4.00	\$6.00
Water Table (SCS-11)	SF	\$6.50	\$10.00
Caulk	LF	\$2.50	\$5.50
Sod	SY	\$3.00	\$5.50
Fill Sand	TON	\$17.00	\$50.00

Attachment: concrete bid results fy17 (1823 : Transportation Engineering Yearly Bids)



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Engineering

Category: Bid

Prepared By: Dena Hathaway

Department Head: Rick McClanahan

Bid for Wastewater Treatment Plant roof replacement.

The Wastewater Treatment Plant Roof Replacement was advertised in *The Daily News* on May 24, 2016. The contractors that picked up bid documents are as follows:

B Four Plied
Jessie Bryant Roofing
Quality Roofing

On June 16, 2016 we received three bids for the construction of the **Wastewater Treatment Plant Roof Replacement**. The apparent low bidder, B Four Plied, submitted a Total Base Bid of **\$43,173.00**. Based on the bid prices submitted, I recommend awarding this bid based on the Base Bid Price. The bids received have been reviewed by the Consultant/Contract review committee, and it concluded that B Four Plied has submitted the lowest and best bid. The Committee recommends the City of Bartlett award this contract to B Four Plied in the **base bid** amount of **\$43,173.00**, plus an additional amount of **\$6,827.00** for items that may need to be added during construction for a total not to exceed **\$50,000.00**. B Four Plied has performed work for the City of Bartlett on other projects. Funding is available in Account 510.51400.945.

Bidder	Total Base Bid
Quality Roofing	\$52,899.00
B Four Plied	\$43,173.00
Jessie Bryant	\$50,905.00

A copy of the bid document (plans and bid book) is located in the Alderman's Conference Room for review. A copy of the bid tabulation is located in the Alderman's Conference Room for review. These documents have also been attached to this MinuteTraq file.

RESULT: **APPROVED BY CONSENT VOTE [UNANIMOUS]**
MOVER: Jack Young, Vice Mayor
SECONDER: Bobby Simmons, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick



BID OPENING

PROJECT

Name: FY2016-05-059 Wastewater Treatment Plant Office Roof Replacement
 A2H #: 16219
 A2H PM: Jeff Eakes

DETAILS

Date: 06/16/16
 Time: 2:00 PM
 Location: Bartlett City Hall

ORDER RECEIVED	PLAN HOLDERS (Listed in Alphabetical Order)	NOTICE TO BIDDERS	CONTRACT MONITORING	TITLE VI	D-F WA	ADDENDA 1 & 2	BID BOND	NON- COLLUSION	PAST PROJECTS	BASE BID AMOUNT
	B Four Plie, Inc.						✓			43,173.00
	Dakota Corporation BDA Jessie Bryant Roofing						✓			50,905.00
	Quality Roofing Contractors						✓			52,899.00

Bid Envelope:

Name of Project
 License
 Date of Bid Opening
 Name of Contractor / Company
 Tennessee License # and Classification, if Bid Exceeds \$25,000.00
 Licenses Expiration Date
 Acknowledgement of each applicable Addendum

3009 DAVIES PLANTATION ROAD LAKELAND, TN 38002 PHONE: 901.372.0404 FAX: 901.373.4002
 WWW.A2H.COM

Attachment: SKMBT_28316061710240.pdf (1832 : Wastewater Treatment Plant Roof Replacement)



June 17, 2016

Rick McClanahan, P.E.
City of Bartlett, TN
6382 Stage Road
Bartlett, TN 38134

RE: FY2016-05-059 Wastewater Treatment Plant Office Roof Replacement
Bartlett, TN

A2H # 16219

Dear Mr. McClanahan,

We have completed our review of the bids submitted on June 16, 2016, for the above referenced project. The bids received were complete. We recommend the contract be awarded to the low bidder, B Four Plie, Inc. of Memphis, TN in the amount of **\$43,173.00**.

A copy of the bid tabulation of all bids received is attached for your review. If you have questions or require additional information, please contact me at any time.

Sincerely,

A2H, Inc.

Jeff Eakes, RA
Senior Architect

Attachment: SKMBT_28316062009210.pdf (1832 : Wastewater Treatment Plant Roof Replacement)



LUMP SUM BID TABULATION

PROJECT

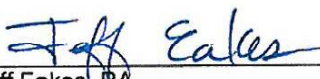
Name: FY2016-05-059 Wastewater Treatment
Plant Office Roof Replacement
A2H #: 16219

DETAILS

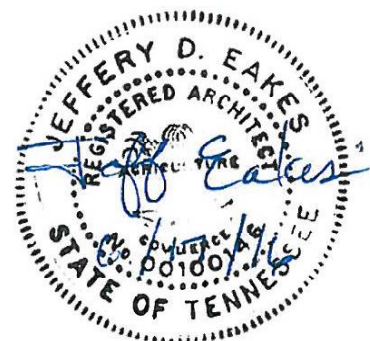
Date: 06/17/16
Time: 2:00 pm

COMPANY (Listed in Alphabetical Order)	METAL DECK UNIT PRICE	TOTAL BID AMOUNT
B Four Plie, Inc.	\$ 9.00 / sq. ft.	\$ 43,173.00
Dakota Corporation BDA Jessie Bryant Roofing	\$ 9.50 / sq. ft.	\$ 50,905.00
Quality Roofing Contractors of Southeast Missouri, Inc.	\$ 7.50 / sq. ft.	\$ 52,899.00

I hereby certify that the above Lump Sum Bid Tabulation is
true and correct to the best of my knowledge.



Jeff Eakes, RA
Senior Architect





Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Engineering

Category: Bid

Prepared By: Dena Hathaway

Department Head: Rick McClanahan

Bid for Wastewater Plant sludge disposal.

On May 26, 2016 the City took bids for Wastewater Plant Sludge Disposal. The request for bids was advertised in *The Daily News* on May 12, 2016. Bid packets went out to at least 12 contractors and was also advertised on our website.

We received one bid from Republic Services as shown below:

Sludge Disposal at Site	\$25.00/ton
Haul & Waste Disposal	\$43.50/ton

This price is reasonable, and I recommend we award both the \$25/ton and \$43.50/ton to Republic Services on an as needed basis.

We plan to buy a truck to haul the sludge to the landfill, however, I recommend we award the \$43.50 amount as a backup and to ensure we have a haul amount if needed due to lead time on truck delivery.

Funding to come from Account 510.51400.290, Waste Refuse and is a yearly budgeted item.

RESULT: **APPROVED BY CONSENT VOTE [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Bobby Simmons, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM

Department: Engineering

Category: Presentation

Prepared By: Stefanie McGee

Department Head: Rick McClanahan

Fair Housing Law information as required for receipt of state grant.

RESULT: **APPROVED BY CONSENT VOTE [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Bobby Simmons, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

The City of Bartlett is a recipient of a 2011-Disaster Small Cities Block Grant (CDBG). As a recipient of the CDBG funds, the City of Bartlett hereby publishes the Fair Housing Law for informational purposes to all residents of the City.

**CITY OF BARTLETT
FAIR HOUSING LAW**

Title VIII of the Civil Rights Act of 1968 prohibits discrimination in the sale, rental, and financing of dwellings based on:

- Color
- Religion
- Sex
- National Origin

The Fair Housing Amendments Act of 1988, which became effective March 12, 1989, expands the coverage of Title VIII to:

1. Prohibit discrimination in housing on the basis of:
 - a. Disability
 - b. Familial Status
2. Strengthen the administrative enforcement provisions of Title VIII.
3. Provide for the award of monetary damages where discriminatory housing practices are found.

The following actions are considered to be discriminatory under the Fair Housing Law:

1. Refusing to sell, rent, deal, or negotiate with any person.
2. Discriminating in terms or conditions for buying or renting.
3. Advertising that housing is available only to persons of a certain race, color, religion, sex, national origin, or of a specific family size.
4. Denying that housing is available for inspection, sale or rent when it really is available.
5. "Blockbusting" - persuading owners to sell or rent housing by telling them that minority groups are moving into the neighborhood.
6. Denying or making different terms or conditions for home loans by commercial lenders, such as banks, savings and loans, and insurance companies.
7. Denying to anyone the use of or participation in any real estate services, such as broker organizations, multiple-listing services or other facilities related to the selling and renting of housing.
8. Refusing to allow reasonable accommodation to be made for a person with disabilities.

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Apple Capital Lease Debt Obligation Form for school computers.**RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]****MOVER:** Jack Young, Vice Mayor**SECONDER:** Bobby Simmons, Alderman**AYES:** Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

1. Public Entity:	
Name:	CITY OF BARTLETT, TENNESSEE
Address	6400 STAGE ROAD
	BARTLETT, TN 38134
Debt Issue Name:	APPLE COMPUTER EQUIPMENT LEASE
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.	

2. Face Amount:	\$ 1,960,000.00
Premium/Discount:	\$

3. Interest Cost:	1.5500 %	☒ Tax-exempt	☐ Taxable
☐ TIC	☐ NIC		
☐ Variable:	Index _____ plus _____ basis points; or		
☐ Variable:	Remarketing Agent _____		
☒ Other:	DISCOUNTED INTEREST RATE CALCULATION		

4. Debt Obligation:		
☐ TRAN	☐ RAN	☐ CON
☐ BAN	☐ CRAN	☐ GAN
☐ Bond	☐ Loan Agreement	☒ Capital Lease
If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").		

5. Ratings:	
☒ Unrated	
Moody's _____	Standard & Poor's _____ Fitch _____

6. Purpose:	
	BRIEF DESCRIPTION
☐ General Government _____ %	
☒ Education 100.00 %	2000 MACBOOK AIR 11-INCH (PART MJVN2LL/A)
☐ Utilities _____ %	
☐ Other _____ %	
☐ Refunding/Renewal _____ %	

7. Security:	
☐ General Obligation	☐ General Obligation + Revenue/Tax
☐ Revenue	☐ Tax Increment Financing (TIF)
☒ Annual Appropriation (Capital Lease Only)	☐ Other (Describe): _____

8. Type of Sale:	
☐ Competitive Public Sale	☐ Interfund Loan _____
☐ Negotiated Sale	☐ Loan Program _____
☒ Informal Bid	

9. Date:	
Dated Date: 06/16/2016	Issue/Closing Date: 06/16/2016

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

10. Maturity Dates, Amounts and Interest Rates *:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2016	\$871,433.31	1.5500 %		\$	%
2017	\$357,288.53	1.5500 %		\$	%
2018	\$362,827.51	1.5500 %		\$	%
2019	\$368,450.65	1.5500 %		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

* This section is not applicable to the Initial Report for a Borrowing Program.

11. Cost of Issuance and Professionals:☒ No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 0	
Legal Fees	\$ 0	
Bond Counsel	\$ 0	
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
_____	\$ 0	
Paying Agent Fees	\$ 0	
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 0	
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount _____ %		
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs _____	\$ 0	
TOTAL COSTS	\$ 0	

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

12. Recurring Costs: ☒ No Recurring Costs		
	AMOUNT (Basis points/5)	FIRM NAME (If different from #11)
Remarketing Agent	_____	_____
Paying Agent / Registrar	_____	_____
Trustee	_____	_____
Liquidity / Credit Enhancement	_____	_____
Escrow Agent	_____	_____
Sponsorship / Program / Admin	_____	_____
Other _____	_____	_____

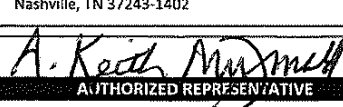
13. Disclosure Document / Official Statement: ☒ None Prepared ☐ EMMA link _____ or ☐ Copy attached	
--	--

14. Continuing Disclosure Obligations: Is there an existing continuing disclosure obligation related to the security for this debt? ☐ Yes ☒ No Is there a continuing disclosure obligation agreement related to this debt? ☐ Yes ☒ No If yes to either question, date that disclosure is due _____ Name and title of person responsible for compliance _____	
---	--

15. Written Debt Management Policy: Governing Body's approval date of the current version of the written debt management policy <u>12/13/2011</u> Is the debt obligation in compliance with and clearly authorized under the policy? ☒ Yes ☐ No	
---	--

16. Written Derivative Management Policy: ☒ No derivative Governing Body's approval date of the current version of the written derivative management policy _____ Date of Letter of Compliance for derivative _____ Is the derivative in compliance with and clearly authorized under the policy? ☐ Yes ☐ No	
---	--

17. Submission of Report: To the Governing Body: on <u>06/28/2016</u> and presented at public meeting held on <u>06/28/2016</u> Copy to Director to OSLF: on <u>06/29/2016</u> either by: ☒ Mail to: _____ OR ☐ Email to: <u>StateAndLocalFinance.PublicDebtForm@cot.tn.gov</u> 505 Deaderick Street, Suite 1600 James K. Polk State Office Building Nashville, TN 37243-1402	
---	--

18. Signatures:	
 AUTHORIZED REPRESENTATIVE	 PREPARER
Name <u>A. Keith McDonald</u> Title <u>Mayor</u> Firm _____ Email <u>kmcdonald@cityofbartlett.org</u> Date <u>06/29/2016</u>	Name <u>Dick Phebus</u> Title <u>Finance Director</u> Firm <u>City of Bartlett, Tennessee</u> Email <u>dphebus@cityofbartlett.org</u> Date <u>06/28/2016</u>

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Report

Prepared By: Eric Phan

Department Head: Dick Phebus

Treasurer's Report for May 2016.

RESULT: **APPROVED BY CONSENT VOTE [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Bobby Simmons, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

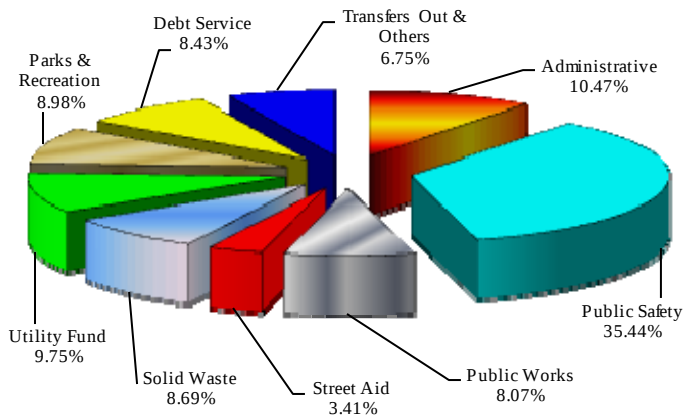


City of Bartlett

FINANCIAL REPORT

May 31, 2016

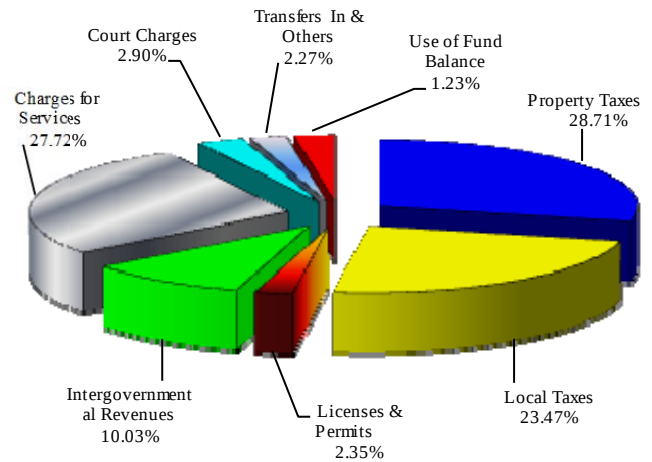
Total Expenditures, FY 2016 Budget: \$70,251,836



BUDGET HIGHLIGHTS

- Local Sales Tax & Property Taxes collections are more than budget. However, Court Charges are below budget.
- 2nd delinquent property tax notices will be sent at the end of June.
- Fiscal Year 2017 budget were presented to the Board of Mayor and Aldermen on May 10.

Total Revenues, FY 2016 Budget: \$70,251,836



FY 2016 YEAR-TO-DATE For The Period Ending May 31, 2016

	Adopted Budget	Year-to-Date Actual
General Fund Expenditures		
Administrative	\$ 6,956,654	\$ 5,759,500
Public Safety	24,279,527	21,631,957
Public Works	5,543,467	4,812,281
Parks and Recreation	5,650,587	4,772,619
Performing Arts	601,966	513,240
Transfers & Other Gen. Fund Items	4,278,444	5,401,790
Subtotal	\$ 47,310,645	\$ 42,891,388
General Fund Revenues		
Property Taxes	\$ 20,145,000	\$ 19,935,251
Local Taxes	13,299,500	10,188,730
Building and Development Fees	1,652,000	1,364,133
Intergovernmental	5,519,500	4,087,705
Charges for Services	3,830,084	3,370,179
Court Charges	175,000	1,307,507
Other Revenue	1,149,561	426,195
Subtotal	\$ 47,310,645	\$ 40,679,699
Special Rev. Funds -Expenditures	\$ 10,099,915	\$ 10,249,793
Special Rev. Funds -Revenues	\$ 10,099,915	\$ 9,179,189
Utility Expenses	\$ 8,627,200	\$ 7,105,971
Utility Revenues	\$ 8,627,200	\$ 7,598,111
Debt Service Expenditures	\$ 4,214,076	\$ 4,201,708
Debt Service Revenues	\$ 4,214,076	\$ 3,290,126
Total Expenditures	\$ 70,251,836	\$ 64,448,859
Total Revenues	\$ 70,251,836	\$ 60,747,125

Note: FY 2016 Adopted Budget includes use of fund balance in the General Fund, Special Revenue Funds and the Debt Service Fund.

Attachment: May16FinRpt (1841 : Treasurer's Report for May 2016)



City of Bartlett -- Financial Summary For The Period Ending May 31, 2016



	FY 2015 Actual	FY 2016 Adopted Budget	Increase/ Decrease in \$	Year-to-Date Actual FY 2015	Year-to-Date Actual FY 2016	Increase/ Decrease in \$	Percent of FY 2015 Actual	Percent of FY 2016 Budget	Increase/ Decrease in %
General Fund Expenditures									
Administrative	\$ 6,301,665	\$ 6,956,654	\$ 654,989	\$ 5,569,322	\$ 5,759,500	\$ 190,178	88.38%	82.79%	-5.59%
Public Safety	23,267,781	24,279,527	1,011,746	21,306,924	21,631,957	325,033	91.57%	89.10%	-2.48%
Public Works	5,191,609	5,543,467	351,858	4,656,873	4,812,281	155,408	89.70%	86.81%	-2.89%
Parks and Recreation	5,099,667	5,657,147	557,480	4,482,709	4,772,619	289,911	87.90%	84.36%	-3.54%
Performing Arts	546,656	595,406	48,750	500,935	513,240	12,305	91.64%	86.20%	-5.44%
Transfers & Other Gen. Fund Items	2,590,831	4,278,444	1,687,613	2,583,831	5,401,790	2,817,959	99.73%	126.26%	26.53%
Total General Fund Expenditures	\$ 42,998,207	\$ 47,310,645	\$ 4,312,438	\$ 39,100,594	\$ 42,891,388	\$ 3,790,794	90.94%	90.66%	-0.28%
General Fund Revenues									
Property Taxes	\$ 20,013,404	\$ 20,145,000	\$ 131,596	\$ 19,770,645	\$ 19,935,251	\$ 164,606	98.79%	98.96%	0.17%
Local Taxes	12,963,116	13,299,500	336,384	9,589,001	10,188,730	599,729	73.97%	76.61%	2.64%
Building and Development Fees	1,689,573	1,652,000	(37,573)	1,422,981	1,364,133	(58,848)	84.22%	82.57%	-1.65%
Intergovernmental	5,663,855	5,519,500	(144,355)	3,840,721	4,087,705	246,984	67.81%	74.06%	6.25%
Charges for Services	3,647,577	3,830,084	182,507	3,232,675	3,370,179	137,503	88.63%	87.99%	-0.63%
Court Charges	1,578,879	1,715,000	136,121	1,373,875	1,307,507	(66,368)	87.02%	76.24%	-10.78%
Other Revenue	414,791	1,149,561	734,770	328,210	426,195	97,985	79.13%	37.07%	-42.05%
Total General Fund Revenues	\$ 45,971,194	\$ 47,310,645	\$ 1,339,451	\$ 39,558,109	\$ 40,679,699	\$ 1,121,590	86.05%	85.98%	-0.07%
Special Revenue Funds									
Street Aid Fund	\$ 1,550,990	\$ 2,395,000	\$ 844,010	\$ 1,274,030	\$ 1,955,126	\$ 681,096	82.14%	81.63%	-0.51%
Solid Waste Fund	5,580,563	6,299,652	719,089	5,047,895	5,612,454	564,559	90.45%	89.09%	-1.36%
General Improvement Fund	574,108	650,000	75,892	532,682	625,736	93,053	92.78%	96.27%	3.48%
Drug Enforcement Fund	244,579	304,600	60,021	212,005	244,005	32,000	86.68%	80.11%	-6.57%
DEA Enforcement Fund	154,767	279,900	125,133	146,556	213,598	67,042	94.69%	76.31%	-18.38%
Drainage Control Fund	103,302	120,763	17,461	96,455	87,512	(8,943)	93.37%	72.47%	-20.91%
Park Improvement Fund	6,656	50,000	43,344	6,656	0	(6,656)	0.00%	0.00%	0.00%
Grant Funds	1,030,251	0	(1,030,251)	308,059	1,511,363	1,203,305	29.90%	0.00%	-29.90%
Special Revenue Funds - Expenditures	\$ 9,245,217	\$ 10,099,915	\$ 854,698	\$ 7,624,338	\$ 10,249,793	\$ 2,625,455	82.47%	101.48%	19.02%
Special Revenue Funds - Revenues	\$ 9,562,901	\$ 10,099,915	\$ 537,013	\$ 7,790,953	\$ 9,179,189	\$ 1,388,236	81.47%	90.88%	9.41%
Utility Fund									
Total Utility Operations	\$ 6,010,663	\$ 6,839,671	\$ 829,008	\$ 5,059,864	\$ 5,444,003	\$ 384,140	84.18%	79.59%	-4.59%
Total Utility Debt Expenses	1,585,477	1,700,343	114,866	1,583,033	1,661,967	78,934	99.85%	97.74%	-2.10%
Contribution to Fund Balance	0	87,186	87,186	0	0	0	0.00%	0.00%	0.00%
Total Utility Expenses	\$ 7,596,140	\$ 8,627,200	\$ 1,031,060	\$ 6,642,897	\$ 7,105,971	\$ 463,074	87.45%	82.37%	-5.08%
Total Utility Revenues	\$ 8,487,525	\$ 8,627,200	\$ 139,675	\$ 7,819,297	\$ 7,598,111	\$ (221,186)	92.13%	88.07%	-4.06%
Debt Service Fund									
Total Debt Service Expenditures	\$ 4,009,283	\$ 4,214,076	\$ 204,793	\$ 4,008,539	\$ 4,201,708	\$ 193,169	99.98%	99.71%	-0.27%
Total Debt Service Revenues	\$ 3,898,504	\$ 4,214,076	\$ 315,572	\$ 3,103,887	\$ 3,290,126	\$ 186,239	79.62%	78.07%	-1.54%
Total Expenditures	\$ 63,848,847	\$ 70,251,836	\$ 6,402,989	\$ 57,376,368	\$ 64,448,859	\$ 7,072,491	89.86%	91.74%	1.88%
Total Revenues	\$ 67,920,125	\$ 70,251,836	\$ 2,331,711	\$ 58,272,245	\$ 60,747,125	\$ 2,474,879	85.80%	86.47%	0.68%

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM

Department: Board of Mayor and Aldermen

Category: Appointment

Prepared By: Jeanie Underwood

Department Head: A. Keith McDonald

**Appoint Carol Price to the Bartlett Performing Arts and
Conference Center Advisory Board.**

Carol Price will complete Suzanne Leslie's term. The term will expire December 31, 2018.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bobby Simmons, Alderman
SECONDER:	Emily Elliott, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM
Department: Board of Mayor and Aldermen
Category: Appointment
Prepared By: Jeanie Underwood
Department Head: A. Keith McDonald

Appoint Doug Conn to the City Beautiful Commission.

Doug Conn will complete Alison Shores' term. The term will expire December 31, 2016.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	W.C. Pleasant, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM
Department: Board of Mayor and Aldermen
Category: Appointment
Prepared By: Jeanie Underwood
Department Head: A. Keith McDonald

Appoint Charlene Mitchell to the Grievance Review Board.

Charlene Mitchell will complete Ted Archdeacon's term. The term will expire December 31, 2016.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	W.C. Pleasant, Alderman
SECONDER:	Jack Young, Vice Mayor
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

**Board of Mayor and Aldermen**

6400 Stage Road
Bartlett, TN 38134

ADOPTED**AGENDA ITEM**

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

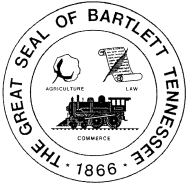
Property, Liability, Auto, and other general insurance renewals.

RESULT: **APPROVED [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Emily Elliott, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick



City of Bartlett

A. Keith McDonald, Mayor

FINANCE DEPARTMENT MEMORANDUM

DATE: June 28, 2016
TO: Mayor and Board of Aldermen
FROM: Dick Phebus
RE: Property, Liability, Auto, and Other General Insurance renewals

We have received our Property, General Liability, Auto, and other insurance renewals for the 2017 fiscal year. Here is a summary of the various coverages:

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Gen. Liability, Law Enforcement, E & O, Auto Liability, Auto Physical Damage	\$304,574	City \$334,093 Schools <u>46,764</u> Total \$380,857	City \$408,033 Schools <u>\$50,253</u> Total \$458,286	City \$474,733 Schools <u>\$37,600*</u> Total \$512,333
Building & Property, EDP, Mobile Equip., Employee Dishonesty, Automatic Coverages	\$175,215	City \$154,121 Schools <u>228,375</u> Total \$382,496	City \$164,884 Schools <u>\$235,635</u> Total \$400,519	City \$154,667 Schools <u>\$244,535</u> Total \$399,202
Worker's Comp.	\$491,811	City \$708,233 Schools <u>139,426</u> Total \$847,659	City \$716,047 Schools <u>\$138,541</u> Total \$854,588	City \$706,281 Schools <u>\$98,418</u> Total \$804,699

Notes:

- Total Earthquake coverage is \$10 million. *(premium included in automatic coverages with TML)*
- *General Liability Insurance will be on separate policies; schools would share in TML dividend discount of \$2,190 based on prior year premiums
- Property base rate decreased by 2% by the TML Pool. Property values increased 1.4%
- Workers' Comp premium base rate reduction of 2%. Our experience modifier decreased from 1.04 to .927.
- Increases to General Liability and Auto Liability due to increase in exposures and experience.
- Bartlett City Schools have elected to renew their general liability policy separately. They will reimburse the City of Bartlett for their share of the building and property and workers comp premiums as indicated.
- All rates include member dividends:
 - o Gen. Liability \$29,839
 - o Buildings & Property \$25,383
 - o Work Comp \$46,983

After carefully reviewing all rates, it is our recommendation that we continue coverage with TML Risk Management Pool (The Pool) and renew our insurance coverages for Fiscal year 2017.

Thank you for your consideration of this item. I'll be happy to discuss this with you further if you desire.



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Resolution 26-16, a resolution to delete uncollectible accounts from utility customers accounts receivable.

WHEREAS, the City of Bartlett has established a procedure regarding write offs of uncollectible utility accounts receivable; and

WHEREAS, the City Treasurer will review all past due accounts in excess of six months old. The City Treasurer, after determining the accounts which appear uncollectible, may write off all such accounts with a balance of \$25.00 or less; and

WHEREAS, the past due utility bills that are more than \$25.00 and are deemed uncollectible by the City Treasurer will be brought to the City of Bartlett Mayor and Board of Aldermen board meeting in June each year for approval of writing off all past due uncollectible accounts; and

WHEREAS, the list of past due water bills that are more than \$25.00 as of May 2016 that are deemed uncollectible by the City Treasurer totals approximately \$77,110.54; and

WHEREAS, a list of all customers with unpaid balances which have been written off shall be kept on file for public record. Any customer whose account was previously written off and desires to initiate service again with the City of Bartlett for water/utility service must pay the unpaid bill before service will be started again;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN that these water/utility accounts receivable, totaling \$77,110.54, will be deleted from the accounts receivable uncollectible aged list of accounts.

Adopted this day of June 28, 2016

W. C. Pleasant, Register to the

A. Keith McDonald, Mayor

Board of Mayor and Aldermen

Attest: _____
Stefanie McGee, City Clerk

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Bobby Simmons, Alderman
SECONDER: Paula Sedgwick, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

UTILITY WRITEOFFS BY CODE
MAY 2016

WATER

101	COMMERCIAL WATER INSIDE	\$1,234.75
102	RESIDENTIAL WATER INSIDE	\$10,767.49
111	NORTH BASIN RES INSIDE	\$5,040.53
112	NB RES INSIDE ANXD 2013	\$311.50
132	NORTH BASIN RURAL RES OUTSIDE	\$314.42
134AVG	SOUTH INSIDE WINTER AVERAGING	\$75.14
7CONN	CONNECTION CHARGE TO BE BILLED	\$772.63
7DSCON	DISCONNECT	\$2,820.00
910	FAMILY FUND	\$9.00
LOKCUT	METER LOCK CUT POST TURN OFF	\$200.00
NSF	NSF	\$152.80
PENLT	PENALTY	\$5,479.41
		\$27,177.67

SEWER

301	SEWER FLAT RATE	\$47.76
307	INSIDE RESIDENTIAL SEWER	\$10,265.39
308	INSIDE COMMERCIAL SEWER	\$832.59
321	NORTH BASIN RES INSIDE	\$4,672.58
322	NORTH BASIN RES IN ANXD 2013	\$173.48
342	NORTH BASIN RURAL RES OUT	\$97.05
		\$16,088.85

CITY SERVICE FEE

502	CITY SERVICE FEE	\$3,246.86
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SALES TAX

2STAX	SALES TAX	\$1,750.66
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GARBAGE

504	RESIDENTIAL GARBAGE	\$28,846.50
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2015 WRITE OFFS **\$77,110.54**

2160 CUSTOMERS **2014 MOVE OUTS**

2296 CUSTOMERS **2015 MOVE OUTS**

Attachment: 2015 UNPAID BILLS TO BE WRITTEN OFF.pdf (1828 : Res 26-16 write off)



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Resolution 27-16, a resolution to establish and adopt internal controls, including its initial annual assessment of risk, as required by state law.

WHEREAS, the Board of Mayor and Aldermen of the City of Bartlett, Tennessee, desires to be in compliance with Tennessee Code Annotated 9-18-102 requiring local governments to establish and adopt internal controls; and

WHEREAS, TCA 9-18-102 specifies that internal controls should be established and maintained to provide reasonable assurance that:

- (1) Obligations and costs are in compliance with applicable law;
- (2) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use or misappropriation, and
- (3) Revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets; and

WHEREAS, the law also specifies the city perform an annual assessment of risk. The objectives of the annual risk assessment are to provide reasonable assurance of the following:

- (1) Accountability for meeting program objectives;
- (2) Promoting operational efficiency and effectiveness;
- (3) Improving reliability of financial statements;
- (4) Strengthening compliance with laws, regulations, rules, and contracts and grant agreements;
- (5) Reducing the risk of financial or other asset losses due to fraud, waste and abuse, and

WHEREAS, the State provided internal control guidance to cities in the Internal Control Manual for Local Government Entities and other Audited Entities in Tennessee; and

WHEREAS, The University of Tennessee Municipal Technical Advisory Service (MTAS) provided internal control guidance in its Internal Control Took Kit for Municipal Governments; and

WHEREAS, per the MTAS Internal Control Took Kit for Municipal Governments, management is responsible for designing and implementing a system of

internal controls and there is no “one size fits all” system for all cities to use. Many cities will have very similar objectives and policies but the processes and procedures designed to adhere to policies and achieve objectives will be vastly different.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Bartlett as follows:

The City of Bartlett establishes and adopts internal controls, including its first annual assessment of risk, as required by State Law.

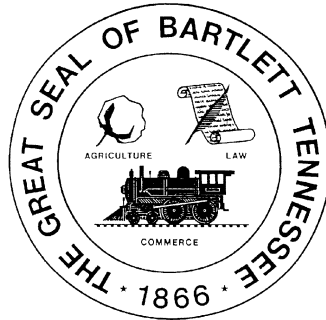
Adopted this day of June 28, 2016

W.C. (Bubba) Pleasant, Register to the
Board of Mayor and Aldermen

A. Keith McDonald, Mayor

Attest: _____
Stefanie McGee, City Clerk

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jack Young, Vice Mayor
SECONDER:	W.C. Pleasant, Alderman
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick



CITY OF BARTLETT, TENNESSEE

DOCUMENTATION OF INTERNAL CONTROLS

Section 9-18-102(a) of the Tennessee Code Annotated was amended to expressly require each county, municipal, and metropolitan government to establish and maintain internal controls.

The U.S. Office of Management and Budget (OMB) has established internal control guidance for all entities that receive federal awards at Code of Federal Regulations (CFR) 200.303. This guidance requires all entities to establish and maintain an effective system of internal control over federal awards. The OMB guidance further recommends implementing a system of internal control in accordance with internal control standards published in September 2014 by the U.S. Government Accountability Office (GAO) in *Standards for Internal Control in the Federal Government* (Green Book), as one method of complying with CFR 200.303.

The *Internal Control Manual for Local Governmental Entities and Other Audited Entities in Tennessee* (the “Internal Control Manual”) should be used by all local governments.

This documentation follows the layout of the State’s Internal Control Manual. (The Tennessee Code Annotated section and the OMB guidance referenced above is included in this documentation as Appendices A and B).

*INTERNAL CONTROL MANUAL
FOR CITY OF BARTLETT TENNESSEE*

Contents

OVERVIEW OF INTERNAL CONTROL	3
CONTROL ENVIRONMENT	5
RISK ASSESSMENT	8
CONTROL ACTIVITIES.....	11
INFORMATION AND COMMUNICATION	13
MONITORING	16
Appendix A: Section 9-18-102	19
Appendix B: OMB Internal Control Guidance.....	21
Appendix C: City of Bartlett Organization Chart.....	22
Appendix D: City of Bartlett Insurance Coverages.....	23
Appendix E: Internal Control Risk Assessment.....	24
Appendix F: Activities, Objectives, Risks, Policies, and Procedures.....	37
Activity 1: Administration and Records.....	37
Activity 2: Human Resources and Payroll	39
Activity 3: Accounting and Financial Reporting	42
Activity 4: Fiscal Year End Closing.....	46
Activity 5: Audit	48
Activity 6: Cash on Hand.....	49
Activity 7: Cash in Bank.....	51
Activity 8: Investments.....	53
Activity 9: Receipting.....	55
Activity 10: Purchasing.....	58
Activity 11: Disbursements	61
Activity 12: Employee Travel and Reimbursements	64
Activity 13: Capital Assets and Inventory	65
Activity 14: Debt.....	67
Activity 15: Grants.....	69
Activity 16: Contracts	71
Activity 17: Budget.....	72
Activity 18: Information Systems.....	73

INTRODUCTION

OVERVIEW OF INTERNAL CONTROL

The U.S. Government Accountability Office (GAO) has established a common definition of internal controls, standards, internal control components, principles and attributes. The document that contains this information is often referred to as the Green Book. Because this GAO Green Book framework is widely accepted, it will be used as the basis for all internal control matters related to entities covered by this internal control manual as outlined in the preface.

Definition of Internal Control

Internal control is a process that is developed by the municipality to provide reasonable assurance that the following categories of objectives will be achieved:

- | | | |
|-------------------|---|---|
| Reporting | – | financial reporting will be reliable; |
| Operations | – | effectiveness and efficiency of operations; and |
| Compliance | – | compliance with applicable laws, regulations, contracts and grant agreements. |

The above definition “reflects certain fundamental concepts.” Those concepts are:

- Internal control is geared to the achievement of objectives in one or more separate but overlapping categories.
- Internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity.
- Internal control is an integral part of the organization not a separate system within the organization.
- Internal control is a process. It is a means to an end, not an end in itself.
- Internal control is affected by people. It is not merely policy manuals and forms, but people at every level of an organization.
- Internal control increases the likelihood that an entity will achieve its objectives. However it can only be expected to provide reasonable assurance, not absolute assurance, that all of the organization’s objectives will be met.

*INTERNAL CONTROL MANUAL
FOR CITY OF BARTLETT TENNESSEE*

While each organization may identify its mission, strategic plan, objectives, and plans for achieving its objectives in different ways, the Green Book approaches internal control through a hierarchical structure of five (5) components and seventeen (17) principles. The Green Book also contains additional information in the form of attributes. Attributes are presented under the heading title: “This Involves.” These attributes provide further explanation of the principles and documentation requirements.

Components of Internal Control

The five (5) main components of internal control are:

- | | | | |
|----|--------------------------------------|---|---|
| 1. | Control environment | – | the foundation for an internal control system |
| 2. | Risk assessment | – | assesses the risks facing the organization as it seeks to achieve its objectives |
| 3. | Control activities | – | the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system |
| 4. | Information and communication | – | the quality information management and personnel communicate and use to support the internal control system |
| 5. | Monitoring | – | activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other reviews |

There is a direct relationship between the organization’s objectives, the five components of internal control and the organizational structure of the organization. The five components apply to all three categories of objectives and all levels of the organizational structure. The seventeen (17) principles support the components of internal control.

Summary

A good internal control framework is essential to providing reasonable assurance that organizations are achieving their objectives. Such objectives include, but are not limited to, utilizing public resources in compliance with laws, regulations and budgetary limitations. An adequate control framework will provide information that helps detect errors and fraud, and provides reasonable assurance that financial reports are accurate. It will limit the opportunity for theft or unauthorized use of assets, including cash, inventory, and capital assets.

COMPONENT 1

CONTROL ENVIRONMENT

GAO Green Book Principles 1 through 5

The control environment is the foundation for any internal control system. There are five (5) principles related to the control environment

1. ***The oversight body and management should demonstrate a commitment to integrity and ethical values.*** The governing body or other oversight body and management's directives, attitudes, and behaviors should reflect the integrity and ethical values expected throughout the entity.

The City's Board of Mayor and Aldermen and management demonstrate this commitment to integrity and ethical values as follows:

- The Board of Mayor and Aldermen have approved the Personnel Policies and Procedures Manual which specifies expectations, discipline, and reporting of acts.
 - The Board of Mayor and Aldermen have approved a Code of Ethics. This Code of Ethics is included in the municipal code.
 - As part of its annual audit, the City's Board and Management complete a conflict of interest statement.
 - The Board of Mayor and Aldermen emphasizes best financial management practices. The City maintains a AAA bond rating from Standard & Poor's and a Aa1 bond rating from Moody's.
 - The City strives to have no audit findings in its annual audit.
 - The City performs a risk assessment annually for its insurance coverages.
 - The Finance Department currently performs the function of internal audit.
2. ***The oversight body should oversee the entity's internal control system.*** The governing body should oversee the design, implementation, and operation of the organization's internal control system as well as take appropriate action to resolve deficiencies. The governing body may appoint a separate oversight body (such as an audit committee) that has the independence and qualifications needed to impartially evaluate, scrutinize, question activities, and oversee

**INTERNAL CONTROL MANUAL
FOR CITY OF BARTLETT TENNESSEE**

the design, implementation, and operation of the organization's internal control system as well as take appropriate action to resolve deficiencies. Management should be directly involved in developing the internal control system and is responsible for implementing and monitoring the system for compliance.

The City's Board oversees the entity's internal control system as follows:

- The Board will approve by resolution the City's internal control documentation by June 30, 2016. It will be reviewed and updated, if necessary, prior to the audit.
- The Board receives monthly financial reports.
- The City's Board receives the annual audit for review and acceptance.

3. *Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity's objectives.* This includes:

- Establishing, documenting, and regularly reviewing and updating a simple and flexible organizational plan that clearly addresses the assignment of authority and responsibility
- Develop a manual that provides sufficient documentation of internal control to communicate to personnel their responsibilities as well as to monitor and evaluate the controls

The City has established an organizational structure, assigned responsibility, and delegated authority to achieve the entity's objectives.

- The City's organizational chart is maintained by the Human Resources Department and issued in both the annual budget and annual audit report. It provides an overview of the lines of authority and responsibility. The City's Organization Chart is included as Appendix C.
- This internal control documentation includes individual responsibilities within areas of functional responsibility (e.g. receipting, payroll, accounts payable, and purchasing).

4. *Management should demonstrate a commitment to recruit, develop, and retain competent individuals.* This includes:

Developing and regularly reviewing and updating a manual that addresses:

- Job skills requirements (job descriptions, certifications, continuing professional education, education in new accounting standards, education in new laws, education in federal grant requirements, computer software education, and other general education and training requirements, etc.)
- Employee benefits (leave, flex plans, health insurance, 401k, pension, other postemployment benefits, etc.)
- The business continuity plan for succession and emergencies

The City's Management demonstrates a commitment to recruit, develop, and retain competent individuals as follows:

- The City continually maintains and reviews job descriptions to ensure quality candidates apply, are hired, and perform their responsibilities during their employment.
- Under the City's pay plan, pay is market based and reviewed periodically.
- MTAS and other external and internal training is provided to ensure that those responsible and performing internal controls are well informed about changes in accounting and reporting, changes in laws that affect payroll and payroll related activities, changes in laws that affect purchasing, grants administration and emergency management training.
- As software is updated, training is provided to ensure continued proficiency in computer skills.
- Employees are encouraged to obtain certifications such as CPA and CMFO and the entity agrees to pay for continuing professional education requirements to maintain those certificates.
- Background checks are performed for all employees involved in financial transactions such as collecting and disbursing funds.

5. *Management should evaluate performance and hold individuals accountable for the internal control responsibilities.* This includes:

- Developing and regularly reviewing and updating a manual that addresses:
- Periodic job evaluations and corrective action(s) to be taken when there are deficiencies
- Periodic evaluation of employee workload pressure and methods for communicating and implementing required changes to alleviate excessive workload pressures (whether created by management goals, time constraints, budgetary factors, cyclical demands, or increased workload buildup over time)

The City's Management evaluates performance and hold individuals accountable for the internal control responsibilities as follows:

- The City continually reviews job descriptions to ensure quality candidates apply, are hired, and perform their responsibilities during their employment.
- The City endeavors to include accountability for internal controls as a key component of performance.
- The Personnel Policies and Procedures Manual require an annual job evaluation for each employee. New employees have a one-year probationary period. During that time, a corrective action plan will be developed for any deficiency noted as a result of an evaluation.

COMPONENT 2

RISK ASSESSMENT

GAO Green Book Principles 6 through 9

Having established an effective control environment, management assesses the risks facing the entity as it seeks to achieve its objectives. Generally speaking, risk assessment means asking questions about what could go wrong. There are four (4) principles related to risk assessment.

1. *Management should define objectives clearly to enable the identification of risks and define risk tolerances.* This includes:

Developing and regularly reviewing and updating a document that addresses:

- The organization's mission
- The organization's goals and objectives in sufficient detail to allow for performance risk assessments in a reasonably consistent manner
- The organization's risk tolerances or risk threshold for each objective in sufficient detail to allow for the appropriate design of an internal control system. Risk tolerances or thresholds should be assessed considering laws, regulations, generally accepted accounting principles, other standards, grant management, internal standards of conduct, oversight structure, organizational structure, and expectations of competence, etc.
- The organization's judgments about materiality, both qualitatively and quantitatively (i.e. risk threshold)

The City's Management has defined objectives clearly to enable the identification of risks and define risk tolerances as follows:

- The City's mission is found in the annual budget document as well as on its open government platform: www.cityofbartlett.org
- The City has developed a strategic plan approved by the City's Board.
- The City mitigates risk through insurance coverages as found in Appendix D.
- The City has implemented strong internal controls, emphasizing separation of duties.
- The City's internal controls provide reasonable assurance that unlawful acts are not occurring.

**INTERNAL CONTROL MANUAL
FOR CITY OF BARTLETT, TENNESSEE**

- Surety bonds and/or employee dishonesty insurance is purchased to mitigate the risk of loss of funds due to errors, irregularities, or fraud.

2. Management should identify, analyze, and respond to risks related to achieving the defined objectives. This includes:

Developing and regularly reviewing and updating a document that addresses:

- The risks associated with the organization's objectives
- The methodology for determining if the risk identified is material to the organization
- The action(s) to be taken to mitigate the risk

The City's Management identifies, analyzes, and responds to risks related to achieving the defined objectives as follows:

- Performs risk assessments in connection with its insurance coverages.
- Performs internal control assessments (as shown in Attachment E).

3. Management should consider the potential for fraud when identifying, analyzing, and responding to risks. This includes:

Reviewing and attending training to identify types of fraud that can occur. Fraud types include fraudulent financial reporting, theft of assets, and corruption (i.e. bribery and other illegal acts). Fraud risk factors include incentive or pressure, opportunity, and attitude or rationalization. Internal controls specifically relate to opportunity. Review organization operations to determine if and how a fraud could occur. Consider the loss potential and determine the acceptable level of risk that the organization is willing to accept. Develop controls to limit the risk of fraud.

The City's Management considers the potential for fraud when identifying, analyzing, and responding to risks as follows:

- Emphasizing fraud training
- Understanding elements of fraud risk (incentive/pressure, opportunity, and rationalism)
- Implementing separation of duties wherever possible
- Evaluating risk in its entity-wide objectives of Operations, Reporting, and Compliance:

Operations Objectives –

- Ensure that the entity's resources are adequately safeguarded
- Provide taxpayer services efficiently and effectively
- Limit the need for tax increases
- Provide for the long-term stability of the municipality
- Provide a stable and rewarding work environment for employees

Reporting Objectives –

- Provide timely interim financial reports and schedules for evaluating the results of operations

**INTERNAL CONTROL MANUAL
FOR CITY OF BARTLETT TENNESSEE**

- Issue timely financial reports that comply with generally accepted accounting principles, the additional requirements of the Tennessee Comptroller of the Treasury, and federal grant requirements

Compliance Objectives –

- Comply with all relevant laws, regulations, contracts, and grant agreements

4. ***Management should identify, analyze, and respond to significant changes that could impact the internal control system.*** This includes identifying risks during the planning process for all new grant programs, projects, and activities. Then, review the controls to determine what changes need to be made to ensure that objectives are met.

The City's Management identifies, analyzes, and responds to significant changes that could impact the internal control system as follows:

- Creating and updating City policies and procedures.
- Awareness of accounting standards changes.
- Awareness of state law or regulation changes.
- Awareness of federal law or regulation changes.
- Management reviews all new grant applications and agreements.
- Management reviews all new contracts.
- Management reviews all debt issuance documents.
- The City has implemented a debt management policy in assessing the issuance of debt.
- Management will, at least annually, consider technological developments, employee turnover, new programs, new accounting standards, new laws and regulations, and economic growth or decline to determine whether or not changes in internal controls need to be implemented. Recommendations for changes will be reviewed and implemented as necessary. The implementation will include training for all personnel involved in the processes that require change.

COMPONENT 3

CONTROL ACTIVITIES

GAO Green Book Principles 10 through 12

Control Activities are the actions management establishes through internal control policies and procedures to achieve objectives and manage risks. There are three (3) principles related to control activities.

1. *Management should design control activities to achieve objectives and respond to risks.*

This includes:

Developing and periodically reviewing and updating a procedures manual that documents:

- The specific actions designed to address entity objectives and risks. These have been identified during the process of defining responsibilities, delegating authority, and assessing risks.
- The specific actions designed to address entity objectives and risk at various levels in the organization
- The division (i.e. segregation) of duties and/or implementing compensating controls designed to mitigate risks related to assigning duties and responsibilities among employees

The City's Management has designed control activities to achieve objectives and respond to risks.

- The City has identified objectives, risks, and relevant policies and procedures for activities shown in Appendix F.

2. *Management should design the entity's computerized information system and related control activities to achieve objectives and respond to risks.* This includes:

Develop and periodically review and update guidelines for information technology documenting:

- The types of computerized information required to be compiled to meet the government's objectives
- The computer application controls necessary to ensure that information is valid, complete, and accurate
- The general computer controls addressing security management procedures, contingency plans, configuration, logical and physical access
- Information technology infrastructure needs and the controls needed to ensure that

**INTERNAL CONTROL MANUAL
FOR CITY OF BARTLETT TENNESSEE**

- adequate resources are available to meet the reporting needs (e.g. storage capacity)
- The external and internal security risks and the controls necessary to limit exposure to unauthorized access, corruption of data, or other misappropriation of information (e.g. personally identifiable information)
- Controls necessary to ensure that technology acquisition, development and maintenance activities are authorized, necessary, and properly integrated throughout the organization

The City's Management designed the entity's computerized information system and related control activities to achieve objectives and respond to risks.

- The City strives to improve the quality and level of services by upgrading information systems, including time and attendance, receipting, and utility billing. The IT director reviews any reporting requirements or changes to programs that might impact the software and hardware maintenance schedule
- Assess and prioritize enhancements to meet any changes or additional needs in reporting requirements
- Assess the adequacy of general computer processes and controls

3. *Management should implement control activities through policies.* This includes:

Management will develop and periodically review and update a policies manual that documents:

- The overall general policies for the local entity that address the broad expectations (objectives and related risks, control activity design, implementation and operating effectiveness) of management and the responsibilities for each unit (office, division, department or other organizational segment) of the local entity
- Management's plan for monitoring departmental policies, procedures, and control activities developed by each unit to implement the general policies
- The means by which policies, procedures and control activities will be communicated to staff
- Management will ensure that each unit document policies, day-to-day procedures, and control activities to implement management's policies

The City's Management has implemented control activities through policies as follows:

- In addition to complying with federal and state laws and regulations, the City has adopted financial policies for investments, debt, fund balance reserves, pension funding, and cash receipting
- The City periodically updates its Personnel Policies and Procedures Manual
- The Finance Department annually reviews financial policies for possible updating

COMPONENT 4

INFORMATION AND COMMUNICATION

GAO Green Book Principles 13 through 15

Management is responsible for developing and providing internal and external information. This information supports the internal control system and validates its existence. There are three (3) principles related to information and communication.

1. ***Management should use quality information to achieve the entity's objectives.*** This includes:
Management should, on a regular basis:
 - Review and document the information requirements to achieve key objectives and address the risks of the government
 - Review and document changes that occur in the local government's objectives and the related changes in information requirements
 - Identify and evaluate the reliability and timeliness of relevant data from both internal and external sources
 - Review and evaluate whether data has been processed into quality information that allows management to make informed decisions and evaluate whether the local government is achieving its objectives

The City's Management uses quality information to achieve the entity's objectives.

- The City has a standardized format for information to be presented to the Board.
- The Mayor, Chief Administrative Officer, and City Attorney review information being presented to the City's Board.
- Financial information needed from departments including receivables, inventory, donated assets, etc. is accumulated each quarter. It is reviewed by the Finance Department for accuracy.
- Financial information is obtained from department directors and outside entities and reviewed by the Finance Department.
- Financial statements and budget amendments are reviewed by the City's Finance Director, Chief Administrative Officer and Budget Officer prior to release.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

2. Management should internally communicate the necessary quality information to achieve the entity's objectives. This includes:

- Management clearly defines the lines of communication through policy manuals and organization charts
- Management has communicated the types of information required to achieve objectives and address risks
- All internal control documents and related reports will be available to all staff in an appropriate method based on confidentiality and relevance to job responsibilities
- The appropriate information delivery system has been determined (e.g. email, written memo, staff meetings, etc.) for changes and updates
- Reports containing personally identifiable information or other protected or confidential information will be made available through communication methods that restrict internal and external access
- Annual staff training meetings and new employee orientation, with relevant handouts and manuals, will be used to reinforce memo, email, intranet, and restricted communications

The City's Management internally communicates the necessary quality information to achieve the entity's objectives.

- The City's Board and the City Administrative Officer communicate regularly about agenda items. The City's Management communicates with the Board and departments on upcoming changes in federal and state requirements.
- The City Administrative Officer communicates regularly with other members of City Management via email and regular meetings.
- City's Management has regular meetings on projects and information technology.

3. Management should externally communicate the necessary quality information to achieve the entity's objectives. This includes:

Management should develop policies and procedures for:

- Communicating with external parties, including.
 - o Auditors
 - o Federal grant agencies,
 - o SEC through the Electronic Municipal Market Access system (EMMA)
 - o Bond rating companies, prospective bond purchasers, and underwriters
 - o Vendors and contractors
 - o Insurance companies
 - o Law enforcement officials
 - o News media
 - o Individuals or public interest groups based on public information requests
 - o Evaluating the reliability of information provided to and received from external parties
 - o Ensuring that only authorized individuals provide information to external parties

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

- o Ensuring that restricted information is provided only to authorized external parties
- o Redacting of information when requested under the open records statutes

In summary, it is vitally important that information communicated to outside parties be accurate. This involves many different layers of internal controls including the control environment, the risk assessment process, and control activities. Before information is released to an outside party, management should be confident based on its internal policies and procedures, the information is accurate. The credibility of the entity, its governing body, and public officials is at stake whenever information is released to outside parties.

The City's Management externally communicates the necessary quality information to achieve the entity's objectives as follows:

- Management has identified specific departments and individuals in the organization to be responsible for external communications. For example, the Finance Director and Senior Finance staff communicates directly with the auditors and ensure continuing financial and debt disclosures.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

COMPONENT 5

MONITORING

GAO Green Book Principles 16 and 17

Things change - the Operating Environment, Laws, Accounting Principles, Technology, Resources, and People, etc. For this reason, internal control policies and procedures must constantly be monitored and improved or updated. There are two (2) principles related to monitoring.

1. ***Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.*** This includes:

Management should:

- 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

The City's Management establishes and operates monitoring activities to monitor the internal control system and evaluate the results.

- The City's Finance Director and Senior Finance staff reviews the financial reports and expenditures to ensure that they comply with those requirements. A review of all relevant compliance issues would include, but not be limited to:
 - federal and state grant requirements
 - internal revenue service requirements
 - budgeting and expenditures requirements
 - financial reporting requirements
 - state and federal laws and regulations
 - debt issues

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

- The City's Finance Director and Senior Finance staff periodically reviews
 - the cash receipts journal, cash disbursements journal, general ledger, and subsidiary ledgers to ensure that they are in balance
 - bank statements and the related reconciliations to determine that they are accurate and all activity is authorized and properly recorded, and
 - journal entries to determine that they are appropriate.
 - The City's City Clerk periodically reviews:
 - The minutes of actions taken by the governing body to determine that they are kept together and are complete and that actions taken are implemented and/or being accounted for as applicable and
 - Codified ordinances to ensure that they are up-to-date.
 - The City's IT Director periodically reviews relevant computer programs to determine whether they need to be updated, upgraded or modified.
 - The City's Mayor, Chief Administrative Officer, and Finance Director serve in lieu of an audit committee. These officers review financial reporting practices, internal control, compliance with laws, regulations, contracts and grant agreements, and ethics.
2. **Management should remediate identified internal control deficiencies on a timely basis.**
This includes:
Management should:
- Adopt policies regarding ongoing monitoring processes and the method and timing of reporting issues and deficiencies to a designated individual
 - Document the evaluation of issues noted during ongoing and periodic monitoring
 - Propose a corrective action plan and implement the corrective action on a timely basis

The City's Management remediates identified internal control deficiencies on a timely basis as follows:

- A good internal control structure will only provide reasonable assurance that unlawful conduct does not occur or is detected on a timely basis. Though it is common to assume "it will never happen to us" it can happen. In fact, monitoring may be the means by which some unlawful conduct or fraud is detected. Unlawful conduct or fraud may be discovered because of tips from other employees, as a result of internal or external audits, because of internal control that has been established, and even by accident. Regardless of the method of discovery, the amount of money involved, or the frequency of occurrence, all discoveries are to be reported in writing to the Chief Administrative Officer. Unlawful conduct or fraud must be reported whether money is repaid and/or whether the employee is terminated. Simply because you do not believe that the person could ever have participated in unlawful activities or fraud or believe that they will not participate again, is not a basis for failing to report what has been discovered.
- Reporting when a public official believes unlawful conduct has occurred:
Tennessee Code Annotated, Section 8-4-501, defines unlawful conduct as "...theft, forgery, credit card fraud, or any other act of unlawful taking of public money, property, or services."
Tennessee Code Annotated, Section 8-4-503 states:
A public official with knowledge based upon available information that reasonably

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

causes the public official to believe that a theft, forgery, credit card fraud, or any other act of unlawful taking of public money, property, or services has occurred shall report the information in a reasonable amount of time [i.e., five (5) working days] to the office of the comptroller of the treasury.

The form for reporting can be found on the web at:

<http://www.tn.gov/comptroller/ca/fraudreport.htm>

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Appendix A: Section 9-18-102

Title 9 Public Finances
Chapter 18 Financial Integrity Act of 1983

Tenn. Code Ann. § 9-18-102 (2015)

First of 2 versions of this section

9-18-102. Internal controls -- Management assessment of risk. [Effective until June 30, 2016. See the version effective on June 30, 2016.]

(a) Each agency of state government and institution of higher education shall establish and maintain internal controls, which shall provide reasonable assurance that:

- (1) Obligations and costs are in compliance with applicable law;
- (2) Funds, property and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and
- (3) Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

(b) To document compliance with the requirements set forth in subsection (a), each agency of state government and institution of higher education shall annually perform a management assessment of risk. The internal controls discussed in subsection (a) should be incorporated into this assessment. The objectives of the annual risk assessment are to provide reasonable assurance of the following:

- (1) Accountability for meeting program objectives;
- (2) Promoting operational efficiency and effectiveness;
- (3) Improving reliability of financial statements;
- (4) Strengthening compliance with laws, regulations, rules, and contracts and grant agreements; and
- (5) Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

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*** Current through the 2015 Regular Session ***

Title 9 Public Finances
Chapter 18 Financial Integrity Act of 1983

Tenn. Code Ann. § 9-18-102 (2015)

Second of 2 versions of this section

9-18-102. Internal controls -- Management assessment of risk. [Effective on June 30, 2016. See the version effective until June 30, 2016.]

(a) Each agency of state government and institution of higher education along with each county, municipal, and metropolitan government shall establish and maintain internal controls, which shall provide reasonable assurance that:

- (1) Obligations and costs are in compliance with applicable law;
- (2) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
- (3) Revenues and expenditures are properly recorded and accounted for to permit the preparation of accurate and reliable financial and statistical reports and to maintain accountability over the assets.

(b) To document compliance with the requirements set forth in subsection (a), each agency of state government and institution of higher education shall annually perform a management assessment of risk. The internal controls discussed in subsection (a) should be incorporated into this assessment. The objectives of the annual risk assessment are to provide reasonable assurance of the following:

- (1) Accountability for meeting program objectives;
- (2) Promoting operational efficiency and effectiveness;
- (3) Improving reliability of financial statements;
- (4) Strengthening compliance with laws, regulations, rules, and contracts and grant agreements; and
- (5) Reducing the risk of financial or other asset losses due to fraud, waste and abuse.

INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE

Appendix B: OMB Internal Control Guidance.

GAO

What is the Green Book?

Important facts and concepts related to the Green Book and internal control

RELATED TO GAO-14-704G

What is internal control?

Internal control is a process that helps an entity achieve its objectives. It is the first line of defense in safeguarding public resources.






Objective identified Controls designed Controls in place Objective achieved

Standards for Internal Control in the Federal Government, known as the Green Book, is the document that sets internal control standards for federal entities.

How is internal control organized?

Standards for Internal Control in the Federal Government (the Green Book) is organized by the five components of internal control, and apply to staff at all organizational levels and to an entity's operations, reporting, and compliance objectives.



Categories of objectives: Operations, Reporting, Compliance
Levels of organizational structure: Entity, Division, Operating unit, Function
Components of internal control: Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring

How does internal control work?

Internal control helps an entity





Run its operations efficiently and effectively Report reliable information about its operations Comply with applicable laws and regulations

What makes up the 5 components?



Control Environment: 5 principles
Risk Assessment: 4 principles
Control Activities: 3 principles
Information and Communication: 3 principles
Monitoring: 2 principles

Who would use the Green Book?

Here are some of the people who use it



Someone who manages programs for federal, state, or local government



Someone conducting a performance audit or a financial audit



Someone responsible for making sure that personnel follow policies and procedures related to any and all job responsibilities

Principles

Each of the five components contains several principles. Principles are the requirements of each component.

Attributes

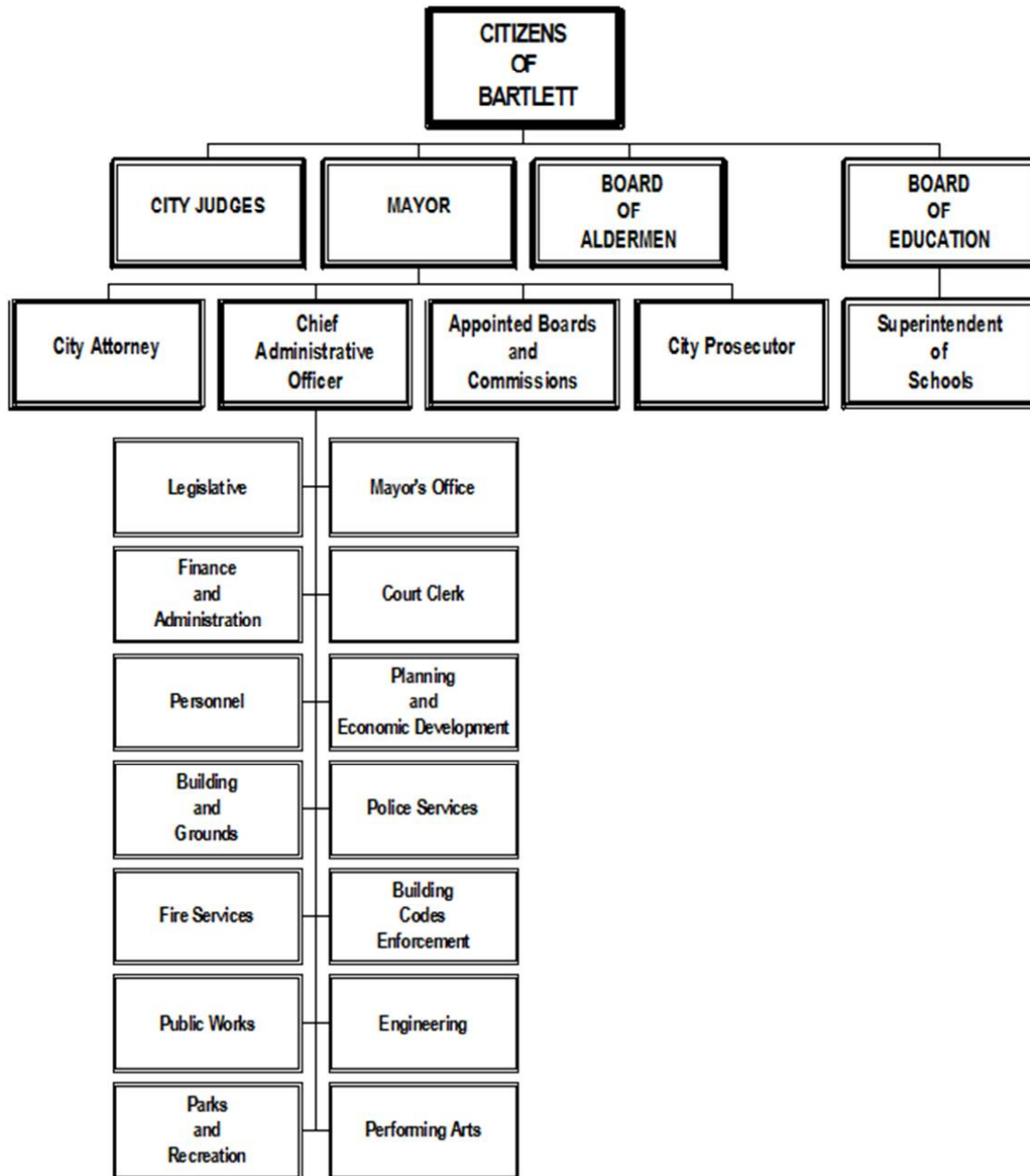
Each principle has important characteristics, called attributes, which explain principles in greater detail.

LOOKING FOR MORE INFORMATION? Visit GAO.GOV/GREENBOOK. Read the full report: GAO-14-704G.
This work has been released into the public domain.



*INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE*

Appendix C: City of Bartlett Organization Chart



**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Appendix D: City of Bartlett Insurance Coverages

COVERAGE	COVERAGE LIMITS	DEDUCTIBLE	FY 2016 COST
Property (Includes Municipal Schools)			
Buildings and contents	\$304,998,990 Limit	25,000	300,330
EDP Equipment	\$ 4, 236,882 Limit	2,500	4,097
Mobile Equipment	\$ 1,872,173 Limit	2,500	1,801
Equipment Breakdown	\$306,861,163 Limit	25,000	Included
Automatic Coverages			98,993
Business Interruption/Extra Expense	\$500,000 Limit		Included
Flood Coverage	\$1,000,000 Limit	25,000	Included
		1% of total value of location/min. \$25,000 per occurrence	
Earthquake Coverage	\$10,000,000 Aggregate		Included
Employee Dishonesty	\$500,000 Per Loss	1,000	1,390
General & Professional Liability	Claims Made Basis		
General Liability and Personal Injury Liability	\$300,000 per person for bodily injury or personal injury as limited by the Tort Liability Act; \$700,000 per occurrence for bodily injury or personal injury as limited by the Tort Liability Act; \$100,000 per occurrence for property damage as limited by the Tort Liability act; \$1,000,000 per occurrence for each other loss	5,000	129,928
Law Enforcement Liability	Included	5,000	63,489
Errors or Omissions Liability	\$1,000,000 per occurrence	5,000	113,824
Employment Practices Liability	\$1,000,000 Per Occurrence/\$1,000,000 Policy Aggregate	5,000	Included
Privacy & Network Liability	\$1,000,000 Per Occurrence/\$1,000,000 Policy Aggregate	5,000	Included
Schools Endorsement		5,000	Included
Automobile Liability & Physical Damage			
Automobile Liability	\$300,000 per person for bodily injury or personal injury as limited by the Tort Liability Act; \$700,000 per occurrence for bodily injury or personal injury as limited by the Tort Liability Act; \$100,000 per occurrence for property damage as limited by the Tort Liability act; \$1,000,000 per occurrence for each other loss	5,000	140,891
Automobile Physical Damage	Automobiles with values greater than \$25,000 at the time of the loss	5,000	34,976
	Specific vehicles included per endorsement		
Workers' Compensation & Employers Liability		10,000	884,088
	Workers Compensation Coverage Per Law of State of Tennessee		
	Employers Liability: Bodily Injury by Accident \$300,000 each accident; Bodily Injury by Disease \$700,000 policy limit; Bodily Injury by Disease \$300,000 each employee		
		Total	1,773,807

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Appendix E: Internal Control Risk Assessment

INTERNAL CONTROL RISK ASSESSMENT As of May 31, 2016

ACTIVITY 1: ADMINISTRATION AND RECORDS

General Administration

1. Is there an organization chart that clearly defines lines of authority and responsibility for the City?
Yes
2. If not, are such lines clearly established and understood by all employees?
Yes
3. Are all transactions of major importance approved in minutes of the governing body?
Yes
4. Are all minutes of the governing body (in final form) in the permanent records of the governmental unit and properly signed?
Yes
5. Do the minutes adequately reflect the action of the governing body?
Yes
6. Are they clear as to intent and substance?
Yes

Charter, Municipal Code, and Ordinance

1. What kind of charter does the city have?
 - a. General law mayor aldermanic?
 - b. General law manager-commission?
 - c. General law modified council-manager?
 - d. Private act? (Private Acts, chapter)
 - e. Home rule?
 - f. Metro?

Although incorporated in 1866, Priv. Acts 1993, Ch. 55 is the current basic charter act for the City of Bartlett, Tennessee.
2. If you have a private act or home rule charter, does the City have a current charter compilation that includes all the amendments to the charter?
Yes
3. Is the charter readily available and accessible to city officers, employees and the public?
Yes
4. If you have a private act or home rule charter, is the charter reviewed on a frequent regular schedule for the purpose of removing obsolete provisions and inserting needed provisions?
Yes
5. Is the charter clear and unambiguous relative to:
 - a. Elections of officers?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

- b. Filling of vacancies in elective office?
Yes
- c. Quorum and voting requirements on ordinances, resolutions and motions?
Yes
- d. Which city personnel are officers and which are employees?
Yes
- e. The relative powers and duties of the mayor (or city manager) and the board or commission?
Yes
- f. Salary and/or other compensation of officers?
Yes
- g. Recall or method of removal, if any, of officers?
Yes
- h. The property rights, if any, of employees in their jobs?
Yes
- i. The procedural "hoops," if any, for the discipline, including termination, of employees?
Yes
- j. The due and delinquency dates for property taxes?
Yes
- k. The procedure for the collection of property taxes?
City collected all current property taxes. City has contracted with Shelby County to collect delinquent taxes.
- 6. Does the City have a current municipal code?
Yes
- 7. Was the municipal code properly adopted?
Yes
- 8. Is the municipal code readily available to city officials, employees and the public?
Yes
- 9. Is the municipal code reviewed on a frequent, regular basis for the purpose of removing obsolete provisions and inserting needed ones?
Yes
- 10. Is a certain officer or employee assigned the definite responsibility of insuring that ordinance adoption procedures are rigorously followed?
Yes
- 11. Is a certain officer or employee assigned the responsibility of preserving a record of such ordinances?
Yes
- 12. Is that person, if any, thoroughly familiar with ordinance adoption procedures?
Yes
- 13. Is there a definite prescribed place in the City's offices for the City's ordinances to be kept?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

14. Are ordinances filed and preserved by some systematic method, such as by number, date, subject, etc.?
Yes

Municipal Records in General

1. Does the City have a definite prescribed place in City offices for the City's records to be filed and preserved?
Yes
2. Is a certain officer or employee assigned the definite responsibility for City records filing and preservation?
Yes
3. Does the City have a systematic filing system that is understandable to City officers, employees and the public?
Yes
4. Are the City's records easily and readily accessible to City officers, employees, and the public?
Yes
5. Is the person responsible for records filing and preservation familiar with, and does he or she follow the Open Records Law?
Yes

Municipal Meetings

1. Are regular meetings of the City governing body held at the times and places prescribed by the City charter, code or ordinances?
Yes
2. Are special meetings called and held in accordance with the City charter?
Yes
3. Is adequate notice of both regular and special meetings given to the public?
Yes
4. Is the person who is responsible for general supervision of the City familiar with the Open Meetings Law?
Yes
5. Are minutes clearly reflecting the votes and other important actions of the governing body?
Yes

Insurance

1. Does the city purchase insurance?
Yes
2. Does the city understand the coverage conditions, definitions, and exclusions?
Yes
3. Does the city track losses whether they are covered by insurance or not?
Yes
4. Does the city review and record all deductibles as they occur?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

5. Does the city monitor the associate risk management costs?
Yes
6. Does the city investigate losses and develop loss control plans?
Yes

ACTIVITY 2: HUMAN RESOURCES AND PAYROLL

City Personnel

1. Are City employees responsible for handling money bonded in a sufficient amount?
Yes
2. Are vacation and sick leave policies definite and certain?
Yes
3. If employees retire, quit, or are terminated, is it clear whether or not they are entitled to pay for unused vacation and sick leave?
Yes
4. Does the City have written personnel regulations and policies?
Yes
5. Whether or not the City has written personnel regulations, is the chain of command well-understood by both City officials and employees?
Yes
6. Is it clear in such policies to which classes of employees and/or officers they apply?
Yes
7. Do such personnel policies conform to the City charter?
Yes
8. Are such policies followed with respect to all employees and officers to which the policies apply?
Yes
9. Is the person responsible for personnel administration generally well-versed in the:
 - a. Fair Labor Standards Act?
Yes
 - i. General City employees?
Yes
 - ii. Fire and police employees?
Yes
 - b. Americans with Disabilities Act?
Yes
 - c. State and federal laws governing employment discrimination?
Yes
10. Does the City impose limitations upon the political activities of its employees?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

11. Do such limitations with respect to police officers and firemen apply only to on-duty activities?

Yes

ACTIVITY 3: ACCOUNTING AND FINANCIAL REPORTING

Financial Matters

1. Are financial records maintained in sufficient detail to adequately describe the operations of the municipality?

Yes

2. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment?

None identified

Financial Reporting

1. Does the board receive monthly financial reports?

Yes

2. Are the reports explained to the board?

Yes

3. Does the finance officer reconcile the bank accounts monthly?

Yes, reconciled by finance staff and approved by Finance Director

4. Is the board notified when cash is running dangerously low?

Yes

ACTIVITY 4: FISCAL YEAR END CLOSING

1. Are personnel aware of the 60-day closing requirement for 2016?

Yes

2. Does the City keep its accounting records current within 60 days after each month-end?

Yes

ACTIVITY 5: AUDIT

1. Does the City acquire audit services through an RFP process?

Yes

2. Does the City enter the audit contract approval in the CARS system?

Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

ACTIVITY 6: CASH ON HAND

1. Are cash on hand accounts reconciled daily to the amount of monies on hand?
Tracked by departments daily. Monthly by Finance.
2. Does the municipality use petty cash funds?
Yes
3. Are actual receipts required and retained for reimbursements of petty cash monies?
Yes
4. Is the person receiving reimbursement required to sign a receipt?
Yes
5. Is all cash maintained on hand and collections not yet deposited kept in secure locations?
Yes

ACTIVITY 7: CASH IN BANK

Reconciliation of Accounts

1. Are bank accounts reconciled to the general ledger on a monthly basis?
Yes
2. Is this reconciliation performed by someone who isn't involved with making deposits or writing checks?
Yes
3. Are reconciling items noted in the bank account reconciliation addressed and remedied within 2 monthly cycles?
Yes; however outstanding checks (with 90 day expiration date) may require 3 monthly cycles.
6. Has the municipality ensured that all accounts are appropriately collateralized with the financial institutions?
Yes
7. Has the municipality ensured that all accounts in banks collateralizing with the State Collateral Pool have classified the city's accounts as "public" in the banks records.
Yes
8. Are all persons handling cash and other assets bonded?
Yes
9. Have all bank accounts been approved by the city council?
Yes

ACTIVITY 8: INVESTMENTS

Investments

1. Who has access to the city's investments?
Chief Administrative Officer and Finance Director

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

2. Are all bank accounts and investments maintained in the city's name?
Yes
3. Do withdrawals or liquidations of city investments require two signatures?
Yes

ACTIVITY 9: RECEIPTING

Collections/ACHs – General Controls

1. Are pre-numbered receipts issued for each collection at the time the funds are received?
Yes
2. What types of payment are accepted? Cash, Checks, Money Orders, Credit Cards?
Cash, Checks, Money Orders, Debit/Credit Cards
3. Do the receipts note an appropriate revenue source or revenue account from the chart of accounts?
Yes
4. Are checks received restrictively endorsed (stamped "For Deposit Only") immediately upon receipt?
Yes
5. Are all receipts accounted for including voided receipts?
Yes
6. Are collections deposited in 3 working days from the time they were received?
Yes
7. Is the deposit made in the same amounts as it was collected (intact with the same amount of cash vs checks as collected)?
Yes
8. Are duties properly segregated in the following areas:
 - b. Collecting
 - c. Depositing
 - j. Recording**Yes**
9. Does someone other than the cashier make deposits?
Yes
10. Are actual deposits checked against records by someone other than cashier or depositor?
Yes
11. Are proper controls in place to prohibit cashing any checks payable to the municipality?
Yes
12. Are proper controls in place to prohibit employees cashing checks in the office?
Yes
13. Are checks identified on the deposit slip by maker and amount?
Yes
14. Are state funds deposited directly to the municipal's bank accounts by ACH?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

15. Is the receiving function centralized to the maximum extent possible?
Receiving is performed by a few select departments. Deposits are made by various departments with all revenue sheets forwarded to finance office.
16. Is there reconciliation between the daily check out reports and the deposits made by someone independent of the process?
Yes
17. Do all transfers between bank accounts require the approval of a second person?
Yes
18. Are licenses and permits pre-numbered and properly accounted for?
Yes
19. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment?
None identified.

Collections/ACHs – Utility Billings and Collections

1. Are pre-numbered receipts issued for each collection at the time the funds are received?
Yes
2. Is the utility system of billing and collections integrated with the city general ledger operations?
Yes
3. If not, how does the city ensure that all collections made are entered into the city's general ledger system? This is particularly critical if pre-numbered receipts are not issued in sequential order for #1 above.
Utility collections are entered in batches by the cashiers and posted to the general ledger system on daily basis
4. Are rates set to cover the full cost of the services provided, including depreciation?
Yes
5. Are the utility operations in sound financial condition?
Yes
6. Does the city provide any free utility services?
No
7. Are appropriate late charges collected?
Yes
8. Does the city require separate meters for each customer?
Yes
9. Does the city have strict cut-off policies in place and in writing that are acted upon?
Yes
10. Does someone reconcile the utility accounts receivable control account in the general ledger system with the utility accounts receivable subsidiary ledger?
Yes
11. Does the finance department have a write-off policy in place for the removal of receivables from the financial records?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

12. When adjustments to accounts are required, are they approved by the governing body or their designee? *Person collecting payment or creating bills should be prohibited from adjusting bills without a second approval.*
Yes
13. Does the municipality charge a deposit or non-refundable fee to turn utilities on for new customers?
Yes, non-refundable connection fee
14. Who receives and records deposits for services?
Cashiers in Finance Department
15. Who opens the mail with customer payments?
Dropbox at curb and post office mail opened by cashiers and finance clerks
16. Who serves as the back-up if the person referred to in #15 above is not available?
Not applicable
17. Does someone create a mail log of all collections through the mail or drop box?
Not applicable
18. Are duties properly segregated in the following areas:
 - a. Collecting
 - b. Billing
 - c. Receivables**Yes**
19. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment?
None identified

Collections/ACHs – State Shared Revenues

1. Has your city considered conducting a census?
Yes
2. Does/Should your city receive any corporate excise tax if any banks or related entities are located within your corporate boundaries?
Yes
3. Is your city entitled to a mixed drink or alcoholic beverage tax?
Yes
4. Is mixed drink tax being remitted to the school system if required by law?
Yes
5. Does your city operate a city school system?
Yes
6. If so, are all local school taxes shared as required by law?
Yes
7. Are state street aid monies being transferred to the fund in a timely manner?
City has consolidated cash account with ACH deposits recorded directly to City's Street Aid Fund
8. Is a situs report requested from the Department of Revenue at least annually?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

9. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment?

None identified

ACTIVITY 10: PURCHASING

1. Does the City have a purchasing policy?
Yes.
2. Does the City have a purchasing card policy?
No

ACTIVITY 11: DISBURSEMENTS

Disbursements/Drafts

1. Are pre-numbered checks issued for all disbursements?
Yes
2. Are all voided checks accounted for and properly defaced?
Yes
3. Is the practice of signing blank checks prohibited?
Yes
4. Is the supply of unused checks safely stored to protect against unauthorized use?
Yes
5. Do all checks require two signatures?
No
6. Do drafts posted to bank accounts require two signatures as well?
Yes
7. Does the office use signature stamps or electronic signors?
Electronic signors
8. If so, is access restricted to these items?
Yes
9. Is the practice of making checks payable to "CASH" prohibited?
Yes
10. Are invoices approved for payment by someone other than the check preparer prior to processing payments?
Yes
11. Are transfers between funds approved by the city board?
Yes, through budget amendments and resolutions
12. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment of disbursements?
None identified

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

ACTIVITY 12: EMPLOYEE TRAVEL AND REIMBURSEMENTS

1. Does the City have written policies governing the use of City vehicles by City employees?
Yes
2. Does the City have a travel expense reimbursement policy for employees and officials?
Yes

ACTIVITY 13: CAPITAL ASSETS AND INVENTORY

Safeguarding Capital Assets/Inventory

1. Is all seized property, including cash, inventoried and kept in a secure location?
Yes
2. Has someone been assigned the responsibility of accounting for the various inventories of the municipality?
Yes
3. Are detailed inventory records maintained?
Yes
4. Is a physical inventory conducted annually?
Yes
5. Do the inventory records include property and equipment of a sensitive nature in addition to capital assets?
Yes
6. Are proper safeguards in place to prevent theft or loss of assets?
Yes
7. Are sales of surplus property in accordance with state law?
Yes
8. Does the city have procedures in place for disposing of property in compliance with state law?
Yes
9. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment of Assets?
None identified

ACTIVITY 14: DEBT

Obligations/Debt Management

1. Is adequate planning performed and projections made to ensure incurring debt is necessary and affordable for the municipality?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

2. Has the governing board approved debt issues and is that approval documented in the minutes?
Yes
3. Is the municipality in compliance with debt covenants, if any?
Yes
4. Are efforts made to obtain the best borrowing rates on debt?
Yes
5. Are checks and balances in place to ensure bond and note proceeds are used for their intended purpose?
Yes
6. Are adequate reserves maintained to make principal and interest payments on debt?
Yes
7. Does the municipality make debt payments on time?
Yes
8. Has the municipality been at financial risk for not making principal and interest payments?
No
9. Are interfund loans pre-approved by the State Comptroller's Office?
Not applicable
10. Were repayment plans of interfund loans established?
Not applicable
11. Were all debt issuances made in compliance with state law?
Yes
12. Do the minutes of the governing body reflect adequate information on bond issues?
Yes
13. Are separate bank accounts and accounting records maintained for each bond issue if required by the bond resolution?
Yes
14. Are the investment and disbursement practices for bond issues in compliance with arbitrage laws and/or regulations?
Yes
15. Did the city receive prior approval from the Director of State and Local Finance before the issuance of notes?
Yes
16. Does the city maintain a master list of debt payment requirements by month and fiscal year the payments are due?
Yes
17. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment?
None identified

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

ACTIVITY 15: GRANTS

Grants Management

1. Has the municipality checked with state and federal agencies, development districts, and other sources, etc., to see what federal and state grants might be available?
Yes
2. Does the city make a practice of considering the matching costs as well as any long-term cost commitments that will be required when soliciting grant funds?
Yes
3. Does the city make a practice of considering the need for the service and calculating operating costs associated with the grants, including depreciation on utility facilities funded with grant monies?
Yes
4. What changes can be made or what compensating controls can be implemented to mitigate shortcomings noted through this assessment?
None identified

ACTIVITY 16: CONTRACTS

1. Does the City have construction-related contracts?
Yes
2. Does the City have non-construction-related contracts?
Yes

ACTIVITY 17: BUDGET

Budget

1. Does the City perform budget amendments prior to June 30 each year?
Yes, as necessary
2. Is budgetary information included in reports to the Board?
Yes

ACTIVITY 18: INFORMATION SYSTEMS

1. Is the accounting system used by the municipality in compliance with minimum standards of the Comptroller's Office including: the use of fund accounting?
Yes
2. The use of a double-entry system?
Yes

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Appendix F: Activities, Objectives, Risks, Policies, and Procedures

Activity 1: Administration and Records

Objective 1: Meet legal and organizational responsibilities

Objective 2: Transparency

Risks:

1. Incomplete or inadequate information is available or provided to users.
2. Records are discarded improperly or before all audit, contractual and legal retention limits are met

Policies:

1. TCA 8-44-101 Sunshine Law
2. TCA 8-44-102 Open Meetings
3. TCA 8-44-103 Notice of Public Meetings
4. TCA 8-44-104 Minutes Required
5. TCA 10-7-503 Records Open to Public Inspection
6. TCA 10-7-702 MTAS Records Retention Schedule
7. TCA 12-4-101 Conflict of Interest
8. TCA 39-14-130 Destruction of Valuable Papers with Intent to Defraud
9. TCA 39-16-504 Destruction of and Tampering with Governmental Records

Procedures:

1. Complete minutes of actions taken by the governing body are maintained in the City Clerk's Office. The official minutes are signed and kept together in date order and is easily accessible. The minutes include the following:
 - a. copies of all ordinances and resolutions adopted (including utility rates and cut-off policy, tax rates, permit fees, etc.)
 - b. copies of the budget and any supplemental appropriations
 - c. schedules of personnel appointments and salary rates and changes (In larger municipalities where such information may not be practicably included in the minutes, the minutes are include documentation of (1) all appointments and wage rates that must be set by the board; (2) across the board wage increases; and, (3) the amount of funds allocated to departments to be allocated to employees by the department heads or other designated individual(s). Adequate policies governing authorization of pay increases are be developed and maintained by the City. Wage and salary rates increases are to be adequately documented in the personnel records.)
 - d. copies of bond and revenue anticipation resolutions
 - e. authorizations of loans and transfers between funds
 - f. notices of public hearings and resulting decisions
 - g. copies of federal and state grant applications (whether a final award was received or not)

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

- h. summaries of action taken on competitive bids
 - i. copies of contracts entered into by officials. The City must obtain a written contract for all agreements with other entities or individuals for services received or provided, regardless of whether payment is involved, including the following:
 - (1) contract labor and consultant agreements, including computer services, day labor, and similar work
 - (2) leases
 - (3) rentals
 - (4) management agreements
 - (5) mutual aid agreements
 - (6) franchise agreements
 - j. purchasing policy
 - k. expense reimbursement policy
2. The City Clerk reviews legal requirements and retention guides published by Municipal Technical Advisory Service (MTAS) and the Comptroller's office, at least annually, to determine if there have been any changes with regard to records management requirements.
 3. With department assistance, the City Clerk prepares, at least annually, a detailed list of records that are ready for destruction. The list are be reviewed by management and approved for destruction. The means of destruction date, items destroyed, and individuals involved, and approval are to be adequately documented.
 4. The City ensures that, at least annually, a detailed review is made of all known compliance requirements. In addition, a search are be made to identify all new requirements relevant to the City's operations.
 5. The City Clerk reviews codified ordinances to ensure that they are up-to-date.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 2: Human Resources and Payroll

Objective 1: Ensure that the City is in compliance with applicable laws, regulations and policies and maintain adequate documentation of same

Objective 2: Ensure that qualified personnel are hired

Objective 3: Employee benefits are properly administered

Objective 4: Information is effectively communicated to employees

Objective 5: Ensure that all payroll disbursements are accurately recorded

Objective 6: Ensure that all payroll disbursements are authorized and proper

Risks:

1. Officials are unaware of legal requirements
2. Documentation is not maintained to demonstrate compliance
3. Records are discarded improperly or before all audit, contractual and legal retention limits are met
4. Employees are unable to perform basic required duties
5. Segregation of duties cannot be achieved
6. Group insurance is not properly overseen resulting in additional costs and non-compliance of IRS rules and regulations
7. Employees are unaware of requirements or important changes
8. Controls do not prevent or detect errors, thefts, or abuse in a timely manner
9. Employees do not monitor expenditures to ensure that they are allowable resulting in loss, theft and/or penalties
10. Payroll reports for federal reporting are inaccurate resulting in penalties
11. Payroll amounts are improper
12. Compensation of officials may be unauthorized

Policies:

1. Federal Labor Standards Act (FLSA)
2. Americans with Disabilities Act
3. City of Bartlett Personnel Policies and Procedures Manual
4. City of Bartlett Pay Tables/Career Ladder

Procedures:

1. Minutes of actions taken by the Board include schedules of personnel appointments and salary pay tables and changes. Minutes should include documentation of (1) all appointments and wage rates that must be set by the board; (2) across the board wage increases; and, (3) the amount of funds allocated to departments to be allocated to employees by the department heads or other designated individual(s).

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Adequate policies governing authorization of pay increases are be developed and maintained by the City. Wage and salary rates increases delegated by the board are being adequately documented in the personnel records.

2. The City ensures that qualified individuals are hired and that appropriate training is provided.
3. The City ensures that prospective employees prepare an employee application form listing the applicant's experience, job qualifications, and references.
4. Current information is maintained for each employee. The information, whether maintained in a paper or electronic format, are include the following:
 - a. name
 - b. mailing address
 - c. telephone number
 - d. social security number
 - e. number of exemptions claimed (from W-4 or W-4E)
 - f. marital status and spouse's name, if applicable
 - g. date of birth
 - h. authorized rate of pay (referenced to the statutory and budgetary authorization)
5. A cumulative employee leave record is maintained for each employee including salaried employees who earn any kind of leave. The record are clearly show all leave of any type earned and taken for each pay period, all paid and unpaid absences, and the current leave balance.
6. Each newly hired employee files must complete a current employment eligibility verification (Form I-9).
7. Adequate provision has been made for the administration of group insurance and other employee benefits.
8. The City ensures that employees are adequately trained and aware of all relevant compliance issues.
9. Payroll staff is adequately trained in policies and procedures for updating files to include the most current requirements.
10. In accordance with Sections 6-54-901 through 6-54-907, Tennessee Code Annotated, the Board has adopted an ordinance to reimburse officials and employees whose salary is set by charter or general law for expenses incidental to holding office. The law requires that a written travel policy be enacted setting forth what expenses are reimbursable and how they are be reimbursed. Expenses for reimbursement must be reported on a standardized form in sufficient detail to determine allowability. In addition, adequate documentation must be required and maintained to support the expense report.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

11. Precise maintenance and centralized control of payroll records is essential, even in the smallest City, because of social and labor legislation and the complex accounting and reporting problems involved.
12. Each employee has a current Internal Revenue Service Form W-4 withholding exemption certificate on file.
13. The City's separation of duties for payroll consists of the following:

Payroll	Benefits Payroll Officer	Employee	Dept. Approver	Senior Clerk	Accounting Supervisor	Mayor	Senior Finance Analyst
Enters Employee Data	X						
Employee Time Entries		X					
Employee Time Approvals			X				
Update Direct Deposit/W-4 changes	X						
Process Garnishments	X						
Prepares payroll file for processing				X			
Approves payroll file	X			X	X		
Generates Payroll Checks				X			
Initiates direct deposits				X			
ACH processing/Bank file				X	X		
Reviews and approves final payroll report	X					X	
Provide Reports to Administration & HR				X			
Process Payroll Tax Payments				X			
Approve Payroll Tax Deposit					X		
Process Payroll Vendor Payments	X			X			X
Approve Payroll Vendor Deposit					X	X	
Posts Payroll to GL				X			
Reconciles Payroll Liability Accounts							X
Payroll Documents for Records Retention	X			X			

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Activity 3: Accounting and Financial Reporting

Objective 1: Prepare accurate and timely internal reports necessary to meet legal and organizational responsibilities

Objective 2: Prepare accurate and timely external reports necessary to meet legal and organizational responsibilities

Risks:

1. Incomplete or inadequate information is available or provided to users.
2. Records are discarded improperly or before all audit, contractual and legal retention limits are met
3. Annual report does not include all required statements, schedules, and disclosures

Policies:

1. TCA 6-56-401-408 Certified Municipal Finance Officer
2. TCA 9-2-102 Uniform Accounting System
3. TCA 54-4-204 Street Aid Fund
4. TCA 68-211-874 Sanitation Fund
5. TCA 53-11-415 Drug Fund
6. TCA 7-34-115 Water & Sewer Fund
7. TCA 7-36-401 Water & Sewer Authorized
8. TCA 68-221-1012 Unaccounted for Water
9. City of Bartlett Fund Balance Policy

Procedures:

1. The City maintains a complete, self-balancing group of accounts for each fund. The City's accounting includes a general ledger, cash receipts journal, and cash disbursements journal for each fund, as well as subsidiary account records necessary to comply with legal provisions and generally accepted accounting principles and to present the financial position and changes in financial position.
2. The accounting records maintained by the City are consistent with the financial reporting of the City. That is, if the City reports a fund, the accounting records must include a separate fund in which activity is posted throughout the year. Likewise, if the accounting records include a fund in which activity is posted throughout the year, the financial report reflects that fund.
3. Subsidiary ledgers, such as utility accounts receivable listings, are used to maintain individual account transaction details to support the total in the general ledger control (summary) account.
4. The City issues a financial report that conforms to the requirements of the Governmental Accounting Standards Board (GASB) related to a comprehensive annual financial report

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

(CAFR). However, audit reports for municipalities shall, at a minimum, conform to the general report outline as shown below and include the following supplemental information. The schedules required are significantly less than what would be required in a CAFR. Additional requirements and/or clarifications regarding the financial statements and required schedules are identified below.

5. Although GASB permits budgetary information for the general fund and each major special revenue fund to be included as Required Supplementary Information or as basic financial statements, the Comptroller's office requires detailed legally adopted budgetary information for the general fund and each major special revenue fund to be included in the basic financial statements. The auditor's opinion will cover this information. Budgetary information for other major funds would be included in supplemental information.
6. In addition to revenues being presented by source (e.g., taxes, intergovernmental revenues, licenses and permits, fines and forfeitures, etc.) as required by generally accepted accounting principles, taxes and intergovernmental revenues are be further detailed by specific source (e.g., property tax, TVA-in lieu of tax, beer tax, gasoline and motor fuel tax, etc.).
7. In addition to being classified by function (or program) and character (e.g., current, capital outlay, debt service and intergovernmental expenditures) as required by generally accepted accounting principles, expenditures are be further detailed by object classes. The detail presented for expenditures must be sufficient to exhibit legal and budgetary requirements (e.g., detail of state street aid fund expenditures: paving, street lighting, mowing, debt service, etc.).
8. The additional detail of revenues by specific source and expenditures by object classes are be either in the financial and/or budgetary statements or schedules of the major and non-major funds or, as additional supplemental schedules. Excessively detailed object classifications for expenditures are to be avoided.
9. General Report Outline
 - a. Introductory Section
 - i. Table of Contents
 - ii. Letter of Transmittal
 - iii. Roster of Board Members
 - iv. Roster of Management Officials
 - b. Financial Section
 - i. Management's Discussion and Analysis
 - ii. Financial Statements including Notes to the Financial Statements
 - iii. Required Supplementary Information (GASB)
 - iv. Supplemental Information
 - v. Schedule of Expenditures of Federal Awards and State Financial Assistance
 - c. Statistical Tables
10. Supplemental Information:
 - a. Combining statements for non-major governmental and proprietary funds.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

- b. Combining statements for internal service funds.
- c. Combining statements for fiduciary funds (trust funds and agency funds).
- d. Individual budgetary schedules for all governmental funds with annual appropriated budgets that were not included as basic financial statements. (The schedules include three (3) columns, one for the original budgetary amounts, one for the final budgetary amounts, and one for actual expenditures. An additional column is recommended, though not required, to display variances.)
- e. Fund information for discretely presented component units that do not issue a separate audit report.

11. Schedules.

- (1) A Schedule of Expenditures of Federal Awards and State Financial Assistance. (This schedule is required if the organization has expended any subrecipient funds, regardless of the amount expended. For additional guidelines governing reporting on separate audits of departments, divisions or funds, please refer to the Topical Index on the Division of Municipal Audit's web site <http://tn.gov/comptroller/ma/reference.htm>
- (2) The following schedules are required, if applicable, whether the City issues a CAFR or not (except as otherwise noted). Certain schedules may exceed GASB's minimum requirements; however, the information provided is used by other state departments.
 - (a) Schedule of Transfers (may be omitted if transfer disclosure in the notes to the financial statements is adequate, i.e., transfers disclosed by individual fund for all major and non-major funds).
 - (b) Schedule(s) of Long-Term Debt, Principal, and Interest Requirements (e.g., bonds, notes, and other long-term debt – by individual issue) by Fiscal Year – All Funds. Schedules are also be included for interfund and intrafund (i.e., between divisions within a utility fund) receivables and payables related to telecommunications, cable, etc.
 - (c) Uncollected Delinquent Taxes Filed in accordance with applicable laws
 - (d) Utility Rate Structure and Number of Customers
 - (e) Unaccounted for Water.
 - (f) Schedule of Changes in Property Taxes Receivable – By Levy Year (which are tie to the financial statements and may be omitted if a CAFR is issued)
 - (g) Property Tax Rates and Assessments – Last 10 Years
 - (h) Additional schedule(s), if necessary, of taxes and intergovernmental revenue by specific source and expenditures by object.

12. In accordance with Section 54-4-204, Tennessee Code Annotated, the City keeps all funds received from the state gasoline tax allocation in a separate fund designated as "State Street Aid Fund".

13. In accordance with Section 53-11-415, Tennessee Code Annotated, the City of Bartlett maintains a special revenue fund (not necessarily a separate bank account) for drug funds.

14. In accordance with Section 68-211-874, Tennessee Code Annotated, the City of Bartlett maintains a special revenue fund for its sanitation fund.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

15. Municipal utilities are established, operated and reported in many ways. Regardless of these differences, there are certain accounting and reporting requirements which are consistent. Municipal utilities must be accounted for and reported in such a manner that: the accounting and reporting demonstrates compliance with the requirement to be self-supporting. If each utility is reported in a separate fund, the activities of the utility will be adequately segregated to demonstrate whether the utility is charging rates sufficient to cover all costs of operation. If there is a single utility board and each type of utility service is reported as a division of a fund rather than as individual funds, the basic financial statements must generally be accompanied by additional supplemental schedules. These schedules should present sufficient detail for each of the divisions so that the utility board can demonstrate that each division is self-supporting.
16. The accounting and reporting demonstrates compliance with bond requirements. If revenue bonds are issued, the revenue stream that may be used to secure the debt is generally an individual division.
17. All shared costs are equitably divided among each of the individual divisions or funds.
18. The City ensures that, at least annually, a detailed review is made of all known compliance requirements. In addition, a search are be made to identify all new requirements relevant to the City's operations. A review of all relevant compliance issues would include financial reporting requirements.
19. The City ensures the Finance Director periodically reviews:
 - a. the cash receipts journal, cash disbursements journal, general ledger, and subsidiary ledgers to ensure that they are in balance.
 - b. bank statements and the related reconciliations to determine that they are accurate and all activity is authorized and properly recorded.
 - c. journal entries to determine that they are appropriate.
20. The Finance Department compiles reviews and summarizes grant information throughout the year to ensure that the schedule of expenditures of federal awards and state financial assistance is complete and accurate.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Activity 4: Fiscal Year End Closing

Objective 1: Timely closing of fiscal year end

Risks:

1. Cash and investments may not be recorded or valued properly.
2. Material year-end receivables/revenues may not be recorded.
3. Material year-end payables/expenses/expenditures may not be recorded.
4. Estimates such as allowance accounts may be inaccurate. What documentation exists to prove the estimate?
5. Capital asset and depreciation accounts may not include material additions and disposals to capital assets.
6. Material debt activity may not be recorded. Have debt proceeds been recorded gross or net of issuance costs?
7. Material payroll activity, including pension liabilities, deferrals, and expense, may not be recorded.
8. Net position may not be properly classified.
9. Significant difficulties (complex new accounting standards, litigation, etc.), delays (grants, construction conflicts, pension data not available, etc.) or problems (computer system problems, key personnel leave, etc.) may be encountered causing data to be unavailable or to otherwise impede closing the books.
10. Who is assigned to gather this information?
11. Who is assigned to review the posting of year-end entries and conversion of balances from modified accrual basis to full accrual basis?
12. Who is responsible for determining compliance with generally accepted accounting principles (GAAP)?
13. What prior-year audit adjustments were considered necessary by auditors?
14. Other related risks.

Policies:

1. TCA 9-2-102 Close Accounting Records Within 60 Days

Procedures:

1. At the beginning of every fiscal year, immediately following the closing of the prior- year books of account, the Finance Department, in coordination with all other departments, will:
 - Review the prior year closing process and identify any difficulties, weaknesses or additional risks that were encountered.
 - Review any matters identified with management to determine whether any changes are required and, if so, oversee the development and design of those changes.
 - Review any new accounting standards and any accounting standards that are being developed that may be issued that will impact the upcoming year end closing.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

- Consider the effects of new laws such as for new taxes.
- Set a tentative timeline for the upcoming year-end closing.
- Communicate the plan to all department heads for dissemination to employees whose work will be impacted by the plan.
- Revisit the plan with all departments near the end of the year.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Activity 5: Audit

Objective 1: Ensure that annual audit is performed

Objective 2: Ensure that annual audit is performed timely

Risks:

1. Not in compliance with state requirements
2. Not in compliance with federal requirements
3. Not in compliance with debt requirements

Policies:

1. TCA 6-56-105 & 8-4-109 Audits Required
2. TCA 9-3-212 Duty to Order and Pay for Audits
3. TCA 9-3-405 Audit Committee
4. TCA 47-10-101-103 Electronic Audit Contract and Audit Report

Procedures:

1. The City ensures that a contract to audit accounts is executed before the end of the fiscal year, to accommodate a timely audit. To facilitate this, an individual are be assigned to either begin the contracting process or notify the board when it is time to begin the contracting process, generally at least 3 months prior to the end of the fiscal year. A sample copy of the contract can be found on the web at: <http://tn.gov/comptroller/ma/contract.htm>
2. The audit contract is expected to be executed through the Comptroller's Contract and Report System (CARS), which can be accessed on the web at: https://www.comptroller1.state.tn.us/RA_Upload/.
3. The City utilizes, when appropriate, a request for proposal to evaluate independent audit firms. A sample request for proposal can be accessed on the web at: <http://tn.gov/comptroller/ma/auditmanual.htm>
4. The City performs year-end closing activities necessary to produce financial reports for audit purposes are be concluded as soon after the fiscal year end as is practicable.
5. The City's management takes responsibility for the annual financial report. Auditors for the City cannot maintain their independence under current standards if The City can't take responsibility for the annual financial report.
6. The annual financial report shall be submitted through CARS by the audit firm in an electronic format. The format should be user friendly, which includes the use of bookmarks, internal document links, or other similar features.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 6: Cash on Hand

Objective 1: Ensure that petty cash is secure and properly accounted for

Objective 2: Change funds are secure and properly accounted for

Risks:

1. Petty cash could be used for unauthorized purposes
2. Petty cash transactions are not properly recorded
3. Petty cash is not maintained at a fixed amount or is commingled with other receipts
4. Responsibility for petty cash is not clearly established
5. Change funds are not monitored resulting in loss of money, inappropriate use of money, excessive or inadequate cash on hand

Procedures:

1. The City ensures that petty cash accounts are authorized by the governing body and checks are written to the petty cash custodian to establish the petty cash fund. Each such "account" consists of an authorized, fixed sum of money set aside as an asset for the purpose of making miscellaneous purchases and making advances for emergency travel needs.
2. Petty cash disbursements are made only as needed and that an invoice/receipt accompanied by a petty cash voucher, prepared in ink, showing the items purchased, and signed by the person receiving the cash, is required in each case. The amount of cash on hand and petty cash vouchers and related invoices/receipts written must total to the originally authorized amount of the funds.
3. When the available cash has been reduced to an amount insufficient to meet routine requirements, a check is written to replenish the cash. The check, made payable to the petty cash custodian, is to be delivered to the petty cash fund cashier to be cashed at the bank. The total amount reimbursed will be separated into amounts to be charged to each of the applicable expenditure accounts.
4. Someone other than the person responsible for handling the petty cash fund inspects, approves, dates, initials, and marks each voucher "PAID" to prevent reuse. The City shall enforce the following restrictions:
 - a. The petty cash funds are to be maintained at the lowest amount possible and are to be replenished only after the strictest scrutiny of all supporting documentation for the petty cash disbursements.
 - b. Under no condition are the petty cash funds to be commingled with personal funds of a city official or employee or used to cash personal checks or to make advances to employees.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

- c. Since checks to replenish the petty cash fund are charged to the expense accounts represented by the petty cash vouchers, the only entries to the petty cash fund asset account would be to establish the fund, increase or decrease the fund, or to close the fund.
 - d. Receipts from vending machines and other miscellaneous services are be recorded and deposited like other revenue and not maintained as a petty cash fund or used for miscellaneous purposes.
5. An established amount is maintained for change. Collections are be reconciled each day and amounts over or short, if any, are be accounted for in the accounting records and deposited if applicable (in the accounting records as a revenue for over and as an expense/expenditure for short). Established change funds are never be used to absorb amounts over or short.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 7: Cash in Bank

Objective 1: Ensure that all cash balances are adequately insured or collateralized

Objective 2: Cash flow forecasts are accurate so that investment returns can be maximized and cash shortfalls can be avoided

Risks:

1. Cash balances exceed insured limits and are not properly collateralized, which could result in loss of funds
2. Adequate information is not available to forecast cash flows or inaccurate information is used resulting in incorrect forecasts

Policies:

1. TCA 6-56-110 Deposits to be Secured by Collateral
2. TCA 9-1-107 Deposits Exceeding Insurance Limits
3. TCA 9-4-101 Collateral

Procedures:

1. Bank statements are reconciled with the cash balances presented in the accounting records (general ledger). Bank reconciliations are prepared within 30 days after the bank statements are received from the bank. Canceled checks must be retained on file with the applicable bank statements for future reference and audit purposes and are not be filed with paid invoices or purchase authorizations.
2. NOTE: Although by state law canceled checks must be maintained, because of current national legislation canceled checks may not be available. If imaged statements are issued, the City shall request the bank to include both the front and back of each check and deposit slip, and require that the images be of such quality and size that they are clearly legible.
3. If a City wishes to use on-line banking, they will need to confirm with the bank that they have a method in place that requires transactions to be authorized by two individuals before they can be processed. If the bank does not have a method that effectively requires two individuals' authorizations to execute a transaction, the City shall not use on- line banking for payments.
4. When imaged copies are not included with the bank statement, the City will either request the bank to send the copies to the City, download copies from the bank's website, or determine an alternative way to obtain adequate supporting documentation for canceled checks and deposit slips.
5. Any alternative must meet the following criteria: (1) be cost effective; and (2) provide timely access to the documentation. Additionally, front and back copies are required regardless of the method used to obtain the copies or the format of the copies (paper or electronic).

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

6. The City ensures that bank accounts are classified as “public” accounts. If any other classification is used, the accounts will not be considered eligible for collateralization. If the depository is a part of the Bank Collateral Pool, accounts not identified as “public” will not be included in calculating collateral requirements of the Pool and money may not be adequately secured.
7. The City complies with state statutes governing collateralization of municipal deposits. These statutes generally require collateralization of 105 percent (105%) on all deposits above the FDIC/FSLIC insured amounts. Personnel in depository institutions and the City’s attorney are be consulted to determine that collateral agreements, trustee custodian agreements, and the type of security being held is in accordance with all applicable legal provisions.
8. In 1995, the State of Tennessee Treasury Department implemented the Bank Collateral Pool as an efficient, cost effective, and safe alternative for securing public funds. Participation in the Collateral Pool relieves the City of most of the responsibility for ensuring collateral compliance since the collateral function is centralized in the State Treasurer’s Office. For additional information regarding collateral requirements and the State of Tennessee Bank Collateral Pool, municipalities may contact the State Treasurer’s Office, Division of Cash Management, (615) 532-1168 or visit their website at <http://www.tn.gov/treasury/> .
9. Check cashing for checks drawn on accounts other than those owned by the City, salary advances and similar activities are not in the best interest of the City and require the City to accept a certain level of risk of nonpayment. To avoid taking additional unnecessary risks, municipalities should not engage in such practices.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 8: Investments

Objective 1: Investments are authorized, provide maximum returns with minimum risks and comply with legal requirements

Objective 2: Ensure that all investments are accurately recorded

Objective 3: Ensure that all investments are authorized and comply with all internal and external restrictions

Objective 4: Investments are adequately safeguarded

Risks:

1. Investments are not in compliance with state and local laws or are not as profitable or the risk of loss of funds is excessive
2. Investments are not properly timed or monitored resulting in lost revenue or early withdrawal fees
3. Negotiable investments are not adequately safeguarded
4. Investments are not recorded properly, or in inaccurate amounts
5. Investments are not authorized in accordance with applicable restrictions
6. Investments have not been properly approved by the Comptroller
7. Investments exceed risk thresholds set by the Board
8. Investments are not maximizing earnings
9. Penalties are incurred due to early withdrawal to meet cash flow demands
10. Investments are misappropriated

Policies:

1. TCA 6-56-106 Authorized Investments
2. In progress - City of Bartlett Investment Policy

Procedures:

1. The City ensures that investments of municipal money maximize earnings and comply with state statutes and municipal investment policies. Investment options include savings accounts, certificates of deposit, short-term treasury bills and certificates, deposits in the Tennessee Local Government Investment Pool, etc. Additional guidance regarding investments can be found at <http://tn.gov/comptroller/lf/>.
2. The City's investment policy addresses the City's strategies, goals and procedures. The policies and procedures include, but are not be limited to:
 - authorizing individuals (purchasing, selling, roll-over, physical security)
 - investment types (currently only Local Government Investment Pool accounts)
 - requirement to annually review laws and regulations to determine if there are changes that affect the City
 - cash forecasting requirements in determining investment options

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

- requirement to deposit investment proceeds, including cash received from matured certificates of deposit, into municipal accounts.
 - investments that must be approved by the Comptroller (repurchase agreements), including Comptroller approved forms.
3. Personnel maintain an investment record card or a similar record listing the essential features of each investment, including the following:
- a. date of purchase
 - b. description (or bank name) and identification number of each security
 - c. interest rate
 - d. original cost
 - e. fund or funds providing the excess cash for investment
 - f. maturity date of the investment
 - g. date of and amount at termination (cashing) of investment and use of proceeds (reinvestment, deposit into municipal bank accounts, etc.)

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 9: Receipting

Objective 1: Ensure that all cash receipts are accurately recorded and adequately safeguarded

Risks:

1. Cash could be misappropriated, lost or stolen
2. Cash collections could be manipulated to cover shortages
3. Cash collections are not accurately posted to the accounting records

Policies:

1. TCA 4-4-108 Blanket Surety Bond Required
2. TCA 6-56-111 Deposit Within 3 Working Days
3. TCA 9-2-103-104 Consecutively Pre-Numbered Receipts Required
4. TCA 9-2-106 Violation of Receipt Requirements is a Class C Misdemeanor
5. City of Bartlett Receiving and Depositing Cash Policy

Procedures:

1. Adequate supporting documentation, such as pre-numbered receipts, billing stubs, etc., is required to document all transactions.
2. The City ensures that qualified individuals are hired and that appropriate training is provided.
3. The City has adequate surety bond coverage for all officials and employees.
4. Collections are deposited daily, if possible, but no more than three business days after the initial collection, as required by state law. Municipal collections are never to be taken home by any municipal employee or official.
5. Collections are deposited intact. Intact means that collections are deposited in the form and amount in which they are collected. All money collected must be deposited in the next deposit. No collections are to be withheld from the deposit for any reason.
6. All cash maintained on hand and collections not yet deposited are kept in a secure location.
7. Deposit slips are completed in duplicate at a minimum. All checks are to be listed individually on the deposit slip or an attached list, itemizing the name of the payer and the amount. The receipt numbers comprising the deposit are to be written on the deposit slip. The validated duplicate deposit slip or the duplicate deposit slip with deposit receipt attached must be retained.
8. Personnel safeguard all securities by depositing them in a safe-deposit box with access restricted to dual control by two responsible officials. (The City currently has no securities on deposit. Collateral for bank deposits is kept at trustee bank.)

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

9. The City ensures that responsibility for each step of cash handling and recording is clearly established. If possible, the employees who receive cash collections (cashiers) are be different from those who maintain the books and records (bookkeepers).
10. Pre-numbered receipts for each revenue source are issued as required by Sections 9-2-103 and 104, Tennessee Code Annotated, and all unused or voided receipts are accounted for. Pre-numbered receipts issued are be detailed to adequately identify and/or document the payment source, payment date, method of payment (cash or check), purpose of payment, if needed, etc. Collections from customers evidenced by stubs from utility bills and property tax bills do not require an additional receipt. However, if the bill is not presented with payment, the cashier shall prepare a duplicate bill to be retained as the receipt. Each bill stub is to be stamped or marked "PAID," dated by the cashier, and marked to identify whether the form of remittance is cash or check. The stubs are be organized by date of payment/deposit (See Section 11 of this Chapter) and retained.
11. Anytime custody of money changes from one employee to another, the moneys are to be counted by both employees.
12. The payment date and amount is recorded for each individual account in the utility billing register on a timely basis.
13. The City uses a dropbox at city hall and mail service as its primary methods for receipts by mail.
14. At the end of the day, the cashier counts the cash and checks on hand, leaving only the predetermined amount for change. The change is to be kept in a secure location.
15. Each day the cashier summarizes all cash collections by source and fund on a daily collection report, clearly indicating the amount to be deposited, the amount retained for change, and the amount of cash over or short. Each report is to be dated, and the dates are recorded on the corresponding deposit slip. The total on the corresponding deposit slip as well as the total of all applicable pre-numbered receipts are agree with the total collections recorded on the daily collection report. The cashiers are to write the receipt numbers applicable to each collection source on the daily collection report and sign the report. Each cashier shall be assigned a separate cash drawer that is accessible only to that cashier. A daily collection report is to be prepared by each cashier which is then consolidated for the daily report to be sent to accounting for recording the activity.
16. Deposit slips are completed in duplicate (at least). Regardless of whether the remittance is received by mail or paid directly to the cashier, each check is to be listed individually on the deposit slip or an attached list, itemizing the name of the payer and amount.
17. Collections are deposited daily, if possible, but no more than three business days after the initial collection, as required by state law. The bank's night depository is to be used, if necessary, to avoid large accumulations of currency overnight.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

18. Collections are deposited intact and only in designated depositories. Intact means that collections are deposited in the form and amount in which they are collected. Employee and third party checks must not be cashed through the cash drawers. No collections are to be withheld from the deposit for any reason.
19. At the end of each day, all pre-numbered receipts, billing stubs, tax receipts, and other evidence of collection are turned over to the bookkeeper for posting.
20. Duplicate, pre-numbered receipts are marked and property tax receipts and billing stubs are filed according to the deposit to which they correspond.
21. All appropriate filings have been made, in accordance with TCA 47-10-119, if taxes, fees, fines, etc. are collected by accepting credit or debit cards.
22. Fees are assessed to the customer when credit or debit cards are accepted for payment of taxes, fees, fines, etc.
23. The City requires separate duties of employees so that no one person has control over a complete transaction from beginning to end. Work flow is established so that one employee's work is automatically verified by another employee working independently. When possible, different persons are be responsible for the authorization, recordkeeping (posting), custodial (cash and materials handling), and review procedures, to prevent manipulation of records and minimize the possibility of collusion. When adequate segregation of duties is not possible, management/board oversight are be increased to provide reasonable assurance that errors, irregularities or fraud are prevented or detected and corrected in a timely manner.
25. The City's separation of duties for receipting is as follows:

Receipting	Cashier	Tax Manager	Finance Staffer
Maintain Separate Cash Drawer	X		
Stamp over-the-counter Checks and Money Orders "For Deposit Only"	X		
Issue sequentially numbered Receipts for Over-the-counter receipts.	X		
Combine checks, money orders, and credit card receipts from all drawers. Make a list of the receipts and total.	X		
Verify deposit amount with Check Out Sheets		X	
Tax and Revenue Office Makes Deposit Intact	X		
Attach the Deposit Receipt from Bank to Lists and file for audit.			X

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Activity 10: Purchasing

Objective 1: Ensure that all purchases are authorized and proper

Risks:

1. Purchases are not authorized or exceed available budgeted amounts or are not for a municipal purpose
2. Bids are not solicited for purchases exceeding bid limits which can result in the best price/product not being obtained

Policies:

1. TCA 6-56-301 Municipal Purchasing Law
2. TCA 12-4-101 Personal Interest of Officers Prohibited
3. City of Bartlett Purchasing Policy-Municipal Code Title 5 Chapter 1

Procedures:

1. Minutes of actions taken by the Board are to include summaries of action taken on competitive bids
2. Minutes of actions taken by the Board are to include documentation to reflect adherence to purchasing policy
3. The Board, by ordinance, has established a purchasing policy by ordinance. The policy complies with the requirements of the Municipal Purchasing Law of 1983, Sections 6-56-301 through 6-56-306, Tennessee Code Annotated, or applicable charter provisions or private act requirements governing competitive bidding and purchasing. The procedures enumerated in this chapter are the minimum that are to be included in the policy.
4. The City's purchasing policy designates persons authorized to make purchases who have the authority to determine that (1) the item/service is necessary, (2) the quantity/times requested is appropriate, (3) the expenditure is authorized by the budget (when applicable) and (4) does not exceed budgeted amounts and, (5) when related to grant contracts, meets the requirements of the grant contract.
5. The policy requires use of pre-numbered purchase authorizations/orders for purchases over a predetermined amount.
6. The policy outlines alternate procedures for emergency and small-item purchases, if needed (i.e., purchases authorized to be made without approval).
7. The policy requires approval of pre-numbered purchase authorizations/orders by the finance officer or his designee to indicate that the expenditure is appropriate and authorized under the budget appropriation.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

8. The policy designates individuals who are authorized to make purchases with municipal credit cards. The City clearly defines the types of purchases permitted to be made using the credit cards. Such purchases must be approved in the same manner as any other purchase. The number of cards maintained are be kept to a minimum and are be properly accounted for. A record of the current holder(s)/user(s) is to be maintained in the City's files. Personal charges are to be strictly prohibited.
9. The policy requires competitive bids for purchases over a stated amount, including management services for construction projects.
10. The policy requires that personnel retain sufficient documentation to substantiate that required competitive bids were requested. When a contract is not awarded to the lowest bidder, the reasons are also to be documented in the minutes.
11. The policy requires Board approval of any lease-purchase contracts which would extend beyond the current fiscal year.
12. The policy requires that when competitive bids are necessary, personnel do the following:
 - a. purchasing agent or department heads write the specifications and advertise for bids
 - b. mail the specifications and bid requests to prospective bidders
 - c. maintain complete records of any bid deposits received
 - d. advertise the bid opening/award in a local newspaper at least one week prior to opening
 - e. hold a public bid opening/award at the time and place announced
13. The policy requires that the appropriate municipal official(s) and the successful bidder sign a written agreement after the contract is awarded. A copy of the signed contract are be maintained in the City's files. The purchasing policy requires that bid deposits be returned to unsuccessful bidders after the contract is signed.
14. The policy requires for those purchases not subject to a competitive bid that the person authorized to make purchases obtain price quotations and avoid any purchase contracts which may involve a potential conflict of interest on the part of a public official. The municipal purchasing policy requires that a written record be retained when quotations are obtained.
15. City personnel must become familiar with the operating environment immediately upon assuming office. In addition, they are ensure that adequate training is provided for employees to ensure that they are kept up-to-date on new legislation and other matters that affect how, when, what, where, and from whom purchases may be made. Without such training, it is impossible to reasonably ensure that the purchasing process as well as the purchase itself complies with all applicable requirements.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

16. Separation of duties in the Purchasing function consist of the following:

	Mayor	City CAO	Accounts Payable	Department Head	Board Mayor and Aldermen	Department Purchasing Agent
Issue and Approve Purchase Order for Purchase up to \$4,000				X		
Receive Purchase Order from Departments for Purchase			X			
Approve the Purchase Order if Over \$4,000	X	X				
Approval of Purchase Order if Over \$10,000	X	X			X	
Record Purchase Orders Against Departmental Budget			X	X		
Receive Ordered Goods/Services						X
Sign and Code Invoice Indicating the Goods/Services Were Received and Submit Invoice to Accounts Payable						X
Match Receiving Ticket and Invoice to Purchase Order and Change Status of PO in Accounting System			X	X		
Submit Payment-ready paperwork to A/P				X		X
Determine the Disposition of Any Outstanding Purchase Orders			X	X		

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 11: Disbursements

Objective 1: Ensure that all disbursements are for municipal purposes

Objective 2: Ensure that all disbursements are accurately recorded

Objective 3: Ensure that all disbursements are authorized and proper

Objective 4: Ensure that payments are timely

Risks:

1. Disbursements are not for a municipal purpose and inappropriate or unauthorized disbursements could be made
2. Disbursements are recorded to the wrong accounts or for the wrong amounts
3. Disbursements are not authorized or exceed available budgeted amounts or are not for a municipal purpose
4. Disbursements are unnecessary
5. Disbursements are for goods that were never received
6. Disbursements do not comply with legal or contractual restrictions, and may be required to be returned to the grantor
7. Duplicate payments occur
8. Penalties have to be paid

Policies:

1. TCA 6-56-111(c) Consecutive Pre-numbered Checks
2. TCA 6-56-112 Expenditures for a Lawful Municipal Purpose
3. In Progress: City of Bartlett Disbursement Policy

Procedures:

1. The City ensures that personnel or officials receiving goods or services purchased by the City sign delivery receipts, invoices, or other supporting documentation to verify that items and services for which the City has been billed have actually been received and accepted. The documentation shall be sufficient to determine that the expenditure was for a municipal purpose. Expenditures for food, mileage, etc., generally will require additional notations to indicate the purpose, date and any other pertinent information regarding expenditures for such items.
2. Adequate supporting documentation, such as invoices, etc., is required to document all transactions.
3. The City ensures that the request for payment (statement) from the vendor is compared to the individual invoices on file. Payments are never to be based on a statement only. The testing of prices, extension of amounts, and addition of the total invoice are to be required. In addition, timely payment is to be made to avoid penalties.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

4. The City reviews each page of supporting documentation, including purchase authorizations/orders before the checks and documentation are submitted for approval and signing. Supporting documents are stapled together including copy of the check, and account to be charged on the first page of documentation.
5. The City files supporting documentation by vendor paid and also electronically in scanning software utilizing key fields such as vendor number.
6. The Finance Department's Accounts Payable Clerk and the City's Mayor reviews all checks prior to being signed to establish the propriety of each disbursement and to be certain the purchase has not previously been paid. The department head and accounts payable clerk document on the invoice the review and approval.
7. The use of consecutively pre-numbered checks on protected paper to avoid erasures. The City requires the signature of the Mayor on all checks after review of invoice by department heads and accounts payable staff. Checks are never signed in advance of their preparation and issuance. Checks must not be made payable to "Cash."
8. NOTE: All disbursements, regardless of the accounting procedures, must be supported by invoices, cash tickets, or other adequate supporting documentation. The documentation is to be sufficient to determine that the expenditure was for a municipal purpose. (Statements from vendors are not adequate supporting documentation.) The supporting documents are signed by the person receiving the goods or services to verify that the City received and accepted the goods/services for which it was charged.
9. Depending on the purchase, credit card payments are either approved by departmental management or in the same manner as any other purchases. Credit card receipts are provided to the City's Accounts Payable Office.
10. All money is disbursed by pre-numbered checks. Checks must not be signed in advance of their preparation and issuance. Checks must not be made payable to "Cash" or "Bank" if intended for cash.
11. The City uses an electronic signature stamp of the Mayor as a requirement for all checks. Authorized signature cards at the bank must be current. Before signing checks, each signatory reviews adequate supporting documentation (such as vendor invoices, purchase authorizations, etc.).
12. Signature stamps are safeguarded by the Finance Department. Signature stamps intended for administrative purposes only, such as for letters, etc. must also be safeguarded.
13. A federal Form 1099 is prepared and sent to the Internal Revenue Service for each non-corporate recipient of the City's money during a calendar year. This requirement applies to service providers and consultants under contract, as well as to any other non-payroll, non-corporate recipients who receive \$600 or more during the calendar year.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

14. The City separates duties of employees so that no one person has control over a complete transaction from beginning to end. Work flow is to be established so that one employee's work is automatically verified by another employee working independently. When possible, different persons are be responsible for the authorization, recordkeeping (posting), custodial (cash and materials handling), and review procedures, to prevent manipulation of records and minimize the possibility of collusion. When adequate segregation of duties is not possible, management/board oversight are be increased to provide reasonable assurance that errors, irregularities or fraud are prevented or detected and corrected in a timely manner.
15. The City's separation of duties for disbursements is as follows:

Disbursements	Department Head	Accounting Supervisor or Senior Finance Analyst	Senior AP Clerk	Accounting Supervisor	Mayor
Invoice Approval	X				
G/L Code/Budget	X				
Submits New Vendor Form/W-9	X				
Submits Invoices to AP for payment	X				
New Vendor Set-up		X		X	
Input Invoices batches			X		
Prepares AP Report for review			X		
Reviews & Approves final AP report				X	X
Creates EFT Pay file - Wires			X		
Approves EFT Pay file				X	
Prints Checks			X		
Checks/EFT Distribution			X	X	
File AP documents for record retention	X		X		
Posts Disbursements to GL			X		
Reconciles AP Liability Account				X	

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Activity 12: Employee Travel and Reimbursements

Objective 1: Ensure that travel disbursements are authorized and proper

Risks:

1. Travel payments are improper

Policies:

1. TCA 6-54-901 Expense Reimbursements Incident to Holding Office
2. TCA 6-54-903 Filing of Travel Policy
3. City of Bartlett Travel Policy

Procedures:

1. Most travel is paid by purchasing card. When a travel advance is given, the amounts of advance are to be posted to travel expense account for the department. When the travel is completed, the recipient files a travel claim with supporting documents. The difference in the advance and actual travel claim are be either paid to the employee (in cases where the approved travel claim amount exceeds the advance) or collected from the employee (in cases where the advance exceeds the approved travel claim amount).
2. The reconciliation of the travel expenses is to be completed no more than 15 days after the travel is completed. Even for accountable plans, there are payroll tax consequences for travel claims that are not submitted within a reasonable period of time after the travel.
3. Sections 6-54-901 through 6-54-907, Tennessee Code Annotated, the Board has adopted an ordinance to reimburse officials and employees whose salary is set by charter or general law for expenses incidental to holding office. The law requires that a written travel policy be enacted setting forth what expenses are reimbursable and how they are be reimbursed. Expenses for reimbursement must be reported on a standardized form in sufficient detail to determine allowability. In addition, adequate documentation must be required and maintained to support the expense report.
4. Minutes of actions taken by the Board include the expense reimbursement policy which is found in the City's Personnel Policies and Procedures Guide.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 13: Capital Assets and Inventory

Objective 1: Ensure that all assets are properly recorded

Objective 2: Ensure that all assets are adequately safeguarded

Objective 3: Ensure that inventory is necessary and reasonable

Risks:

1. Inventory and capital assets are not recorded or are valued incorrectly
2. Obsolete inventory or retired capital assets are still recorded
3. Inventory, capital assets and moveable, high-risk, sensitive property are misappropriated or lost
4. Inadequate insurance is maintained and the City is susceptible to losses beyond its ability to pay
5. Inventory levels are excessive
6. Inventory items are not available when needed

Policies:

Procedures:

1. The City requires that all capital assets be identified (tagged or marked), and recorded immediately following the purchase of such items. Vehicles and equipment (backhoes, mowers, etc.) are to have the City's name or seal clearly displayed. The asset records are to be retained at the City and are to include up-to-date purchase and disposal information. An annual physical inventory will be performed, documented, and reconciled to the property records. Capital assets acquired with grant funds are identified to ensure that they are maintained, accounted for and disposed of in accordance with the terms of the grant.
2. The City requires that a record of moveable, high-risk, sensitive property, such as TVs, cameras, chainsaws, tools, lawn mowers, and small office machines, as well as furnishings and works of art, be established and maintained. An annual physical inventory is to be performed and documented in the City's records. All such items are to be tagged or marked to identify them as municipal property immediately following the purchase of such items.
3. The City has established useful lives of water and wastewater systems. The Tennessee Wastewater Financing Board has adopted the following guidelines for evaluating the useful lives of assets of water and wastewater systems. The useful lives of assets do not exceed the appropriate guidelines listed below except for some buildings which are 50 years.

<u>Asset Account</u>	<u>Years</u>
Office Furniture and Fixtures	10
Office Building	40
Equipment and Tools	10
Transportation Equipment	5

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Pumps and Treatment Equipment	10
Well/Dam	Engineer's Estimate
Plant Buildings	40
Lines and Storage	40-50
Sewer System	40-50

4. City departments provide the Risk Management officer of Human Resources with capital asset information to ensure it is adequately insured. The Risk Management officer annually analyzes risk exposure, assesses the City's ability to absorb losses and structure the City's insurance purchases accordingly.
5. The City has procedures that provide safeguards for inventories of materials and supplies. These procedures include the following:
 - a. a requirement to inspect and count each incoming materials and supplies delivery, with the receiver signing each invoice as received and accepted
 - b. a requirement that all materials and supplies are stored in designated areas that are protected against unauthorized withdrawals and other losses
 - c. a requirement that scrap materials that have a known salvage value are safeguarded until sold and that the proceeds from the sale of scrap are handled in the same manner as other cash receipts
 - d. inventory levels to be maintained
 - e. a requirement that work orders be used to support usage (reduction) of inventory balances (e.g., utility pipe, meters, etc.).

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 14: Debt

Objective 1: Ensure that information for debt is in compliance with legal requirements.

Objective 2: Ensure that debt disbursements are authorized and proper

Risks:

1. Debt payments are improper

Policies:

1. TCA 9-21-408 Interfund Loans
2. 9-21-601 Capital Outlay Notes
3. 9-21-903 Refunding Bond Issues
4. 9-21-130 Debt Management Policy required by State Funding Board
5. City of Bartlett Debt Management Policy

Procedures:

1. The City ensures that its credit is not given or loaned to or in aid of any person, company, association or corporation except upon an election to be first held by the qualified voters of such county, city, or town and the assent of three- fourths of the votes cast at said election. An example of such credit is loans to private corporations.
2. The City ensures all debt instruments are maintained in a secure location and are available for inspection, audit, and planning purposes.
3. Before entering into a debt agreement, the Board (as documented in the minutes) and the Comptroller (Division of Local Finance) have approved or reported on the issuance of the loan or bond.
4. The City ensures any interfund or interdivisional loans are approved by the Comptroller's office.
5. The City ensures reserve accounts are established as required by the loan agreement.
6. The City ensures debt payments are made on a timely basis.
7. If the debt involves federal loan funds, the City includes such funding on its schedule of federal and state assistance and informs the audit firm of such funding.
8. The City's Finance Director is assigned to review, at least annually, contracts, bond covenants, laws and regulations regarding debt to ensure that the City is in compliance with all current debt provisions and that new provisions have been identified to ensure on-going compliance.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

9. The City's Finance Director and Senior Finance Analyst maintain information regarding debt issues and the related amortization schedules to ensure that information necessary for note disclosure and supplemental schedules is readily available, complete and accurate.
10. Minutes of actions taken by the governing body include copies of bond and revenue anticipation resolutions
11. Minutes of actions taken by the governing body include authorizations of loans and transfers between funds
12. The City's Finance Director and Senior Finance Analyst maintain information regarding debt issues and the related amortization schedules to ensure that information necessary for note disclosure and supplemental schedules is readily available, complete and accurate.
13. The City ensures that continuing debt disclosure occurs each year. This includes material events during the year and the filing of the annual report within 6 months of fiscal year end.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 15: Grants

Objective 1: Ensure that information for federal grants is in compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

Objective 2: Ensure that debt disbursements are authorized and proper

Risks:

1. Information is incomplete, inaccurate, and/or unavailable
2. Information is not able to be audited

Policies:

1. CFR 200.303 Internal Controls for Recipients of Federal Awards
2. Standards for Internal Control in the Federal Government (Comptroller General of U.S.)
3. Internal Control Integrated Framework (COSO)
4. OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards

Procedures:

1. Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
2. Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
3. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
4. Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.
5. The Finance Department compiles reviews and summarizes grant information throughout the year to ensure that the schedule of expenditures of federal awards and state financial assistance is complete and accurate.
6. One of the most significant activities of any City is purchasing. There are many laws and regulations, federal, state, and local, that governs how a City may make purchases and the purposes for which money may be expended. Additional constraints are imposed by grant agreements.
7. The City ensures that the City's purchasing policy designates persons authorized to make purchases who have the authority to determine that when related to grant contracts, meets the requirements of the grant contract.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

8. Minutes of actions taken by the governing body include copies of federal and state grant applications (whether a final award was received or not)
9. The City is to ensure that, at least annually, a detailed review is made of all known compliance requirements. In addition, a search are be made to identify all new requirements relevant to the City's operations. A review of all relevant compliance issues would include federal and state grant requirements

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 16: Contracts

Objective 1: Ensure that information for contracts is in compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

Objective 2: Ensure that contract disbursements are authorized and proper

Risks:

1. Information is incomplete, inaccurate, and/or unavailable
2. Information is not able to be audited

Policies:

1. TCA 6-54-107 Officers Interest in Municipal Contracts Prohibited
2. TCA 12-4-106 Contracts for Professional Services

Procedures:

1. Minutes of actions taken by the Board include copies of contracts entered into by officials. The City obtains a written contract for all agreements with other entities or individuals for services received or provided, regardless of whether payment is involved, including the following:
 - contract labor and consultant agreements, including computer services, day labor, and similar work
 - leases
 - rentals
 - management agreements
 - mutual aid agreements
 - cable or other franchise agreements

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLET TENNESSEE**

Activity 17: Budget

Objective 1: Ensure that information for budget is in compliance with Federal statutes, regulations, and terms and conditions of the Federal award.

Risks:

1. Information is incomplete, inaccurate, and/or unavailable
2. Information is not able to be audited

Policies:

1. TCA 6-56-201 Municipal Budget Law of 1982

Procedures:

1. One of the most significant activities of any City is purchasing. There are many laws and regulations, federal, state, and local, that governs how a City may make purchases and the purposes for which money may be expended. Additional constraints are imposed by budgets.
2. Minutes of actions taken by the governing body include copies of the budget and any supplemental appropriations
3. The City ensures that, at least annually, a detailed review is made of all known compliance requirements. In addition, a search are be made to identify all new requirements relevant to the City's operations. A review of all relevant compliance issues would include budgeting and expenditures requirements.
4. Detailed pay rate listings by employee classification are included as supplementary schedules to support salary appropriations in the budget.

**INTERNAL CONTROL DOCUMENTATION
FOR CITY OF BARTLETT TENNESSEE**

Activity 18: Information Systems

Objective 1: Ensure that information is complete, accurate, and available to only authorized individuals

Risks:

1. Information is incomplete, inaccurate, and/or unavailable
2. Unauthorized access occurs, resulting in distribution of confidential information and or data being corrupted
3. Information is not able to be audited

Policies:

1. City of Bartlett Computer Use Policy

Procedures:

1. For software to be adequate for use by a City, the following minimum controls must be present.
 - a. The software must produce an unalterable audit trail.
 - b. The software must generate a new receipt number when a transaction is voided (no reuse or renumbering of receipts are be permitted)
2. Controls must be in place to reasonably ensure that developers have not left “back doors” that can be used to alter code, output, etc.
3. The City ensures that:
 - a. controls are in place to ensure that only authorized individuals have access to electronic data and municipal computers (this would include passwords, access limitations, procedures to revoke authorization when employment is terminated, etc.).
 - b. Munis backups are made of all data nightly and are securely stored off-site. The database is backed up locally to a storage server.
 - c. Police records are backed up nightly off-site.
 - d. Word/Excel files are backed up three times a day to a local storage server.
 - e. Users are encouraged to keep all important information on the network drive for backup.
4. When acquiring and utilizing computer programs for accounting, billing and other activities the City ensures that proper evaluation and testing on the software is performed. The City does not assume that computer applications are functioning properly without proper evaluation; therefore documentation is maintained on file to document the City's evaluation of the application. For applications that are modified at a later date, additional testing and evaluation will be necessary at that time.
5. The City’s IT Director and staff review relevant computer programs to determine whether they need to be updated, upgraded or modified.



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Resolution 28-16, a resolution to amend the Fiscal Year 2015-2016 General Purpose School Fund Budget of the Bartlett City Board of Education.

WHEREAS, the Bartlett City Board of Mayor and Aldermen are required to approve the Bartlett City Board of Education General Purpose School Fund original budget and any amendments; and

WHEREAS, the Bartlett City Board of Education has approved a budget amendment to its Fiscal Year 2015-2016 Operating Budget at its regular meeting on June 23, 2016 which is labeled "Exhibit A" and made a part of this resolution by reference;

NOW THEREFORE BE IT RESOLVED By the Board of Mayor and Aldermen that the Fiscal Year 2015-2016 Bartlett City Board of Education General Purpose School Fund Budget amendment is approved, as detailed in "Exhibit A".

Adopted this day of June 28, 2016

W.C. Pleasant, Register to the

A. Keith McDonald, Mayor

Board of Mayor and Aldermen

Attest: _____
Stefanie McGee, City Clerk

RESULT: **APPROVED [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Paula Sedgwick, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

EXHIBIT A**FY 2015-2016 GENERAL PURPOSE SCHOOL FUND AMENDMENT**



RESOLUTION 3-10

A RESOLUTION TO AMEND THE 2015-2016 FISCAL YEAR ANNUAL GENERAL PURPOSE FUND BUDGET OF THE BARTLETT CITY SCHOOLS.

WHEREAS, Tennessee Code Annotated §49-2-203(a)(10)(A)(i) requires the Bartlett City Board of Education to direct the Superintendent and the Chair to prepare a budget on forms furnished by the Commissioner, and when the budget has been approved by the Board, to then submit that budget to the Bartlett Board of Mayor and Aldermen for their approval; and

WHEREAS, these amendments to the General Purpose Fund Budget do not change the total amount of the budget but only require the transfer of funds from one function to another.

NOW, THEREFORE, BE IT RESOLVED BY THE BARTLETT CITY BOARD OF EDUCATION:

Section 1. That the annual General Purpose Fund Budget for the 2015-2016 school year for the Bartlett City Schools as presented in official budget documents is hereby amended by reference in the following amounts

2015-16 GENERAL FUND BUDGET EXPENDITURES	\$72,200,815
Expenditures are amended in the following categories:	
141-72710-31200-635-1000-0000 Transportation Contracts with Private Agencies is amended from \$2,250,000 to \$2,210,000	(\$40,000)
141-72710-39900-635-1000-0000 Transportation Other Contracted Services is amended from \$54,660 to \$660	(\$54,000)
141-72710-41200-635-1000-0000 Transportation – Diesel Fuel is amended from \$345,682 to \$245,182	(\$100,500)
141-72610-50200-810-1000-0000 Operation of Plant – Bldg & Content Insurance is amended from \$255,000 to \$240,000	(\$15,000)
141-76100-79900-810-1000-0000 Capital Outlay – Other Capital Outlay is amended from \$0 to \$150,000	\$150,000

141-72620-33500-815-1000-0000 Maintenance of Plant – Maintenance &
Repair - Buildings is amended from \$741,300 to \$800,000 \$59,500

2015-16 GENERAL FUND BUDGET REVENUES 72,200,815

Revenues are not amended

Section 2. That the budget documents required by law will be amended and submitted as required for approval to the Bartlett Board of Mayor and Aldermen, and, upon approval, shall be submitted as required to the State of Tennessee.

Section 3. That this resolution shall become effective June 23, 2016 from and after its adoption by the Bartlett City Board of Education.

Adopted this _____ day of June, 2016.

Jeff Norris, Chairman
Bartlett City Board of Education

Dr. David A. Stephens, Superintendent
Bartlett City Board of Education

APPROVED AS TO FORM:
Kari Shoopman, General Counsel



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Resolution 29-16, a resolution to amend the Fiscal Year 2015-2016 Education Capital Projects Fund Budget of the Bartlett City Board of Education.

WHEREAS, the Bartlett City Board of Mayor and Aldermen are required to approve the Bartlett City Board of Education Capital Projects Fund original budget and any amendments; and

WHEREAS, the Bartlett City Board of Education has approved a budget amendment to its Fiscal Year 2015-2016 Education Capital Projects Fund budget at its regular meeting on June 23, 2016 which is labeled "Exhibit B" and made a part of this resolution by reference;

NOW THEREFORE BE IT RESOLVED By the Board of Mayor and Aldermen that the Fiscal Year 2015-2016 Bartlett City Board of Education Capital Projects Fund Budget amendment is approved, as detailed in "Exhibit B".

Adopted this day of June 28, 2016

W.C. Pleasant, Register to the

A. Keith McDonald, Mayor

Board of Mayor and Aldermen

Attest: _____
Stefanie McGee, City Clerk

RESULT: **APPROVED [UNANIMOUS]**

MOVER: Jack Young, Vice Mayor

SECONDER: Paula Sedgwick, Alderman

AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

EXHIBIT B
SCHOOL CAPITAL PROJECTS FUND AMENDMENT



RESOLUTION 3-11

A RESOLUTION TO AMEND THE 2015-2016 FISCAL YEAR EDUCATION CAPITAL PROJECTS FUND OF THE BARTLETT CITY SCHOOLS.

WHEREAS, Tennessee Code Annotated §49-2-203(a)(10)(A)(i) requires the Bartlett City Board of Education to direct the Superintendent and the Chair to prepare a budget on forms furnished by the Commissioner, and when the budget has been approved by the Board, to then submit that budget to the Bartlett Board of Mayor and Aldermen for their approval; and

WHEREAS, these amendments to the Education Capital Projects Fund Budget change the total amount of the budget, as recognized by the increase in miscellaneous revenue.

NOW, THEREFORE, BE IT RESOLVED BY THE BARTLETT CITY BOARD OF EDUCATION:

Section 1. That the Education Capital Projects Fund Budget for the 2015-2016 school year for the Bartlett City Schools as presented in official budget documents is hereby amended by reference in the following amounts:

2015-16 EDUCATION CAPITAL PROJECT FUND BUDGET REVENUES	\$1,265,000
Revenues are amended in the following category:	
177-44170-00000-000-0000-0000 Misc. Revenue is amended from \$1,265,000 to \$2,415,000	\$1,150,000
Amended Education Capital Project Fund Budget Revenues:	\$2,415,000
2015-16 EDUCATION CAPITAL PROJECT FUND BUDGET EXPENDITURES	\$1,265,000
Expenditures are amended in the following category:	
177-91300-39900-000-0000-0000 Other Contracted Services is amended from \$916,084.50 to \$2,066,084.50	\$1,150,000
Amended Education Capital Project Fund Budget Expenditures:	\$2,415,000

Section 2. That the budget documents required by law will be amended and submitted as required for approval to the Bartlett Board of Mayor and Aldermen, and, upon approval, shall be submitted as required to the State of Tennessee.

Section 3. That this resolution shall become effective June 23, 2016 from and after its adoption by the Bartlett City Board of Education.

Adopted this _____ day of June, 2016.

Jeff Norris, Chairman
Bartlett City Board of Education

Dr. David A. Stephens, Superintendent
Bartlett City Board of Education

APPROVED AS TO FORM:
Kari Shoopman, General Counsel



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Resolution 30-16, a resolution to write off outstanding checks receivable resulting from uncollectable bad checks payable to the City of Bartlett.

WHEREAS, the City of Bartlett has carried returned checks receivable from individuals and businesses in the City's financial records dating back to 2010; and

WHEREAS, the Bartlett Finance Department has determined, through discussions with the various departments within the city and using due diligence in collection efforts, that the checks on the attached schedule are uncollectible and should be written off as uncollectible; and

WHEREAS, the selected checks to be written off should have an effective date of June 30, 2016;

NOW THEREFORE BE IT RESOLVED By the BOARD OF MAYOR AND ALDERMEN that the outstanding bad checks written to the City of Bartlett listed on the attached schedules totaling \$6,532.35 shall be written off effective June 30, 2016. Appropriate accounting entries to the books and records of the financial reporting system for the City of Bartlett shall be prepared and entered effective on the same date.

Adopted this day of June 28, 2016

W.C. Pleasant, Register to the

A. Keith McDonald, Mayor

Board of Mayor and Aldermen

Attest: _____

Stefanie McGee, City Clerk

RESULT: **APPROVED [UNANIMOUS]**
MOVER: W.C. Pleasant, Alderman
SECONDER: Jack Young, Vice Mayor
AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

Returned Checks

9/10/2014	Daisy Roman	Animal	\$ 100.00
8/25/2015	Michael Burroughs	Animal	\$ 30.00
8/3/2015	William Griffin	BSMC	\$ 370.00
10/14/2015	CSS Community Expos	BSMC	\$ 2,092.50
1/13/2016	GEHA	Fire	\$ 73.42
7/2/2015	Claudia Dorsey	Library	\$ 18.20
11/13/2015	Anji Bishop	Library	\$ 16.00
12/23/2015	Cassandra Clements	Library	\$ 7.00
9/22/2014	Christy Jones	Parks	\$ 75.00
11/9/2010	Stephen Scott	Police	\$ 1,125.00
8/18/2015	Princess Terry	Police	\$ 30.00
3/31/2015	Diabata Johnson	Rec Cnt	\$ 621.00
8/18/2015	Sandra Anello	Rec Cnt	\$ 20.23
9/9/2015	Doc Holiday Bar & Grill	Rec Cnt	\$ 150.00
7/9/2014	Drusheena Bates	Singleton	\$ 115.00
8/5/2014	Karen Walker	Singleton	\$ 275.00
8/11/2014	Roland Faulhaber III	Water	\$ 35.00
8/21/2014	Tracey Whitehorn	Water	\$ 35.00
			\$ 5,188.35

RETURNED BANK DRAFTS

10/5/2015	Shelly Jewell	Rec Cnt	\$ 10.00
9/9/2015	Shelly Jewell	Rec Cnt	\$ 10.00
6/9/2015	Deangelo Hall	Rec Cnt	\$ 29.00
5/7/2015	Linda Moore-Cofer	Rec Cnt	\$ 29.00
5/12/2015	Deangelo Hall	Rec Cnt	\$ 29.00
2/9/2016	Ron Krebs	Rec Cnt	\$ 33.00
1/5/2016	Ron Krebs	Rec Cnt	\$ 33.00
4/8/2016	April Hancock	Rec Cnt	\$ 37.00
3/7/2016	April Hancock	Rec Cnt	\$ 37.00
12/7/2015	April Hancock	Rec Cnt	\$ 37.00
8/5/2014	Glenda McKinley	Rec Cnt	\$ 44.00
4/5/2016	Sarah White	Rec Cnt	\$ 45.00
2/5/2016	Sarah White	Rec Cnt	\$ 45.00
1/5/2016	Crystal Thomas	Rec Cnt	\$ 45.00
1/5/2016	Marcie Riley	Rec Cnt	\$ 45.00
12/7/2015	Derrick Hibler	Rec Cnt	\$ 45.00
12/7/2015	Crystal Thomas	Rec Cnt	\$ 45.00
12/7/2015	Marcie Riley	Rec Cnt	\$ 45.00
10/5/2015	Crystal Thomas	Rec Cnt	\$ 45.00
3/9/2015	Leigh Ann Boone	Rec Cnt	\$ 45.00
1/6/2015	Glenda McKinley	Rec Cnt	\$ 45.00
11/5/2014	Sonja McIntyre	Rec Cnt	\$ 45.00
10/6/2014	Sonja McIntyre	Rec Cnt	\$ 45.00
2/12/2016	Christina Dawson	Rec Cnt	\$ 68.00
1/5/2016	Michael Ludwig	Rec Cnt	\$ 68.00
1/5/2016	Christina Dawson	Rec Cnt	\$ 68.00
12/7/2015	Michael Ludwig	Rec Cnt	\$ 68.00
6/9/2015	Soya Moore	Rec Cnt	\$ 68.00
9/9/2014	Lauren Barone	Rec Cnt	\$ 68.00
8/7/2014	Lauren Barone	Rec Cnt	\$ 68.00
			\$ 1,344.00

TOTAL WRITEOFFS June 2016	\$ 6,532.35
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Attachment: RETURNED CHECKS 2016.pdf (1835 : Res 30-16, write off bad checks)



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Resolution 31-16, a resolution to delete uncollectable property taxes, interest, penalties, and associated costs from the City of Bartlett tax rolls.

WHEREAS, the Shelby County Trustee's office has identified delinquent property taxes that have been determined to be uncollectible and has removed all tax, interest, penalties and associated costs from the Trustee's tax system; and

WHEREAS, the City of Bartlett has determined that these taxes dating from Tax Year 2006 through 2013 are delinquent and uncollectible;

NOW THEREFORE BE IT RESOLVED By the **BOARD OF MAYOR AND ALDERMEN** that the taxes, interest, penalties and associated costs on the properties listed in the attached Schedule A totaling \$6.01 are deemed uncollectible and should be removed from the City of Bartlett tax system.

Adopted this day of June 28, 2016

W.C. Pleasant, Register to the

A. Keith McDonald, Mayor

Board of Mayor and Aldermen

Attest: _____
Stefanie McGee, City Clerk

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bobby Simmons, Alderman
SECONDER:	Jack Young, Vice Mayor
AYES:	Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick

BARTLETT WRITE-OFF
EXHIBIT A
UNCOLLECTABLE TAXES
TO BE TAKEN BEFORE BOARD OF MAYOR AND ALDERMEN
FISCAL YEAR JULY 1, 2015
THRU JUNE 30, 2016

PARCEL ID	BILL #	YEAR	OWNER	ADDRESS	REASON	TAX AMOUNT
B01490B00061	3950	2006	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.66
B01490B00061	23932	2007	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.77
B01490B00061	4139	2008	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.77
B01490B00061	4260	2009	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.75
B01490B00061	4275	2010	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.75
B01490B00061	4283	2011	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.75
B01490B00061	4331	2012	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.75
B01490B00061	4471	2013	City of Bartlett (formerly Chamberlain and McCreery Inc.)	0 Shadowlawn	CITY OWNED PARCEL	\$0.81

\$6.01



Board of Mayor and Aldermen

6400 Stage Road
Bartlett, TN 38134

ADOPTED

AGENDA ITEM

Meeting: 06/28/16 07:00 PM

Department: Finance

Category: Presentation

Prepared By: Dick Phebus

Department Head: Dick Phebus

Resolution 32-16, a resolution to accept a grant from the State of Tennessee Highway Safety Office in the amount of \$24,167.60 for a 2016 Multiple Violations Traffic Grant and amend the Fiscal Year 2016 Budget to appropriate the grant funds.

WHEREAS, the Police Department did apply for and receive a 100 percent funded grant from the State of Tennessee Highway Safety Office in the amount of \$24,167.60 for overtime costs and operating expenses for the 2016 Police Traffic Services, Multiple Violations Grant; and

WHEREAS, it is necessary to accept the grant and amend the Fiscal Year 2016 Grant Fund and General Fund budgets to appropriate the grant revenues and expenditures; and

NOW THEREFORE BE IT RESOLVED By the Board of Mayor and Aldermen that the State of Tennessee Highway Safety Office Grant in the amount of \$24,167.60 is accepted and the Fiscal Year 2016 Grant Fund budgets shall be amended to appropriate the grant.

Adopted this day of June 28, 2016

W.C. Pleasant, Register to the

Board of Mayor and Aldermen

A. Keith McDonald, Mayor

Attest: _____
Stefanie McGee, City Clerk

RESULT: **APPROVED [UNANIMOUS]**
MOVER: Emily Elliott, Alderman
SECONDER: Bobby Simmons, Alderman
AYES: Pleasant, Elliott, Parsons, Simmons, Young, Sedgwick