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ARRA Reporting Preparation is Key: Second Cycle Reporting begins January 10, 2010

Dick Phibus, MTAS Finance and Accounting Consultant

For recipients of grants under the American Recovery and Reinvestment Act of 2009 (ARRA), September 30, 2009 marked the close of the first reporting period. The required reports under the act were due ten days after the close of the reporting period, or October 10, 2009. Municipalities that received funds prior to that date and those which have just recently been awarded ARRA funding should remember that the next reporting period is looming large much like objects in the side view mirror. The next reporting period closes on December 31, 2009 with a deadline of filing reports of January 10, 2010.

Many recipients found themselves unprepared to comply with the reporting requirements the first time. Those municipalities should take proactive steps now to gather information and prepare for yet another milestone in compliance with ARRA.

As reported in an earlier MTAS newsletter, municipalities should take steps outlined by the Office of Tennessee Recovery Act Management (TRAM). This office issued 12 directives that apply to local governments in Tennessee that receive ARRA funding. The Tennessee Comptroller’s Division of Municipal Audit has also developed a document called Ten Steps to Compliance for Agencies Reporting to Municipal Audit. You can access both of these documents at Directives or Ten Steps.

Actions that recipients should take now include:

- Plan and prepare by conducting frequent reviews of the municipality’s reporting program; what worked well during the first reporting period and what areas to improve upon.
- Identify a senior accountable official for recovery act activities.
- Review staff assignments for those responsible for collecting and reporting data for areas that can be improved upon; reassignments or additional staff may be required.

(Continued on page 2)
**Energy Code Rulemaking Hearings Set for January, 2010**  
*Josh Jones, MTAS Legal Consultant*

Hearings have been scheduled to consider amendments to the rules of the Codes Enforcement Section and to consider rules to implement the residential building code component of the “Tennessee Clean Energy Future Act of 2009.”

Public Chapter No. 529, passed in 2009, establishes statewide building codes applicable in local jurisdictions across the state, except where local codes meet the state standards or the governing body opts out. The bill charges the State Fire Marshal’s Office with promulgating rules and regulations adopting the specific statewide building codes that go into effect July 1, 2010. Those standards and the details of their implementation make up the bulk of the proposals to be discussed during the hearing. Municipalities are encouraged to send representatives.

The hearings, conducted by the Fire Prevention Division of the Department of Commerce and Insurance will be held January, 6, 2010 at 1:00 p.m. in the Davy Crockett Tower. After the hearings, the Department of Commerce and Insurance must file the final rules with the Secretary of State by April 1, 2010.

More information, including the proposed rules and amendments, can be found here: [http://tn.gov/commerce/sfm/documents/rulemakinghearing.pdf](http://tn.gov/commerce/sfm/documents/rulemakinghearing.pdf)

Also see the MTAS Hot Topic “Energy Code Adoption by the State of Tennessee and its Effect on Cities” for more information.

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**MTAS Staff Highlight**

**Meet Rick Whitehead, MTAS Municipal Management Consultant**

Richard A. Whitehead (Rick) is an MTAS Municipal Management Consultant in west Tennessee. His cities are located in Chester, Hardeman, Haywood, Fayette and Shelby counties. In addition to his work as a consultant, he serves as secretary to the West Tennessee Mayor’s Association. Rick has been with MTAS since February of 2004.

Prior to joining MTAS, Whitehead served as City Manager for Anniston, Alabama; City Manager for Etowah, Tennessee; and Assistant to the City Manager for Auburn, Alabama. He has graduate and professional degrees in public administration and law from Auburn University and the University of Alabama.

Whitehead lives in Henderson with his wife Cathy and children Christian and Georgia.

Whitehead can be contacted at rick.whitehead@tennessee.edu or 731-425-4782.

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**MTAS Online Courses**

MTAS is now offering selected online courses. To view and register for available courses you will need to login to the Solution Point web site at: [https://solutionpoint.sabanow.net/Saba/Web/Main](https://solutionpoint.sabanow.net/Saba/Web/Main).

If you do not have a login and password, call our office at 865-974-0411.

**ARRA continued from page 1**

Preparation is going to be the key in meeting the requirements of the ARRA reporting process. Taking into account the holidays in November and December, municipalities are left with fewer days in the second reporting cycle. Every effort should be made to make the most of this time toward compliance with the ARRA requirements.

For more information, contact Dick Phebus, MTAS Finance and Accounting Consultant at dick.phebus@tennessee.edu or 731-881-7057.

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... in cooperation with the Tennessee Municipal League
Municipal Biodiesel Production Programs: Foundations and Best Practices

Warren Nevad, MTAS Municipal Management Consultant

This publication addresses biodiesel as a popular alternative fuel for local government. Biodiesel is a fuel derived from various feedstocks such as soybean, other oil crops, waste vegetable oil and animal fats that can be used as a renewable energy fuel alternative to petroleum-based diesel fuel. Biodiesel also helps municipal fleets become more energy independent, save fleet and wastewater operating costs and can be a boost to the local economy through jobs creation.

The publication also addresses the city of Gadsden, Alabama’s municipal biodiesel recycling program. This program uses recycled waste vegetable oil (WVO) as their primary feedstock for biodiesel. The WVO can be obtained from the food service industry or from local citizens. Organizations such as the Tennessee Renewable Energy and Economic Development Council and the East Tennessee Clean Fuels Coalition can assist local governments in Tennessee with the implementation of sustainable small scale biodiesel production systems.

The most important aspect of these programs is the successful involvement of local businesses and citizens in creating a community-based recycling and biofuel production program. Such programs alone will not solve our nation’s energy security problem; however, they can build community awareness for environmental protection and its relation with the production of renewable biofuels. In short, these programs allow the local citizens to have a part in producing renewable fuels in their own community.

The publication also presents a feasibility model using a cost to produce biodiesel at $1.41 per gallon and an annual output of 20,000 gallons. Read

MTAS Helps Oak Ridge Set Goals and Plan for Future

Warren Nevad and Margaret Norris, MTAS Municipal Management Consultants

MTAS management consultants Warren Nevad and Margaret Norris assisted Oak Ridge’s city council in a goal setting session November 6 and 7. The city council requested assistance in prioritizing the city manager’s goals. At a city manager evaluation subcommittee meeting, it was agreed that the manager’s goals should be reflective of the city council’s goals.

Starting early on November 6, the council convened at an in-town event center and began with an overview of the goal setting process. A discussion on why council should plan and the amount of focus the council should give to planning followed. The council created a mission statement for the city after which the city was provided an overview of current events that have an impact on the city of Oak Ridge. The overview included a review of the incoming work force, data from the Bureau of Labor Statistics on future job trends, state and county economic and demographic figures on housing, cost of living, largest employers, unemployment, the workforce, infrastructure, transportation, population brackets, and education.

Using that knowledge, the council began working on a vision statement: a sentence or two that describes how the city plans to build on its mission to achieve a positive, future state. The council did an analysis of the external opportunities and threats and the internal strengths and weaknesses. From that analysis, the council agreed upon nine key issues that the city should address to meet its mission and fulfill its vision. The key issues were then developed into goals for the future.

After exceeding the anticipated finish time by an hour and a half, the governing body decided to continue their work at another session. The elected officials are to be commended

(Continued on page 5)
Certified Municipal Officer Program: Additional Classes Offered in 2010

Dick Phebus, MTAS Finance and Accounting Consultant

The Certified Municipal Finance Officer (CMFO) program is well into its first year of instruction. The program, created by the Municipal Finance Officer Certification and Education Act of 2007, is a cooperative effort by the Tennessee Comptroller’s Division of Municipal Audit and The University of Tennessee’s Municipal Technical Advisory Service. To date there have been five courses offered to approximately 112 individuals identified as municipal finance officers in their respective cities.

The five courses include Government Environment, Governmental Accounting Parts I and II, Internal Control and Auditing, and Governmental Reporting Part I. Participants must attend each class for instruction and then pass a test covering material presented in class. Study guides for each class have been posted on the MTAS web site and made available to CMFO candidates in advance for study purposes. Class activities generally include instruction, learning exercises, review of materials followed by one hour of testing.

In January 2010, MTAS will offer the sixth class in this series. The class will cover Governmental Reporting Part II. Other classes offered in 2010 will include instruction on Budgeting, Cash and Debt Management, Payroll, and Risk Management. Participants who are successful in passing all eleven courses will be in compliance with the educational requirements of the act by December 31, 2010. Upon completion, these finance officers can apply for CMFO certification with the Division of Municipal Audit and must complete 24 hours of continuing education each year thereafter in order to maintain certification.

Classes for the next group of municipal finance officials will begin in January 2011. Please contact an MTAS finance or municipal management consultant for additional information regarding the CMFO program.

MTAS Classes for January 2010

Municipal Administration Program. Legal Issues

Instructor: Melissa Ashburn, MTAS Legal Consultant

This class covers a variety of topics impacting city governments, including employment law and code enforcement issues. The class will review the Americans with Disabilities Act Amendments of 2008, amendments to the Family and Medical Leave Act and the state and federal requirements for military leave and reemployment of military personnel. Updates on the Open Records and Open Meetings laws will also be provided. The class also reviews code enforcement actions under the Slum Clearance Act and city authority to clean up overgrown and dirty lots and recoup costs. The Tennessee Clean Energy Future Act of 2009 will be explained and information will be provided about the impact of this law on local code enforcement, as well as potential impact on the hiring and certification of codes employees.

January 13   Collegedale
January 14   Franklin
January 19   Jackson
January 20   Lakeland
January 27   Johnson City
January 28   Knoxville

Click here for a registration brochure

Elected Officials Academy Level 1

January 22-23  Huntingdon

Elected Officials Academy Level 2

January 14   Spring Hill   Personnel Issues
January 21   Spring Hill   Legislative Issues

Certified Municipal Financial Officers Program

January 5   Spring Hill
January 13  McMinnville, Athens, Jackson
January 20  White House, Morristown, Jackson

For more information on MTAS classes, please visit the MTAS Web site at http://www.mtas.tennessee.edu.
**Guns in Bars Legislation Ruled Unconstitutional**  
*Josh Jones, MTAS Legal Consultant*

Bang, bang, you’re dead! So said Chancellor Claudia Bonnyman to the so-called guns-in-bars bill. This bill, the controversial Public Chapter No. 339 of 2009, allowed handgun carry permit holders to possess handguns in restaurants that serve alcohol, unless signs to the contrary are posted.

The chancellor’s ruling stemmed from a challenge in Davidson County Chancery Court based upon numerous complaints. The plaintiffs’ prevailing claim was that the recently enacted Public Chapter No. 339 was unconstitutionally vague. Specifically, the plaintiffs alleged that the average handgun carry permit holder could not adequately determine what constituted a restaurant under the bill’s confusing definition. Under this definition, a citizen was required to know whether serving meals was “the principal business conducted.” Thus, the average permit holder could not be certain as to what actions were necessary to comply with the law. The chancellor agreed and struck down the bill stating it was “fraught with ambiguity.”

The law has now reverted back to its previous state and guns are once again prohibited in restaurants that serve alcohol. However, it seems likely that similar legislation will be introduced in the 2010 session of the General Assembly.

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**Tennessee Attorney General Opinions of Interest to Cities**  
*Josh Jones, MTAS Legal Consultant*

**City of Smyrna and Storm Water Fee Assessment**
States that Smyrna can assess storm water user fees against agricultural land if the runoff from the agricultural land is discharged into or through the city’s storm water and/or flood control facilities. *(Opinion No. 09-147)*

**Constitutionality of Guns-in-Parks Legislation**
Defends the constitutionality of the recent guns-in-parks legislation, opining that it does not violate the “wearing of arms” clause of Art. I, § 26 of the Tennessee Constitution. Also opines that the signage requirements for a local government prohibiting firearms in their parks requires signs to be placed at locations that make them conspicuous to persons entering park property. However, a violator could still be convicted if the local government failed to post adequate signage. Further opines that a permit holder in possession of a firearm could not be convicted while traveling on a public street that passes through a park where handguns are prohibited, so long as he does not enter park grounds. Finally, a local government’s tort immunity is not waived to any degree by electing to permit firearms in their parks. *(Opinion No. 09-158)*

**Definition of “In Use” Regarding Parks and School Use**
A previous opinion stated that firearms are prohibited in a park when in use by a school. This opinion states that “in use” is when students and administrators are present on park grounds and are using the park for a school-sponsored activity. Furthermore, there are no requirement for the posting of signs while a park is being used by a school. *(Opinion No. 09-160)*

**Prohibiting Firearms in Jointly Owned Parks**
Opines that to prohibit firearms in parks jointly owned or operated by two or more local governments, each local government’s governing body must separately adopt a resolution prohibiting firearms. *(Opinion No. 09-169)*


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*(Oak Ridge strategic planning continued from page 3)*

for their high participation levels, thoughtful comments, dedication, and stamina.

For additional information on the planning session, see the following article from the November 9, 2009, *Oak Ridger*, by John Huotari at: [http://www.oakridger.com/homepage/x801095078/Council-works-to-set-goals-identify-issues](http://www.oakridger.com/homepage/x801095078/Council-works-to-set-goals-identify-issues)

Contact your MTAS municipal management consultant if you believe that a similar work session would benefit your city. Management consultant territories are listed on the MTAS web site at [http://www.mtas.tennessee.edu/public/web.nsf/Web/Locate+Consultant](http://www.mtas.tennessee.edu/public/web.nsf/Web/Locate+Consultant)
Key Principles for Successful Innovation

Katy Simon, County Manager, Washoe County, Nevada, ICMA Credentialed Manager and board member of the Alliance for Innovation, shared her thoughts and ideas on encouraging innovation in local government. Simon’s principles for successful innovation are:

1. Build from Vision and Values.

2. Create and Sustain a Culture of Innovation. Encourage a quantity of ideas, bring people together, embrace diversity and reward the generation of ideas.

3. Use a Significant Crisis or Opportunity to Innovate. We develop bad habits in good times and good habits in bad times.

4. Create Collaborations.

5. Identify and Nurture a Champion.

6. Seek out Innovation at the Intersection of Seemingly Unrelated Fields or Concepts.


8. Execute Past Failure. We can learn from early failures and keep driving past them.

9. Cultivate the Credibility of the Leader.

10. Share the Gift. Empower people to apply the innovation and to be the innovation.

This recorded webinar is available FREE to Tennessee cities through the MTAS/Alliance for Innovation partnership. To view the complete recording visit: https://www2.gotomeeting.com/register/752767419

New Law Extends COBRA Coverage Assistance Through February

On December 21, the President signed the Fiscal Year 2010 Defense Appropriations Act, which extends the eligibility period for the American Recovery And Reinvestment Act of 2009 COBRA premium reduction for an additional two months (through February 28, 2010) and the maximum period for receiving the subsidy for an additional six months (from nine to 15 months).

The Department of Labor has put information about the new law on its COBRA Web site, http://www.dol.gov/ebsa/cobra.html, including new notice requirements, updated guidance, fact sheets, and frequently asked questions as they become available.

On the MTAS Web site … ARRA Information for Local Governments

Directives for Recipients of Stimulus Funds. (Office of Tennessee Recovery Act (TRAM))

Comptroller. Division of Municipal Audit

- Letter from Comptroller to Local Government Officials and Financial Personnel dated October 12, 2009
- Letter from Division of Municipal Audit: Impact of ARRA and Implementation Requirements (May 6, 2009)
- Local Government Internal Controls.
- Updates to the City Standard Chart of Accounts (May 2009).

Comptroller. Division of County Audit

- Ten Steps to Compliance for Tennessee Counties.
- ARRA Compliance materials for Counties. Division of County Audit.
- Trustee’s Segregation of Duties Letter and Checklist

MTAS website: http://www.mtas.tennessee.edu
New MTAS Publications

**Federal Mileage Rate Effective**

*January 1, 2010*

Richard Phebus, MTAS Finance and Accounting Consultant

The optional standard mileage rate decreased to 50 cents per mile for all business miles driven after December 31, 2009. [Read](#)

**Open Meetings in Tennessee: Compliance with the Public Meetings Law**

Melissa Ashburn, MTAS Legal Consultant

The Tennessee Public Meetings Law declares that all public policy and public business decisions must be made in meetings that are open to the public and requires adequate public notice and thorough minutes of such meetings. [Read](#)

**Management of Personnel Records**

Don Darden, MTAS Municipal Management Consultant

MTAS recommends that every city in Tennessee maintain its personnel records in a central location and that such records be under the custodianship of a trained employee or employees, depending on the size of the city. [Read](#)

Please check the MTAS Web site for all current publications. [http://www.mtas.tennessee.edu](http://www.mtas.tennessee.edu)

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**Transparency: Fulfiling the Promise of Open Government**

On January 27, 2010, the Alliance for Innovation webinar *Transparency: Fulfiling the Promise of Open Government* will take an in depth look at the philosophy and decision-making involved in becoming a transparent government as well as tools that can be used for financial transparency. This webinar is FREE for Tennessee cities as a benefit of the MTAS/Alliance partnership.

For more information visit: [http://www.transformgov.org/events.asp](http://www.transformgov.org/events.asp)

**Additions to the MTAS Library**

**Model Succession Plan for Small Tennessee Municipalities**

Bonnie Curran Jones, MTAS Human Resources Consultant

Succession planning helps an organization identify, develop, and retain employees. The aim of succession planning is to develop pockets of skilled employees by helping them gain the experience and competencies they need to move into vacant positions. MTAS created a model succession plan for McMinnville as well as the generic model that can be adapted by other municipalities. [Read](#)

**Zoning of Tattoo Parlors**

Sid Hemsley, MTAS Legal Consultant

MTAS addresses the question: “What is the status of tattoo studios under the zoning ordinance of the city?” [Read](#)

Click here to read the complete list or contact Becky Smeltzer at becky.smeltzer@tennessee.edu.

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*“Municipal E-News” is provided by the University of Tennessee Municipal Technical Advisory Service in an effort to meet the challenge of providing timely, valuable information and assistance to Tennessee cities to build better communities.*

If you have any questions or comments related to this newsletter please contact Frances Adams-O’Brien at frances.adams-obrien@tennessee.edu.