City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615) 791-3217

HISTORIC FRANKLIN TENNESSEE

Meeting Agenda

Budget & Finance Committee

Thursday, June 8, 2023 | **3:00 PM** | **Board Room**

CALL TO ORDER

APPROVAL OF MINUTES

1. Consideration Of Approval Of Minutes
   May 11, 2023 Budget & Finance Committee Meeting

NEW BUSINESS

2. Consideration Of Procurement Award To PFM Financial Advisors, LLC Of Memphis, Tennessee For Municipal Advisor Financial Advisory Services For A Term Of Award For The Finance Department (Purchasing Office Procurement Solicitation No. 2023-006; Contract No. 2023-0137)

   Sponsors: Kristine Brock, Mike Lowe

3. Consideration Of Resolution 2023-27, A Resolution Adopting A Revised Purchasing Policy For City Of Franklin, Tennessee, Procurements Not Pertaining To The Design And/Or Construction Of New Infrastructure And Facilities

   Sponsors: Kristine Brock, Brian Wilcox

4. Consideration Of DRAFT Resolution 2023-32, A Resolution To Update The City Of Franklin Lease Accounting And Reporting Policy

   Sponsors: Kristine Brock, Mike Lowe, Margaret Wilson

5. Consideration Of DRAFT Resolution 2023-33, A Resolution To Update The City Of Franklin Uncollectible Accounts Receivable Write-Off Policy

   Sponsors: Kristine Brock, Mike Lowe, Margaret Wilson, Jessica Davey

6. Financial Report For 3rd Quarter Of FY 2023

   Sponsors: Mike Lowe, Margaret Wilson

7. Monthly Reports For June 2023

   Sponsors: Mike Lowe, Margaret Wilson

OTHER BUSINESS

ADJOURN

Anyone needing accommodations due to disabilities please contact the ADA Coordinator at 615-791-3277 at least 24 hours prior to the meeting.

109 3rd Ave S
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City of Franklin

Meeting Minutes

Budget & Finance Committee

Thursday, May 11, 2023	3:00 PM	Board Room

CALL TO ORDER

Chairman Clyde Barnhill called the meeting to order at 03:00 PM

Board Members Present: Clyde Barnhill, Ann Petersen, Patrick Baggett, Jason Potts

Jason Potts arrived at 4:15 PM

Board Members Absent: None

Staff Present: Eric Stuckey, Kristine Brock, Michael Walters-Young, Angie Johnson

APPROVAL OF MINUTES

1. **Consideration Of Approval Of Minutes**
   April 13, 2023 Budget & Finance Meeting
   Sponsors:

   A motion was made by Alderman Baggett, seconded by Alderman Petersen to Approve the April 13, 2023 Budget & Finance Minutes. The motion passed unanimously.

NEW BUSINESS

2. **Consideration Of DRAFT Resolution 2023-28, A Resolution To Approve The City Of Franklin Cyber Security Plan As Required By The Comptroller Of The Treasury**
   Sponsors: Mark Hilty, Jason Potts

   A motion was made by Alderman Petersen, seconded by Alderman Baggett to Recommend Approval of the Resolution to the Board of Mayor and Aldermen. The motion passed 3-0.

   This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for consideration.

3. **Consideration Of DRAFT Resolution 2023-35, A Resolution Authorizing The Pre-Ordering Of Certain Vehicles And Equipment Due To Long Lead Times For FY 2024 And FY 2025**
   Sponsors: Mark Hilty

   A motion was made by Alderman Petersen, seconded by Alderman Baggett to Recommend Approval of the Resolution to the Board of Mayor and Aldermen. The motion passed 3-0.

   This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for consideration.

4. **Consideration Of DRAFT Ordinance 2023-17, An Ordinance To Amend The Budget Of The City Of Franklin For Fiscal Year 2022-2023**

Sponsors: Eric Stuckey, Kristine Brock, Michael Walters Young

A motion was made by Alderman Baggett, seconded by Alderman Petersen to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 3-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

5. **Consideration Of DRAFT Ordinance 2023-18, An Ordinance Of The City Of Franklin, Tennessee Adopting A Budget For The Fiscal Year 2023-2024; Providing An Effective Date**

Sponsors: Eric Stuckey

Alderman Potts arrived at 4:15 PM.

The City of Franklin continues to be bolstered by strong long-term financial plans and policies that provide vital financial capacity to meet both challenges and opportunities. The City's best efforts will be required to meet the demands that lie ahead. The City must continue to deliver high-quality services, enhance existing infrastructure, and prepare for growth in terms of services, infrastructure, and community impact. The City of Franklin will craft a budget and action plan that is both fiscally prudent and consistent in maintaining our commitment to high-quality community service.

The 2023-24 (FY24) General Fund budget is $102,534,136, which represents an increase of 3.4% compared to the current $99,187,604 budget for 2022-23 (FY23). The FY24 budget for all funds is $218,138,422, which represents an increase of 0.5% compared to FY23. Slightly over $14 million in cash appropriation is provided herein to continue work on approved Capita Investment Program projects.

A motion was made by Alderman Petersen, seconded by Alderman Baggett to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

6. **Consideration Of DRAFT Ordinance 2023-19, An Ordinance Of The City Of Franklin, Tennessee Establishing The Municipal Property Tax Levy For The Fiscal Year 2023-2024; Providing An Effective Date**

Sponsors: Eric Stuckey, Kristine Brock, Michael Walters Young

Annually, the Board of Mayor and Aldermen are required to approve a Property Tax Rate to support spending proposed in the annual operating budget. This ordinance is the mechanism with which to do that. There is no proposed increase in the Property Tax rate for FY 2024. It remains at $0.3216 per $100 of assessed valuation. The City's property tax rate remains one of the lowest property tax rates among cities across Tennessee and the nation.

The third-largest revenue source for the City's General Fund is property tax, which accounts for 11.3% of General Fund resources. The amount of property tax revenue going to General Fund operations for FY24 is $11.6 million, compared to $10.7 million budgeted in FY23. The General Fund portion of property tax revenue ($11.6 million) is the result of the total property tax of $24.2 million minus $11.4 million in the Debt Service Fund, and $1.1 million transferred to the Street Aid Fund.

A motion was made by Alderman Baggett, seconded by Alderman Petersen to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

7. **Consideration Of DRAFT Resolution 2023-38, A Resolution Of The Board Of Mayor And Aldermen For The City Of Franklin Adopting The Estimate Of Revenues And Expenditures For The Water And Sanitary Sewer Utility Fund For Fiscal Year 2023-2024; Providing An Effective Date**

Sponsors: Eric Stuckey, Kristine Brock, Mark Hilty, Michelle Hatcher, Michael Walters Young

This is the last step in approving a budget for FY 2024. This resolution provides sufficient legal support to satisfy state approval of the Water Management Fund. This fund requires a separate resolution because of its unique nature as a self-sufficient (Enterprise or Proprietary) fund. This resolution ensures that between it and the Budget Ordinance (Ord. 2023-18), the Board of Mayor and Aldermen serving as their role as the utility board for this operation has received and affirmed sufficient revenues will be raised to support the proposed spending plan for the next fiscal year. The Water Management Fund budget for FY 2024 anticipates total revenues and expenditures of $47.88 million.

A motion was made by Alderman Baggett, seconded by Alderman Potts to Recommend Approval of the Resolution to the Board of Mayor and Aldermen. The motion Passed 4-0.

This item is expected at the June 13, 2023 Board of Mayor and Aldermen Meeting for consideration.

8. **Consideration Of DRAFT Ordinance 2023-20, An Ordinance Of The City Of Franklin, Tennessee To Amend Appendix A - Comprehensive Fees And Penalties, Chapter 17 Refuse And Trash Disposal, Of The Franklin Municipal Code To Increase The Fees For Collection Of Garbage And Refuse**

Sponsors: Eric Stuckey, Mark Hilty, Kristine Brock, Jack Tucker, Michael Walters Young

The Sanitation and Environmental Services Fund has continuously worked to become increasingly self-sustaining over the last decade plus. From a $4.4 million tax levy subsidy in 2009 to three consecutive budgets with no planned tax levy subsidy, the fund has achieved this if operations and collection points would remain static. However, with the continual growth in the community, and despite the fact that the fund has not added new employees for five fiscal years, it no longer can maintain operations, handle additional residential and recycling burdens and replace vital equipment on the current rate of $22.00/month.

The $1.00/month increase from $22.00/month to $23.00/month should generate approximately $250,000 more for the fund annually. A cost of service study will be refreshed later in FY 2024 complete with a five-year rate plan and a plan for true self-sustainability. This increase is necessary in the short-term to keep up with inflationary pressures.

A motion was made by Alderman Potts, seconded by Alderman Petersen to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

9. **Consideration Of DRAFT Ordinance 2023-21, An Ordinance Amending The City Of Franklin Municipal Code, Appendix A - Comprehensive Fees And Penalties, Chapter 18 - Water And Sewers For The Purpose Of Updating Water and Sanitary Sewer Rates**

Sponsors: Mark Hilty

In August 2021, the Board of Mayor and Aldermen reviewed options for proposed rate increases in water and sanitary sewer. During the evaluation of the rates, staff developed a five-year plan regarding rate implementation. The proposed rate increases below represent years three and four of that plan. To ensure our rates are sufficient, staff is engaging a consultant to review rate sufficiency for future consideration by the BOMA. The information below presents the two options developed for consideration. Option A in both water and sewer represent a change to the customer charge. Option B changes both the customer charge and volumetric charge.

WATER: 3% increase in year one and 3% increase in year two.
Option A: Increase the Monthly Customer Charge for each Rate Class in year one and two by $1.72.
Option B: Increase the monthly Customer Charge for each rate class in year one and two by $0.86. Increase the Volumetric Charge for each rate class in year one and two by $0.14.

SEWER: 2.5% increase in year one and 2% increase in year two.
Option A: Increase the monthly Customer Charge for Residential – in, Residential – Out and Commercial – In, in year one by $1.76 and in year two by $1.41.
Option B: Increase the monthly Customer Charge for Residential – in, Residential – Out and Commercial – In, in year one by $0.88 and year two by $0.74. Increase the Volumetric Charge for Residential – in, Residential – Out and Commercial – In, in year one by $0.12 and in year two by $0.10.

A motion was made by Alderman Potts, seconded by Alderman Baggett to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion Passed 4-0.

This item is expected at the May 23, 2023 Board of Mayor and Aldermen Meeting for First Reading.

10. **Report On State Comptroller's Review Of The City's 2022 Annual Report**

Sponsors: Kristine Brock, Mike Lowe

The item was discussed.

11. **Monthly Reports For May 2023**

Sponsors: Mike Lowe, Margaret Wilson

The item was discussed.

OTHER BUSINESS

ADJOURN

A motion was made by Alderman Baggett, seconded by Alderman Potts to adjourn the meeting. The motion passed 4-0.

Meeting Adjourned @ 4:33 PM

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Clyde Barnhill, Chair

Minutes Prepared by Sarah Schilling, Assistant Deputy City Recorder, City Administrator's Office - 6/2/2023, 9:50 AM

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-04650

DATE: May 4, 2023

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Mike Lowe, Comptroller

SUBJECT:

Consideration Of Procurement Award To PFM Financial Advisors, LLC Of Memphis, Tennessee For Municipal Advisor Financial Advisory Services For A Term Of Award For The Finance Department (Purchasing Office Procurement Solicitation No. 2023-006; Contract No. 2023-0137)

PURPOSE:

The purpose of this procurement is to purchase Municipal Advisor financial advisory services for debt management, bond sale, swap advisory, education/research and alternative financing services, specifically including Municipal Advisor services, as defined within the meaning of Municipal Advisor as promulgated by the Securities and Exchange Commission and Municipal Securities Rulemaking Board, for a term of award of three (3) years with two (2) options to extend, each for up to one (1) year, for a maximum possible term of award of five (5) years total.

BACKGROUND/STAFF COMMENTS:

The City published on April 6, 2023 a Notice to Service Providers in the *Williamson Herald* for Municipal Advisor financial advisory services. In addition, solicitation documents were sent on or about the same date directly to 46 potential submitters known or thought to be interested in this procurement solicitation. Submittals from five (5) service providers were publicly opened at the submittal opening held on May 9, 2023. A tabulation of the submittals received for this solicitation is attached.

Using evaluation criteria included in the request for qualifications, the submittal evaluation team, consisting of Finance Department staff, recommends the City select the firm of PFM Financial Advisors, LLC of Memphis, Tennessee. PFM Financial Advisors has been the City's service provider since 2009. The evaluation criteria included in the request for qualifications consisted of (a) experience and qualifications (55%), (b) capabilities and unique strengths of the respondent (15%), and (c) thoroughness and quality of response submittal (30%). (The solicitation tool being a request for qualifications rather than a request for proposals, pricing and fees for proposed products and services was not one of the evaluation criteria.) On average, the submittal evaluation team scored PFM Financial Advisors top for all three of the evaluation criteria included in the request for qualifications. In addition, each of the five evaluators scored PFM Financial Advisors highest among the submittals from five well-known and established advisory firms.

The foremost reasons why the submittal evaluation team recommends PFM Financial Advisors include:

- Depth of staff, overall resources and experience of the firm within the industry for both the transactional and the non-transactional scopes of work needed by the City;
- Depth of experience with state and local governmental clients based inside Tennessee and the southeast;
- Depth of Tennessee-based municipal advisory staff;
- Strength of submittal content;
- Positive interaction with firm’s key personnel; and
- Experience in recent years with staff during analysis and preparation of bond sales.

FINANCIAL IMPACT:

After the submittal evaluation team reached its recommendation, staff invited PFM Financial Advisors to prepare and provide for the City’s consideration a proposed scope of work, fee for services and contract document. Staff is now negotiating with PFM Financial Advisors the terms of the contract, City Contract No. 2023-0137, and anticipates its execution by the city administrator pending approval by the Board of Mayor and Aldermen of the staff recommendation to award this procurement to PFM Financial Advisors. Staff anticipates the contract with PFM Financial Advisors may include a flat-fee amount as retainer and for general advice between financings, fixed-rate transaction fees, hourly project fees and reimbursement for certain expenses, for Municipal Advisor financial advisory services scope of work described in the contract.

RECOMMENDATION:

Staff recommends that the City accept, contingent upon Law Department and City Administrator approval of City Contract No. 2023-0137, the submittal ranked highest by the submittal evaluation team, from PFM Financial Advisors, LLC for Municipal Advisor financial advisory services, and award this procurement to this service provider, for a term of award of three (3) years with two (2) options to extend, each for up to one (1) year, for a maximum possible term of award of five (5) years total. The City’s Purchasing Manager believes the prepared solicitation documents as distributed allowed for competition among multiple service providers, and that the staff recommendation appears to be made in a fair and impartial manner based upon the submittals received. Pursuant to authority previously granted by the Board of Mayor and Aldermen, Contract No. 2023-0137 has been prepared for execution by the City Administrator pending approval by the Board of Mayor and Aldermen of the staff recommendation to accept the submittal from and award the procurement to PFM Financial Advisors, LLC.

City of Franklin, Tennessee

Tabulation of Submittals*

Purchasing Office Solicitation No.:	**2023-006 Municipal Advisor financial advisory services**
Notice to service providers published in the *Williamson Herald* on:	**4/6/23**
Number of potential competitors that were notified of / that submitted a response to this request for qualifications:	**46 / 5**
Date and time submittal due and publicly opened:	**5/9/23 2:00 PM**
Present at opening of submittals:	**R.T. Taylor of Davenport & Company, LLC.; Mike Lowe of the City of Franklin Finance Department; and Rachael DuVall, Leslie Pewitt, Suzanne Ward and Brian Wilcox of the City of Franklin Purchasing Office**
Target meeting of BOMA at which recommendation is scheduled to be considered:	**7/11/23**

Submittals received from:	**Is the submittal complete?**	**Does the submittal take any exceptions to the City's procurement solicitation? / If so, how many?**	**Average points allocated by submittal evaluation team (out of a possible 100, utilizing evaluation criteria as listed in RFQ):**	**Payment terms:**	**Submittal is valid through:**
Baker Tilly Municipal Advisors, LLC 8365 Keystone Crossing, Suite 300 Indianapolis, IN 46240 Heidi Amspaugh, President 317-465-1517 heidi.amspaugh@bakertilly.com	no (respondent's proposed agreement or contract not included)	yes / 5 (contractual in nature)	80.40	net 30 days	8/15/23
Cumberland Securites Co., Inc. 350 Lighthouse Pointe Drive Lenoir City, TN 37772 Scott P. Gibson, Senior Vice President 865-269-7404 scott.gibson@cumberlandsecurities.com	yes	none taken	65.00	net 30 days	12/31/23
Davenport & Company, LLC 901 E. Cary Street, 12th Floor Richmond, VA 23219 R.T. Taylor, Vice President 804-697-2921 rttaylor@investdavenport.com	no (respondent's proposed agreement or contract not included)	none taken	79.40	net 30 days	5/9/25
First Tryon Advisors, LLC 6101 Carnegie Blvd. Suite 210 Charlotte, NC 28209 Walter Goldsmith, President & COO 704-785-5777 wgoldsmith@firsttryon.com	no (submittal form not signed in full; respondent's proposed agreement or contract not included)	none taken	67.00	net 30 days	12/1/23
PFM Financial Advisors, LLC 530 Oak Court Drive, Suite 160 Memphis, TN 38117 Lauren Lowe, Managing Director 901-481-3259 lowel@pfm.com	yes	yes / 2 (contractual in nature)	94.40	net 30 days	8/31/23

*Shaded submittal is the submittal scored highest by the interview team

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-04625

DATE: April 28, 2023

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration Of Resolution 2023-27, A Resolution Adopting A Revised Purchasing Policy For City Of Franklin, Tennessee, Procurements Not Pertaining To The Design And/Or Construction Of New Infrastructure And Facilities

PURPOSE:

The purpose of this memorandum is to present Resolution 2023-27, a resolution adopting a revised purchasing policy for City procurements not pertaining to the design and/or construction of new infrastructure and facilities.

BACKGROUND/STAFF COMMENTS:

Staff recommends several changes to the Purchasing Policy for City procurements not pertaining to new construction as reflected in the attached document, as follows:

- to cross-reference the City's Lease Accounting and Reporting Policy as approved by Resolution 2021-96 and modified by Resolution 2022-44;
- to cite T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments) under "Responsibilities of Departments";
- to update which services qualify as professional services;
- to update for which professional services requests for qualifications may be issued; and
- to make miscellaneous other improvements to the policy.

Resolution 2023-27 as proposed, including the revised policy as proposed, is attached. Also attached is a red-lined version of the revised policy as proposed. This red-lined version has marked all recommended changes to the text of the policy.

FINANCIAL IMPACT:

Staff is not aware of any adverse financial impact of these proposed policy changes.

RECOMMENDATION:

Staff recommends that Resolution 2023-27 be recommended to the Board of Mayor and Aldermen for approval.

RESOLUTION 2023-27

A RESOLUTION ADOPTING A REVISED PURCHASING POLICY FOR CITY OF FRANKLIN, TENNESSEE, PROCUREMENTS NOT PERTAINING TO THE DESIGN AND/OR CONSTRUCTION OF NEW INFRASTRUCTURE AND FACILITIES

WHEREAS, in 2004, the Board of Mayor and Aldermen of the City of Franklin established methods to comply with the Municipal Purchasing Law of 1983, as amended, and to provide for a more formal process for the procurement of equipment, services, and materials for the operation of municipal government but not pertaining to the design and/or construction of new infrastructure and facilities; and

WHEREAS, on July 26, 2011, the Board of Mayor and Aldermen adopted Resolution No. 2011-26, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 14, 2014, the Board of Mayor and Aldermen adopted Resolution No. 2014-06, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 27, 2015, the Board of Mayor and Aldermen adopted Resolution No. 2014-90, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 28, 2016, the Board of Mayor and Aldermen adopted Resolution No. 2016-24, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 27, 2017, the Board of Mayor and Aldermen adopted Resolution No. 2017-41, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 26, 2018, the Board of Mayor and Aldermen adopted Resolution No. 2018-24, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 25, 2019, the Board of Mayor and Aldermen adopted Resolution No. 2019-49, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on September 24, 2019, the Board of Mayor and Aldermen adopted Resolution No. 2019-82, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 23, 2020, the Board of Mayor and Aldermen adopted Resolution No. 2020-69, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 12, 2021, the Board of Mayor and Aldermen adopted Resolution No. 2020-214, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 22, 2021, the Board of Mayor and Aldermen adopted Resolution No. 2021-91, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on July 12, 2022, the Board of Mayor and Aldermen adopted Resolution No. 2022-41, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin for the purchasing policy to be further revised (a) in order to cross-reference the City's Lease Accounting and Reporting Policy as approved by Resolution No. 2021-96 and modified by Resolution No. 2022-44; (b) in order to cite T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments) under "Responsibilities of Departments"; (c) in order to update which services qualify as professional services; (d) in order to update for which professional services requests for qualifications may be issued; and (e) in order to make miscellaneous other improvements to the policy.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Section 1. The purchasing policy for City of Franklin procurements not pertaining to new construction adopted by Resolution No. 2022-41, and all previous versions of that policy and any subsequent changes or revisions thereto, are hereby repealed in their entirety. In place thereof, the purchasing policy for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities, attached as Exhibit A hereto, is adopted.

Section 2. The Purchasing Manager of the City shall be responsible for the administration and enforcement of the policy hereby adopted.

Section 3. Changes or revisions to the policy hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin.

Section 4. The effective date of the policy hereby adopted shall be July 1, 2023, the public welfare and the welfare of the City requiring it.

IT IS SO RESOLVED AND DONE on this ______ day of __________________, 20____.

ATTEST:

By: ______________________________________
Eric S. Stuckey
City Administrator

CITY OF FRANKLIN, TENNESSEE:

By: ______________________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________________
J. Blake Harper
Staff Attorney

Law Dept. Approved 05.12.23

HISTORIC
FRANKLIN
TENNESSEE

Purchasing Policy

<u>for City of Franklin procurements not pertaining to new construction</u>

A. General Provisions

This City of Franklin ("City") Purchasing Policy shall apply to the purchase of materials, supplies, vehicles and equipment, the purchase of services other than those pertaining to the design and/or construction of new infrastructure and facilities, leases and lease-purchases, and the disposal and transfer of surplus personal property, all for the proper conduct of the City's business.

All contracts, leases and lease-purchase agreements are subject to the approval of the Board of Mayor and Aldermen, unless otherwise provided by resolution or ordinance. Any contracts, leases and lease-purchase agreements extending beyond the end of the current fiscal year shall be so noted prior to consideration by the Board of Mayor and Aldermen. For any lease agreement that exceeds twelve (12) calendar months and for which the payments are at least $50,000.00, then see also the City's Lease Accounting and Reporting Policy as approved by Resolution No. 2021-96 and modified by Resolution No. 2022-44.

Whenever the City undertakes its own competitive procurement process for the procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities, then the City is hereby authorized to utilize the one or more of the following procurement methodologies best suited for the intended procurement:

- request for quotations (not for purchases valued at $50,000 or more)
- solicitation for bids
- request for proposals
- request for qualifications

This Purchasing Policy is intended to promote the public interest and preserve and enhance the public trust by establishing a transparent procurement system by which the City conducts its non-construction related purchasing, and by providing vendors (including suppliers, service providers and contractors) with a fair forum for competing for City business.

B. Responsibilities of Departments

The following are the responsibility of each department:

1. Departments shall be responsible for purchases and projects valued less than $50,000. (In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered.)
2. Departments shall use pricing established pursuant to City procurement awards or Tennessee statewide contracts (SWCs) if and as available. The use of pricing established by cooperative purchasing arrangements approved by the City Administrator for use by the City, as well as pricing established by other Tennessee local governments pursuant to a competitive process involving "public advertisement" (hereby defined to mean the same as that term is used in T.C.A. § 6-56-301 *et seq.*, the Tennessee Municipal Purchasing Law of 1983, or T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments), as they may be amended from time to

Law Dept. Approved 05.12.23

time) and sealed submittals, are acceptable alternatives and may be used in lieu of competitive pricing established by the City or the State.

3. Departments shall coordinate with the Purchasing Office and/or the Finance Department as to the method of payment that best meets the needs of the City.
4. Before placing an order for any non-emergency purchase valued at or greater than $20,000, departments shall prepare and submit a requisition, on the form prescribed by the Purchasing Office, and await approval thereof. For orders for emergency purchases valued at or greater than $20,000, the requisition may be completed within ten (10) calendar days after placing the order (see also provision D, "Circumstances under which competitive pricing is not required," subsections 2 and 18, provision K, "Emergency Purchases," and provision Y ("Emergency policies and procedures")).
5. Purchases valued less than $50,000 but not less than $20,000 shall not be made unless and until, wherever possible, the department shall have obtained and forwarded to the Purchasing Manager competitive quotations from at least three (3) vendors, said quotations to be either supplied in writing by the vendor or reduced to writing by the department, accompanied by a tabulation of the comparative aspects of the quotations obtained, a recommendation as to which quotation should be accepted and a requisition for the recommended quotation. As an alternative to obtaining competitive quotes from at least three (3) vendors, departments may use any of the procurement methodologies approved for usage for purchases valued at $50,000 or more.
6. All foreseeable purchases, including those valued less than $20,000, should not be made unless and until the department head or his or her authorized representative is satisfied that the value of the purchase is fairly priced and not more than what would be expected in the current marketplace. At the discretion of the department head or his or her authorized representative, for foreseeable purchases valued less than $20,000, the department should, whenever it is prudent to do so, obtain multiple competitive quotations, said quotations to be either supplied in writing by the vendor or reduced to writing by the department.
7. As soon as practicable but within ten (10) calendar days of receipt of items ordered, departments shall be responsible for verifying that the items conform to the order. The process for taking delivery of items is as follows:
   - **a.** Inspect the goods to verify that they are in acceptable condition.
   - **b.** Verify that all operating manuals and warranty cards are included in the delivery of the goods, if applicable.
   - **c.** Verify that the number of items ordered have been delivered, making special note when all or part of a particular order has been back-ordered.
   - **d.** Ensure that purchases of capital assets of the City have been properly reported, either directly or indirectly, to the Finance Department and the City's Risk Manager and, if rolling stock, Fleet Maintenance, on forms prescribed by those respective offices, so that records of such purchases may be updated, insurance coverage may be obtained, and vehicle tags may be obtained, all in a timely manner.
8. Regardless of method of payment, departments shall be responsible for reviewing, approving, and allocating to the proper fund-function-department combination all invoices authorized for payment.
9. It shall be the responsibility of each department to allow time for competitive solicitation, ordering and delivery pursuant to this Purchasing Policy.
10. No employee shall make any indication that he/she will recommend a particular product for purchase, knowingly bind the City to a specific vendor, or make any representation as to his or her authority to bind the City by contract when such is not the case.

C. Responsibilities of Purchasing Manager

The following are the responsibility of the Purchasing Manager:

1. The Purchasing Manager shall assist all departments in purchasing operating materials, supplies, vehicles, equipment, and services to which this Purchasing Policy applies.
2. The Purchasing Manager shall be responsible for facilitating the competitive process by which all purchases to which this Purchasing Policy applies and valued at or greater than $50,000 are made.
3. For all purchases to which this Purchasing Policy applies and valued at or greater than $20,000, the Purchasing Manager shall advocate the purchase of required products and services only either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City.
4. The Purchasing Manager shall advise the departments about the source and availability of products and services needed by the various departments.
5. The Purchasing Manager shall provide current vendor files available for use and review by departments.
6. The Purchasing Manager shall, upon request, obtain prices on comparable items.
7. The Purchasing Manager shall provide vendor lists, prepare Purchase Orders as necessary, and maintain orderly files.
8. The Purchasing Manager shall be alert on an ongoing basis for new sources and for improved products and services.
9. The Purchasing Manager shall assist the departments in the preparation of specifications for solicitations for bids and the requirements provisions of requests for proposals and requests for qualifications.
10. For formal procurement solicitations, the Purchasing Manager shall prepare and submit for timely publication all legal notices. To promote competition and facilitate the dissemination of documents and information pertaining to formal procurement solicitations, the Purchasing Manager shall post on the City's public website timely information about current formal procurement solicitations.
11. The Purchasing Manager shall periodically review the City's recent records of repetitive purchases, over time, across the organization and across suppliers and service providers, of like products and services, and shall advocate the City consolidate and aggregate its purchase of as many foreseeably necessary like products and services as practicable so to improve pricing for the City, to improve services provided to the City, and/or to reduce the City's cost of operations.
12. To the extent practicable, the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.
13. The Purchasing Manager shall investigate complaints from departments of poor performance by vendors, or complaints about inferior products, and shall, in consultation with the City's Law Department, choose which, if any, remedies are available to the City to pursue.
14. The Purchasing Manager shall be responsible for disposing of the City's surplus personal property of any value, regardless of whether the property was acquired and came to be owned by the City by means of purchase or donation or otherwise, by means of a competitive process and in compliance with City ordinance, except in cases involving data security or other mitigating circumstances. The Purchasing Manager shall develop the appropriate documentation for the Finance Department in accordance with City Ordinance.
15. The Purchasing Manager shall be responsible for administering and overseeing the City's Purchasing Card program.

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16. The Purchasing Manager shall be responsible for otherwise administering and complying with this Purchasing Policy and applicable Tennessee state law, specifically T.C.A. § 6-56-301 *et seq.* (Tennessee Municipal Purchasing Law of 1983) and T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments), as it may be amended from time to time, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined.

D. Circumstances under which competitive pricing is not required

Under any of the following circumstances, competitive pricing (sealed bids or proposals pursuant to public advertising if valued at or greater than $50,000; competitive quotes from at least three (3) vendors wherever possible if valued less than $50,000 but not less than $20,000) is not required. Under any of these same circumstances, neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen is required unless such is otherwise required pursuant to this policy.

1. Authorized sole-source purchases (see provision L, “Sole-Source Purchases”).
2. Authorized emergency expenditures (see provision K, “Emergency Purchases”; see also provision D (“Circumstances under which competitive pricing is not required”), subsection 18, and provision Y (“Emergency policies and procedures”)).
3. Purchases from instrumentalities created by two (2) or more cooperating governments, such as, but not limited to those established pursuant to T.C.A. § 12-9-101, *et seq.* (Interlocal Cooperation Act).
4. Purchases from non-profit corporations whose purpose or one of whose purposes is to provide products and services specifically to municipalities, as provided in T.C.A. § 6-56-302.
5. Purchases, leases, or lease-purchases of real property, as provided by City ordinance and state law.
6. Purchases, leases, or lease-purchases of used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities, as provided in T.C.A. § 12-3-1202.
7. Purchases of supplies, goods, equipment (except new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in T.C.A. § 12-3-1208) and/or services (except any transportation infrastructure project, including, but not limited to, projects for the construction or improvement of streets, highways, bridges, tunnels, or any roadway related facility), pricing for which has been established by other units of Tennessee local government, as provided in T.C.A. § 12-3-1203(a) and 12-3-1203(c).
8. Purchases pursuant to Tennessee Department of General Services statewide contracts (SWCs) authorized for use by Tennessee local governments.
9. Purchases from Tennessee Rehabilitative Initiative in Correction (TRICOR).
10. Professional service contracts as provided in T.C.A. § 12-3-1209 (namely, legal services, fiscal agent, financial advisor or advisory services, services from an insurance producer (as that term is defined in T.C.A. § 56-6-102), educational consultant services, and similar services by professional persons or groups of high ethical standards).
11. Other professional services as provided in T.C.A. § 12-4-107 (namely, architectural and engineering services) and land surveying.
12. Tort liability insurance, as provided in T.C.A. § 29-20-407.
13. Purchase of fuels, fuel products or perishable commodities, as provided in T.C.A. § 6-56-304.
14. Purchases based on contracts established by a cooperative purchasing arrangement recognized by the City pursuant to Resolution No. 2009-50, as provided in T.C.A. § 12-3-1205.

15. Purchases based on contracts established by the United States General Services Administration (GSA) and authorized by GSA for use by US local governments, except as may be prohibited by applicable Tennessee statute.

16. Other arrangements and methods pursuant to Tennessee and/or federal law.

17. Fees paid by the City for products and services provided to the City by the State of Tennessee, other units of local government, and public utilities and utility districts.

18. Purchases made during a declared state of emergency that applies to the City but only if specific conditions prevent the establishment of competitive pricing; provided, however, that if the emergency purchase is valued at or greater than $50,000.00, then both the purchase and the specific conditions that prevented the establishment of competitive pricing shall, as soon as practicable, be reported to the Board of Mayor and Aldermen (see also provision D (“Circumstances under which competitive pricing is not required”), subsection 2, provision K, “Emergency Purchases”), and provision Y (“Emergency policies and procedures”).

E. Rejection of Bids, Proposals or Other Submittals

The Purchasing Manager shall recommend to the Board of Mayor and Aldermen to reject any and all bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office, or parts thereof, for any product or service to which this Policy applies, whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager believes the public interest would be best served by such rejection. The Purchasing Manager shall recommend to the Board of Mayor and Aldermen that it reject any such submittal of a vendor or contractor who is in default on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the City by the vendor or contractor whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager becomes aware of such default.

F. Conflict of Interest, Use of Position, Solicitation

There are several sources of law and regulations, as they may be amended from time to time, that apply to conflicts of interest, use of position and solicitation. They are incorporated by reference and adopted as if fully stated herein.

a. City Charter

Article VIII (“Finance”), Section 16 (“Officers not to be Interested in City Contracts or Work”) of the City of Franklin Charter reads as follows:

> No member of the Board of Mayor and Aldermen, or officer elected by said Board, shall be interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and cannot be enforced.

b. City of Franklin Municipal Code

Title 1 (“General Administration”), Chapter 8 (“Ethics”) of the City of Franklin Municipal Code sets forth the Code of Ethics for the City of Franklin, which applies to all full-time and part-time elective or appointed officials and employees of the City.

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c. City of Franklin Regulations

Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads as follows:

> Except for the receipt of such compensation as may be lawfully provided for the performance of City duties, and except as noted below, no City officer or employee shall be privately interested in or profit, directly or indirectly, from business dealings with, of, or by the City.
>
> Full-time, part-time, and temporary employees of the City may contract to supply goods and products to the City and/or render services for the City, provided:
>
> 1. any service that would be rendered must not be one the employee might provide in the normal scope of their regular duties;
> 2. the employee would be required to compete for the City's business in the same manner as any other prospective supplier or service provider;
> 3. the business relationship between the City and the employee must not present a conflict of interest nor a conflict of time with the employee's regular duties;
> 4. the business relationship between the City and the employee is not prohibited by the City's ethics policy; and
> 5. the business relationship between the City and the employee is authorized in advance by the City Administrator, and if the relationship is to be for more than one (1) year, it is annually re-authorized by the City Administrator.

Article XXI ("General Policies and Procedures"), Section I ("Use of Position"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads in part as follows:

> No employee shall make or attempt to make private purchases in the name of the City, nor otherwise use or attempt to use status as a City employee to secure unwarranted privileges or exemptions.

Article XXI ("General Policies and Procedures"), Section F ("Acceptance of Gratuities"), of the City's Human Resource Manual, as it may be amended from time to time, reads in part as follows:

> No employee shall accept or solicit any money or other consideration or favor from anyone other than the City for the performance of an act that the officer or employee would be required or expected to perform in the regular course of employment; nor shall any officer or employee accept, directly or indirectly, any gift, gratuity, or favor of any kind that might reasonably be an attempt to influence the individual's actions with respect to City business.

d. Statutes

Certain Tennessee statutes may apply to purchases involving city officers, committee members, etc. Selected Tennessee statutes may be found in Appendix A to this Purchasing Policy attached hereto for reference.

G. City Officer and Employee Communication with Vendors During Formal Procurement Solicitations for Sealed Submittals

Between the time a formal procurement solicitation for sealed submittals is issued by the City and the time an award is made, members of the Board of Mayor and Aldermen as well as employees of the City shall refrain from any form of communication with one or more vendors that may be competing for the award about any aspect of the procurement other than either in the context of a public meeting or by way of the Purchasing Office. The foregoing is not meant to preclude a representative of the City from answering questions from vendors if the question is already addressed in the formal solicitation documents, if the City representative is certain of the correct answer and if the Purchasing Office is informed of the communication. Otherwise, any inquiries from one or more vendors that may be competing for such an award shall be directed to the Purchasing Office which shall determine whether an addendum to the formal procurement solicitation should be prepared and issued to all vendors known or thought to be interested in the procurement opportunity. Vendors that may be competing for an award pursuant to a formal procurement solicitation shall be instructed that, until that award has been made, they shall not communicate about either the content of or the procurement process pertaining to the relevant formal procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

H. City Officer and Employee Business Dealings with the City

See Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resources Manual.

See also Title 1 ("General Administration"), Chapter 8 ("Ethics"), of the City of Franklin Municipal Code.

I. Tie Bids and Tie Quotes

Whenever the City utilizes its own competitive process, and in the event of tie bids or tie quotes (that is, when two or more responsible bidders or quoters submit responsive bids or quotes at identical total pricing for the minimum or estimated quantity indicated), then the tie bids or tie quotes shall be broken by means of one of the following methods, in descending order:

1. The award shall be made to the vendor who bid or quoted the soonest delivery of the product or completion of the service of all the vendors submitting the tie bids or tie quotes.
2. The award shall be made to the vendor who offered the pricing for the longest period of time for potential future orders of all the vendors submitting the tie bids or tie quotes.
3. If one or more of the vendors submitting the tie bids or tie quotes competed for the City's business the last time the City solicited bids or quotes for the same product or service, then the award shall be made to the vendor who offered the lowest pricing at that time of all the vendors submitting the tie bids or tie quotes.
4. If one or more of the vendors submitting the tie bid or tie quote have done business with the City within the most recent 24 months, then the award shall be made to the vendor who has done the most business with the City (measured in dollars) in that time frame of all the vendors submitting the tie bids or tie quotes.
5. The award shall be made by means of random selection, such method to be administered by the Purchasing Manager and to give equal opportunity to all the vendors submitting the tie bids or tie quotes.

J. Determining Responsible Respondents and Responsive Submittals

Whenever the City utilizes its own competitive process, products and services shall be purchased either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City. (The term "responsible bidder or quoter" and the term "responsible proposer or other respondent" shall mean a business entity or individual determined by the City to have the integrity and reliability as well as the financial and technical capacity to perform the requirements of the procurement solicitation and subsequent contract. The term "responsive bid or quote" and the term "responsive proposal or other submittal" shall mean a submittal determined by the City to fully conform in all material respects to the procurement solicitation and all of its requirements, including all form and substance.) In determining whether a competing respondent is responsible and whether the submittal is responsive, criteria such as the following may be taken into consideration:

1. The ability of the competing vendor to perform the contract or provide the material or service required.
2. Whether the competing vendor can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgment, experience, expertise, and efficiency of the competing vendor.
4. The previous and existing compliance by the competing vendor or a predecessor in interest with laws and ordinances relating to the contract or service.
5. The quality of the competing vendor's performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector customers.
6. The sufficiency of financial resources and the ability of the competing vendor to perform the contract or provide the service.
7. The ability of the competing vendor to provide future maintenance and service for the use of the materials, supplies, vehicles, equipment, or contractual service contracted.
8. Compliance by the competing vendor with all specifications included in the solicitation for bids or with all requirements included in the request for proposals or request for qualifications.
9. The ability of the competing vendor to deliver and maintain any requisite bid bonds or performance bonds.

K. Emergency Purchases

When in the judgment of the City Administrator, the department head or the Purchasing Manager there exists an emergency impinging on public health, safety or welfare and a purchase valued at or greater than $20,000 is necessary, then the competitive purchasing provisions contained in this Purchasing Policy may be waived; provided, however, that if the emergency purchase is valued at or greater than $50,000, then it shall, as soon as practicable, be reported to the Board of Mayor and Aldermen.

The emergency basis for pricing should be used only if necessary. Purchases that qualify as emergencies are to be based on emergency pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available. (See also provision D ("Circumstances under which competitive pricing is not required"), subsections 2 and 18, and provision Y, "Emergency policies and procedures.")

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L. Sole-Source Purchases

In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered. To the extent practicable, departments and the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.

The sole-source basis for pricing should be used only if necessary or financially advantageous to the City. Except when financially advantageous to the City to do otherwise, purchases that qualify as sole-source are to be based on sole-source pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available.

Sole-source purchases valued at less than $20,000 may be authorized by the end-user department. Sole-source purchases valued at less than $50,000 but not less than $20,000 may be authorized by the Purchasing Manager upon being satisfied that it is not possible to obtain competitive quotations from at least three (3) vendors. Except as noted in this provision L ("Sole-Source Purchases"), sole-source purchases valued at or greater than $50,000 may not be made unless and until individually authorized by the Board of Mayor and Aldermen. Authorized sole-source purchases do not require sealed bids or proposals pursuant to public advertising. The criteria for evaluating sole-source purchases valued at or greater than $20,000 are presented in Appendix B to this Purchasing Policy. Sole-source purchases pertaining to circumstances under which sealed bids or proposals pursuant to public advertising are not required, as same are listed in provision D ("Circumstances under which competitive pricing is not required"), even if valued at or greater than $50,000, require neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen unless otherwise required to be authorized or reported pursuant to this policy.

Sole-source purchases valued at or greater than $50,000 that do not require individual authorization by (but which shall, as soon as practicable, still be reported to) the Board of Mayor and Aldermen include:

a. Repairs to, maintenance of, licenses for and/or maintenance agreements for products already in use by the City, provided the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and provided the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: engine repairs made by the manufacturer or the manufacturer's representative for a vehicle; license and maintenance agreements for computer software.

b. Purchases of items necessary to maintain, expand or improve a manufacturer-specific system already in use by the City, and/or another governmental agency with which the City must cooperate in order to provide the public service relevant to the proposed purchase, and that requires interchangeability or interconnectivity of and/or communication between the component parts, provided the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and provided the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: water meters and related parts; traffic signal equipment and related parts;

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athletic field lighting (and related parts) connected to a centralized master control; automated external defibrillators; cardiac monitors; telemetry/supervisory control and data acquisition equipment.

c. Purchases of items that have, for good and sufficient reason, previously been standardized by the City, provided the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and provided the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: low-pressure wastewater collection grinder pumps and related parts; self-contained breathing apparatus; vehicle exhaust evacuation systems at individual fire stations, including installation if only one authorized installer is assigned to serve the City; vehicle extrication equipment.

M. Purchasing Card Program

The Purchasing Card Program shall be administered by the Purchasing Manager pursuant to procedures established therefor. Department heads shall determine which employees of their department shall be issued City purchasing cards. Employees who are authorized and expected to travel on behalf of the City and at the City's expense shall be issued purchasing cards and are expected to use same in lieu of being given travel advances.

Employees' participation in the City's Purchasing Card Program is a privilege and a convenience that includes certain responsibilities. Although the purchasing card is issued in the cardholder's name, it is City property and therefore must be used in accordance with City policy and rules, as well as with objectively reasonable judgment, especially as follows:

1. The City of Franklin Purchasing Card is provided to employees based on their need to purchase authorized goods and services. A card may be revoked at any time based on change of assignment or location. The card is neither an entitlement nor a reflection of title or position.
2. The card may be used only for authorized obligations of the City; use of the card for a purchase other than an authorized obligation of the City (such as personal purchases as well as alcoholic beverages and entertainment), even if intended for future reimbursement, are specifically prohibited.
3. Purchases made with the card are to comply with City purchasing and disbursements policies and procedures. Such City procurement rules as the need for procurement requisitions, the basis for pricing, contracting, whether a certificate of insurance is necessary to require of the service provider, adequacy of budgeted funding, and timing of payment relative to delivery of the product or service, all apply regardless of method of payment (such as by purchasing card).
4. The cardholder is the only person entitled to use the card and is accountable for all charges attributable to the card.
5. Cardholders are expected to exercise objectively reasonable judgment in deciding whether to make a purchase by considering (a) whether the potential purchase is prudent and necessary, and (b) whether the potential purchase would reflect well on the City and the cardholder, and be perceived by the general public as suitable and appropriate. Improper use of a City purchasing card, especially intentional and unreported but even unintentional and reported, including personal purchases as well as alcoholic beverages and entertainment, even if reimbursed, may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.

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6. Except for (a) purchases made outside Tennessee, (b) purchases of non-catered prepared meals, and (c) purchases related to travel, the City purchaser/cardholder is responsible for ensuring that the transaction is completed without sales tax being charged to the City. If a transaction has been completed on which sales tax was charged in error, then the cardholder is responsible for contacting the vendor and requesting that the amount of the sales tax be credited back to the same City purchasing card to which the sales tax was charged. Documentation of this effort, and of the vendor's response, shall be submitted in addition to the supporting documentation for the transaction.
7. Cardholders are expected to comply with internal control procedures in order to protect the City's assets. This includes (a) not permitting anyone other than the cardholder to use the card; (b) making sure that each transaction is electronically processed in full and on time in the purchasing card expense reporting system utilized by the City; (c) keeping and submitting on time detailed invoices or itemized payment receipts that substantiate each and every charge attributed to the purchasing card issued to the cardholder; (d) assisting the City upon request with reconciling the City's billing cycle statements; and (e) taking reasonable precautions to secure the purchasing card against loss and/or theft.
8. If electronic processing of a purchasing card transaction is not completed by the deadline and the Purchasing Office has not been previously notified of the need for a delay, then the monthly credit limit for the respective purchasing card may be reduced to $0 until the processing is complete. This consequence applies to any transaction that has not been correctly allocated, explained with a comment, and approved by the individual assigned to approve purchasing card transactions for that cardholder. Credit limits will be restored to the previous amounts once electronic processing is complete.
9. Failure to submit on time adequate and legible supporting documentation for each transaction or to otherwise comply with City rules will carry consequences, possibly including reduction or loss of card spend authority, reimbursement of the City by the employee for unauthorized and/or unsubstantiated purchases, and/or disciplinary action, up to and including termination.
10. Cardholders are responsible for cooperating with efforts by the City to resolve any discrepancies by contacting the vendor and/or the issuing bank.
11. A lost or stolen purchasing card shall, as soon as practicable upon discovery of the loss or theft, be reported to the City Purchasing Office and/or the issuing bank.
12. A cardholder must surrender his or her card upon termination of employment (i.e., retirement or voluntary or involuntary separation).

N. Payment for Purchases

All payments to vendors and service providers shall be made by one of the City's available methods of payment in accordance with City purchasing and disbursements policies and procedures.

O. Use of Internet Auctions for Purchases of City Property

The use of internet auctions is generally prohibited as a method for making City purchases unless specifically authorized in advance by the City Administrator.

P. Vendor Protests

Vendor protests shall be handled in accordance with the City's Vendor Protest Procedure for procurements not pertaining to new construction, as approved by resolution of the Board of Mayor and Aldermen.

Q. Disciplinary Action

Any employee who fails or refuses to comply with the provisions of this Purchasing Policy shall be subject to disciplinary action pursuant to and as provided in the Human Resources Manual, as it may be amended from time to time.

R. Requests for Proposals

Requests for competitive sealed proposals shall be used pursuant to T.C.A. § 12-3-1207 and may be used only when qualifications, experience, or competence are more important than price in making the purchase, and either (1) when there is more than one (1) solution to a purchasing issue and competitive sealed proposals would assist in choosing the best solution; or (2) when there is no readily identifiable solution to a purchasing issue and competitive sealed proposals would assist in identifying one (1) or more solutions. The request for competitive sealed proposals shall state the relative importance of price and other evaluation factors. The award shall be made to the responsible respondent whose proposal the governing body determines is the most advantageous to the City, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation.

S. Requests for Qualifications

Requests for qualifications may be used pursuant to T.C.A. § 12-3-1209 for legal services, fiscal agent, financial advisor or advisory services and similar services by professional persons or groups of high ethical standards, or pursuant to T.C.A. § 12-4-107 for architectural and engineering services.

T. Procurement of Property and/or Services under a Federal Award

When procuring property and/or services under a Federal award, the City shall follow applicable provisions of 2 CFR Chapter I and Chapter II, Part 200, et al. ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule"), as promulgated December 26, 2013 by Executive Office of the President, Office of Management and Budget, namely sections 200.318 ("General procurement standards") through 200.326 ("Contract provisions").

U. Requests to inspect and/or obtain either complete or partial copies of purchasing-related records

1. Sealed bids, requests received during protest period: After opening sealed bids submitted to and received by the City in response to a formal procurement solicitation for bids facilitated by the City Purchasing Office, but not later than the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to such a procurement solicitation:

a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such bids shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such bids shall be made pursuant to the City's public records request policy and procedure.

2. Sealed proposals and statements of qualifications and certain related records, requests received during protest period: After the City issues a notice of intent to award a pending procurement as a result of a formal procurement solicitation facilitated by the City Purchasing Office and involving a personal service, professional service, or consultant service request for proposals or request for qualifications solicitation that resulted in proposals or statements of qualifications having been submitted to and received by the City, but not later than the seventh calendar day after the City issues such a notice of intent to award:
a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be made pursuant to the City's public records request policy and procedure.

3. Sealed submittals (except any that have been attached to a City contract that has been posted on the City's website), requests received after protest period: After the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of bids, proposals or other vendor submittals, except any such documents that have been attached to a City contract that has been posted on the City's website (see provision U ("Requests to inspect and/or obtain either complete or partial copies of purchasing-related records"), subsections 4.a and 4.b), shall be made pursuant to the City's public records request policy and procedure.

4. Other purchasing-related City records:
a. Other than between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party, and so honoring such a request may but need not involve the use of the City's public records request policy and procedure.

b. Between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office in accordance with fair practices (e.g., timely preparation and issuance of an addendum with the requested record(s) attached) established by the City Purchasing Office, and so honoring such a request shall not involve the use of the City's public records request policy and procedure.

c. At any time, for all purchasing-related City records other than those pertaining to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of such records shall be made pursuant to the City's public records request policy and procedure.

V. Multiple-Contract Awards

When advantageous to the City to do so, the City may issue multiple-contract awards, that is, contracts awarded to more than one supplier and/or service provider for comparable supplies and/or services, provided the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing apply for the total value of all contracts issued for the multiple-contract award.

W. Donated or below-market-priced products or services

If in the judgment of the department head or city administrator a potential donation or a product or service otherwise priced below market would be a benefit to the City, then the City may receive donated or below-market-priced products, whether new or used, or services, provided:

1. The transaction complies with provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the transaction value of the donation.
2. The transaction is documented, such as by purchase order or another contract.
3. The transaction documentation states:
    a. That the donation is offered free and clear to the City of Franklin, Tennessee without any expectation of any payment or service or any other consideration in return, including consideration for past or future procurements of or by the City.
    b. That the donor is not entitled to, and shall not seek, any marketing or advertising or promotional privilege or benefit as a result of the donation.

This section does not pertain to sponsorships or other advertising sold and/or received by the City.

X. Trade-ins

The Franklin Municipal Code provision pertaining to the disposal of surplus personal property of the City does not pertain to any trade-in of a product owned by the City toward the purchase of another product provided the purchase of the other product complies with the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the value of the purchase before the value of any trade-in is applied.

Law Dept. Approved 05.12.23

Y. Emergency policies and procedures

During a declared state of emergency that applies to the City, the City Administrator may suspend this Purchasing Policy and/or the Purchasing Manager may suspend standard purchasing procedures administered by the Purchasing Manager and implement temporary policies and procedures as circumstances warrant; provided, however, (a) that any suspension of this Purchasing Policy, the rationale for such suspension and any temporary policies shall, as soon as practicable, be reported to the Board of Mayor and Aldermen, and (b) that, to the extent practicable, any such temporary policies and procedures shall deviate from this Purchasing Policy and such standard purchasing procedures no more than necessary under the circumstances. (See also provision D (“Circumstances under which competitive pricing is not required”), subsections 2 and 18, and provision K, “Emergency Purchases.”)

Z. Openings of sealed bids, proposals, or other submittals

Sealed bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office and pursuant to public advertising, if valued at or greater than $50,000, shall be opened publicly and may be conducted either (1) in person only or (2) virtually only, by means of an online meeting application that includes both audio/video access via an internet link as well as audio-only access via telephone, rather than in person, or (3) both in person and virtually. How each opening is to be conducted shall be addressed in writing in the relevant procurement solicitation, including any addenda to the procurement solicitation that may be issued. Whenever the opening is conducted either virtually only or both in person and virtually, in order to reduce the opportunity for persons to use any online virtual meeting application as a means for disrupting the opening, the ability for persons attending virtually to be viewed and/or heard by other attendees of such opening may be restricted by, and granted only upon request approved by, the Purchasing Office.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX A
SELECTED TENNESSEE STATUTES APPLYING TO OFFICERS, COMMITTEE MEMBERS, ETC.

T.C.A. § 6-54-107. Interest of officer in municipal contracts prohibited.

a. No person holding office under any municipal corporation shall, during the time for which such person was elected or appointed, be capable of contracting with such corporation for the performance of any work that is to be paid for out of the treasury. Nor shall such person be capable of holding or having any other direct interest in such a contract. "Direct interest" means any contract with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

b. No officer in a municipality shall be indirectly interested in any contract to which the municipality is a party unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality.

c. 1. Any member of a local governing body of a municipality who is also an employee of the same municipality may vote on matters in which such member has a conflict of interest if the member informs the governing body immediately prior to the vote as follows: "Because I am an employee of (name of governmental unit), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to my constituents and the citizens this body represents."

2. In the event a member of a local governing body of a municipality has a conflict of interest in a matter to be voted upon by the body, the member may abstain for cause by announcing such to the presiding officer. Any member of a local governing body of a municipality who abstains from voting for cause on any issue coming to a vote before the body shall not be counted for the purpose of determining a majority vote.

3. The vote of any person having a conflict of interest who does not inform the governing body of such conflict as provided in subdivision (c)(1) shall be void if challenged in a timely manner. As used in this subdivision (c)(3), "timely manner" means during the same meeting at which the vote was cast and prior to the transaction of any further business by the body.

4. Nothing in this subsection (c) alters, amends, or otherwise affects § 12-4-101(a). In the event of any conflict between this subsection (c) and § 12-4-101(a), § 12-4-101(a) shall prevail.

5. The legislative body of any metropolitan form of government or charter form of government may opt out of this subsection (c) by resolution.

T.C.A. § 6-54-108. Penalty for unlawful interest of officer.

Every officer of such corporation who shall unlawfully be concerned in making such contract, or who shall unlawfully pay money upon the same to or for any person declared incapable in § 6-54-107, shall forfeit the amount so paid; and such officer shall be jointly and severally liable to an action for the same, which action may be prosecuted by any citizen of the corporation in its name.

T.C.A. § 12-4-101. Personal interest of officers prohibited.

(a) (1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

….

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

….

T.C.A. § 12-4-102. Penalty for unlawful interest.

Should any person, acting as such officer, committee member, director, or other person referred to in § 12-4-101, be or become directly or unlawfully indirectly interested in any such contract, such person shall forfeit all pay and compensation therefor. Such officer shall be dismissed from such office the officer then occupies, and be ineligible for the same or a similar position for ten (10) years.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX B
SOLE-SOURCE PURCHASES VALUED AT OR GREATER THAN $20,000

Sole-source purchases valued at or greater than $20,000 shall be made only when an item is unique and possesses specific characteristics that can be filled by only one source and must have prior approval by the Purchasing Manager or, if the purchase is valued at or greater than $50,000, then the Board of Mayor and Aldermen except as detailed in provision L, "Sole-Source Purchases." In determining whether to authorize sole-source purchases valued at or greater than $20,000, factors such as the following shall be considered:

1. whether the vendor possesses exclusive and/or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
2. whether the product or service is unique and easily established as one-of-a-kind;
3. whether the program requirements can be modified so that competitive products or services may be used;
4. whether the product is available from only one source and not merchandised through wholesalers, jobbers or retailers; and
5. whether items must be interchangeable or compatible with in-place items.

After review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or several of the above criteria, and provided the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and provided the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated, then, in lieu of competitive purchasing procedures, the Purchasing Manager shall either authorize the sole-source purchase or, if the purchase is valued at or greater than $50,000, then forward the request to the Board of Mayor and Aldermen for its consideration except as detailed in provision L, "Sole-Source Purchases."

Based in part on Rule No. 0690-3-1-.03(3) of Rules of the Tennessee Department of General Services, Purchasing Division.

Law Dept. Approved 05.12.23

HISTORIC FRANKLIN TENNESSEE

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-04708

DATE: May 18, 2023

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Mike Lowe, Comptroller
Margaret Wilson, Financial Manager

SUBJECT:

Consideration Of DRAFT Resolution 2023-32, A Resolution To Update The City Of Franklin Lease Accounting And Reporting Policy

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning DRAFT Resolution 2023-32, A Resolution To Update The City of Franklin Lease Accounting and Reporting Policy.

BACKGROUND/STAFF COMMENTS:

Each year, the Finance Department reviews current policies and procedures to determine if updates are needed. These updates, as well as any new policies or procedures, are typically presented at the June Budget and Finance Committee.

Resolution 2023-32 is a proposed update to the lease accounting and reporting policy approved by Resolution 2021-95 on June 22, 2021 and revised by Resolution 2022-44 on August 23, 2022. The policy provided best financial and compliance practices for implementation of Governmental Accounting Standards Board (GASB) Statement 87, Leases, effective beginning fiscal year 2022. (The revision to the policy in 2022 specified a $50,000 threshold for lease payments under the policy.)

Generally, the policy provides that on leases exceeding 12 calendar months and where payments are $50,000 or greater, a portion of each lease payment is reported as interest revenue (or expense) based on a negotiated or calculated interest rate. Payment amounts are split between lease revenue (or expense) and interest revenue (and expense) for audit.

There are 3 proposed updates to the policy:

1. The first and second updates add references to new GASB Statement 96 (Subscription-Based Information Technology Arrangement). The statement extends lease requirements to

technology/software as a subscription. (Statement 87 applied to land, building, vehicles, and equipment.)

2. The third update is to clarify the lease reporting is in both the fund financials (that are budgeted) and government-wide financials (that are prepared for audit) and change the annual report name and abbreviation.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends that Resolution 2023-32 be recommended to the Board of Mayor and Aldermen for approval.

RESOLUTION 2023 - 32

A RESOLUTION TO UPDATE THE CITY OF FRANKLIN LEASE ACCOUNTING AND REPORTING POLICY

WHEREAS, the City of Franklin desires to follow best financial and compliance practices for implementing Governmental Accounting Standards Board (GASB) Statement 87, Leases, effective beginning fiscal year 2022; and

WHEREAS, the City of Franklin desires to follow best financial and compliance practices for implementing Governmental Accounting Standards Board (GASB) Statement 96, Subscription-Based Information Technology Arrangements, effective beginning fiscal year 2023; and

WHEREAS, the City of Franklin desires to provide City-wide guidance; and

WHEREAS, the Board of Mayor and Aldermen approved the policy by Resolution 2021-96 on June 22, 2021 and updated the policy by Resolution 2022-44 on August 23, 2022; and

WHEREAS, the Board of Mayor and Aldermen believes changes or revisions to the policy hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the citizens of the City of Franklin to update the lease accounting and reporting policy as shown in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF FRANKLIN, TENNESSEE, that the Lease Accounting and Reporting Policy shall be adopted as follows:

Section 1. Add new GASB Statement 96 to Section 1 (Purpose)

Current wording:

1. PURPOSE

To implement new accounting and reporting requirements for government leases in accordance with Governmental Accounting Standards Board (GASB) Statement 87, Leases, effective beginning fiscal year 2022. In the statement, leases are no longer classified as operating or capital leases.

Updated wording

1. PURPOSE

To implement new accounting and reporting requirements for government leases in accordance with Governmental Accounting Standards Board (GASB) Statement 87, Leases, effective beginning fiscal year 2022 and Statement 96, Subscription-Based Information Technology Arrangements, effective beginning fiscal year 2023. In the statements, leases are no longer classified as operating or capital leases.

Section 2. Add technology/software as a subscription to Section 2 (Leases of Assets)

Current wording:

2. LEASES OF ASSETS

Leases are agreements between the owner of an asset (lessor) and a payor (lessee) for use of the asset over a period of time. The City may be the lessor or lessee in these agreements. This policy applies to leases of land, building, vehicles, or equipment of $50,000 or more, which are included in the new requirements. Leases of software and leases that transfer ownership of the asset, which are not included in the new requirements, are not included in this policy.

Updated wording:

2. LEASES OF ASSETS

Leases are agreements between the owner of an asset (lessor) and a payor (lessee) for use of the asset over a period of time. The City may be the lessor or lessee in these agreements. This policy applies to leases of land, building, vehicles, ~~or~~ equipment, or technology/software as a subscription of $50,000 or more, which are included in the new requirements. Leases of software and leases that transfer ownership of the asset, which are not included in the new requirements, are not included in this policy.

Section 3. Specify the reporting is in both fund financials and government-wide financials and update the annual report name and abbreviation in Section 8 (Annual Reporting of Leases)

Current wording:

8. ANNUAL REPORTING OF LEASES

The calculated amounts will be reported in the government-wide or proprietary fund statements in the City's Comprehensive Annual Financial Report (CAFR). There is no impact on the fund financials used for budgeting.

Updated wording:

8. ANNUAL REPORTING OF LEASES

The calculated amounts will be reported in both the fund financials and the government-wide or proprietary fund statements in the City's ~~Comprehensive~~ Annual Comprehensive Financial Report ~~(CAFR)~~ (ACFR). ~~There is no impact on the fund financials used for budgeting~~.

Section 4. BE IT FINALLY RESOLVED that this resolution shall take effect from ___________, 2023, the health, safety, and welfare of the citizens requiring it.

IT IS SO RESOLVED AND DONE on this _____ day of ________________, 2023.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE:**
By: _________________________	**By: _________________________**
Eric S. Stuckey	**Dr. Ken Moore**
City Administrator	**Mayor**

Approved as to form:

By: ____________________________
Shauna R. Billingsley, City Attorney

CITY OF FRANKLIN

Lease Accounting and Reporting Policy

Exhibit A

1. PURPOSE

To implement new accounting and reporting requirements for government leases in accordance with Governmental Accounting Standards Board (GASB) Statement 87, Leases, effective beginning fiscal year 2022 and Statement 96, Subscription-Based Information Technology Arrangements, effective beginning fiscal year 2023. In the statement, leases are no longer classified as operating or capital leases.

2. LEASES OF ASSETS

Leases are agreements between the owner of an asset (lessor) and a payor (lessee) for use of the asset over a period of time. The City may be the lessor or lessee in these agreements. This policy applies to leases of land, building, vehicles, ~~or~~ equipment, and technology/software as a subscription of $50,000 or more, which are included in the new requirements. Leases of software and leases that transfer ownership of the asset, which are not included in the new requirements, are not included in this policy.

3. LEASE PERIOD

This policy applies to lease agreements of more than 1 year.

4. LEASE AGREEMENT REQUIRED TERMS

a. Description of lease specifying the rights to assets provided or given.
b. Name of lessor and lessee (for City, include department name if applicable)
c. Describe land, buildings, vehicles, or equipment asset(s) being leased, including asset identifiers (address, VIN, serial number, etc.) if applicable.
d. Resolution and/or contract number the lease was approved.
e. Date the lease was approved.
f. Date a pre-lease payment is due (prior to start of lease).
g. Pre-lease payment amount due (prior to start of lease).
h. Lease start date (date rights to use asset occur).
i. Initial lease end date.
j. Extended lease end date if applicable.
k. Frequency of lease payments.
l. Due dates of payments (to determine if payments are paid at beginning or at end of a payment period)
m. Portion of total payment that is for maintenance of asset in lieu of lease of asset.
n. Payment escalator (percent, CPI, or amount increase in the lease payments during the lease term)
o. The interest rate (discount rate) the lessor charges the lessee.

5. INTEREST RATE (DISCOUNT RATE)

If the interest rate is not stated by the lessor, the Finance Department will determine the appropriate interest rate (discount rate) based on the lessee's estimated incremental borrowing rate.

6. ACCOUNTING FOR LEASES IF LESSOR

If the City is the lessor, the Finance Department will calculate the following:

a. Deferred Inflows. This matches the Initial Lease Asset Value (lease payments +/- pre-lease payment made) on the lessee side.
b. Lease Receivable. This matches the Lease Liability (present value of lease payments) on the lessee side.
c. Lease Revenue. This matches the Depreciation Expense (straight-line annual reduction of Asset Value) on the lessee side, and
d. Interest Revenue. This matches the Interest Expense (time value of money included in each lease payment) on the lessee side.

7. ACCOUNTING FOR LEASES IF LESSEE

If the City is the lessee, the Finance Department will calculate the following:

a. Initial Lease Asset Value (lease payments +/- pre-lease payment made)
b. Lease Liability (present value of lease payments)
c. Depreciation Expense (straight-line annual reduction of Asset Value), and
d. Interest Expense (time value of money included in each lease payment)

8. ANNUAL REPORTING OF LEASES

The calculated amounts will be reported in both the fund financials and the government-wide or proprietary fund statements in the City's ~~Comprehensive~~ Annual Comprehensive Financial Report ~~(CAFR)~~ (ACFR). ~~There is no impact on the fund financials used for budgeting~~.

9. PERIODIC REPORTING OF LEASES

Finance will periodically submit reports of outstanding leases to the City Administrator as well as to the Budget & Finance Committee of the Board of Mayor and Aldermen.

10. ADDITIONAL LEASE TERMS

The City may include additional terms in a lease agreement not listed above.

City of Franklin

109 3rd Ave S.
Franklin, TN 37064
(615) 791-3217

File #: 21-04709

DATE: May 18, 2023

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Mike Lowe, Comptroller
Margaret Wilson, Financial Manager
Jessica Davey, Revenue & Licensing Manager

SUBJECT:

Consideration Of DRAFT Resolution 2023-33, A Resolution To Update The City Of Franklin Uncollectible Accounts Receivable Write-Off Policy

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning DRAFT Resolution 2023-33, A Resolution To Update The City of Franklin Uncollectible Accounts Receivable Write-Off Policy.

BACKGROUND/STAFF COMMENTS:

Each year, the Finance Department reviews current policies and procedures to determine if updates are needed. These updates, as well as any new policies or procedures, are typically presented at the June Budget and Finance Committee.

Resolution 2023-33 is a proposed update to the uncollectible accounts receivable write-off policy, approved by Resolution 2022-27 on June 28, 2022. The policy provided guidance to ensure the most efficient use of the City's revenue collection resources.

Generally, the policy provides criteria and approvals for writing off uncollectible accounts receivable. The write-off does not impact revenue. The write-off (or reduction of accounts receivable) is for audit purposes to better reflect amounts the City may collect.

There are 2 proposed updates to the policy:

1. The first update is to increase the thresholds under approval for write-offs for consistency and standardization among financial policies. Since the write-off policy had been recently approved (in June 2022), it was not included in approved Resolution 2022-44 that updated the thresholds for other policies in August 2022.

2. The second update is to clarify the policy does not bar the City from accepting payment on a written-off account.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends that Resolution 2023-33 be recommended to the Board of Mayor and Aldermen for approval.

RESOLUTION 2023 - 33

A RESOLUTION TO UPDATE THE CITY OF FRANKLIN UNCOLLECTIBLE ACCOUNTS RECEIVABLE WRITE-OFF POLICY

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to adopt an Uncollectible Accounts Receivable Write-Off Policy to provide guidance to ensure the most efficient use of City's revenue collection resources: and

WHEREAS, the Board of Mayor and Aldermen approved the policy by Resolution 2022-27 on June 28, 2022; and

WHEREAS, the Board of Mayor and Aldermen believes changes or revisions to the policy hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the citizens of the City of Franklin to update the uncollectible accounts receivable write-off policy as shown in Exhibit A.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Section 1. Increase the thresholds under Section IV-3 (Procedures-Approval for Write-offs) for consistency among financial policies:

Current wording: **3. Approval for Write-Offs**

Upon receipt of a request for write-off of accounts receivable by the City Comptroller, Finance Department staff will review the request to ensure that it is complete and that all necessary due diligence documentation has been attached. Once Finance Department staff has completed its review of a request, the qualified accounts to be written-off will be presented for approval:

a. To the Assistant City Administrator/CFO for an account or accounts within a criterion aggregating up to $5.000.

b. To the City Administrator for an account or accounts within a type aggregating within a criterion up to $25.000.

c. To the Board of Mayor and Aldermen for an account or accounts within a type aggregating within a criterion more than $25,000.

Updated wording: **3. Approval for Write-Offs**

Upon receipt of a request for write-off of accounts receivable by the City Comptroller, Finance Department staff will review the request to ensure that it is complete and that all necessary due diligence documentation has been attached. Once Finance Department staff has completed its review of a request, the qualified accounts to be written-off will be presented for approval:

a. To the Assistant City Administrator/CFO for an account or accounts within a criterion aggregating up to ~~$5.000~~ $20,000.

b. To the City Administrator for an account or accounts within a type aggregating within a criterion up to ~~$25.000~~ $50,000.

c. To the Board of Mayor and Aldermen for an account or accounts within a type aggregating within a criterion more than ~~$25,000~~ $50,000.

Section 2. Add Section IV-5 (Procedures-Subsequent Collection After Write-Off).

Add: 5. Subsequent Collection After Write-Off

This policy does not bar the City from accepting a payment on a written off account. This may occur if a customer with a written-off account returns to the City or if a customer makes it known they had a written-off balance.

Section 3. The effective date of the policy update hereby adopted shall be immediate upon passage and adoption of this resolution, the public welfare and the welfare of the City requiring it.

RESOLVED this _________ day of _____, 2023.

ATTEST: **CITY OF FRANKLIN, TENNESSEE**

BY: ____ BY: ____

Eric S. Stuckey
City Administrator / City Recorder

Dr. Ken Moore
Mayor

APPROVED AS TO FORM BY:

____
Shauna R. Billingsley, City Attorney

FRANKLIN
UNCOLLECTIBLE ACCOUNTS RECEIVABLE
WRITE-OFF POLICY
Exhibit A

I. PURPOSE

The purpose of this policy is to ensure that all reasonable diligence has been used to collect accounts receivable, improve measurement of the City of Franklin's accounts receivable, and ensure the most efficient use of City's revenue collection resources.

II. POLICY

It is the policy of the City of Franklin to actively pursue collection of past-due accounts receivable, regularly review the status of past-due accounts, and write-off amounts determined to be uncollectible.

III. SCOPE

This policy applies to all City of Franklin departments and funds. Types of receivables covered by this policy include but are not limited to:

1. utility service bills (water, wastewater, reclaimed, stormwater, and sanitation), and
2. fees, fines, and penalties (except those from all courts), and
3. licenses and permits.

IV. PROCEDURES

Collection procedures are established by the responsible departments and will vary depending on the nature of the receivable. Accounts receivable should generally be written-off during the fiscal year in which an account is determined to be uncollectible.

1. Designation of an Account as Uncollectible

An account will be considered uncollectible after the appropriate collection procedures have been followed if it meets one or more of the following criteria:

a. the debt is disputed, and the City of Franklin has insufficient documentation to pursue collection efforts,
b. the cost of further collection efforts will exceed the estimated recovery amount,
c. the debtor cannot be located, nor any of the debtor's assets,
d. the debtor has no assets and there is no expectation they will have any in the future,
e. the debtor has died and there is no known estate or guarantor,
f. the debtor is a company which is no longer in business,
g. the debt is discharged through legal action (bankruptcy or court judgment),
h. the amount is under $5 and remains unpaid after one year,

i. the account remains unpaid after 6 years for non-judgments, 10 years for judgments, or the applicable period for commencement of a recovery action (statute of limitations), or after fifteen (15) years.

2. Request for Write-Offs

a. At fiscal year-end, each department will identify any accounts receivable for which it is responsible that meet the criteria for designation as an uncollectible account. A request for write-off of accounts receivable will be prepared by departmental staff and signed by the department head and Assistant City Administrator of the department, if applicable.

The request for write-off of accounts receivable must include an itemized list of the uncollectible accounts to be written off specifying the following:

i. brief description of receivable type,
ii. debtor name,
iii. account number of the receivable in the City's financial system(s),
iv. account balance,
v. due date, and
vi. criteria under this policy which the account was deemed uncollectible.

b. For each uncollectible account, documentation must be attached to the request to support the uncollectible account designation and substantiate that the department has followed its collection procedures and exercised due diligence in its collection efforts. Due diligence documentation could include:

i. invoices, reminder letters, or collection letters (and any documentation that are returned as undeliverable, no known forwarding address, etc.),
ii. referral to the City of Franklin’s collection agency,
iii. notice of discontinuation of services,
iv. bankruptcy claim and any related plan or discharge, and/or
v. judgment awarded by a court or settlement agreement.

3. Approval for Write-Offs

Upon receipt of a request for write-off of accounts receivable by the City Comptroller, Finance Department staff will review the request to ensure that it is complete and that all necessary due diligence documentation has been attached. Once Finance Department staff has completed its review of a request, the qualified accounts to be written-off will be presented for approval:

a. To the Assistant City Administrator/CFO for an account or accounts within a criterion aggregating up to ~~$5.000~~ $20,000.

b. To the City Administrator for an account or accounts within a type aggregating within a criterion up to ~~$25.000~~ $50,000.

c. To the Board of Mayor and Aldermen for an account or accounts within a type aggregating within a criterion more than ~~$25,000~~ $50,000.

4. Reporting of Write-Offs

Approved write-offs in a fiscal year will be reported at least annually to the Board of Mayor and Aldermen.

5. Subsequent Collection After Write-Off

This policy does not bar the City from accepting a payment on a written off account. This may occur if a customer with a written-off account returns to the City or if a customer makes it known they had a written-off balance.

CITY OF FRANKLIN

3RD QUARTER REPORT

FY 2023

Excellence *Innovation* *Teamwork* *Integrity* *Action-Oriented*

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Executive Summary

Quarter Ended March 31, 2023

- The General Fund shows a current year surplus of $13.7 million.
- In the General Fund, local sales taxes are 5% higher than last year.
- For development fees that are dependent on timing and type of development are being compared to 2022:
    - building permit revenue is 10% less than previous year.
    - road impact fees are 60% less than last year.
    - facilities taxes are 53% less than last year.
- Hotel/Motel taxes are 19% higher.

All Funds Summary

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Change	Fund Summary on Page
General	$75,885,131	$80,377,897	$66,612,603	$89,650,425	$13,765,294	3
Street Aid	$2,870,168	$3,698,894	$2,307,055	$4,262,007	$1,391,839	6
Sanitation & Envir. Services.	$2,028,590	$8,372,115	$8,017,028	$2,383,677	$355,087	7
Road Impact	$32,202,322	$3,862,551	$10,002,964	$26,061,909	($6,140,413)	9
Facilities Tax	$13,171,571	$1,193,394	$61,334	$14,303,631	$1,132,060	10
County Facilities Tax	$4,377,132	$521,181	$600,000	$4,298,313	($78,819)	11
Stormwater	$2,914,023	$2,130,893	$2,213,824	$2,831,093	($82,930)	12
Drug	$538,767	$87,713	$174,446	$452,034	($86,733)	13
Hotel/Motel	$8,006,647	$4,608,685	$4,304,066	$8,311,266	$304,619	14
Parkland Dedication	$8,451,072	$2,156,494	$4,500,000	$6,107,566	($2,343,506)	15
Transit	$807,254	$2,407,821	$2,407,821	$807,254	$0	16
CDBG	$118,475	$238,985	$214,314	$143,146	$24,671	17
Debt Service	$1,161,978	$14,261,077	$12,471,839	$2,951,216	$1,789,238	18
Capital Projects - Fund 310 (Multi-Purpose)	$15,138,405	$22,267,276	$11,091,647	$26,314,035	$11,175,630	19
Capital Projects - Fund 312 (2019 Bonds)	$931,697	$4,514	$936,211	($0)	($931,697)	21
Capital Projects - Fund 350 (Fleet)	$3,253,022	$1,531,488	$664,681	$4,119,828	$866,806	22
Water & Wastewater Operations	*	$35,386,635	$36,173,888	*	($787,253)	23
Water & Wastewater Dev. Fees	*	$1,674,359	$1,437,720	*	$236,639	26

* As an enterprise fund (which is similar to a private business), Water & Wastewater does not have a fund balance.

General Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Local Sales Tax	44,757,120	42,513,833	105.3%	55,752,000	80.3%
Property Taxes	10,055,982	8,075,560	124.5%	9,486,007	106.0%
State Sales Tax	7,344,049	6,865,181	107.0%	8,989,000	81.7%
Grants	101,892	2,207,850	4.6%	2,087,000	4.9%
Alcohol Taxes	4,150,054	4,311,065	96.3%	4,796,175	86.5%
State Business Tax & Fee	4,347,273	4,238,533	102.6%	5,297,524	82.1%
Franchise Fees	2,156,245	2,220,559	97.1%	2,526,090	85.4%
Building Permits	1,120,963	1,249,682	89.7%	1,845,207	60.7%
State TVA In Lieu Of Tax	752,648	649,966	115.8%	869,303	86.6%
Interest Income	918,578	(856,254)	(107.3%)	100,000	918.6%
Court Fines & Fees	340,691	282,345	120.7%	268,087	127.1%
State Excise Tax	396,896	246,686	160.9%	238,345	166.5%
In Lieu of Tax (Local)	307,092	231,775	132.5%	365,595	84.0%
State Sporting Wagering Tax	115,626	63,436	182.3%	70,000	165.2%
State Beer Tax	38,106	38,120	100.0%	37,292	102.2%
State Cemetary Excise Tax	3,981	1,285	309.7%	-	0.0%
Other Revenues	3,470,701	1,122,760	309.1%	1,813,888	191.3%
Fund Balance Allocation	-	-	0.0%	355,000	0.0%
Total Revenues	***80,377,897***	***73,462,383***	***109.4%***	***94,896,513***	***84.7%***
Expenditures:					
Salaries & Wages	36,446,512	30,498,492	119.5%	48,796,532	74.7%
Employee Benefits	12,183,111	11,480,976	106.1%	19,809,580	61.5%
Transfers To Other Funds	6,435,532	2,816,885	228.5%	6,798,031	94.7%
Contractual Services	3,991,249	3,525,730	113.2%	5,673,142	70.4%
Capital	322,089	630,879	51.1%	3,212,690	10.0%
Repair & Maintenance Services	2,095,121	1,688,875	124.1%	3,056,474	68.5%
Utilities	1,887,776	1,641,735	115.0%	2,393,676	78.9%
Reimbursement from Other Funds	(3,545,658)	(3,148,119)	112.6%	(4,727,525)	75.0%
Other Expenditures	6,796,871	5,723,107	118.8%	9,883,913	68.8%
Total Expenditures	***66,612,603***	***54,858,560***	***121.4%***	***94,896,513***	***70.2%***
Total Unallocated Funds	***13,765,294***	***18,603,823***	***74.0%***	***-***	***0.0%***

FUND SUMMARY

- Local sales taxes are 5% higher over last year.
- Alcohol Taxes are 4% less than last year.
- Building permit revenue is 10% less than 2022. (Development fees that are dependent on timing and type of development.)
- Property Taxes are 25% higher due to higher than expected collections and the 2015 Industrial Development Board Loan being paid off in FY2022.
- Salaries & Wages are 20% higher over last year due to the compensation plan update in July 2022.
- Grant Revenue is lower than last year. Last year we had $900,000 from Local Direct Appropriation Grant and $400,000 from the American Rescue Plan.
- Transfers in the current year are for East McEwen, Jordan Road, and Long Land Overpass.

General Fund (cont.)

Salaries & Wages - General Fund			
Wage Type	**Frequency**	**FY 2023**	**FY 2022**
Regular	19 Payrolls	$34,022,892	$27,787,202
Overtime	19 Payrolls	$2,356,856	$2,043,813
Premium Pay	7/23/2021	$0	$398,009
ARPA/COVID Pay		$0	$205,900
Holiday Pay	11/21/2022	$66,764	$63,568
		$36,446,512	$30,498,492

Employee Benefits - General Fund			
Account Type	**Frequency**	**FY 2023**	**FY 2022**
FICA (Employer's Share)	19 Payrolls	$2,676,716	$2,162,637
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$57,633
Medical/Vision	Monthly	$4,698,500	$4,938,885
Dental	Monthly	$240,369	$93,224
Other Group Insurance	Monthly	$169,702	$164,697
Retirement		$4,112,376	$3,652,142
Unemployment		$15,269	$866
Tool/Clothing Allowance		$15,530	$19,830
Workers Compensation	Monthly	$254,649	$391,063
		$12,183,111	$11,480,976

General Fund (cont.)

Grant Revenue - General Fund

Grant Name	Purpose	FY 2023	FY 2022
Hurricane Sally (LA)	Relief	$1,337	$1,342
Hurricane Sally (FL)	Relief	$1,765	$1,776
Hurricane Florence	Relief	$0	$42,560
Hurricane Dorian	Relief	$5,243	$0
Hurricane Ida (LA)	Relief	$0	$24,534
Bulletproof Vest	Bulletproof Vest Partnership	$8,768	$20,643
Tennessee Highway Safety	Traffic Safety Enforcement	$0	$21,106
Tennessee Highway Safety	Traffic Safety Enforcement	$29,513	$1,889
Tennessee Highway Safety	Traffic Safety Enforcement	$23,425	$0
ITS Extension	ITS Infrastructure	$0	$350,063
ITS Extension	ITS Infrastructure	$992	$0
NEPA Phase SR 96	Traffic Signal Improvements	$4,402	$75,271
2022 Local Direct App Grant	Local Direct Appropriation Grant	$0	$924,150
American Rescue Plan	100% of Premium Net Pay	$0	$634,357
Waverly Flood	Public Assistance	$21,048	$0
March 2021 Flood	Public Assistance	$0	$95,460
Federal Historic Preservation Grant	Lewisburg Historical District	$5,400	$0
Federal Historic Preservation Grant	Hayes House Window	$0	$14,700
Totals		$101,892	$2,207,850

Capital Expenditures - General Fund

Asset	Stage	FY 2023	FY 2022
Cool Springs Adaptive Signals Control Technology	Design	$0	$140,710
SR-96 Adaptive Signals Control Technology	Design	$4,546	$51,735
Leaf Vacuum John Deere 4045TFC03	Purchase	$0	$95,422
Stryker LifePak 15 V4	Purchase	$0	$104,075
John Deere Utility Tractor	Purchase	$0	$46,530
Synergis Cloud Link Software	Purchase	$0	$29,633
LifePak 15 Modems PPE Gear	Purchase	$0	$162,775
Microsoft Azure	Purchase	$24,884	$0
Police Conference Room AV Upgrade	Purchase	$102,691	$0
John Deere Leaf Vacuum	Purchase	$110,842	$0
Chassis 2021 Isuzu Cab	Purchase	$79,127	$0
Totals		$322,089	$630,879

Street Aid Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	2,870,168	771,402	372.1%	2,870,168	100.0%
Property Taxes	1,094,550	1,059,197	103.3%	1,094,550	100.0%
Interest Income	96,089	8,253	1,164.3%	2,500	3,843.6%
State Gasoline Tax	2,258,254	2,260,308	99.9%	2,850,690	79.2%
Transfer From General Fund	250,000	250,000	100.0%	250,000	100.0%
Total Revenues	***6,569,062***	***4,349,159***	***151.0%***	***7,067,908***	***92.9%***
Expenditures:					
Repair & Maintenance Services	2,307,055	1,336,913	172.6%	5,252,400	43.9%
Total Expenditures	***2,307,055***	***1,336,913***	***172.6%***	***5,252,400***	***43.9%***
Total Unallocated Funds	***4,262,007***	***3,012,247***	***141.5%***	***1,815,508***	***234.8%***

FUND SUMMARY

- In the Street Aid Fund, gasoline taxes are comparable to prior year.
- Expenditures are higher in FY2023 due to more repair and maintenance compared to FY2022.

Sanitation Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	2,028,590	2,051,128	98.9%	2,028,590	100.0%
Grants	-	62,831	0.0%	417,843	0.0%
Interest Income	21,251	6,876	309.0%	5,467	388.7%
Sanitation Collection Services	4,931,796	4,600,358	107.2%	6,984,352	70.6%
Tipping Fees	3,199,325	3,181,559	100.6%	4,580,727	69.8%
Other Revenues	219,742	174,381	126.0%	524,253	41.9%
Total Revenues	***10,400,705***	***10,077,134***	***103.2%***	***14,541,232***	***71.5%***
Expenditures:					
Salaries & Wages	2,185,282	1,782,988	122.6%	2,983,687	73.2%
Employee Benefits	987,626	858,711	115.0%	1,488,565	66.3%
Transfers To Other Funds	209,187	209,535	99.8%	209,187	100.0%
Contractual Services	54,371	58,827	92.4%	76,327	71.2%
Capital	-	894,427	0.0%	1,586,256	0.0%
Repair & Maintenance Services	490,438	516,297	95.0%	730,852	67.1%
Utilities	61,685	62,332	99.0%	98,838	62.4%
Other Expenditures	4,028,441	4,024,743	100.1%	5,807,681	69.4%
Total Expenditures	***8,017,028***	***8,407,860***	***95.4%***	***12,981,393***	***61.8%***
Total Unallocated Funds	***2,383,677***	***1,669,274***	***142.8%***	***1,559,839***	***152.8%***

FUND SUMMARY

- Collection services revenue is 7% higher than last year.
- Tipping fee revenue is 1% higher than last year.
- Grant Revenue is less than last year due to one-time American Rescue Plan money for Premium Pay in FY2022.
- Salaries & Wages are 23% higher over last year due to the compensation plan update in July 2022.
- There are no capital expenditures in the 3rd quarter due to timing of replacement equipment being purchased.

Sanitation Fund (cont.)

Salaries & Wages - Sanitation Fund

Wage Type	Frequency	FY 2023	FY 2022
Regular	19 Payrolls	$1,967,908	$1,552,147
Overtime	19 Payrolls	$212,284	$166,950
Premium Pay	7/23/2021	$0	$49,751
ARPA/COVID Pay		$0	$9,273
Holiday Pay	11/21/2022	$5,089	$4,864
		$2,185,282	$1,782,988

Employee Benefits - Sanitation Fund

Account Type	Frequency	FY 2023	FY 2022
FICA (Employer's Share)	19 Payrolls	$160,411	$125,745
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$3,806
Medical/Vision	Monthly	$493,315	$456,965
Dental	Monthly	$18,529	$9,098
Other Group Insurance	Monthly	$11,068	$10,309
Retirement		$291,225	$234,761
Workers Compensation	Monthly	$13,077	$18,026
		$987,626	$858,711

Grant Revenue - Sanitation

Grant Name	Purpose	FY 2023	FY 2022
American Rescue Plan	100% of Premium Net Pay	$0.00	$62,831
Totals		$0	$62,831

Road Impact Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	32,202,322	25,741,274	125.1%	32,202,322	100.0%
Interest Income	377,013	(743,411)	(50.7%)	38,625	976.1%
Road Impact Fees	3,485,538	8,826,107	39.5%	6,795,689	51.3%
Total Revenues	***36,064,873***	***33,823,970***	***106.6%***	***39,036,636***	***92.4%***
Expenditures:					
Transfers To Other Funds	9,438,865	1,382,955	682.5%	10,957,059	86.1%
Contractual Services	564,099	-	0.0%	3,050,000	18.5%
Total Expenditures	***10,002,964***	***1,382,955***	***723.3%***	***14,007,059***	***71.4%***
Total Unallocated Funds	***26,061,909***	***32,441,014***	***80.3%***	***25,029,577***	***104.1%***

FUND SUMMARY

- Road impact fees are 60% less than last year. (These revenues are dependent on timing and type of development.)
- Contractual Services were higher in the current year due to a fee reimbursement.

Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	13,171,571	11,022,953	119.5%	13,171,571	100.0%
Interest Income	192,528	(282,262)	(68.2%)	50,000	385.1%
Facilities Taxes	1,000,866	2,114,721	47.3%	3,399,262	29.4%
Other Revenues	-	226,444	0.0%	-	0.0%
Total Revenues	***14,364,965***	***13,081,856***	***109.8%***	***16,620,833***	***86.4%***
Expenditures:					
Contractual Services	4,294	-	0.0%	-	0.0%
Capital	52,372	36,680	142.8%	4,834,415	1.1%
Repair & Maintenance Services	5,913	6,500	91.0%	-	0.0%
Other Expenditures	(1,245)	11,054	(11.3%)	8,560	(14.5%)
Total Expenditures	***61,334***	***54,234***	***113.1%***	***4,842,975***	***1.3%***
Total Unallocated Funds	***14,303,631***	***13,027,622***	***109.8%***	***11,777,858***	***121.4%***

FUND SUMMARY

- Facilities taxes are 53% less than last year. (These revenues are dependent on timing and type of development.)
- Capital expenditures incurred in the current year is for a Mini Excavator.

Capital Expenditures - Facilities

Asset	Stage	FY 2023	FY 2022
Tractor Mounted Mower	Purchase	$0	$36,680
Caterpillar Mini Excavator	Purchase	$52,372	$0
Totals		$52,372	$36,680

County Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	4,377,132	4,498,831	97.3%	4,377,132	100.0%
Interest Income	63,932	(106,701)	(59.9%)	15,000	426.2%
Facilities Taxes	457,250	768,621	59.5%	898,002	50.9%
Total Revenues	***4,898,313***	***5,160,751***	***94.9%***	***5,290,134***	***92.6%***
Expenditures:					
Transfers To Other Funds	600,000	-	0.0%	600,000	100.0%
Total Expenditures	***600,000***	***-***	***0.0%***	***600,000***	***100.0%***
Total Unallocated Funds	***4,298,313***	***5,160,751***	***83.3%***	***4,690,134***	***91.6%***

FUND SUMMARY

- This fund was created to account for facilities taxes received from the County.
- Facilities taxes are 40% lower than last year.
- Transfers in the current year are for the Franklin Special School Ballfields.

Stormwater Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	2,914,023	2,951,003	98.7%	2,914,023	100.0%
Grants	-	7,452	0.0%	-	0.0%
Interest Income	35,642	(30,720)	(116.0%)	50,000	71.3%
Stormwater Fees	1,939,286	1,911,661	101.4%	2,554,462	75.9%
Other Revenues	155,965	124,886	124.9%	207,989	75.0%
Total Revenues	***5,044,916***	***4,964,282***	***101.6%***	***5,726,474***	***88.1%***
Expenditures:					
Salaries & Wages	1,038,746	913,962	113.7%	1,523,895	68.2%
Employee Benefits	457,698	485,973	94.2%	716,618	63.9%
Contractual Services	15,179	4,035	376.2%	74,910	20.3%
Capital	-	-	0.0%	145,052	0.0%
Repair & Maintenance Services	125,078	87,273	143.3%	156,928	79.7%
Utilities	19,438	23,284	83.5%	37,553	51.8%
Other Expenditures	557,685	499,438	111.7%	804,788	69.3%
Total Expenditures	***2,213,824***	***2,013,967***	***109.9%***	***3,459,744***	***64.0%***
Total Unallocated Funds	***2,831,093***	***2,950,316***	***96.0%***	***2,266,730***	***124.9%***

FUND SUMMARY

- Stormwater fees collected are 1% higher than last year and on track per the budget.
- Salaries & Wages are 14% higher over last year due to the compensation plan update in July 2022.

Salaries & Wages - Stormwater Fund

Wage Type	Frequency	FY 2023	FY 2022
Regular	19 Payrolls	$1,011,069	$847,018
Overtime	19 Payrolls	$25,511	$28,897
Premium Pay	7/23/2021	$0	$28,429
ARPA/COVID Pay		$0	$7,452
Holiday Pay	11/21/2022	$2,166	$2,166
		$1,038,746	$913,962

Employee Benefits - Stormwater Fund

Account Type	Frequency	FY 2023	FY 2022
FICA (Employer's Share)	19 Payrolls	$76,095	$63,830
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$2,175
Medical/Vision	Monthly	$219,645	$226,947
Dental	Monthly	$8,290	$5,217
Other Group Insurance	Monthly	$5,284	$5,885
Retirement		$143,024	$189,839
Workers Compensation	Monthly	$5,361	($7,920)
		$457,698	$485,973

Drug Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	538,767	602,402	89.4%	538,767	100.0%
Interest Income	13,651	5,595	244.0%	6,000	227.5%
Drug Fines Received	35,394	39,747	89.0%	55,445	63.8%
Other Revenues	38,668	66,005	58.6%	95,360	40.5%
Total Revenues	***626,480***	***713,750***	***87.8%***	***695,572***	***90.1%***
Expenditures:					
Contractual Services	-	27,924	0.0%	-	0.0%
Other Expenditures	174,446	15,618	1,116.9%	150,100	116.2%
Total Expenditures	***174,446***	***43,543***	***400.6%***	***150,100***	***116.2%***
Total Unallocated Funds	***452,034***	***670,207***	***67.4%***	***545,472***	***82.9%***

FUND SUMMARY

- Drug fine collections are 11% less than last year. This revenue is dependent on court actions.
- Other Expenditures is higher than last year due to vehicles and equipment purchased.

Hotel/Motel Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$8,006,647	$5,927,371	135.1%	$2,380,163	336.4%
Grants	$296,178	$214,286	138.2%	$663,945	44.6%
Interest Income	$113,934	($150,762)	(75.6%)	$5,000	2,278.7%
Distributions from Conference Center	$272,286	$256,840	106.0%	$0	0.0%
State Short Term Vacation Rental Tax	$245,157	$233,076	105.2%	$0	0.0%
Hotel/Motel Taxes	$3,953,416	$3,315,009	119.3%	$3,613,406	109.4%
Total Revenues	***$12,887,618***	***$9,795,820***	***131.6%***	***$6,662,514***	***193.4%***
Expenditures:					
Transfers To Other Funds	$3,448,974	$713,275	483.5%	$3,754,921	91.9%
Capital	$396,080	$214,286	184.8%	$663,845	59.7%
Repair & Maintenance Services	$23,132	$0	0.0%	$35,000	66.1%
Other Expenditures	$708,166	$810,181	87.4%	$1,034,609	68.4%
Total Expenditures	***$4,576,352***	***$1,737,741***	***263.4%***	***$5,488,375***	***83.4%***
Total Unallocated Funds	***$8,311,266***	***$8,058,079***	***103.1%***	***$1,174,139***	***707.9%***

FUND SUMMARY

- Hotel/Motel tax collections are 19% higher than last year.
- Other Expenditures are 21% lower than last year due to the Cool Springs Conference Center Operations reporting a profit in August through December and February through March.
- Grant Revenue is for repairs to the event facility at Eastern Flank Battlefield Park.
- Transfer in 2023 is to fund Capital Project Fund for FSSD Ballfield and Harlinsdale Main Barn.

Grant Revenue - Hotel/Motel

Grant Name	Purpose	FY 2023	FY 2022
American Rescue Plan	Spivey Tract	$0	$214,286
American Rescue Plan	Eastern Flank	$296,178	$0
Totals		$296,178	$214,286

Capital Expenditures - Hotel/Motel

Asset	Stage	FY 2023	FY 2022
Carter Hill - Battlefield Park	Purchase	$0	$214,286
Eastern Flank Improvements	Construction	$296,177	$0
Vehicle Barrier System	Purchase	$99,903	$0
Totals		$396,080	$214,286

Parkland Dedication Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	8,451,072	7,550,661	111.9%	8,451,072	100.0%
Interest Income	93,802	(199,227)	(47.1%)	5,000	1,876.0%
Parkland Dedication Fees	2,062,692	1,516,084	136.1%	1,134,574	181.8%
Total Revenues	***10,607,566***	***8,867,518***	***119.6%***	***9,590,646***	***110.6%***
Expenditures:					
Transfers To Other Funds	4,500,000	-	0.0%	4,500,000	100.0%
Total Expenditures	***4,500,000***	***-***	***0.0%***	***4,500,000***	***100.0%***
Total Unallocated Funds	***6,107,566***	***8,867,518***	***68.9%***	***5,090,646***	***120.0%***

FUND SUMMARY

- Parkland Dedication fees are 36% higher than last year. (These revenues are dependent on timing and type of development).
- Transfer in 2023 is to fund the Capital Project Fund for Liberty Park, Thompson Alley Park, and Bicentennial Park.

Transit Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	807,254	807,254	100.0%	807,254	100.0%
Grants	1,858,803	1,744,578	106.5%	3,478,181	53.4%
Interest Income	24,885	3,630	685.5%	-	0.0%
Transit Fares	63,968	47,700	134.1%	123,000	52.0%
Transfer From General Fund	452,865	219,885	206.0%	815,364	55.5%
Other Revenues	7,300	7,300	100.0%	9,700	75.3%
Total Revenues	***3,215,075***	***2,830,347***	***113.6%***	***5,233,499***	***61.4%***
Expenditures:					
Salaries & Wages	2,532	-	0.0%	-	0.0%
Employee Benefits	194	-	0.0%	-	0.0%
Capital	-	-	0.0%	370,000	0.0%
Other Expenditures	2,405,096	2,023,093	118.9%	4,056,245	59.3%
Total Expenditures	***2,407,821***	***2,023,093***	***119.0%***	***4,426,245***	***54.4%***
Total Unallocated Funds	***807,254***	***807,254***	***100.0%***	***807,254***	***100.0%***

FUND SUMMARY

- Transit fares are 34% higher than last year.
- Transit has needed 44% of the budgeted operating subsidy in the 3rd quarter. Grant revenues are anticipated during the year to stay within the budgeted total transfer.
- Capital budgeted amount is for a van, which is not yet purchased.

Grant Revenue - Transit

Grant Name	Purpose	FY 2023	FY 2022
Allocation for 5307 FY2012	Transit Services	$0	$21,055
FY14 5307 Allocation	Transit Services	$16,818	$0
FY16 5307 Allocation	Transit Services	$34,670	$26,170
5307 FY Application	Transit Services	$2,638	$1,046
Operating Assistance	Transit Services	$45,211	$100,834
TN CARES ACT	COVID Relief-Transit Services	$1,118,081	$1,114,304
TN CARES ACT	COVID Relief-Vanpool	$65,034	$0
537 FY21 Operating Assistance	Transit Services	$0	$199,769
537 FY22 Operating Assistance	Transit Services	$361,802	$0
SFY 2022 Operating Assistance	Transit Services	$0	$281,400
SFY 2023 Operating Assistance	Transit Services	$214,548	$0
Totals		$1,858,803	$1,744,578

CDBG Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	118,475	114,745	103.3%	118,475	100.0%
Grants	228,490	237,500	96.2%	697,000	32.8%
Interest Income	10,495	2,824	371.6%	-	0.0%
Total Revenues	***357,460***	***355,070***	***100.7%***	***815,475***	***43.8%***
Expenditures:					
Contractual Services	58,919	48,299	122.0%	174,000	33.9%
Repair & Maintenance Services	5,282	18,025	29.3%	200,000	2.6%
Other Expenditures	150,112	171,176	87.7%	323,000	46.5%
Total Expenditures	***214,314***	***237,500***	***90.2%***	***697,000***	***30.7%***
Total Unallocated Funds	***143,146***	***117,569***	***121.8%***	***118,475***	***120.8%***

FUND SUMMARY

- Other expenditures in the current year included CARES Act Reimbursements to Mercy Health, Columbia State Community College, and Refuge Center for Counseling, Inc.
- Grant revenues received were for current year expenses.

Grant Revenue - CDBG

Grant Name	Purpose	FY 2023	FY 2022
Community Development	Economic Development	$228,490	$237,500
Totals		$228,490	$237,500

Debt Service Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	1,161,978	937,169	124.0%	1,161,978	100.0%
Property Taxes	11,595,720	11,629,983	99.7%	11,408,665	101.6%
Interest Income	178,544	6,401	2,789.2%	100,000	178.5%
Transfer from Sanitation Fund	209,187	209,535	99.8%	209,187	100.0%
Transfer from Road Impact Fund	1,366,152	1,382,955	98.8%	2,884,346	47.4%
Transfer from Hotel/Motel Tax Fund	711,474	713,275	99.7%	1,017,421	69.9%
Transfer from Water & Sewer Fund	200,000	200,000	100.0%	200,000	100.0%
Total Revenues	***15,423,055***	***15,079,317***	***102.3%***	***16,981,597***	***90.8%***
Expenditures:					
Debt Service Payments	12,471,839	12,514,086	99.7%	15,719,619	79.3%
Total Expenditures	***12,471,839***	***12,514,086***	***99.7%***	***15,719,619***	***79.3%***
Total Unallocated Funds	***2,951,216***	***2,565,232***	***115.0%***	***1,261,978***	***233.9%***

FUND SUMMARY

- The Debt Service Fund shows a current year surplus of $3 million. The surplus will decrease as it is used to fund debt service payments due in the 4th quarter.
- Expenditures are comparable to last year and on track with the budget.

Capital Projects Fund 310 (Multi-Purpose)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	15,138,405	10,635,065	142.3%	-	0.0%
Grants	27,380	52,074	52.6%	-	0.0%
Interest Income	343,305	(212,594)	(161.5%)	-	0.0%
Transfer From General Fund	4,326,000	2,347,000	184.3%	-	0.0%
Transfer from Road Impact Fund	8,072,713	-	0.0%	-	0.0%
Transfer from Hotel/Motel Tax Fund	2,737,500	-	0.0%	-	0.0%
Transfer from Parkland Fund	4,500,000	-	0.0%	-	0.0%
Transfer from County Fac Tax	600,000	-	0.0%	-	0.0%
Other Revenues	1,660,378	-	0.0%	-	0.0%
Total Revenues	***37,405,681***	***12,821,544***	***291.7%***	***-***	***0.0%***
Expenditures:					
Contractual Services	802,079	128,057	626.3%	-	0.0%
Capital	8,501,739	4,021,652	211.4%	-	0.0%
Repair & Maintenance Services	47,680	-	0.0%	-	0.0%
Other Expenditures	1,740,149	636,840	273.2%	-	0.0%
Total Expenditures	***11,091,647***	***4,786,549***	***231.7%***	***-***	***0.0%***
Total Unallocated Funds	***26,314,035***	***8,034,995***	***327.5%***	***-***	***0.0%***

FUND SUMMARY

- The fund contains expenditures for city projects.
- Capital is higher this year due to projects being in various stages of design and construction. Long Lane, FSSD Baseball Fields, and Franklin Road Improvements are the major projects occurring in the first quarter.

Grant Revenue - 310 (Multi-Purpose)

Grant Name	Purpose	FY 2023	FY 2022
SR-6 from SR-397 to Downs Blvd	Roadway Widening	$1,880	$36,096
Harlinsdale Barn	Restoration	$0	$9,906
Harlinsdale Multi-Use Path	Restoration	$25,500	$0
Mack Hatcher Parkway	ROW and Design	$0	$6,072
Totals		$27,380	$52,074

Capital Projects Fund 310 (Multi-Purpose) (cont.)

Capital Expenditures - Capital

Asset	Stage	FY 2023	FY 2022
Bicentennial Park Final Design	Design	$165,000	$58,326
Lewisburg Pike Sidewalk/Multi-Use Trail	Design	$41,439	$12,413
Liberty Pike/N Royal Oaks Roundabout Design	Design	$64,395	$65,830
SE Municipal Park	Construction	$159,488	$0
Harlinsdale Farm Trail and Bridge Design	Construction	$491,959	$40,618
New City Hall Design	Design	$611,474	$360,193
FSSD Baseball Field Reconstruction	Construction	$1,890,069	$3,266,633
West Main Street Bridge	Design	$99,770	$2,379
Long Lane Bridge	Design	$3,363,567	$129,401
Harlinsdale Main Barn Restoration	Design	$37,101	$12,480
New Highway 96W Multi-Use Trails	Construction	$59,404	$0
Aspen Grove Park	Design	$0	$4,327
Liberty Park Improvements	Design	$130,128	$62,970
East McEwen Phase 4 Improvement Project	Design	$14,009	$0
East McEwen Phase 5 Improvement Project	Design	$174,926	$0
Jordan Road Improvements	Easement	$185,985	$0
Pratt Lane Bridge	Design	$60,504	$6,081
Franklin Road Improvements	Construction	$952,523	$0
Totals		$8,501,739	$4,021,652

Capital Projects Fund 312 (2019 Bonds)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	931,697	14,885,855	6.3%	-	0.0%
Grants	-	2,147,553	0.0%	-	0.0%
Interest Income	4,514	22,132	20.4%	-	0.0%
Other Revenues	-	272,288	0.0%	-	0.0%
Total Revenues	***936,211***	***17,327,828***	***5.4%***	***-***	***0.0%***
Expenditures:					
Contractual Services	-	97,375	0.0%	-	0.0%
Capital	936,374	9,276,735	10.1%	-	0.0%
Repair & Maintenance Services	-	36,112	0.0%	-	0.0%
Other Expenditures	(164)	2,399,419	(0.0%)	-	0.0%
Total Expenditures	***936,211***	***11,809,640***	***7.9%***	***-***	***0.0%***
Total Unallocated Funds	***-***	***5,518,187***	***0.0%***	***-***	***0.0%***

FUND SUMMARY

- The fund accounts for the proceeds received from a bond issued in May 2019.
- Capital Expenditures are 90% less than last year due to final bond funds spent by the end of the 1st Quarter of FY2023.
- The negative Other Expenditures are credits received in FY2023 for prior year expenditures.

Grant Revenue - 312 (2019 Bonds)

Grant Name	Purpose	FY 2023	FY 2022
SR-96 Multi-Use Trail	Construction of Multi-Use Trail	$0	$2,147,553
Totals		$0	$2,147,553

Capital Expenditures - Bonds (2019 Series)

Asset	Stage	FY 2023	FY 2022
East McEwen Drive Phase 5 Improvements	Design	$0	$181,261
East McEwen Drive Phase 4 Improvements	Design	$0	$673,984
New Highway 96W Multi-Use Trails	Construction	$0	$1,752,024
Franklin Road Sidewalks and Streetscape	Construction	$0	$1,149,068
Robinson Lake Dam Rehab	Construction	$0	$363,595
SE Municipal Park	Construction	$33,450	$4,926,852
McEwen Drive Ramp Improvements	Construction	$0	$229,951
Long Lane Bridge	Easement	$902,924	$0
Totals		$936,374	$9,276,735

Capital Projects Fund 350 (Fleet)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	3,253,022	-	0.0%	-	0.0%
Interest Income	124,821	-	0.0%	-	0.0%
Transfer From General Fund	1,406,667	-	0.0%	-	0.0%
Total Revenues	***4,784,510***	***-***	***0.0%***	***-***	***0.0%***
Expenditures:					
Other Expenditures	664,681	-	0.0%	-	0.0%
Total Expenditures	***664,681***	***-***	***0.0%***	***-***	***0.0%***
Total Unallocated Funds	***4,119,828***	***-***	***0.0%***	***-***	***0.0%***

FUND SUMMARY

- The fund was established June 2022 to pre-seed a new Capital Vehicle Fund due to the increased time it takes to order and receive fleet vehicles.
- Other Expenditures are for vehicles that have been received in FY2023.

Other Expenditures - Fleet (Vehicles <$50,000)

Department	# of Vehicles Purchased	FY 2023	FY 2022
Administration	1	$30,051	$0
Business and Neighborhood Services	8	$212,235	$0
Engineering	1	$31,691	$0
Facilities	1	$49,525	$0
Fire	1	$41,712	$0
Human Resources	1	$30,796	$0
Information Technology	2	$51,731	$0
Parks	4	$110,581	$0
Streets	3	$106,360	$0
Totals		$664,681	$0

Water/Sewer Operations

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Grants	355,942	188,375	189.0%	1,000,000	35.6%
Interest Income	485,000	(781,021)	(62.1%)	697,200	69.6%
Customer Service	30,108,671	26,908,842	111.9%	34,761,121	86.6%
Loan Proceeds	4,279,616	7,223,817	59.2%	-	0.0%
Other Revenues	157,406	1,182,448	13.3%	28,800	546.5%
Total Revenues	***35,386,635***	***34,722,460***	***101.9%***	***36,487,121***	***97.0%***
Expenditures:					
Salaries & Wages	4,374,339	3,644,758	120.0%	6,531,776	67.0%
Employee Benefits	1,958,588	1,816,660	107.8%	3,015,870	64.9%
Transfers To Other Funds	200,000	200,000	100.0%	200,000	100.0%
Contractual Services	516,909	522,982	98.8%	1,051,268	49.2%
Capital	11,455,228	26,158,197	43.8%	8,986,800	127.5%
Repair & Maintenance Services	666,243	400,013	166.6%	844,620	78.9%
Utilities	1,659,604	1,341,619	123.7%	1,703,000	97.5%
Debt Service Payments	2,214,611	1,898,500	116.7%	1,371,407	161.5%
Lease Payments	3,617,328	3,192,568	113.3%	6,767,211	53.5%
Other Expenditures	9,511,038	7,811,078	121.8%	12,187,292	78.0%
Total Expenditures	***36,173,888***	***46,986,377***	***77.0%***	***42,659,244***	***84.8%***
Total Unallocated Funds	***(787,253)***	***(12,263,916)***	***6.4%***	***(6,172,123)***	***12.8%***

FUND SUMMARY

- Customer service revenue is 12% higher than last year.
- Grant Revenue is 89% higher than last year due to American Rescue Plan money for Lewisburg Pike Infrastructure improvements.
- Loan Proceeds reflects funds received from the State of Tennessee Revolving Loan Program for Improvements to the City's Wastewater Treatment Plant.
- Salaries & Wages are 20% higher over last year due to the compensation plan update in July 2022.
- Other Revenues are lower than prior year due to the one time revenues of $1.1 million for the settlement for the Chestnut Bend sewer line and $12.9 million transferred from the Sewer Bond fund to cover expenses for the Wastewater Treatment Plant.

Water/Sewer Operations (cont.)

Customer Service Revenue

Service Revenue	Frequency	FY 2023	FY 2022
Water	Monthly	$11,666,226	$9,967,226
Sewer	Monthly	$18,301,159	$16,831,419
Reclaimed	Monthly	$141,285	$110,197
Totals		$30,108,671	$26,908,842

Grant Revenue - Water/Sewer

Grant Name	Purpose	FY 2023	FY 2022
American Rescue Plan	100% of Premium Net Pay	$0	$145,581
American Rescue Plan	Negative Econ Impact	$347,918	$0
March 2021 Flood	Repairs from 2021 Flood	$8,024	$42,794
Totals		$355,942	$188,375

Salaries & Wages - Water/Sewer Fund

Wage Type	Frequency	FY 2023	FY 2022
Regular	19 Payrolls	$4,160,421	$3,322,169
Overtime	19 Payrolls	$204,498	$153,875
Premium Pay	7/23/2021	$0	$113,717
ARPA/COVID Pay		$0	$46,117
Holiday Pay	11/21/2022	$9,421	$8,879
		$4,374,339	$3,644,758

Water/Sewer Operations (cont.)

Employee Benefits - Water/Sewer Fund			
Account Type	**Frequency**	**FY 2023**	**FY 2022**
FICA (Employer's Share)	13 Payrolls	$321,517	$256,079
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$8,699
Medical/Vision	Monthly	$903,805	$903,926
Dental	Monthly	$31,390	$21,151
Other Group Insurance	Monthly	$22,319	$22,707
Retirement		$624,613	$558,384
Unemployment Claims		$0	$0
Workers Compensation	Monthly	$54,943	$45,714
		$1,958,588	$1,816,660

Capital Expenditures - Water and Sewer			
Asset	**Stage**	**FY 2023**	**FY 2022**
Water Reclamation Facility	Construction	$6,974,848	$19,836,706
South Prong Drainage Basin Sanitary Sewer Improvements	Design	$0	$87,786
Gist Street Water and Sewer Line Improvements	Construction	$0	$15,227
New Highway 96W Multi-Use Trails	Construction	$94,911	$1,060,243
Franklin Road Water and Sewer Line Improvements	Construction	$13,093	$569,167
Goose Creek/Redwings Reclaimed Water Pump Station	Design	$0	$2,583
SE Municipal Park	Construction	$40,309	$790,385
Sanitary Sewer Main Rehabilitation	Construction	$0	$248,054
Sanitary Sewer Lateral Improvements	Construction	$107,523	$130,820
AMI Project - FlexNet Project MGMT	Design	$445,779	$1,500
Berry Farms AMI Project	Construction	$0	$15,474
Spencer Creek at Franklin Road Sanitary Sewer Rehab	Construction	$0	$314,413
Water System Modeling	Design	$0	$594,805
Water Treatment Plant Valve Access	Construction	$146,480	$0
SE Wastewater Capacity Study	Design	$1,549,075	$1,804,175
Lewisburg Pike Water Main Relocation	Design	$0	$140,730
Adams Street Water and Sewer Improvements	Design	$0	$10,448
Mack Hatcher NW Water and Sewer Relocation	Easement	$0	$58,383
Watson Branch Sanitary Sewer	Easement	$0	$12,540
New Hope Academy Rehab Project	Construction	$0	$16,394
2023 Chevrolet Silverado	Purchase	$55,797	$0
Wastewater Structure Rehab Project	Design	$103,453	$0
2023 GMC Sierra Truck	Purchase	$53,328	$0
VFD Drive Patterson Pump	Purchase	$79,184	$0
Shadow Green Sanitary Sewer Improvements	Construction	$586,937	$0
Forrest Crossing No. 1 and 2 Pump Station Replacements	Construction	$77,028	$18,947
Berry Circle Water Line Improvements	Design	$347,918	$0
SE Water Reclamation Facility Study	Design	$779,567	$429,419
Totals		$11,455,228	$26,158,197

Water/Sewer Development Fees & Bond Proceeds

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	184,812	(183,412)	(100.8%)	-	0.0%
Customer Service	9,000	25,916	34.7%	-	0.0%
Impact Fees	1,476,459	3,332,999	44.3%	-	0.0%
Other Revenues	4,089	612,134	0.7%	-	0.0%
Total Revenues	***1,674,359***	***3,787,637***	***44.2%***	***-***	***0.0%***
Expenditures:					
Transfers To Other Funds	-	(131,970)	0.0%	-	0.0%
Contractual Services	-	2,588	0.0%	-	0.0%
Capital	1,271	23,302	5.5%	-	0.0%
Debt Service Payments	1,436,449	2,137,991	67.2%	-	0.0%
Other Expenditures	-	136	0.0%	-	0.0%
Total Expenditures	***1,437,720***	***2,032,047***	***70.8%***	***-***	***0.0%***
Total Unallocated Funds	***236,639***	***1,755,590***	***13.5%***	***-***	***0.0%***

FUND SUMMARY

- Access fees and system development fees are 56% less than last year. (These revenues are also dependent on timing and type of development.)

Capital Expenditures - Water and Sewer Development Fees

Asset	Stage	FY 2023	FY 2022
Goose Creek/Redwings Reclaimed Water Pump Station	Design	$1,271	$23,302
Totals		$1,271	$23,302

On the Horizon

July 2023

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2023

Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September 2023

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 2023	No Budget and Finance Committee Meeting
Thursday, August 10, 2023	Budget and Finance Committee Meeting.
Thursday, September 14, 2023	Budget and Finance Committee Meeting.

Finance Department

Contact Information

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City of Franklin

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File #: 21-04770

DATE: June 1, 2023

TO: Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
Mike Lowe, Comptroller
Margaret Wilson, Financial Manager

SUBJECT:

Monthly Reports For June 2023

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee concerning critical revenue streams that influence performance versus budget.

BACKGROUND/STAFF COMMENTS:

Beginning with the executive summary, the reports include:

Schedule 1: Local Sales Tax - March 2023
Schedule 2: Building Permits - April 2023
Schedule 3: Road Impact Fees - April 2023
Schedule 4: Facilities Tax (City) - April 2023
Schedule 5: Facilities Tax (County) - April 2023
Schedule 6: Gasoline Tax (Street Aid Fund) - March 2023
Schedule 7: Hotel/Motel Tax - March 2023
Schedule 8: Conference Center - April 2023

FINANCIAL IMPACT:

There is no financial impact from the reports. Reports are provided to show any variance from budget.

RECOMMENDATION:

There is no staff recommendation. Reports are for information only.

City of Franklin

Monthly Reports for June 2023

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax (March 2023)

The local sales tax remittance from the State of Tennessee for March 2023 sales (received by the City in May 2023) was $5,201,808 compared to $5,012,806 for the same month in FY 2022, a monthly year over year increase of $189,002 or 3.8%.

Schedule 2: Building Permits (April 2023)

2023 fiscal year to date is less than 2022 by 14.2%, and compared to 2023 budget is less by 22.1%.

Schedule 3: Road Impact Fees * (April 2023)

Combined 2023 fiscal year to date compared to 2022 is 59.7% less, and compared to 2023 budget is less by 34.3%. By quadrant, Arterial Area 2023 fiscal year to date compared to 2022 is 59.8% less, and compared to 2023 budget is less by 46.4%. Coll Area 1 2023 fiscal year to date compared to 2022 is 92.6% less, and compared to 2023 budget is less by 60.0%; Coll Area 2 2023 fiscal year to date compared to 2022 is 17.0% less, and compared to 2023 budget is more by 24.0%; Coll Area 3 2023 fiscal year to date compared to 2022 is 38.7% less, and compared to 2023 budget is more by 10.7%; Coll Area 4 2023 fiscal year to date compared to 2022 is 82.1% less, and compared to 2023 budget is less by 84.5%.

Schedule 4: Facilities Tax (City) * (April 2023)

2023 fiscal year to date compared to 2022 is 52.5% less, and compared to 2023 budget is less by 61.9%.

Schedule 5: Facilities Tax (County) * (April 2023)

2023 fiscal year to date compared to 2022 is 40.0% less, and compared to 2023 budget is 30.2% less.

Schedule 6: Gasoline Taxes (State Street Aid Fund) (March 2023)

The gasoline tax remittance from the State of Tennessee for March 2023 sales (received by the City in May 2023) was $257,654 compared to $279,319 for the same month in FY 2022, a decrease of $21,665 or 7.8%.
For budget comparisons, the City anticipated collections of $228,055 for March 2023, a difference of $29,599 more, or 13.0%.

Schedule 7: Hotel/Motel Tax (March 2023)

2023 fiscal year to date compared to 2022 is 19.3% more, and compared for 2023 budget is more by 31.1%.

Schedule 8: Conference Center (April 2023)

The City’s ½ share of the gain for April 2023 was $83,065. In April 2022, the City’s ½ share of the gain was $109,510.

*** Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.**

City of Franklin

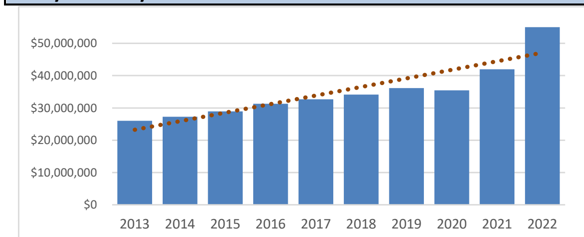
Finance Department - Monthly Reports

Schedule 1:	Local Sales Tax	Fund	General	Account:	110-31300-00000

Summary: Tennessee Code Annotated 67-6-702 authorizes the levy of a local sales tax. The maximum rate authorized is 2.75%. The rate increased from 2.25% to the maximum of 2.75% effective April 1, 2018. The tax is applied only to the first $1,600 of any single article of personal property. The City receives 1/2 of the 2.75% rate collected within the City. Williamson County receives the other 1/2, plus an administrative fee of 1% of the City's 1/2 of the tax. Beginning with April 2018 taxes, the City contributed its share of the .5% increase to the County's School Debt Service. The County withheld the contribution for school debt service from the amount remitted to the City. The 36 month contribution period ended with March 2021 sales (received in May 2021).

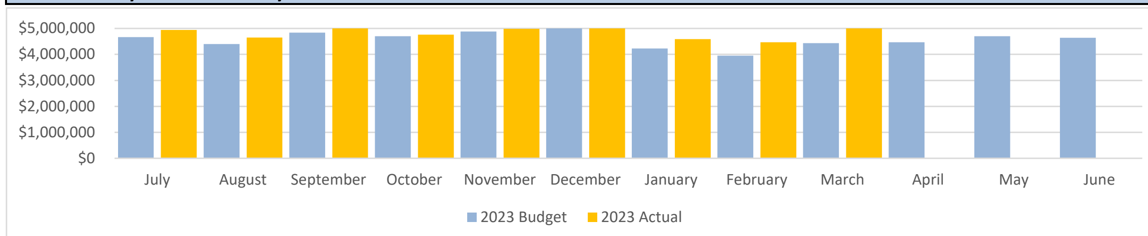
Monthly Report for June 2023: The local sales tax remittance from the State of Tennessee for March 2023 sales (received by the City in May 2023) was $5,201,808 compared to $5,012,806 for the same month in FY 2022, a monthly year over year increase $189,002, or 3.8% more. May receipts (March sales) are the ninth month of the FY 2023 fiscal year for both the City of Franklin and the State of Tennessee.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year	Contribution to County School Debt .5% Apr 2018-Mar 2021
2013	$25,995,733	$1,798,320	7.4%	
2014	$27,254,742	$1,259,009	4.8%	
2015	$28,943,994	$1,689,252	6.2%	
2016	$31,309,366	$2,365,372	8.2%	
2017	$32,694,268	$1,384,902	4.4%	
2018	$34,151,972	$1,457,704	4.5%	$1,692,308
2019	$36,168,178	$2,016,206	5.9%	$7,052,013
2020	$35,453,379	($714,799)	-2.0%	$7,430,205
2021	$41,999,727	$6,546,348	18.5%	$6,298,283
2022	$57,745,532	$15,745,805	37.5%	
Average Increase (Decrease)		**$ 3,354,812**	**9.5%**	**$ 22,472,809**

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$4,616,865	$4,663,034	$4,940,855	$323,990	7.0%	$277,821	6.0%
August	$4,357,269	$4,400,842	$4,650,081	$292,812	6.7%	$249,239	5.7%
September	$4,794,161	$4,842,102	$5,022,821	$228,661	4.8%	$180,719	3.7%
October	$4,655,427	$4,701,981	$4,761,957	$106,530	2.3%	$59,976	1.3%
November	$4,829,484	$4,877,779	$4,984,513	$155,028	3.2%	$106,734	2.2%
December	$5,790,987	$5,848,897	$6,139,766	$348,779	6.0%	$290,869	5.0%
January	$4,188,975	$4,230,864	$4,590,039	$401,064	9.6%	$359,175	8.5%
February	$4,267,861	$3,948,649	$4,465,281	$197,420	4.6%	$516,632	13.1%
March	$5,012,806	$4,432,174	$5,201,808	$189,002	3.8%	$769,634	17.4%
April	$4,993,938	$4,468,466					
May	$5,121,519	$4,697,972					
June	$5,116,242	$4,639,241					
	$57,745,532	**$55,752,000**	**$44,757,120**	**$249,254**	**5.3%**	**$312,311**	**6.7%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$2,243,286		**$2,810,798**	
				Total		*Total*	

City of Franklin

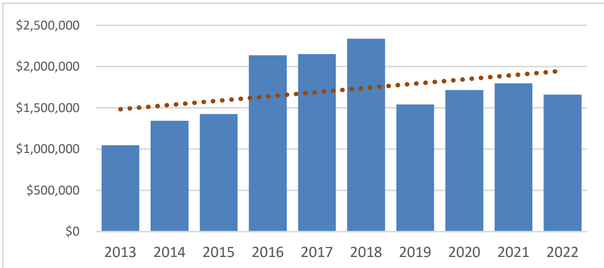
Finance Department - Monthly Reports

Schedule 2:	Building Permits	Fund	General Fund	Account:	110-32120-00000

Summary: A part of General Fund Revenues, these fees are paid to the City to offset and pay for the staffing costs borne by the City to extend services due to construction growth. There has been growth in both residential and commercial sides of development. This revenue has been difficult to predict by month because permits are often obtained and fees paid in advance of construction.

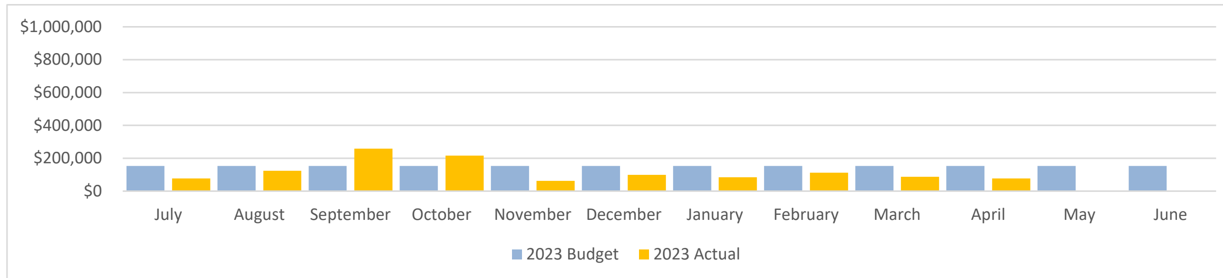
Monthly Report for June 2023: 2023 year-to-date is less than 2022 by 14.2%, and compared to 2023 budget is less by 22.1%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	$1,046,947	$191,538	22.4%
2014	$1,343,978	$297,031	28.4%
2015	$1,426,188	$82,210	6.1%
2016	$2,136,322	$710,134	49.8%
2017	$2,153,262	$16,940	0.8%
2018	$2,339,364	$186,102	8.6%
2019	$1,539,655	($799,709)	-34.2%
2020	$1,714,700	$175,045	11.4%
2021	$1,796,670	$81,970	4.8%
2022	$1,661,426	($135,244)	-7.5%
Average Increase (Decrease)		$ 80,602	9.1%

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$103,721	$153,767	$77,814	($25,907)	-25.0%	($75,953)	-49.4%
August	$269,344	$153,767	$123,295	($146,049)	-54.2%	($30,472)	-19.8%
September	$84,047	$153,767	$258,724	$174,677	207.8%	$104,957	68.3%
October	$88,357	$153,767	$215,701	$127,344	144.1%	$61,934	40.3%
November	$181,291	$153,767	$62,749	($118,542)	-65.4%	($91,018)	-59.2%
December	$161,696	$153,767	$98,858	($62,838)	-38.9%	($54,909)	-35.7%
January	$120,661	$153,767	$83,910	($36,751)	-30.5%	($69,857)	-45.4%
February	$117,358	$153,767	$112,575	($4,783)	-4.1%	($41,192)	-26.8%
March	$123,207	$153,767	$87,337	($35,870)	-29.1%	($66,430)	-43.2%
April	$145,233	$153,767	$76,522	($68,711)	-47.3%	($77,245)	-50.2%
May	$122,225	$153,767					
June	$144,286	$153,767					
	$1,661,426 *Total*	**$1,845,207** *Total*	**$1,197,485** *Total*	**($19,743)** *Average* **($197,430)** *Total*	**-14.2%** *Average*	**($34,019)** *Average* **($340,188)** *Total*	**-22.1%** *Average*

City of Franklin

Finance Department - Monthly Reports

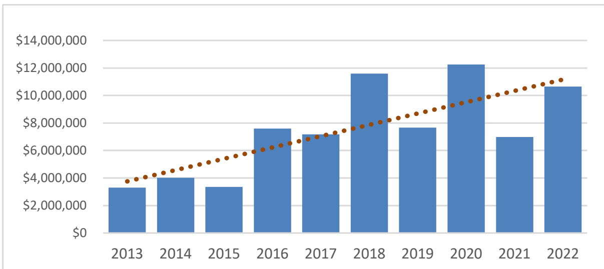
Schedule 3:	Road Impact Fees	Fund	Road Impact	Account:	128-(32800-32804)-00000

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin began. This report was updated to show those collections when they occur.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 59.7% less, and compared to 2023 budget is less by 34.3%.

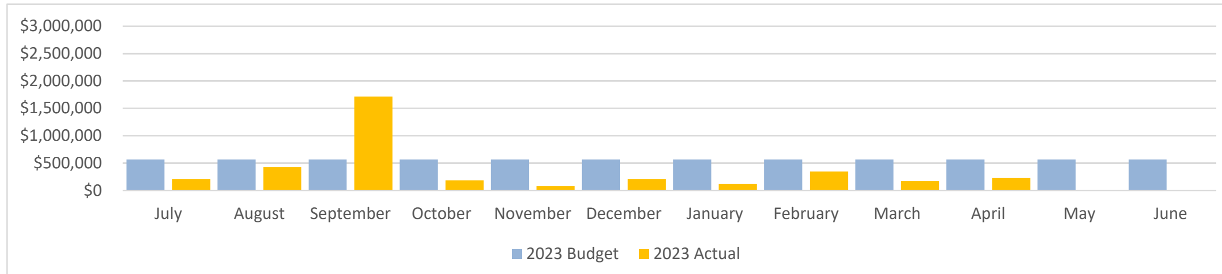
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	$3,306,075	$1,914,430	137.6%
2014	$4,021,752	$715,677	21.6%
2015	$3,358,431	($663,321)	-16.5%
2016	$7,586,724	$4,228,293	125.9%
2017	$7,180,150	($406,574)	-5.4%
2018	$11,585,500	$4,405,350	61.4%
2019	$7,659,855	($3,925,645)	-33.9%
2020	$12,251,152	$4,591,297	59.9%
2021	$6,975,153	($5,275,999)	-43.1%
2022	$10,641,106	$3,665,953	52.6%
Average Increase (Decrease)		**$ 924,946**	**36.0%**

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$1,500,963	$566,307	$209,858	($1,291,105)	-86.0%	($356,449)	-62.9%
August	$2,906,300	$566,307	$432,347	($2,473,953)	-85.1%	($133,960)	-23.7%
September	$167,232	$566,307	$1,718,381	$1,551,149	927.5%	$1,152,074	203.4%
October	$334,640	$566,307	$182,782	($151,858)	-45.4%	($383,525)	-67.7%
November	$1,599,329	$566,307	$83,195	($1,516,134)	-94.8%	($483,112)	-85.3%
December	$1,328,834	$566,307	$212,228	($1,116,606)	-84.0%	($354,079)	-62.5%
January	$188,648	$566,307	$122,083	($66,565)	-35.3%	($444,224)	-78.4%
February	$270,840	$566,307	$348,027	$77,187	28.5%	($218,280)	-38.5%
March	$529,321	$566,307	$176,637	($352,684)	-66.6%	($389,670)	-68.8%
April	$401,714	$566,307	$234,643	($167,071)	-41.6%	($331,664)	-58.6%
May	$187,665	$566,307					
June	$1,225,620	$566,307					
	$10,641,106 *Total*	**$6,795,689** *Total*	**$3,720,181** *Total*	**($550,764)** *Average* **($5,507,640)** *Total*	**-59.7%** *Average*	**($194,289)** *Average* **($1,942,893)** *Total*	**-34.3%** *Average*

City of Franklin

Finance Department - Monthly Reports

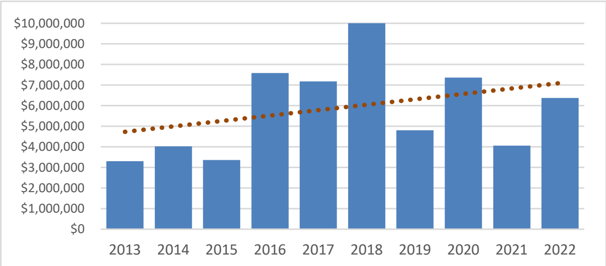
Schedule 3A:	Arterial Area	Fund	Road Impact	Account:	128-32800-00000

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 59.8% less, and compared to 2023 budget is less by 46.4%.

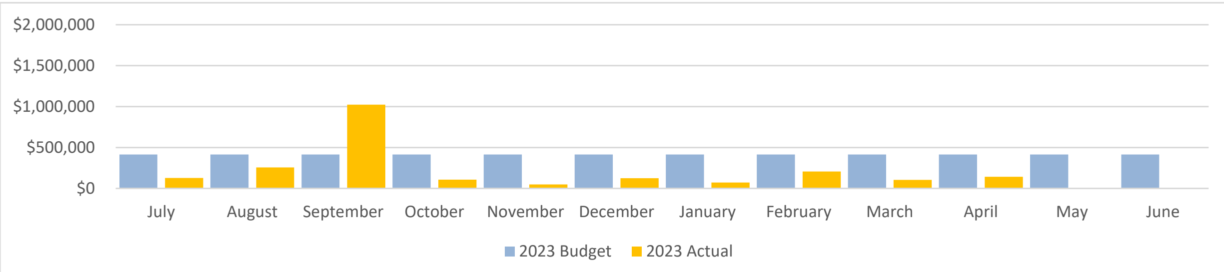
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	$3,306,075	$1,914,430	137.6%
2014	$4,021,752	$715,677	21.6%
2015	$3,358,431	($663,321)	-16.5%
2016	$7,586,724	$4,228,293	125.9%
2017	$7,180,150	($406,574)	-5.4%
2018	$11,084,375	$3,904,225	54.4%
2019	$4,800,171	($6,284,204)	-56.7%
2020	$7,359,092	$2,558,921	53.3%
2021	$4,061,173	($3,297,919)	-44.8%
2022	$6,371,224	$2,310,051	56.9%
Average Increase (Decrease)	**$ 497,958**		

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$893,993	$414,105	$126,913	($767,080)	-85.8%	($287,192)	-69.4%
August	$1,731,438	$414,105	$257,059	($1,474,379)	-85.2%	($157,046)	-37.9%
September	$98,220	$414,105	$1,024,755	$926,535	943.3%	$610,650	147.5%
October	$198,969	$414,105	$108,784	($90,185)	-45.3%	($305,321)	-73.7%
November	$970,121	$414,105	$49,551	($920,570)	-94.9%	($364,554)	-88.0%
December	$790,344	$414,105	$126,254	($664,090)	-84.0%	($287,851)	-69.5%
January	$114,266	$414,105	$72,593	($41,673)	-36.5%	($341,512)	-82.5%
February	$165,277	$414,105	$207,152	$41,875	25.3%	($206,953)	-50.0%
March	$317,049	$414,105	$105,254	($211,795)	-66.8%	($308,851)	-74.6%
April	$247,009	$414,105	$141,594	($105,415)	-42.7%	($272,511)	-65.8%
May	$113,650	$414,105					
June	$730,888	$414,105					
	$6,371,224 *Total*	**$4,969,260** *Total*	**$2,219,909** *Total*	**($330,678)** *Average* **($3,306,777)** *Total*	**-59.8%** *Average*	**($192,114)** *Average* **($1,921,141)** *Total*	**-46.4%** *Average*

City of Franklin
Finance Department - Monthly Reports

Schedule 3B:	Coll Area 1	Fund	Road Impact	Account:	128-32801-00000

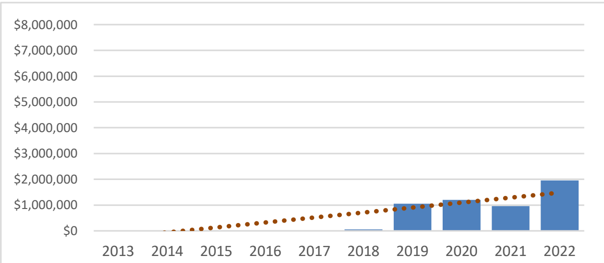
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 1 - Area north of Murfreesboro Road/3rd Avenue South and east of East Main Street/Franklin Road and within the corporate boundaries of the city.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 92.6% less, and compared to 2023 budget are less by 60.0%.

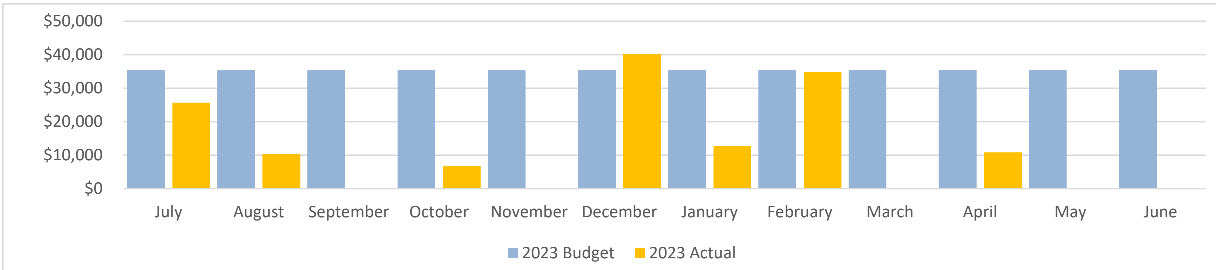
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	Breakdown between Quadrants began in FY 2018.		
2014			
2015			
2016			
2017			
2018	$59,923	$59,923	100.0%
2019	$1,057,313	$997,390	1664.5%
2020	$1,200,036	$142,723	13.5%
2021	$956,982	($243,054)	-20.3%
2022	$1,957,665	$1,000,683	104.6%
Average Increase (Decrease)	**$ 391,533**		

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$494,971	$35,367	$25,696	($469,275)	-94.8%	($9,671)	-27.3%
August	$925,201	$35,367	$10,356	($914,845)	-98.9%	($25,011)	-70.7%
September	$5,552	$35,367	$0	($5,552)	-100.0%	($35,367)	-100.0%
October	$3,340	$35,367	$6,680	$3,340	100.0%	($28,687)	-81.1%
November	($21,744)	$35,367	$0	$21,744	-100.0%	($35,367)	-100.0%
December	$468,350	$35,367	$40,299	($428,051)	-91.4%	$4,932	13.9%
January	$4,242	$35,367	$12,726	$8,484	200.0%	($22,641)	-64.0%
February	$0	$35,367	$34,832	$34,832	100.0%	($535)	-1.5%
March	$36,063	$35,367	$0	($36,063)	-100.0%	($35,367)	-100.0%
April	$0	$35,367	$10,855	$10,855	100.0%	($24,512)	-69.3%
May	$34,252	$35,367					
June	$7,438	$35,367					
	$1,957,665 *Total*	**$424,401** *Total*	**$141,444** *Total*	**($177,453)** *Average* **($1,774,531)** *Total*	**-92.6%** *Average*	**($21,222)** *Average* **($212,224)** *Total*	**-60.0%** *Average*

City of Franklin

Finance Department - Monthly Reports

Schedule 3C:	Coll Area 2	Fund	Road Impact	Account:	128-32802-00000

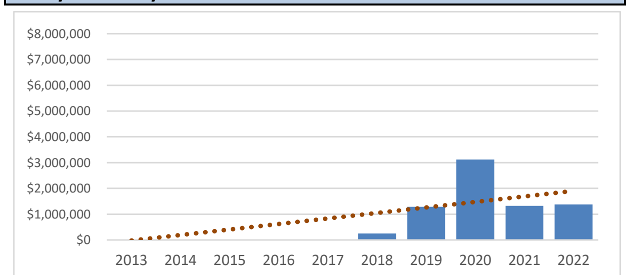
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 2 - Area south of Murfreesboro Road/3rd Avenue South and east of Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 17.0% less, and compared to 2023 budget is more by 24.0%.

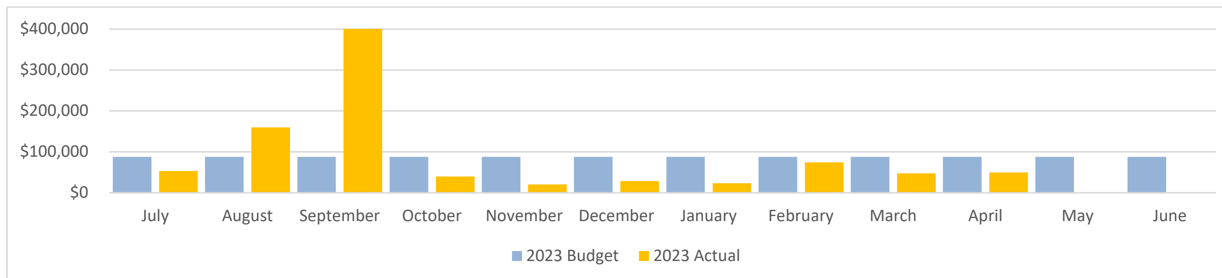
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	Breakdown between Quadrants began in FY 2018.		
2014			
2015			
2016			
2017			
2018	$251,474	$251,474	100.0%
2019	$1,286,317	$1,034,843	100.0%
2020	$3,118,015	$1,831,698	142.4%
2021	$1,326,079	($1,791,936)	-57.5%
2022	$1,374,601	$48,522	3.7%
Average Increase (Decrease)	**$ 274,920**		

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$16,700	$87,912	$53,074	$36,374	217.8%	($34,838)	-39.6%
August	$224,055	$87,912	$159,922	($64,133)	-28.6%	$72,010	81.9%
September	$33,400	$87,912	$593,323	$559,923	1676.4%	$505,411	574.9%
October	$75,057	$87,912	$39,763	($35,294)	-47.0%	($48,149)	-54.8%
November	$585,822	$87,912	$20,284	($565,538)	-96.5%	($67,628)	-76.9%
December	$20,040	$87,912	$28,524	$8,484	42.3%	($59,388)	-67.6%
January	$30,060	$87,912	$23,404	($6,656)	-22.1%	($64,508)	-73.4%
February	$64,581	$87,912	$74,588	$10,007	15.5%	($13,324)	-15.2%
March	$131,954	$87,912	$47,168	($84,786)	-64.3%	($40,744)	-46.3%
April	$131,325	$87,912	$49,769	($81,556)	-62.1%	($38,143)	-43.4%
May	$23,063	$87,912					
June	$38,544	$87,912					
	$1,374,601 *Total*	**$1,054,942** *Total*	**$1,089,819** *Total*	**($22,318)** *Average* **($223,175)** *Total*	**-17.0%** *Average*	**$21,070** *Average* **$210,701** *Total*	**24.0%** *Average*

City of Franklin

Finance Department - Monthly Reports

Schedule 3D:	Coll Area 3	Fund	Road Impact	Account:	128-32803-00000

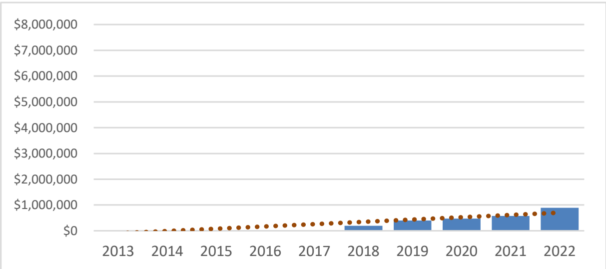
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 3 - Area south of New Highway 96W and west of 5th Avenue South and Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 38.7% less, and compared to 2023 budget is more by 10.7%.

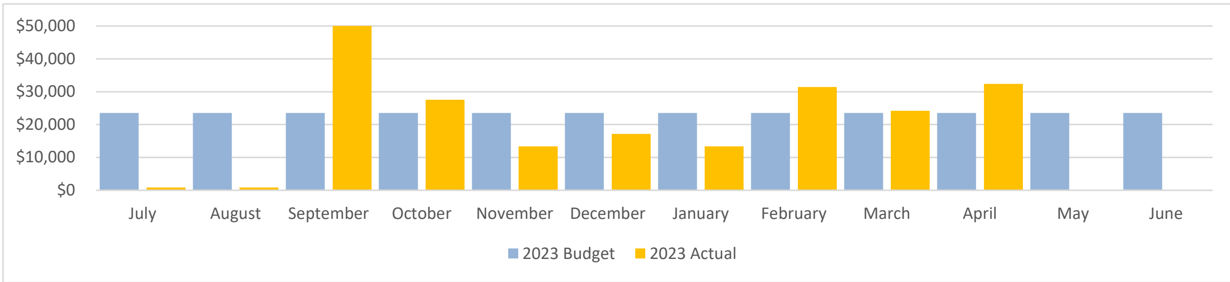
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	Breakdown between Quadrants began in FY 2018.		
2014			
2015			
2016			
2017			
2018	$189,728	$189,728	100.0%
2019	$400,237	$210,509	111.0%
2020	$472,760	$72,523	18.1%
2021	$573,304	$100,544	21.3%
2022	$891,008	$317,704	55.4%
Average Increase (Decrease)	**$ 178,202**		

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$84,255	$23,551	$835	($83,420)	-99.0%	($22,716)	-96.5%
August	$12,246	$23,551	$835	($11,411)	-93.2%	($22,716)	-96.5%
September	$30,060	$23,551	$99,468	$69,408	230.9%	$75,917	322.4%
October	$56,780	$23,551	$27,555	($29,225)	-51.5%	$4,004	17.0%
November	$60,955	$23,551	$13,360	($47,595)	-78.1%	($10,191)	-43.3%
December	$46,760	$23,551	$17,151	($29,609)	-63.3%	($6,400)	-27.2%
January	$36,740	$23,551	$13,360	($23,380)	-63.6%	($10,191)	-43.3%
February	$40,982	$23,551	$31,455	($9,527)	-23.2%	$7,904	33.6%
March	$36,740	$23,551	$24,215	($12,525)	-34.1%	$664	2.8%
April	$20,040	$23,551	$32,425	$12,385	61.8%	$8,874	37.7%
May	$16,700	$23,551					
June	$448,750	$23,551					
	$891,008	**$282,609**	**$260,659**	**($16,490)**	**-38.7%**	**$2,515**	**10.7%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($164,899)		**$25,152**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 3E:	Coll Area 4	Fund	Road Impact	Account:	128-32804-00000

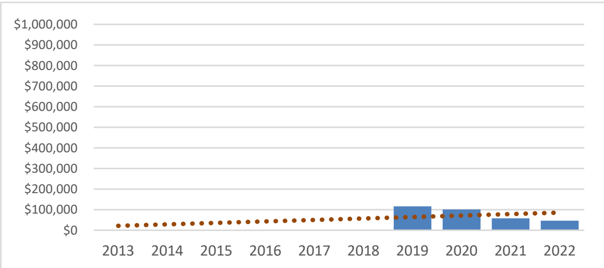
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011.

Coll Area 4 - Area north of New HIghway 96W, 5th Avenue North, Main Street and west of East Main Street and Franklin Road and within the corporate boundaries of the city.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 82.1% less, and compared to 2023 budget is less by 84.5%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

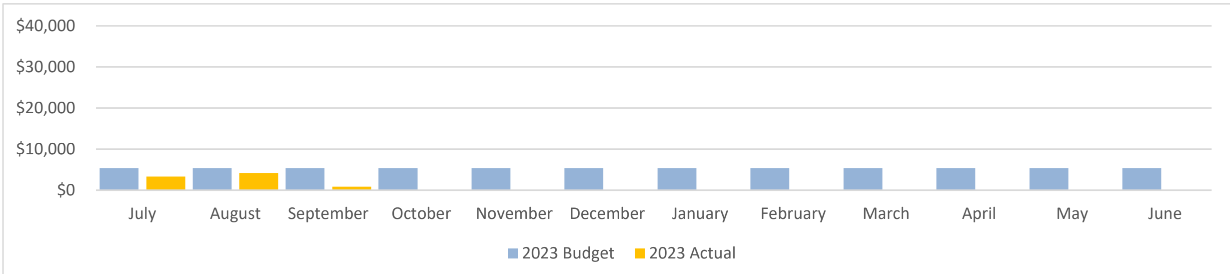
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	Breakdown between Quadrants began in FY 2018.		
2014			
2015			
2016			
2017			
2018			
2019	$115,817	$115,817	100.0%
2020	$101,249	($14,568)	-12.6%
2021	$57,615	($43,634)	-43.1%
2022	$46,608	($11,007)	-19.1%

Average Increase (Decrease) $ 11,652

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$11,044	$5,373	$3,340	($7,704)	-69.8%	($2,033)	-37.8%
August	$13,360	$5,373	$4,175	($9,185)	-68.8%	($1,198)	-22.3%
September	$0	$5,373	$835	$835	100.0%	($4,538)	-84.5%
October	$494	$5,373	$0	($494)	-100.0%	($5,373)	-100.0%
November	$4,175	$5,373	$0	($4,175)	-100.0%	($5,373)	-100.0%
December	$3,340	$5,373	$0	($3,340)	-100.0%	($5,373)	-100.0%
January	$3,340	$5,373	$0	($3,340)	-100.0%	($5,373)	-100.0%
February	$0	$5,373	$0	$0	-100.0%	($5,373)	-100.0%
March	$7,515	$5,373	$0	($7,515)	-100.0%	($5,373)	-100.0%
April	$3,340	$5,373	$0	($3,340)	-100.0%	($5,373)	-100.0%
May	$0	$5,373					
June	$0	$5,373					
	$46,608 *Total*	**$64,477** *Total*	**$8,350** *Total*	**($3,826)** *Average* **($38,258)** *Total*	**-82.1%** *Average*	**($4,538)** *Average* **($45,381)** *Total*	**-84.5%** *Average*

City of Franklin

Finance Department - Monthly Reports

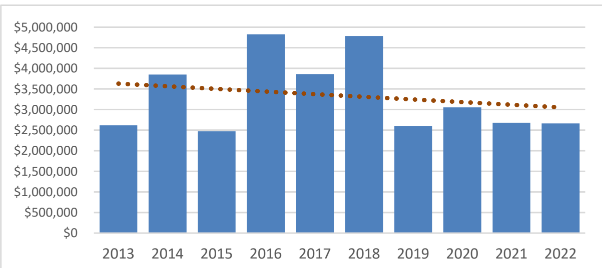
Schedule 4:	Facilities Tax (City)	Fund	Facilities Tax	Account:	130-31600-00000

Summary: A special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth. Such taxes may be expended ***only*** on police, fire, sanitation, and parks and recreation.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 52.5% less, and compared to 2023 budget is less by 61.9%.

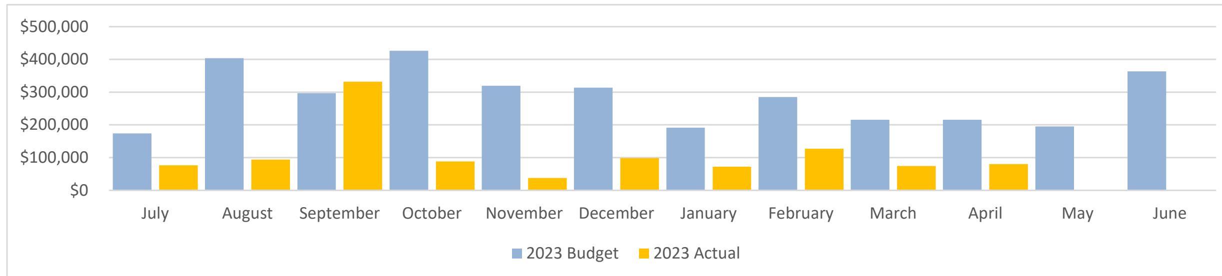
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	$2,617,339	$771,649	41.8%
2014	$3,848,783	$1,231,444	47.0%
2015	$2,468,473	($1,380,310)	-35.9%
2016	$4,827,968	$2,359,495	95.6%
2017	$3,864,453	($963,515)	-20.0%
2018	$4,788,042	$923,589	23.9%
2019	$2,598,810	($2,189,232)	-45.7%
2020	$3,051,110	$452,300	17.4%
2021	$2,682,395	($368,715)	-12.1%
2022	$2,666,214	($16,181)	-0.6%
Average Increase (Decrease)		**$82,052**	**11.2%**

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$267,491	$173,789	$76,800	($190,691)	-71.3%	($96,989)	-55.8%
August	$608,156	$403,732	$93,870	($514,286)	-84.6%	($309,862)	-76.7%
September	$78,518	$296,750	$332,217	$253,699	323.1%	$35,467	12.0%
October	$116,774	$426,226	$88,127	($28,647)	-24.5%	($338,099)	-79.3%
November	$348,525	$319,514	$37,787	($310,738)	-89.2%	($281,727)	-88.2%
December	$315,251	$313,629	$98,377	($216,874)	-68.8%	($215,252)	-68.6%
January	$110,770	$191,647	$72,064	($38,706)	-34.9%	($119,583)	-62.4%
February	$134,799	$284,881	$127,036	($7,763)	-5.8%	($157,845)	-55.4%
March	$134,437	$215,524	$74,588	($59,849)	-44.5%	($140,936)	-65.4%
April	$163,610	$215,529	$80,552	($83,058)	-50.8%	($134,977)	-62.6%
May	$106,107	$194,872					
June	$281,776	$363,171					
	$2,666,214 *Total*	**$3,399,264** *Total*	**$1,081,418** *Total*	**($119,691)** *Average* **($1,196,913)** *Total*	**-52.5%** *Average*	**($175,980)** *Average* **($1,759,803)** *Total*	**-61.9%** *Average*

City of Franklin

Finance Department - Monthly Reports

Schedule 5:	Facilities Tax (County)	Fund	Facilities Tax (County)	Account:	132-31600-00000

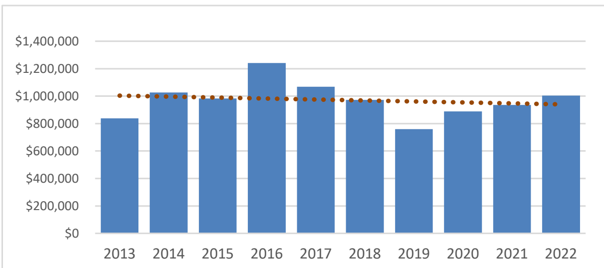
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used for the purpose of providing public facilities, the need for which is reasonably related to new development. The County uses 100% of its amount for public school purposes.

Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 40.0% less, and compared to 2023 budget is 30.2% less.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

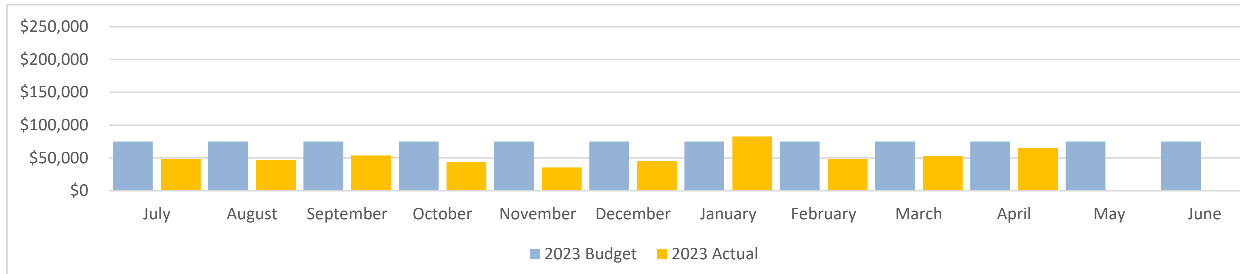
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	$838,523	$165,562	24.6%
2014	$1,026,933	$188,410	22.5%
2015	$982,605	($44,328)	-4.3%
2016	$1,241,241	$258,636	26.3%
2017	$1,068,030	($173,211)	-14.0%
2018	$971,814	($96,216)	-9.0%
2019	$759,873	($211,941)	-21.8%
2020	$889,427	$129,554	17.0%
2021	$935,555	$46,128	5.2%
2022	$1,003,415	$67,860	7.3%
Average Increase (Decrease)		**$ 33,045**	**0.8%**

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$96,643	$74,834	$48,628	($48,016)	-49.7%	($26,206)	-35.0%
August	$81,278	$74,834	$46,396	($34,882)	-42.9%	($28,438)	-38.0%
September	$66,755	$74,834	$53,869	($12,886)	-19.3%	($20,964)	-28.0%
October	$111,605	$74,834	$43,923	($67,683)	-60.6%	($30,911)	-41.3%
November	$77,686	$74,834	$35,446	($42,240)	-54.4%	($39,388)	-52.6%
December	$112,074	$74,834	$44,845	($67,229)	-60.0%	($29,989)	-40.1%
January	$70,584	$74,834	$82,621	$12,037	17.1%	$7,787	10.4%
February	$72,495	$74,834	$48,374	($24,121)	-33.3%	($26,459)	-35.4%
March	$79,500	$74,834	$53,148	($26,352)	-33.1%	($21,685)	-29.0%
April	$102,169	$74,834	$65,194	($36,975)	-36.2%	($9,640)	-12.9%
May	$58,797	$74,834					
June	$73,828	$74,834					
	$1,003,415 *Total*	**$898,002** *Total*	**$522,443** *Total*	**($34,835)** *Average* **($348,347)** *Total*	**-40.0%** *Average*	**($22,589)** *Average* **($225,892)** *Total*	**-30.2%** *Average*

City of Franklin

Finance Department - Monthly Reports

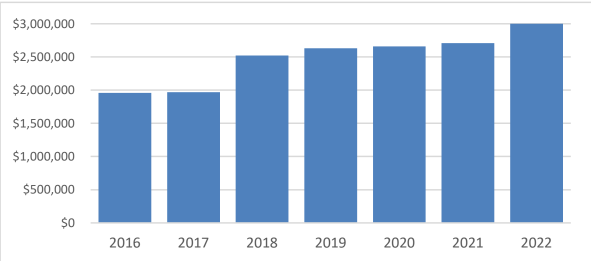
Schedule 6:	Gasoline Tax	Fund	Street Aid	Account:	121-33220-00000

Summary: As part of Street Aid Fund Revenues, the City receives a share of the state shared gasoline tax. Gas taxes increased effective July 1, 2017 as part of the IMPROVE Act to help fund state road projects. The tax increased by 4 cents on July 1, and will increase by 1 cent in the next two years. The tax on diesel will increase a total of 10 cents over 3 years.

Monthly Report for June 2023: The gasoline tax remittance from the State of Tennessee for March 2023 sales (received by the City in May 2023) was $257,654 compared to $279,319 for the same month in FY 2022, a decrease of $21,665 or 7.8%.

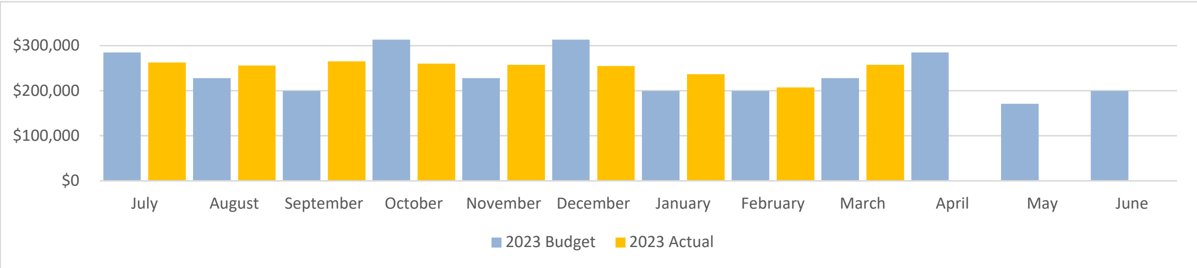
For budget comparisons, the City anticipated collections of $228,055 for March 2023, a difference of $29,599 more, or 13.0%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
	Increase in Gas Tax began July 2017.		
2016	$1,959,796		
2017	$1,971,070	$11,274	0.6%
2018	$2,520,503	$549,433	27.9%
2019	$2,630,997	$110,494	4.4%
2020	$2,660,745	$29,748	1.1%
2021	$2,706,895	$46,150	1.7%
2022	$3,035,484	$328,589	12.1%
Average Increase (Decrease)		**$ 179,281**	**8.0%**

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$240,179	$285,069	$262,555	$22,377	9.3%	($22,514)	-7.9%
August	$270,876	$228,055	$255,841	($15,035)	-5.6%	$27,785	12.2%
September	$260,944	$199,548	$265,351	$4,407	1.7%	$65,802	33.0%
October	$254,665	$313,576	$260,036	$5,371	2.1%	($53,540)	-17.1%
November	$254,681	$228,055	$257,585	$2,904	1.1%	$29,530	12.9%
December	$260,069	$313,576	$254,868	($5,200)	-2.0%	($58,708)	-18.7%
January	$238,525	$199,548	$236,890	($1,635)	-0.7%	$37,342	18.7%
February	$201,051	$199,548	$207,475	$6,424	3.2%	$7,926	4.0%
March	$279,319	$228,055	$257,654	($21,665)	-7.8%	$29,599	13.0%
April	$244,021	$285,069					
May	$268,964	$171,041					
June	$262,191	$199,548					
	$3,035,484 *Total*	**$2,850,690** *Total*	**$2,258,254** *Total*	**($228)** *Average*	**-0.1%** *Average*	**$7,025** *Average*	**2.9%** *Average*
				($2,053) *Total*		**$63,223** *Total*	

City of Franklin

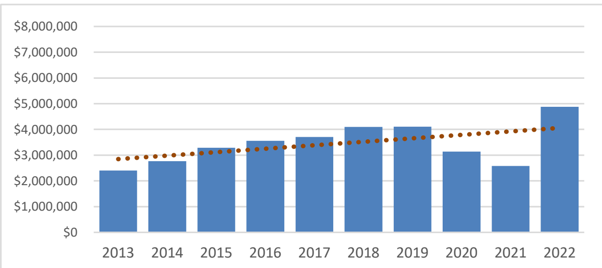
Finance Department - Monthly Reports

Schedule 7:	**Hotel/Motel Tax**	**Fund**	**Hotel/Motel Fund**	**Account:**	**150-31700-00000**

Summary: The Hotel/Motel Fund is a special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel/Motel Tax is 4%.

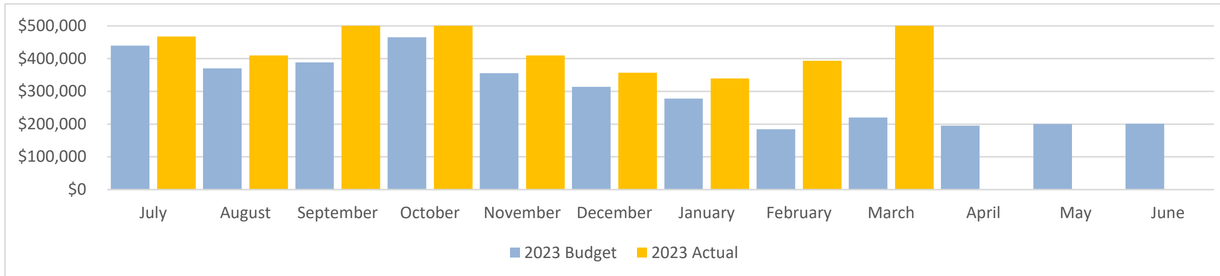
Monthly Report for June 2023: 2023 year-to-date compared to 2022 is 19.3% more, and compared to 2023 budget is more by 31.1%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2013	$2,403,775	$217,822	10.0%
2014	$2,764,802	$361,027	15.0%
2015	$3,291,019	$526,217	19.0%
2016	$3,557,971	$266,952	8.1%
2017	$3,710,589	$152,618	4.3%
2018	$4,097,695	$387,106	10.4%
2019	$4,103,235	$5,540	0.1%
2020	$3,138,814	($964,421)	-23.5%
2021	$2,575,830	($562,984)	-17.9%
2022	$4,875,687	$2,299,857	89.3%
Average Increase (Decrease)		**$ 268,973**	**11.5%**

FY23 Month by Month Summary



Month	2022 Actual	2023 Budget	2023 Actual	$ Inc./(Dec.) from 2022 Actual	% Inc./(Dec.) from 2022 Actual	$ Inc./(Dec.) from 2023 Budget	% Inc./(Dec.) from 2023 Budget
July	$431,908	$439,858	$467,695	$35,787	8.3%	$27,837	6.3%
August	$362,602	$369,965	$409,407	$46,805	12.9%	$39,442	10.7%
September	$380,972	$388,480	$500,906	$119,934	31.5%	$112,426	28.9%
October	$456,288	$465,414	$534,393	$78,105	17.1%	$68,979	14.8%
November	$348,852	$355,829	$409,466	$60,615	17.4%	$53,637	15.1%
December	$307,470	$313,619	$357,111	$49,642	16.1%	$43,492	13.9%
January	$271,887	$277,943	$339,608	$67,721	24.9%	$61,665	22.2%
February	$298,796	$184,371	$393,647	$94,851	31.7%	$209,276	113.5%
March	$456,235	$220,328	$541,183	$84,947	18.6%	$320,855	145.6%
April	$505,453	$195,732					
May	$509,705	$200,797					
June	$545,520	$201,070					
	$4,875,687	**$3,613,406**	**$3,953,416**	**$70,934**	**19.3%**	**$104,179**	**31.1%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$638,407		**$937,609**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 8:	Conference Center Profit/(Loss)	Fund	Hotel/Motel	Account:	150-84910-47100

Summary: As part of Hotel/Motel, the City receives half of the profit/(loss) from the Conference Center.

Monthly Report for June 2023: The gain for April 2023 was $83,065 compared to a gain of $109,510 for the same month in 2022, a decrease of $26,445.

MONTHLY - Conference Center Financials Jul 22-Jun 23

	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Total
Gross Revenue	425,211	619,385	795,995	791,807	647,273	627,935	380,085	663,459	674,693	823,073			6,448,916
House Profit	21,395	104,748	224,546	255,299	156,501	90,319	(27,720)	206,121	155,243	246,036			1,432,488
Less: Fixed Expenses	40,401	40,401	40,400	40,401	40,400	40,401	40,176	39,125	38,882	38,752			399,339
Net Income	(19,006)	64,347	184,146	214,898	116,101	49,918	(67,896)	166,996	116,361	207,284			1,033,149
Less: FF&E Reserve 5%	21,261	30,969	39,800	39,500	32,364	31,397	19,004	33,173	33,735	41,154			322,357
Net Cash Flow	(40,267)	33,378	144,346	175,308	83,737	18,521	(86,900)	133,823	82,626	166,130			710,702
City 1/2	(20,134)	16,689	72,173	87,654	41,869	9,261	(43,450)	66,912	41,313	83,065	-	-	355,351

MONTHLY - Conference Center Financials Jul 21-Jun 22

	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Total
Gross Revenue	311,453	560,162	478,316	699,036	429,152	602,836	336,567	499,051	591,391	794,189	554,900	6,077,551	11,934,604
House Profit	40,413	201,472	155,509	280,477	62,510	213,023	48,688	115,756	172,621	297,972	105,487	128,142	1,822,070
Less: Fixed Expenses	66,843	68,807	68,561	68,390	68,448	69,048	62,534	39,243	39,243	39,243	39,242	39,243	668,845
Net Income	(26,430)	132,665	86,948	212,087	(5,938)	143,975	(13,846)	76,513	133,378	258,729	66,245	88,899	1,153,225
Less: FF&E Reserve 5%	15,573	28,008	23,916	35,224	21,458	30,142	16,828	24,953	29,570	39,709	27,745	303,898	597,024
Net Cash Flow	(42,003)	104,657	63,032	176,863	(27,396)	113,833	(30,674)	51,560	103,808	219,020	38,500	58,511	829,711
City 1/2	(21,002)	52,329	31,516	88,432	(13,698)	56,917	(15,337)	25,780	51,904	109,510	19,250	29,256	414,856

MONTHLY Differences - Conference Center Financials

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
City 1/2 Difference	868	(35,640)	40,657	(778)	55,567	(47,656)	(28,113)	41,132	(10,591)	(26,445)		