City of Franklin

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

Meeting Agenda

Budget & Finance Committee

Thursday, September 14, 2023	3:00 PM	Board Room

CALL TO ORDER

CITIZEN COMMENTS (Open for citizens to be heard on any issue or concern, including those related to items on the agenda. Please submit a Speaker Card at the beginning of the meeting if you would like to address the Board/Commission. If you would like to speak on an agenda item, the Chair will hold your comment until the public comment period associated with the item. As provided by law, Boards/Commissions shall make no decisions or consideration of action of citizen comments for items not on the agenda, except to refer the matter to the City Administrator/Staff for administrative consideration, or to a schedule the matter for consideration at a later date. Those addressing the Board/Commission are requested to come to the microphone and identify themselves by name and address for the official record. The Chair may restrict the period for public comment, including the length of the public comment period, the number of individuals who can speak and the length of time each individual may speak. When time allows, the standard individual public comment time is two minutes.)

Comments on agenda items may be made in person at City Hall or by emailing recorder@franklintn.gov before noon on the day of the meeting. Comments will be submitted for the record.

APPROVAL OF MINUTES

1. Consideration Of Approval Of Minutes
   June 8, 2023 Budget & Finance Meeting

   Sponsors: Angie Johnson

NEW BUSINESS

2. Consideration Of Resolution 2023-60, A Resolution Adopting An Amended Customer Service Policy For The City Of Franklin

   Sponsors: Kristine Brock, Jessica Davey

3. Consideration Of Ordinance 2023-34, An Ordinance To Amend The Budget Of The City Of Franklin For Fiscal Year 2023-2024

   Sponsors: Eric Stuckey, Kristine Brock, Michael Walters Young

4. Annual Investment Report

   Sponsors: Kristine Brock, Mike Lowe

5. Discussion Of Fiscal Year 2023 Audit Planning

Sponsors: Kristine Brock, Mike Lowe, Margaret Wilson

6. Financial Report For 4th Quarter Of FY 2023 (Unaudited)

Sponsors: Mike Lowe, Margaret Wilson

7. Monthly Reports For September 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
Franklin, TN 37064
(615) 791-3217

City of Franklin

Meeting Minutes

Budget & Finance Committee

Thursday, June 8, 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, Jason Potts

Board Members Absent: Patrick Baggett

APPROVAL OF MINUTES

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

   A motion was made by Alderman Ann Petersen, seconded by Alderman Jason Potts to Approve the Minutes. The motion Passed 3-0.

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

   A motion was made by Alderman Jason Potts, seconded by Alderman Ann Petersen to Recommend Approval of the Procurement Award to the Board of Mayor and Aldermen. The motion Passed 3-0.

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

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

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

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

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

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

6. **Financial Report For 3rd Quarter Of FY 2023**

   Sponsors: Mike Lowe, Margaret Wilson

   The item was acknowledged.

7. **Monthly Reports For June 2023**

   Sponsors: Mike Lowe, Margaret Wilson

   The item was acknowledged.

OTHER BUSINESS

ADJOURN

A motion was made by Alderman Ann Petersen, seconded by Alderman Jason Potts to Adjourn. The motion Passed 3-0.

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Clyde Barnhill, Chair

Minutes Prepared by Cayce Anderson, Deputy City Recorder, City Administrator's Office - 7/5/23, 9:58 AM

City of Franklin

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

File #: 21-05140

DATE: August 21, 2023

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Jessica Davey, Revenue & Licensing Manager

SUBJECT:

Consideration Of Resolution 2023-60, A Resolution Adopting An Amended Customer Service Policy For The City Of Franklin

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution 2023-60, A Resolution Adopting An Amended Customer Service Policy For The City Of Franklin.

BACKGROUND/STAFF COMMENTS:

The City services approximately 30,000 residential and commercial water, sewer, stormwater, and solid waste customers. The Revenue Management division of the Administration Department is responsible for account creation, billing, and payment collection for these customers. The Franklin Municipal Code provides some rules and regulations regarding obtaining these services from the City. However, on November 22, 2022 a detailed written customer service policy was adopted to ensure consistent treatment of the City's utility customers. In order to keep the policy current, provide further guidance, and accurately reflect best practices, updates are necessary.

FINANCIAL IMPACT:

There is no financial impact related to this resolution.

RECOMMENDATION:

Staff recommends that Resolution 2023-60 be recommended for approval by the Board of Mayor and Aldermen.

RESOLUTION 2023-60

A RESOLUTION ADOPTING AN AMENDED CUSTOMER SERVICE POLICY FOR THE CITY OF FRANKLIN.

WHEREAS, the City of Franklin services approximately 30,000 residential and commercial water, sewer, stormwater, and solid waste customers within the City; and

WHEREAS, the City of Franklin desires to provide consistent and exceptional customer service to these utility customers; and

WHEREAS, on November 22, 2022, the Board of Mayor and Alderman adopted Resolution No. 2022-67, a resolution adopting a customer service policy; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin for the customer service policy to be amended in order to provide further guidance and to ensure equitable treatment of the City's utility customers.

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

Section 1. The customer service policy for the City of Franklin adopted by Resolution No. 2022-67, is hereby repealed in its entirety. In place thereof, the customer service policy, which is attached as Exhibit A, is now hereby adopted for the City of Franklin.

Section 2. 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 3. The effective date of the policy hereby adopted shall be immediate upon passage and adoption of the resolution, 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 (2) 08.28.23

CITY OF FRANKLIN

Customer Service Policy

Customer Service Policy

Table of Contents

Customer Service Policy

1. General Policy

This policy applies to utility customer service within The City of Franklin.

2. Application for Service

Residential

Residential customers shall be required to make application for new service or changes to existing service. A copy of a photo ID is required for identification verification. A requirement of three (3) business days prior notice to connect service applies. Customers who are leasing must provide a copy of the lease signed by the lessor listing all tenants before service will be provided. The application for service must be completed and signed by the exact same name or names on the lease. If the information does not match, the application will not be accepted. In the case that no lease has been generated, the lessor must provide a signed lease verification form (available in Customer Service). In any case that the customer is unable to sign the required documents, whether physically or geographically, their representative must present a notarized Power of Attorney to complete the transaction. Application and service charges established by City ordinance may be charged to the customer's first utility bill provided that the customer does not have a delinquent account with the City of Franklin.

Non-Residential

Commercial and Industrial customers must make application for new utility service or changes to existing service. A requirement of three (3) business days prior notice to connect service applies. Applicants must provide satisfactory documentation before utility service is provided. The documentation must include a signature of the owner or an officer of the business. Application and service charges established by City ordinance may be charged to the customer's first utility bill provided that the customer does not have a delinquent account with the City of Franklin.

3. Application and Service Fees

An application fee will be applied to any new, re-established, or additional account. Customers who provide an incorrect service address when applying for service shall be required to pay an additional service charge if the City's service employee is required to make more than one trip to establish service.

A service reconnection charge must be paid at the time of reconnection after disconnection due to non-payment of a bill in accordance with non-payment provisions.

Fee amounts are set by City ordinance.

4. Eligible Applicants and Occupants

The City of Franklin will provide service to applicants who are of majority age, have no prior outstanding delinquency with the City, and who provide satisfactory proof of identity. Each customer will be required to execute a utility service agreement.

When a customer's utility service has been terminated for nonpayment, the utility service will not be restored to the consumer until his or her delinquent account is satisfied in accordance with City policy.

Both parties in a marriage are responsible for payment of a utility bill at the residence they share. However, one spouse is not held liable for a past debt at a location inhabited by the other spouse prior to the marriage and if requested, service may be provided in the name of the new spouse. Collection of the former debt should commence immediately.

Occupants are not responsible for utility accounts unless they are parties to a residential utility contract. It is the City's practice to require all responsible occupants to execute a utility contract (application for service). In the event a customer executes a new utility contract, the City may add any unpaid amounts to the customer's bill even if the services were incurred at a different address and the City discovers the existence of an unpaid account later.

In case of the death of a customer, service will be removed from the deceased’s name as quickly as possible. Anyone requesting a change to a deceased customers' account must provide a death certificate, Letter of Testamentary, or other court document related to the deceased. During probate, the account will be billed to the personal representative of the estate of the customer. Following disposition of the estate, the service will be billed in the name of the occupant of the premises. In the case of an immediate family member, the change of name will be arranged without charge. Standard identification questions will be asked.

5. Change in Customer of Record

Changes in the customer of record for existing residential accounts may be granted under the following conditions:

a. The change in customer name or status is because of marriage, divorce, legal name change, or death. Name change requests should be made in writing by the account holder. No fee applies.

b. If existing account is under more than one name, the person who will remain at the residence shall complete a new customer application. No fee applies.

c. The customer has satisfactory identification or documentation in the new name or status. A copy of a court order for name change is acceptable.

Changes in the customer of record for existing Commercial and Industrial accounts may be granted under the following conditions:

a. The customer requests the name change in writing. The request should be accompanied by proper documentation verifying that there is no change in ownership. The documentation must include the signature of the owner or office of the business.

b. If the customer's Federal ID number changes, the customer shall complete a new customer application.

6. Services Billed

Bills shall be rendered monthly, at intervals between 28 and 34 days, unless unusual circumstances preclude that action. The City will mail or email all utility bills approximately 15 days before the net due date. The statement will reflect the net amount due and the gross amount due if paid after the due date.
Bills shall be sent to the address or email address designated by the customer.

The customer is responsible for all utility consumption at his/her premise. If it is found that the service has not been billed properly, the City will back bill for utilities consumed or refund over-charges, up to the limitations defined in Tennessee Code Annotated §§ 28-3-301–303.

7. Estimated Bills

If representatives of the City are unable to obtain access to the customer's meter during regular working hours, if a meter fails to register, or if for any other reason actual consumption cannot be determined, the City will render an estimated bill based on past usage in accordance with industry accepted estimation practices.

8. Rates

The City reserves the right to determine the correct rate classification for each account. If a customer can establish that they are being billed at the wrong rate, their rate classification will be corrected at the sole discretion of the City. A refund will be made for the applicable period, up to a maximum allowed by law, (36 months) for the amount the customer was overbilled unless the incorrect rate was based on information furnished by the customer. If it is found that a customer has been under billed, the City may collect for all such prior service, up to a maximum allowed by law.

9. Payment Methods

Cash, business or personal checks, money orders, or credit/debit cards may be accepted for payment of any bills owed to the City and any amount over the actual amount of the bill will be credited to the customer’s account. Checks returned by the bank shall be immediately charged back to the customer’s account, and a returned check charge will be assessed. Any account with three (3) returned checks within a twelve (12)month period will be required to make future payments, for a twelve (12) month period, in the form of cash, a cashier’s check, money order, or credit/debit card.

Bankrupt Accounts

Upon receipt of notice of bankruptcy, the customer’s account(s) is/are terminated, and a new account is established for future billing. Once notification of dismissal of the bankruptcy is received, funds are collectible. In the case of discharge, funds are not collectible.

Delinquent Utility Accounts

The City will mail all utility bills approximately fifteen (15) days before the net due date. The late charges will be assessed on any account which remains unpaid after the net payment date shown on the bills. The late charge rate will be set by City ordinance.

If the bill remains unpaid after collection attempts have been made, the account may be referred to a collection agency.

10. Voluntary Disconnection of Service

Customers who wish to discontinue service may do so in person at the Customer Service Department, via fax, e-mail or by downloading the termination request form from the City of Franklin's website. Requests for termination of service shall be given in writing three (3) business days in advance. No service disconnection will be completed on Fridays to prevent loss of water usage for a weekend.

The City shall not be liable for damages resulting from discontinuing service at any time after the delinquent date.

If a final bill remains unpaid after sixty (60) days past the due date, and the customer has an active service account with the City, the final bill balance shall be transferred to the active account.

11. Disconnection of Service Due to Non-Payment

Failure to receive a bill does not relinquish the customer's responsibility for timely payment of the bill. Accounts that become thirty (30) days delinquent will have service disconnected for non-payment. Any request to make payment arrangements to prevent disconnection must be made prior to the date of the cutoff. Payment arrangements shall be directed to the Customer Service Supervisor, Revenue & Licensing Manager, or Finance Director.

The City shall not be liable for any loss or damage resulting from cutoff.

If an account remains unpaid after cutoff, the meter will be locked during the next cutoff cycle and the City of Franklin Building and Neighborhood Services Department will be notified that the residence has no water, and the customer could be subject to

a violation.
In such cases where payment has not been received on an account that has been cutoff for non-payment, and continues to be delinquent for three consecutive months, every possible attempt to reach the customer is made by customer service. If these attempts are unsuccessful and the customer cannot be contacted by our department, then a forced termination will occur. Once an account is terminated, the customer will be required to make payment in full, complete a new application, and pay the application fee before service would be restored to the property.

Disconnections for non-payment shall not be initiated when daytime temperatures fall below thirty-two (32) degrees Fahrenheit. At any time that temperatures indicate danger of water lines freezing due to below freezing temperatures, the decision to cutoff for non-payment will be that of the Director of Water & Wastewater department.

12. Reconnection of Service Disconnected for Non-Payment

Service will be restored upon receipt of the full amount due for which the service was disconnected. Payment must be made to Revenue Management in the form of cash, cashier's check, money order, business or personal check, or credit/debit card.

A service reconnection charge shall apply to any account that was disconnected for non-payment, unless the customer shows a validated receipt showing that the bill had been paid on a day prior to the date of disconnection.

13. Payment Arrangements

Payment in full is expected by the date due. However, in unusual cases, payment arrangements are available to customers who have incurred a large bill and are having difficulty meeting their financial obligations. In any situation, the customer requesting assistance must be the same as the utility account holder. A down payment is required and the customer must sign a promissory note to pay the remainder in monthly payments along with their regular current bill for each month. If the customer fails to meet this obligation, the account will be subject to disconnection for non-payment and the customer shall not be allowed to make payment arrangements for a full calendar year.

Payment of all overdue amounts or satisfactory payment arrangements must be made before service will be provided at a change of address for the delinquent customer.

All payment arrangements must be made in writing and have supervisor approval.

a. Payment arrangements for three (3) months must be approved by the Customer Service Supervisor or Revenue and Licensing Manager.
b. Payment arrangements for six (6) months must be approved by an Assistant City Administrator.
c. Payment arrangements for twelve (12) months must be approved by the City Administrator.

14. Disputed Bills

If a customer disputes a bill and alleges erroneous meter reading, the Customer Service Representative shall investigate the accuracy of the bill by performing an analysis of past usage and possible changes in consumption patterns; the possibility of a leak, faulty meter reading, or customer equipment failure. If no error in billing is discovered, the customer shall pay the balance.

If, after initial investigation, a customer still wishes to dispute their charges, they shall be required to present the dispute in writing for review by the Water and Wastewater Department.

The disputed amount will be noted on the billing records and the customer is only required to pay the undisputed amount until the issue is resolved. A dispute shall not preclude further billing activities or obligation to pay subsequent bills.

If a customer still disputes a bill after review by the Water and Wastewater Management Department, a request can be made in writing for further review by the City Administrator or an Assistant City Administrator.

If the customer is not satisfied with the outcome of this review, an appeal may be made in writing to the Board of Mayor & Aldermen (BOMA). The decision of the BOMA will be final.

15. Meter Access

City of Franklin service employees and meter readers shall have free access to the customer's premises at all times for the purpose of reading meters and testing, repairing, removing, or exchanging any or all equipment belonging to the City of Franklin. It is the responsibility of the customer to ensure free access. A service charge established by City ordinance will be added to the customer's bill if, due inaccessibility, a second trip is required to read or test a meter. If accessibility problems persist, utility service may be interrupted until accessibility is granted. Any additional costs to restore service after interruption or to maintain proper access will be at the customer's expense. Once access is obtained, the customer will be responsible for all water usage.

16. Payment Locations

Payments may be made at the Revenue Management office inside Franklin City Hall. For the convenience of the customers, a night depository has been provided for the payment of bills when the office is closed, and any payments made therein will be accepted for the customer's account and posted the next working day. Any customer using the depository does so at his or her own risk and must accept the City's accounting for the amount received by the City.

17. New Connection

Customers requesting water and/or sewer service at new construction must complete an application with the Building and Neighborhood Services (“BNS”) department.

18. Temporary Fire Hydrant Meters

In cases where water is needed on a temporary basis and a fire hydrant is nearby, temporary fire hydrant meters will be available for a deposit, a non-refundable setup fee, and an application fee set by City ordinance. The total fee shall be paid by certified check or money order. Water use will be billed at the inside commercial rate. After the meter is removed per request of customer, a request for the deposit refund shall be submitted in writing to the Accounts Payable division in the Finance Department by the Customer Service Supervisor. If the meter is damaged, the cost of the damaged meter will be deducted from the deposit. Temporary fire hydrant meters will be assigned to a designated fire hydrant. Removal of the fire hydrant to any other location will require approval by the Water Management Department.

19. Customer Programs

Critical Care Program

Upon receipt of documentation from a licensed physician that a customer relies upon an uninterrupted water supply for medical purposes the customer's account will be notated and special efforts will be taken to maintain and/or restore utility service. Nothing in this section shall be construed to mean that customers are exempt from timely payment of their bill or that service may not be disconnected for failure to pay.

Bank Draft Program

Payment by automatic bank draft is offered as a convenience to customers. Customers desiring to have their utility bill payments electronically debited from their bank accounts on the net due date are required to complete a bank draft form and provide a copy of a voided check. Any payment refused by the financial institution will be assessed a return check charge unless the return was due to bank error.

Tax Relief

State law provides property tax relief to certain elderly or disabled low-income homeowners and certain disabled veterans.

City of Franklin sanitation customers who qualify for property tax relief shall have their monthly sanitation service charge waived for as long as they remain on the program. The property tax relief program is administered by the Williamson County Trustee's office and their records will determine who receives this waiver.

Sales Tax Exemption

A current State of Tennessee sales tax exemption certificate must be on file with the Revenue Management Department to qualify for waiver of sales tax on water.

20. Adjustments

All adjustments must have supervisor approval:

a. Adjustments up to $499.00 must be approved by the Customer Service Supervisor.

b. Adjustments between $500 and $999.00 must be approved by the Revenue and Licensing Manager.
c. Adjustments $1,000.00 or more must be approved by an Assistant City Administrator or the City Administrator.

Leak Adjustments

Customers are responsible for maintaining their plumbing system. The customer shall be responsible for all water that passes through a water meter. If the City of Franklin detects unusually high consumption, the City will attempt to notify the customer. Lack of notification will not release a customer from payment obligations, nor extend the due date. The customer is responsible for maintenance of their plumbing and failure to make timely repairs may disqualify a customer for a leak adjustment.

No leak adjustments will be allowed for a property until a certificate of occupancy has been issued.

Each customer generally shall be allowed no more than one (1) billing adjustment during a three hundred sixty-five (365) day period for leaks on the customers' premises. On occasion two (2) consecutive months may be adjusted if the leak occurs over a two (2) month period. Adjustments can only be calculated on bills issued within ninety (90) days. Should a customer request a leak adjustment, the customer must provide proof of repair. A receipt of purchase of a repair part, signed plumber’s affidavit, or copy of receipt from plumber indicating repairs completed will be required.

Calculating Adjustment

The amount of adjustment will be based upon the average bill over the previous twelve (12) months. If twelve (12) months’ usage is not available, the amount of adjustment will be based on city-wide average consumption. The customer’s average usage is first deducted from the high bill. The new balance is then divided by two (2), and the quotient added back to the average usage, resulting in one half of the high usage becoming the responsibility the customer and one half being absorbed by the City.

Pool Adjustments

Customers are allowed one pool fill adjustment in a three hundred sixty-five (365)day period. A completed pool fill affidavit must be submitted detailing the pool size, date of fill, and total gallons used. Pool fill adjustments are calculated on bills issued ninety (90) days prior for sewer only. Customers are responsible for all the water used to fill the pool.

MVUD Adjustments

The City of Franklin provides sewer and trash service to many Mallory Valley Utility District ("MVUD") water customers. If MVUD notifies the City of Franklin that a leak adjustment has been issued to a mutual customer, the City will adjust the customer's sewer charges according to the City's leak adjustment policy.

HB&TS Adjustments

The City of Franklin provides sewer and trash service to many HB&TS water customers. If HB&TS notifies the City of Franklin that a leak adjustment has been issued to a mutual customer, the City will adjust the customer's sewer charges according to it's the City's leak adjustment policy.

Milcrofton Adjustments

The City of Franklin provides sewer and trash service to many Milcrofton Utility District water customers. If a Milcrofton customer experiences a water leak, they may apply to the City of Franklin for a sewer adjustment following the City's leak adjustment policy.

21. Procedures

The Revenue Management Department will implement procedures that are in accordance with this policy.

City of Franklin

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

File #: 21-05141

DATE: August 21, 2023

TO: Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
Kristine Brock, Asst. City Administrator/CFO
Michael Walters Young, Budget and Analytics Manager

SUBJECT:

Consideration Of Ordinance 2023-34, An Ordinance To Amend The Budget Of The City Of Franklin For Fiscal Year 2023-2024

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Ordinance 2023-34, An Ordinance to Amend the Budget of the City of Franklin for Fiscal Year 2023-2024.

BACKGROUND/STAFF COMMENTS:

The State Comptroller has provided guidance that budget amendments are to be on the cash basis and must occur prior to fiscal year end (June 30) to ensure no fund has a deficit fund balance or deficit cash balance at year end.

In order to stay ahead of this responsibility, staff is proposing three budget amendments. They are split across various funds, but include:

1) Distribution of Annual Wage Increases
2) Minor Corrections/Expense Items
3) Capital Projects

By Fund the impacts of these amendments are:

A. General Fund:

i. Revenues: Increase of $374,250. This increase is attributable to two items:

1. Tree Bank Fees: $24,250. This use of the Tree Bank Reserve for a Tree Inventory was approved in the initial budget, but the revenues were not budgeted in an oversight.

2. Use of Fund Balance: $350,000. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from American Rescue Plan Act (ARPA) monies provided through the Tennessee Department of Recreation and Conservation (TDEC).

ii. Expenses: Increase of $374,250. That increase is attributable to each of the three amendments as follows:

1. Distribution of Annual Wage Increases: Redistribution of $2,080,315 to all General Fund departments to fund the annual Cost of Living (COLA) and merit based pay adjustments effective July 1, 2023. As a reminder, the FY 2024 Annual Operating and Capital Budget included a 3% COLA for all employees and between a 0.5% to 2.5% merit adjustment for City employees dependent upon their annual evaluation scores.

2. Minor Corrections/Expense Items: $61,930 in multiple departments. This accounts for budget corrections in several expense lines which did not make the original budget (Emergency Management: $7,327, Human Resources: $5,000, Police – CID: $24,390) and $31,000 in Finance for continued implementation of an automated yroll system budgeted in FY 2023.

3. Capital Projects: Increase of $350,000 as a transfer to Capital Projects Fund. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from American Rescue Plan Act monies.

B. Sanitation & Environmental Services Fund:

i. Expenses: The expense changes but are divided between the three amendments as follows:

1. Distribution of Annual Wage Increases: Increase of $240,399 between the three divisions.

C. Road Impact Fund:

i. Expenses:

3. Capital Projects: Increase of $668,010 in transfers to the Capital Projects Fund for City contributions to two projects:

a. Carothers Parkway Intersection Modifications (Cool Springs Corporate Center) - $468,010. (paid out of Arterial Road Impact Fees)

b. Del Rio Pike - $200,000 (paid out of Collector Area #4 Road Impact Fees)

D. Stormwater Fund:

i. Expenses: The expense changes but are divided between the two amendments as follows:

1. Distribution of Annual Wage Increases: Increase of $120,755 between the two divisions – Streets and Engineering.

3. Capital Projects: Increase of $350,000 as a transfer to Capital Projects Fund. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from TDEC ARPA monies.

E. Hotel Motel Fund:

i. Expenses:

2. Minor Corrections/Expense Items: Increase of $54,000 for a new Christmas Tree for the square in Downtown Franklin. The previous tree exceeded its warranty and a similar tree has been purchased. It will replicate the current tree and be ready for the tree lighting the first weekend of December.

3. Capital Projects: Increase of $2,070,000 for Transfers to the Capital Projects Fund for two projects:

a. Creekside Land Preservation: Increase of $2,000,000. At the direction of the Board of Mayor and Aldermen at the BOMA Work Session of August 22nd, this amount is intended as an initial payment for the acquisition of 76 acres of parkland adjacent to Harlinsdale Park and the southeast corner of Mack Hatcher and Franklin Road.

b. Hayes House Roof Improvements: Increase of $70,000. While the Friends of Franklin Park is paying for the vast majority of the renovation to the Hayes House at Harlinsdale Park, this work is for roof repair and gutter work not anticipated in the original scope of the project. The amount may be larger, but this amount will cover initial work to repair the roof. Should materials be able to be reused, a second amendment for the balance may not be necessary.

F. Capital Projects Fund:

Increase in both revenue and expense of $1,438,010. This amount of transfers in are for four projects:

i. Carothers Intersection Improvements $ 468,010

ii. Del Rio Pike Improvements $ 200,000
iii. Hayes House Roof Improvements $ 70,000
iv. Liberty Hills Stream Restoration $ 700,000

G. Water Management Fund:

i. Expenses: The expense changes but are divided between the three amendments as follows:

1. Distribution of Annual Wage Increases: Increase of $369,469 between the six operational divisions of the Water Management fund.

Finally, there are a couple of corrected budget pages attached behind the ordinance. These are changes to organizational charts in several departments due to requested restructuring of operations. There are no new positions being requested in this amendment.

This is the first budget amendment during this Fiscal Year to the budget. We envision at least two more during the Fiscal Year.

FINANCIAL IMPACT:

The amendments, as proposed, would result in:

1. General Fund: No Change.

2. Sanitation & Environmental Services Fund: Decrease of Fund Balance of $240,399.

3. Road Impact Fund: Decrease of Fund Balance of $668,010.

4. Stormwater Fund: Decrease of Fund Balance of $470,755.

5. Hotel/Motel Fund: Decrease of Fund Balance of $2,124,000.

6. Capital Projects Fund: No Change.

7. Water & Wastewater Funds: No Change.

RECOMMENDATION:

Staff recommends that Ordinance 2023-34 be recommended for approval by the Board of Mayor and Aldermen.

Ordinance 2023-34
Amending the FY 2024 Budget

September 14, 2023
Budget and Finance Committee

Ordinance 2023-34

Amendments

1) Distribution of Annual Wage Increases
2) Minor Corrections/Expense Items
3) Capital Projects

Staffing/Organizational Chart Changes

- Two Departments have staffing modifications / organizational chart changes but no budgetary impact.

City of Franklin, Tennessee

FY 2024 Operating Budget

Ordinance 2023-34

Amendments By Fund

- General Fund:

Revenues: Increase of $374,250. This increase is attributable to two items:

⇧ **1. Tree Bank Fees: $24,250. This use of the Tree Bank Reserve for a Tree Inventory was approved in the initial budget, but the revenues were not budgeted in an oversight.**

⇧ **2. Use of Fund Balance: $350,000. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from American Rescue Plan Act (ARPA) monies provided through the Tennessee Department of Recreation and Conservation (TDEC).**

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2024 Operating Budget

Ordinance 2023-34

Amendments By Fund

- General Fund:

Expenses: Increase of $374,250.

⇧ **1. Distribution of Annual Wage Increases: Redistribution of $2,080,315 to all General Fund departments to fund the annual Cost of Living (COLA) and merit based pay adjustments effective July 1, 2023.**
As a reminder, the FY 2024 Annual Operating and Capital Budget included a 3% COLA for all employees and between a 0.5% to 2.5% merit adjustment for City employee's dependent upon their annual evaluation scores.

City of Franklin, Tennessee

FY 2024 Operating Budget

Ordinance 2023-34

Amendments By Fund

- General Fund:

Expenses: Increase of $374,250.

⇧ 2. **Minor Corrections/Expense Items: $61,930 in multiple departments. This accounts for budget corrections in several expense lines which did not make the original budget and in Finance for continued implementation of an automated payroll system budgeted in FY 2023.**

⇧ 3. **Capital Projects: Increase of $350,000 for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from American Rescue Plan Act monies.**

City of Franklin, Tennessee
FY 2024 Operating Budget

Ordinance 2023-34

Amendments By Fund

- Sanitation & Environmental Services Fund:

Expenses:

⇧ 1. Distribution of Annual Wage Increases: Increase of $240,399 between the three divisions.

- Road Impact Fund

Expenses:

⇧ 3. Capital Projects: Increase of $668,010 for City contributions to two projects:
a. Carothers Parkway Intersection Modifications (Cool Springs Corporate Center) - $468,010. (Arterial Fees)
b. Del Rio Pike - $200,000 (Collector Area #4 Fees)

City of Franklin, Tennessee

FY 2024 Operating Budget

Ordinance 2023-34

Amendments By Fund

- Stormwater Fund

Expenses:

⇧ 1. **Distribution of Annual Wage Increases: Increase of $120,755 between the two divisions – Streets and Engineering.**

⇧ 3. **Capital Projects: Increase of $350,000 as a transfer to Capital Projects Fund. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from TDEC ARPA monies.**

City of Franklin, Tennessee
FY 2024 Operating Budget

Ordinance 2023-34

Amendments By Fund

- Hotel/Motel Fund

⇧ **2. Minor Corrections/Expense Items: $54,000 for a new Christmas Tree for the square in Downtown Franklin.**

⇧ **3. Capital Projects: Increase of $2,070,000 for two projects:**

a. Creekside Land Preservation: $2,000,000 initial payment for the acquisition of 76 acres of parkland adjacent to Harlinsdale Park and the southeast corner of Mack Hatcher and Franklin Road.

b. Hayes House Roof Improvements: $70,000 for roof repair and gutter work not anticipated in the original scope of the project.

City of Franklin, Tennessee

FY 2024 Operating Budget

Ordinance 2023-34

Amendments By Fund

- Capital Projects Fund

⇧ **Increase in both revenue and expense of $1,438,010. This amount of transfers in are for four projects:**

i. Carothers Intersection Improvements	$ 468,010
ii. Del Rio Pike Improvements	$ 200,000
iii. Hayes House Roof Improvements	$ 70,000
iv. Liberty Hills Stream Restoration	$ 700,000

- Water Management Fund

Expenses:

⇆ **1. Distribution of Annual Wage Increases: $369,469 between the six operational divisions of the Water Management fund.**

Ordinance 2023-34

Fund Balance Changes

⇆ 1. General Fund: No Change

⇩ 2. Sanitation & Environmental Services Fund: Decrease of Fund Balance of $240,399

⇩ 3. Road Impact Fund: Decrease of Fund Balance of $668,010

⇩ 4. Stormwater Fund: Decrease of Fund Balance of $470,755

⇩ 5. Hotel/Motel Fund: Decrease of Fund Balance of $2,124,000

⇆ 6. Capital Projects Fund: No Change

⇆ 7. Water & Wastewater Funds: No Change

Questions

HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

September 7, 2023

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Brock, Assistant City Administrator/Chief Financial Officer
Michael Walters Young, Budget & Strategic Innovation Manager

RE: Consideration of Ordinance 2023-34, 1st Quarter 2024 Budget Amendments

Purpose
The purpose of this item is to amend the Fiscal Year 2024 Budget for compliance with State budgeting guidance regarding:

1. Ensuring authorizations in place to balance each fund's budget on a cash basis on June 30, 2024.

Background
The State Comptroller has provided guidance that budget amendments are to be on the cash basis and must occur prior to fiscal year end (June 30) to ensure no fund has a deficit fund balance or deficit cash balance at year end.

In order to stay ahead of this responsibility, staff is proposing three budget amendments. They are split across various funds, but include:

1) Distribution of Annual Wage Increases
2) Minor Corrections/Expense Items
3) Capital Projects

By Fund the impacts of these amendments are:

A. General Fund:
   i. Revenues: Increase of $374,250. This increase is attributable to two items:
      1. Tree Bank Fees: $24,250. This use of the Tree Bank Reserve for a Tree Inventory was approved in the initial budget, but the revenues were not budgeted in an oversight.
      2. Use of Fund Balance: $350,000. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from American Rescue Plan Act (ARPA) monies provided through the Tennessee Department of Recreation and Conservation (TDEC).
   ii. Expenses: Increase of $374,250. That increase is attributable to each of the three amendments as follows:

1. Distribution of Annual Wage Increases: Redistribution of $2,080,315 to all General Fund departments to fund the annual Cost of Living (COLA) and merit based pay adjustments effective July 1, 2023. As a reminder, the FY 2024 Annual Operating and Capital Budget included a 3% COLA for all employees and between a 0.5% to 2.5% merit adjustment for City employee's dependent upon their annual evaluation scores.
2. Minor Corrections/Expense Items: $61,930 in multiple departments. This accounts for budget corrections in several expense lines which did not make the original budget (Emergency Management: $7,327, Human Resources: $5,000, Police – CID: $24,390) and $31,000 in Finance for continued implementation of an automated payroll system budgeted in FY 2023.
3. Capital Projects: Increase of $350,000 as a transfer to Capital Projects Fund. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from American Rescue Plan Act monies.

B. Sanitation & Environmental Services Fund:
   i. Expenses: The expense changes but are divided between the three amendments as follows:
      1. Distribution of Annual Wage Increases: Increase of $240,399 between the three divisions.

C. Road Impact Fund:
   i. Expenses:
      3. Capital Projects: Increase of $668,010 in transfers to the Capital Projects Fund for City contributions to two projects:
         a. Carothers Parkway Intersection Modifications (Cool Springs Corporate Center) - $468,010. (paid out of Arterial Road Impact Fees)
         b. Del Rio Pike - $200,000 (paid out of Collector Area #4 Road Impact Fees)

D. Stormwater Fund:
   i. Expenses: The expense changes but are divided between the two amendments as follows:
      1. Distribution of Annual Wage Increases: Increase of $120,755 between the two divisions – Streets and Engineering.
      3. Capital Projects: Increase of $350,000 as a transfer to Capital Projects Fund. This will be used for half of the 20% match needed to fund the City's portion of the Liberty Hills Stream Restoration Project. The balance will come from TDEC ARPA monies.

E. Hotel Motel Fund:
   i. Expenses:
      2. Minor Corrections/Expense Items: Increase of $54,000 for a new Christmas Tree for the square in Downtown Franklin. The previous tree exceeded its warranty, and a similar tree has been purchased. It will replicate the current tree and be ready for the tree lighting the first weekend of December.

3. Capital Projects: Increase of $2,070,000 for Transfers to the Capital Projects Fund for two projects:
   a. Creekside Land Preservation: Increase of $2,000,000. At the direction of the Board of Mayor and Aldermen at the BOMA Work Session of August 22nd, this amount is intended as an initial payment for the acquisition of 76 acres of parkland adjacent to Harlinsdale Park and the southeast corner of Mack Hatcher and Franklin Road.
   b. Hayes House Roof Improvements: Increase of $70,000. While the Friends of Franklin Park is paying for the vast majority of the renovation to the Hayes House at Harlinsdale Park, this work is for roof repair and gutter work not anticipated in the original scope of the project. The amount may be larger, but this amount will cover initial work to repair the roof. Should materials be able to be reused, a second amendment for the balance may not be necessary.

F. Capital Projects Fund: Increase in both revenue and expense of $1,438,010. This amount of transfers in are for four projects:

i.	Carothers Intersection Improvements	$ 468,010
ii.	Del Rio Pike Improvements	$ 200,000
iii.	Hayes House Roof Improvements	$ 70,000
iv.	Liberty Hills Stream Restoration	$ 700,000

G. Water Management Fund:
   i. Expenses: The expense changes but are divided between the three amendments as follows:
      1. Distribution of Annual Wage Increases: Increase of $369,469 between the six operational divisions of the Water Management fund.

Finally, there are a couple of corrected budget pages attached behind the ordinance. These are changes to organizational charts in several departments due to requested restructuring of operations. There are no new positions being requested in this amendment.

This is the first budget amendment during this Fiscal Year to the budget. We envision at least two more during the Fiscal Year.

Financial Impact

The amendments, as proposed, would result in:

1. General Fund: No Change.

2. Sanitation & Environmental Services Fund: Decrease of Fund Balance of $240,399.

3. Road Impact Fund: Decrease of Fund Balance of $668,010.

4. Stormwater Fund: Decrease of Fund Balance of $470,755.

5. Hotel/Motel Fund: Decrease of Fund Balance of $2,124,000.

6. Capital Projects Fund: No Change.

7. Water & Wastewater Funds: No Change.

Options

1. Approve amendment(s) as proposed.

2. Make changes to the amendment(s) where desired.

Recommendation
Staff recommends approval of the amendments.

ORDINANCE NO. 2023-34

TO BE ENTITLED: "AN ORDINANCE TO AMEND THE BUDGET OF THE CITY OF FRANKLIN FOR FISCAL YEAR 2023-2024"

WHEREAS, the City Charter, Article VIII, provides for adoption of an annual budget for departments of the City of Franklin; and

WHEREAS, an annual budget process appropriating funds to the various departments and divisions of the City government for the fiscal year beginning July 1, 2023 has been completed in accordance with state law and local ordinances; and

WHEREAS, the Board of Mayor and Aldermen find it is in the best interests of the citizens of the City of Franklin to modify the annual budget from time to time.

NOW, THEREFORE BE IT ORDAINED, by the Board of Mayor and Aldermen of the City of Franklin, Tennessee:

SECTION I: That the annual budget for the City of Franklin for the Fiscal Year 2023-2024 shall be amended and does allocate and appropriate additional funding as follows:

GENERAL FUND	[Amendments 1, 2 & 3]	
REVENUE		
Tree Bank Fees	Increase	$ 24,250
Use of Fund Balance	Increase	$ 350,000
EXPENDITURES		
Court Personnel	Increase	$ 11,676
Administration Personnel	Increase	$ 121,666
Revenue Management Personnel	Increase	$ 84,538
Communications Personnel	Increase	$ 9,579
Purchasing Personnel	Increase	$ 6,287
Information Technology Personnel	Increase	$ 119,551
Emergency Management Personnel	Increase	$ 11,503
Emergency Management Expenses	Increase	$ 1,000
Law Personnel	Increase	$ 36,752
Finance Personnel	Increase	$ 36,384
Finance Expenses	Increase	$ 31,000
Engineering Personnel	Increase	$ 95,888
Human Resources Personnel	Increase	$ 66,965
Human Resources Expenses	Increase	$ 5,000
Planning & Sustainability Personnel	Increase	$ 64,812
Building & Neighborhood Services Personnel	Increase	$ 41,275
Police - Admin Personnel	Increase	$ 109,423
Police - CID Personnel	Increase	$ 102,232
Police - CID Expenses	Increase	$ 24,390
Police - Patrol Personnel	Increase	$ 337,463
Streets - Maintenance Personnel	Increase	$ 239,469
Streets - Traffic Personnel	Increase	$ 105,966
Streets - Fleet Personnel	Increase	$ 34,983
Parks Personnel	Increase	$ 450,229
General Expenses	Decrease	$(2,106,827)
Appropriations	Decrease	$ (16,955)
Transfers To Other Funds	Increase	$ 350,000

Net Increase (Decrease) to Total General Fund Balance		**$ -**

<u>SANITATION & ENVIRONMENTAL SERVICES FUND</u>	[Amendment 1]	
<u>REVENUE</u>		
<u>EXPENDITURES</u>		
SES Administration Personnel	Increase	$ 61,861
SES Collection Personnel	Increase	$ 39,082
SES Disposal Personnel	Increase	$ 139,456

Net Increase (Decrease) to Sanitation & Environmental Services Fund Balance		**$ (240,399)**
<u>ROAD IMPACT FUND</u>	[Amendment 3]	
<u>REVENUE</u>		
<u>EXPENDITURES</u>		
Transfer to Capital Projects Fund	Increase	$ 668,010

Net Increase (Decrease) to Road Impact Fund Balance		**$ (668,010)**
<u>STORMWATER FUND</u>	[Amendments 1, 3]	
<u>REVENUE</u>		
<u>EXPENDITURES</u>		
Stormwater - Streets Personnel	Increase	$ 14,963
Stormwater - Engineering Personnel	Increase	$ 105,792
Stormwater - Engineering Expenses	Increase	$ 350,000

Net Increase (Decrease) to Stormwater Fund Balance		**$ (470,755)**
<u>HOTEL/MOTEL FUND</u>	[Amendments 2,3]	
<u>REVENUE</u>		
<u>EXPENDITURES</u>		
Creekside Land Purchase	Increase	$ 2,000,000
Christmas Tree Replacement	Increase	$ 54,000
Transfer to Capital Projects	Increase	$ 70,000

Net Increase (Decrease) to Hotel/Motel Tax Fund Balance		**$(2,124,000)**
<u>CAPITAL PROJECTS FUND</u>	[Amendment 3]	
<u>REVENUE</u>		
Transfer from General Fund	Increase	$ 350,000
Transfer from Road Impact Fund – Arterial	Increase	$ 468,010
Transfer from Road Impact Fund – Collector	Increase	$ 200,000
Transfer from Stormwater Fund	Increase	$ 350,000
Transfer from Hotel/Motel Fund	Increase	$ 70,000

EXPENDITURES		
Carothers Intersection Improvements	Increase	$ 468,010
Del Rio Pike Improvements	Increase	$ 200,000
Hayes House Roof Improvements	Increase	$ 70,000
Liberty Hills Stream Restoration	Increase	$ 700,000

Net Increase (Decrease) to Capital Projects Fund Balance		**$ -**

WATER & WASTEWATER FUND REVENUE [Amendment 1]

EXPENDITURES		
Utility Billing Personnel	Increase	$ 9,385
Water Distribution Personnel	Decrease	$ (52,390)
Water Plant Personnel	Increase	$ 23,816
Water General Personnel	Decrease	$ (119,468)
Utility Administration Personnel	Increase	$ 187,217
Wastewater Collector Personnel	Increase	$ 130,005
Wastewater Plant Personnel	Increase	$ 71,436
Wastewater General Personnel	Decrease	$ (250,000)

Net Increase (Decrease) to Total Water & Sewer Fund Balance		**$ -**

SECTION II: That the organizational charts and staffing tables for each department of the City which have modified positions are hereby amended and attached as Exhibit A herein.

SECTION III: That each department of the City shall limit its expenditures to the amount appropriated; that any changes or amendments to the appropriations set forth in the budget shall be made in accordance with the City Code, Article VIII.

SECTION IV: That this Ordinance shall take effect on after the passage of the Third and Final Reading; the health, safety and welfare of the citizens of the City of Franklin requiring it.

ATTEST: **CITY OF FRANKLIN, TENNESSEE**

By: ______________________________
ERIC S. STUCKEY
City Administrator

By: _________________________
DR. KEN MOORE
Mayor

Approved as to form:

____
Shauna R. Billingsley, City Attorney

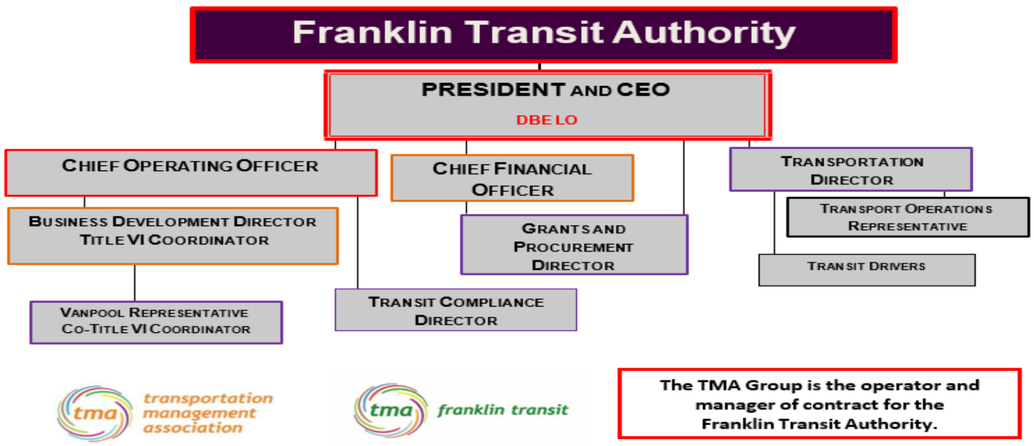
PASSED FIRST READING: _______________________
PUBLIC HEARING: _______________________
PASSED SECOND READING: _______________________
PASSED THIRD READING: _______________________

Performance Measures (con't)

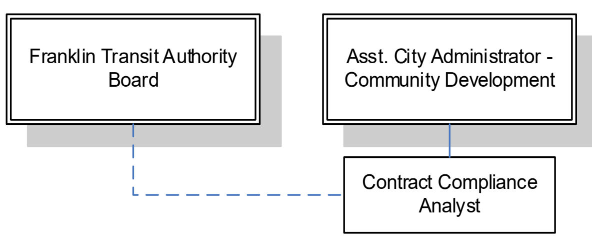
Franklin Citizens Survey

	2016 Citizens Survey		2019 Citizens Survey		2022 Citizens Survey	
	Excellent/ Good	Fair/Poor	Excellent/ Good	Fair/Poor	Excellent/ Good	Fair/Poor
☑ % rating the quality of bus or transit service	42%	58%	54%	46%	40%	60%

Organizational Chart - Franklin Transit Authority



Organizational Chart - City of Franklin



Staffing by Position (Current)

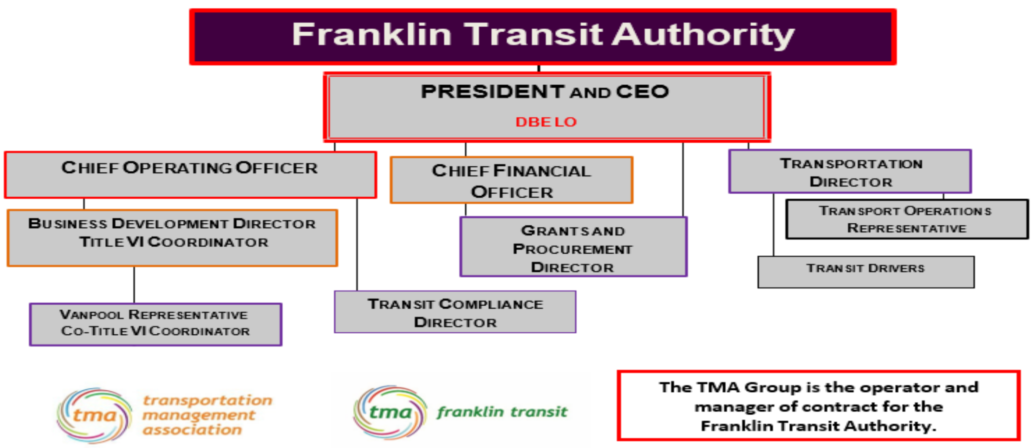
Budget Positions	Pay Grade			FY 2020		FY 2021		FY 2022		FY 2023		FY 2024	
				F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Contract Compliance Analyst	Grade H			0	0	0	0	0	0	1	0	1	0
Total Authorized Positions				0	0	0	0	0	0	1	0	1	0

Performance Measures (con't)

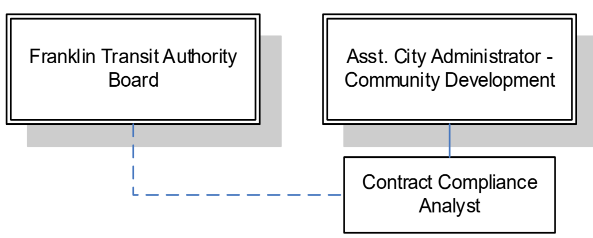
Franklin Citizens Survey

	2016 Citizens Survey		2019 Citizens Survey		2022 Citizens Survey	
	Excellent/ Good	Fair/Poor	Excellent/ Good	Fair/Poor	Excellent/ Good	Fair/Poor
☑ % rating the quality of bus or transit service	42%	58%	54%	46%	40%	60%

Organizational Chart - Franklin Transit Authority



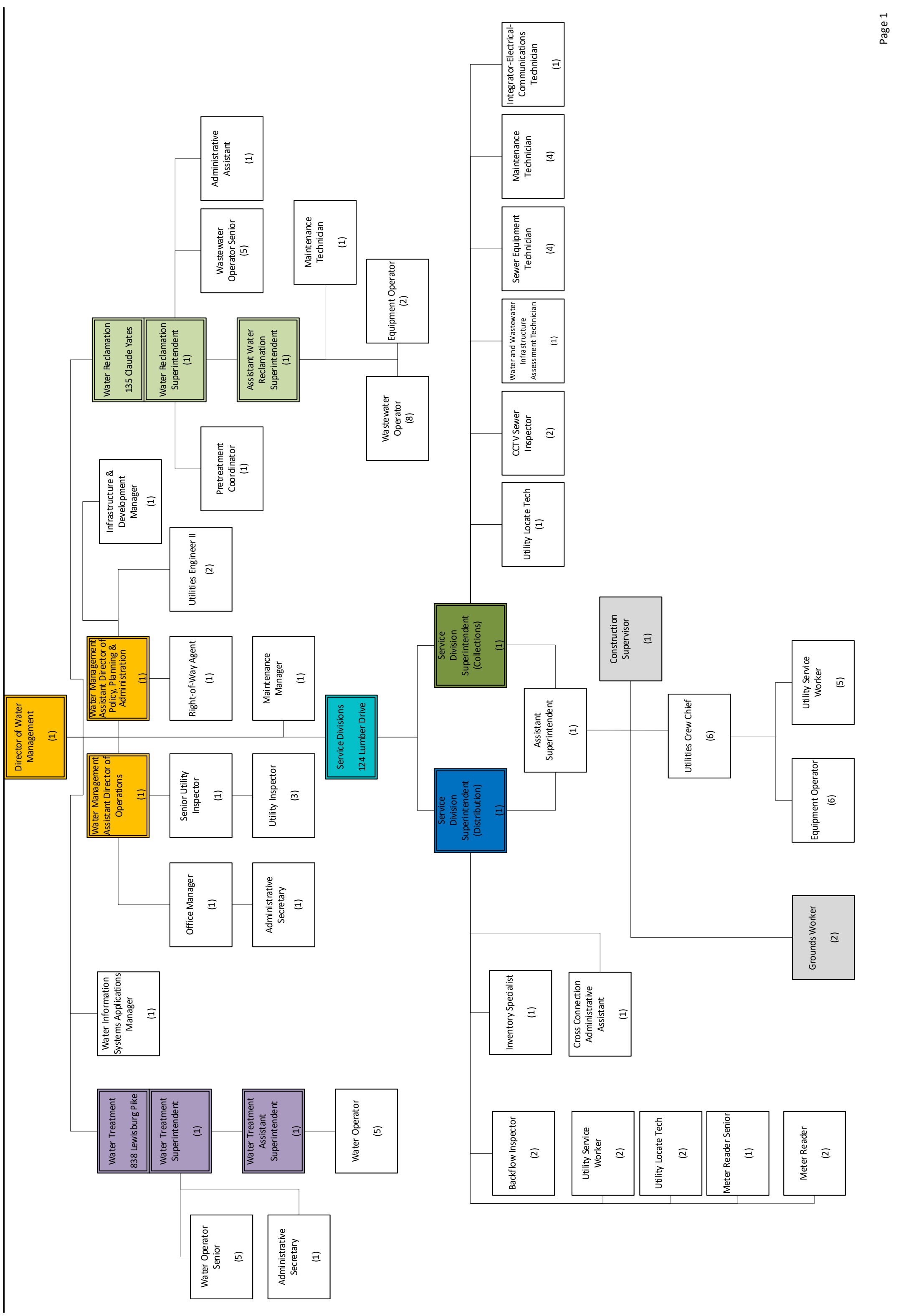
Organizational Chart - City of Franklin



Staffing by Position (Proposed)

Budget Positions	Pay Grade			FY 2020		FY 2021		FY 2022		FY 2023		FY 2024	
				F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Contract Compliance Analyst	Grade H			0	0	0	0	0	0	0	1	0	1
Total Authorized Positions				**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**0**	**1**

Organizational Chart



White: Positions Authorized and Budgeted in FY 2024
Gray: Positions Authorized but not Budgeted in FY 2024

Note: For detailed counts and authorized positions, please see following page entitled "Staffing by Position"

Staffing by Position

Budgeted Positions	Pay Grade	FY 2020 F-T	FY 2021 F-T	FY 2022 F-T	FY 2023 F-T	FY 2024 F-T
Water Section						
Utility Billing						
Meter Reader Sr	E	1	1	1	1	1
Meter Reader	D	2	2	2	2	2
TOTALS		**3**	**3**	**3**	**3**	**3**
Water Distribution						
Service Division Superintendent	K	1	1	1	1	1
Service Division Assistant Superintendent	H	1	1	1	1	1
Utilities Crew Chief	G	3	3	3	3	3
Backflow Inspector	F	2	2	2	2	2
Administrative Assistant	E	1	1	1	1	1
Inventory Specialist	E	1	1	1	1	1
Equipment Operator I-II	D-E	3	2	2	3	3
Utility Locate Technician	F	3	3	3	3	3
Utility Service Worker	D	4	4	4	4	4
Grounds Worker	D	2	1	1	1	1
TOTALS		**21**	**19**	**19**	**20**	**20**
Water Treatment Plant						
Water Treatment Superintendent	K	1	1	1	1	1
Water Treatment Assistant Superintendent	I	1	1	1	1	1
Water Operator (I-II)	F-G	10	9	10	10	10
Administrative Assistant	E	0	0	0	0	1
Administrative Secretary	D	1	1	1	1	0
TOTALS		**13**	**12**	**13**	**13**	**13**
Water Section Totals		**37**	**34**	**35**	**36**	**36**
Wastewater Section						
Utility Administration						
Director of Water Management	N	1	1	1	1	1
Water Mgmt. Asst. Director of Operations	L	1	1	1	1	1
Water Mgmt. Asst. Dir. of Policy, Planning, & Admin.	L	1	1	1	1	1
Utilities Engineer II	J	2	2	2	2	2
Facilities Maintenance Manager	I	0	0	1	1	1
Right of Way Agent	I	1	1	1	1	1
Infrastructure & Development Manager	I	0	0	1	1	1
Integrator-Electrical-Communications Technician	I	0	0	0	0	1
Water Information Systems Applications Mgr	H	1	1	1	1	1
Senior Utility Inspector	G	1	1	1	1	1
Utility Inspector	G	4	3	3	3	3
Office Manager	G	1	1	1	1	1
Administrative Secretary	D	1	1	1	1	1
TOTALS		**14**	**13**	**15**	**15**	**16**
Wastewater Collection						
Service Division Assistant Superintendent	H	1	1	1	1	1
Construction Supervisor	G	1	1	1	1	0
Utilities Crew Chief	G	3	3	3	3	3

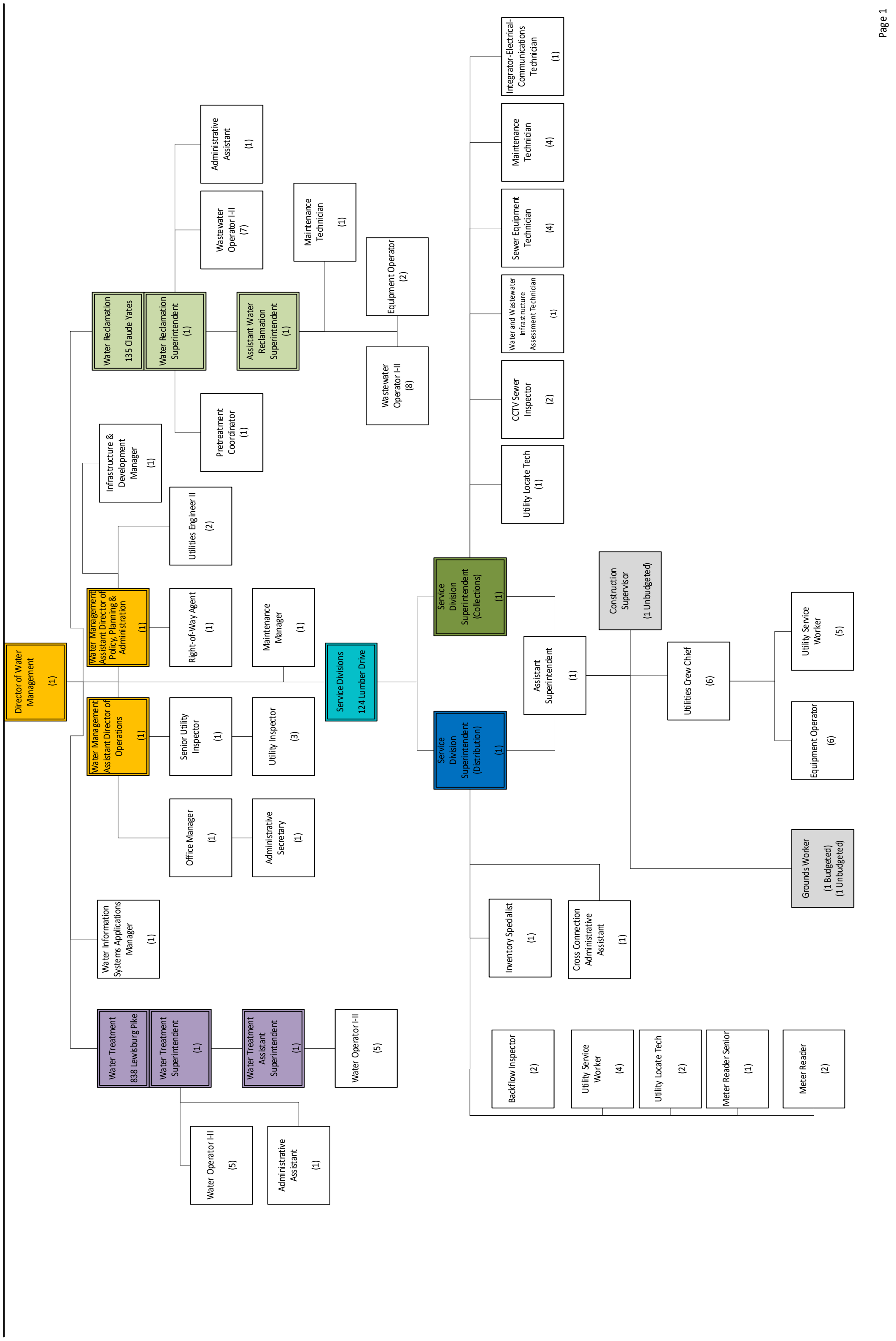
Staffing by Position

Budgeted Positions	Pay Grade	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
		F-T	F-T	F-T	F-T	F-T
Water & Wastewater Infrastructure Assessment Techn	F	1	1	1	1	1
TV Truck Sewer Inspector	E	2	2	2	2	2
Maintenance Technician	F	4	4	4	4	4
Equipment Operator I-II	D-E	3	3	3	3	3
Sewer Equipment Technician	E	4	4	4	4	4
Utility Locate Technician	---	1	0	0	0	0
Utility Service Worker	D	5	4	4	5	5
TOTALS		**25**	**23**	**23**	**24**	**23**

Water Reclamation						
Water Reclamation Superintendent	K	1	1	1	1	1
Assistant Water Reclamation Superintendent	I	1	1	1	1	1
Pretreatment Coordinator	G	1	1	1	1	1
Maintenance Technician	F	1	1	1	1	1
Wastewater Operator (I-II)	F-G	13	12	15	15	15
Administrative Assistant	E	1	1	1	1	1
Equipment Operator I-II	D-E	2	2	2	2	2
TOTALS		**20**	**19**	**22**	**22**	**22**
WASTEWATER SECTION TOTALS		**59**	**55**	**60**	**61**	**61**

Authorized, Unbudgeted Positions						
Water Distribution						
Equipment Operator I-II	D-E	0	1	1	0	0
Grounds Worker	D	0	1	1	1	1
Water Treatment Plant						
Water Operator (I-II)	F-G	0	1	0	0	0
Utility Administration						
Utility Inspector	G	0	1	1	0	0
Wastewater Collection						
Construction Supervisor	G	0	0	0	0	1
Utility Locate Technician	---	0	1	1	0	0
Utility Service Worker	D	0	1	1	0	0
Water Reclamation						
Wastewater Operator(I-II)	F-G	0	1	0	0	0
Sub-Total Unbudgeted Positions		**0**	**7**	**5**	**1**	**2**
Total All Authorized Positions, Water & Wastewater		**96**	**96**	**100**	**98**	**99**

Organizational Chart (Proposed)



White: Positions Authorized and Budgeted in FY 2024
Gray: Positions Authorized but not Budgeted in FY 2024

Note: For detailed counts and authorized positions, please see following page entitled "Staffing by Position"

Staffing by Position (Proposed)

Budgeted Positions	Pay Grade	FY 2020 F-T	FY 2021 F-T	FY 2022 F-T	FY 2023 F-T	FY 2024 F-T
Water Section						
Utility Billing						
Meter Reader Sr	E	1	1	1	1	1
Meter Reader	D	2	2	2	2	2
TOTALS		**3**	**3**	**3**	**3**	**3**
Water Distribution						
Service Division Superintendent	K	1	1	1	1	1
Service Division Assistant Superintendent	H	1	1	1	1	0
Utilities Crew Chief	G	3	3	3	3	3
Backflow Inspector	F	2	2	2	2	2
Administrative Assistant	E	1	1	1	1	1
Inventory Specialist	E	1	1	1	1	1
Equipment Operator I-II	D-E	3	2	2	3	3
Utility Locate Technician	F	3	3	3	3	3
Utility Service Worker	D	4	4	4	4	4
Grounds Worker	D	2	1	1	1	1
TOTALS		**21**	**19**	**19**	**20**	**19**
Water Treatment Plant						
Water Treatment Superintendent	K	1	1	1	1	1
Water Treatment Assistant Superintendent	I	1	1	1	1	1
Water Operator (I-II)	F-G	10	9	10	10	10
Administrative Assistant	E	0	0	0	0	1
Administrative Secretary	D	1	1	1	1	0
TOTALS		**13**	**12**	**13**	**13**	**13**
Water Section Totals		**37**	**34**	**35**	**36**	**35**
Wastewater Section						
Utility Administration						
Director of Water Management	N	1	1	1	1	1
Water Mgmt. Asst. Director of Operations	L	1	1	1	1	1
Water Mgmt. Asst. Dir. of Policy, Planning, & Admin.	L	1	1	1	1	1
Utilities Engineer II	J	2	2	2	2	2
Facilities Maintenance Manager	I	0	0	1	1	1
Right of Way Agent	I	1	1	1	1	1
Infrastructure & Development Manager	I	0	0	1	1	1
Integrator-Electrical-Communications Technician	I	0	0	0	0	1
Water Information Systems Applications Mgr	H	1	1	1	1	1
Senior Utility Inspector	G	1	1	1	1	1
Utility Inspector	G	4	3	3	3	3
Office Manager	G	1	1	1	1	1
Administrative Secretary	D	1	1	1	1	1
TOTALS		**14**	**13**	**15**	**15**	**16**
Wastewater Collection						
Service Division Superintendent	K	0	0	0	0	1
Service Division Assistant Superintendent	H	1	1	1	1	1
Construction Supervisor	G	1	1	1	1	0

Staffing by Position (Proposed)

Budgeted Positions	Pay Grade	FY 2020 F-T	FY 2021 F-T	FY 2022 F-T	FY 2023 F-T	FY 2024 F-T
Utilities Crew Chief	G	3	3	3	3	3
Water & Wastewater Infrastructure Assessment Techn	F	1	1	1	1	1
TV Truck Sewer Inspector	E	2	2	2	2	2
Maintenance Technician	F	4	4	4	4	4
Equipment Operator I-II	D-E	3	3	3	3	3
Sewer Equipment Technician	E	4	4	4	4	4
Utility Locate Technician	---	1	0	0	0	0
Utility Service Worker	D	5	4	4	5	5
TOTALS		**25**	**23**	**23**	**24**	**24**
Water Reclamation						
Water Reclamation Superintendent	K	1	1	1	1	1
Assistant Water Reclamation Superintendent	I	1	1	1	1	1
Pretreatment Coordinator	G	1	1	1	1	1
Maintenance Technician	F	1	1	1	1	1
Wastewater Operator (I-II)	F-G	13	12	15	15	15
Administrative Assistant	E	1	1	1	1	1
Equipment Operator I-II	D-E	2	2	2	2	2
TOTALS		**20**	**19**	**22**	**22**	**22**
WASTEWATER SECTION TOTALS		**59**	**55**	**60**	**61**	**62**

Authorized, Unbudgeted Positions						
Water Distribution						
Equipment Operator I-II	D-E	0	1	1	0	0
Grounds Worker	D	0	1	1	1	1
Water Treatment Plant						
Water Operator (I-II)	F-G	0	1	0	0	0
Utility Administration						
Utility Inspector	G	0	1	1	0	0
Wastewater Collection						
Construction Supervisor	G	0	0	0	0	1
Utility Locate Technician	---	0	1	1	0	0
Utility Service Worker	D	0	1	1	0	0
Water Reclamation						
Wastewater Operator(I-II)	F-G	0	1	0	0	0
Sub-Total Unbudgeted Positions		**0**	**7**	**5**	**1**	**2**
Total All Authorized Positions, Water & Wastewater		**96**	**96**	**100**	**98**	**99**

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

File #: 21-05139

DATE: August 21, 2023

TO: Budget & Finance Committee

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

SUBJECT:

Annual Investment Report

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the City's investment program for non-pension assets.

BACKGROUND/STAFF COMMENTS:

Staff administer the investment program for the City's non-pension assets with the assistance of its investment advisor, Government Portfolio Advisors (GPA). On an annual basis, the Budget and Finance Committee receives a report on the City's investment program for the most recent fiscal year as well as a review of the investment environment for the next fiscal year. Garrett Cudahey of GPA will be in attendance at the 9/14/2023 meeting to provide this update.

FINANCIAL IMPACT:

As of 6/30/2023, the par amount of the City's non-pension asset portfolio was $198,483,635 with a yield of 2.83%.

RECOMMENDATION:

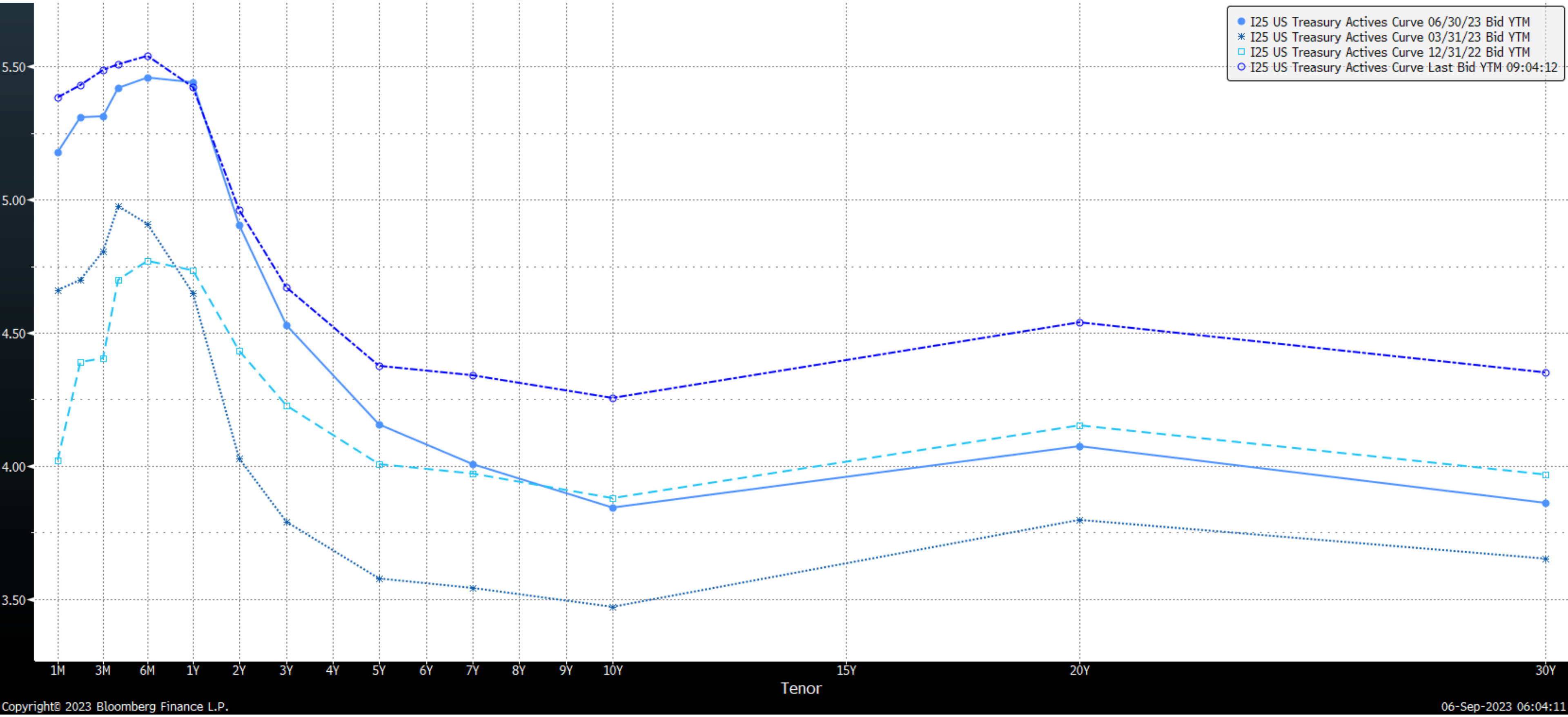
This item is for informational purposes.

HISTORIC
FRANKLIN
TENNESSEE

Finance Committee Meeting
Investment Portfolio Review as of June 30, 2023
Strategy Review for FY 2024

GOVERNMENT PORTFOLIO ADVISORS

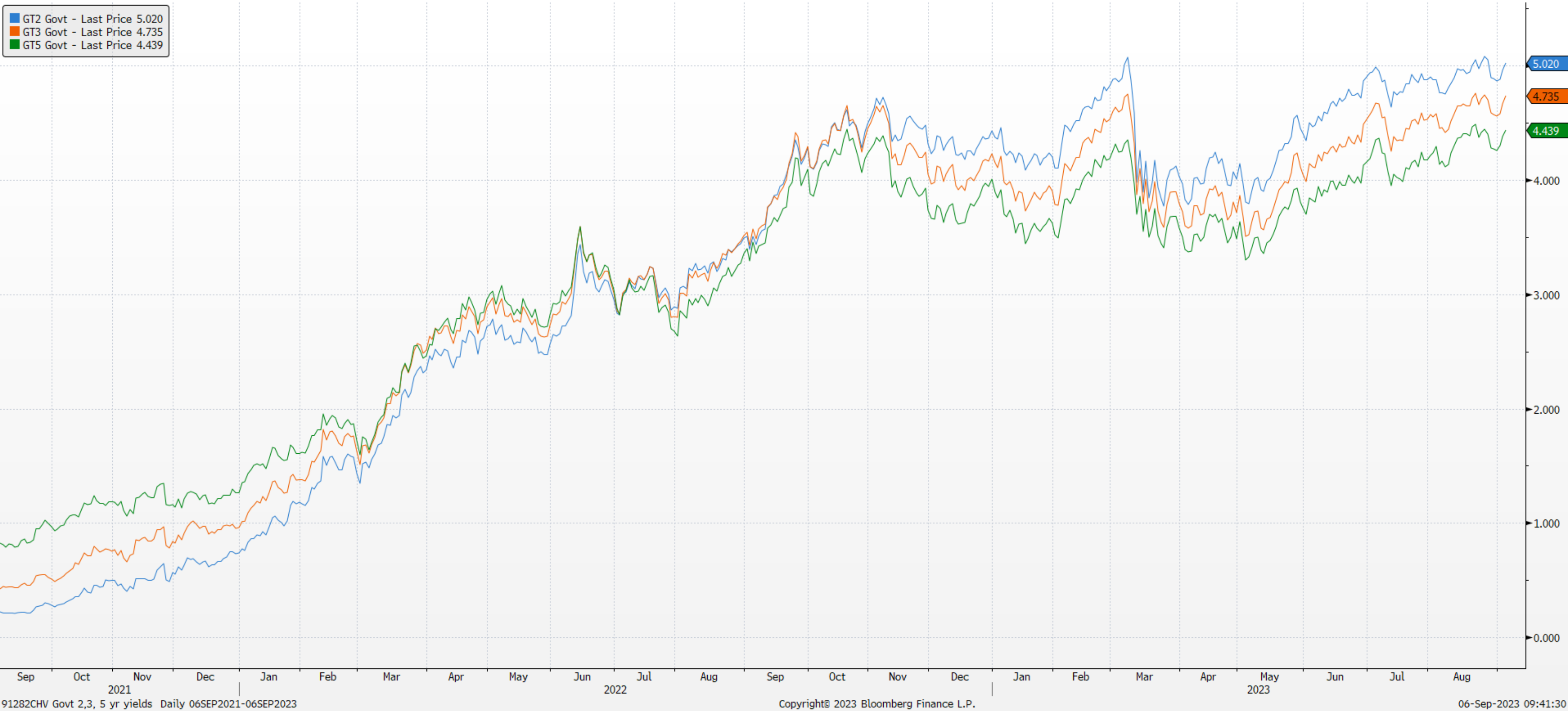
1. Market Overview
2. Portfolio Review
3. Strategy Plan
4. Portfolio Holdings



Strength in the economy led to elevated long-term yields as it is expected the Federal Reserve will be able to leave rates elevated for longer than previously expected.

Source: Bloomberg

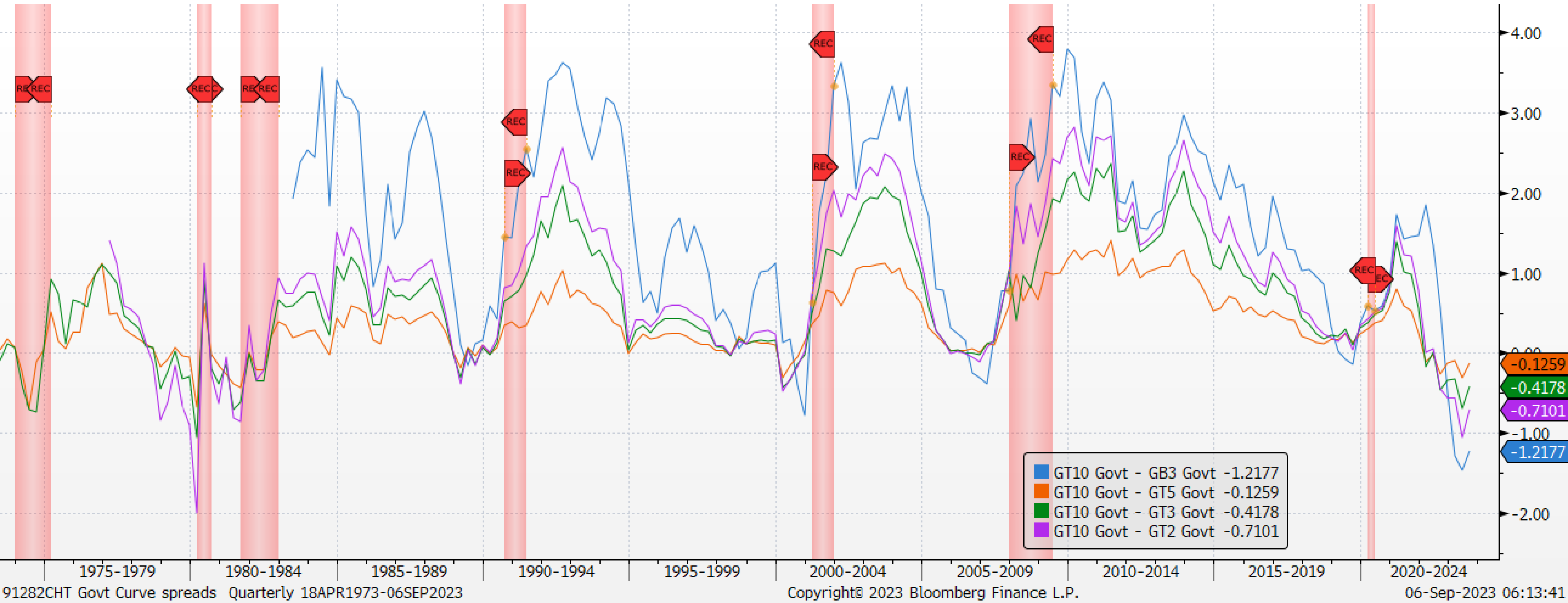
Path of Yields



Front-end and intermediate yields are back at, or slightly above, cycle highs. Again, this is driven by recent economic strength that takes pressure off the Fed and therefore removes previously predicated rate cuts.

Source: Bloomberg

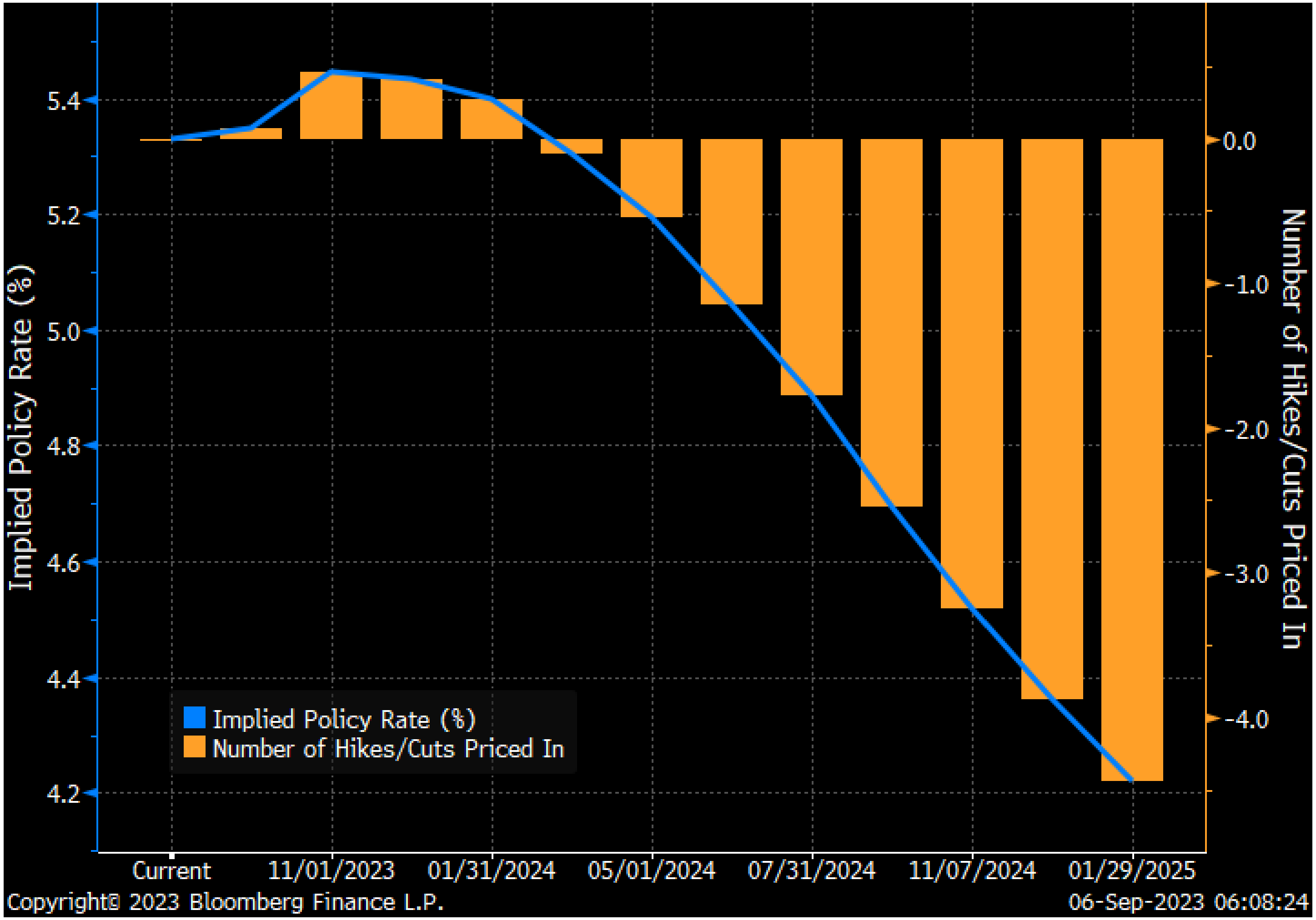
Interest Rate Curve History



The aggressive rate hiking campaign led to the deepest curve inversion since the 1970's as rate hikes have yet to break the back of the economy which tends to rapidly re-steepen the curve led be a decline in short rates. This recent steepening is of a different nature as it is driven by a rise on long-term yields.

Source: Bloomberg

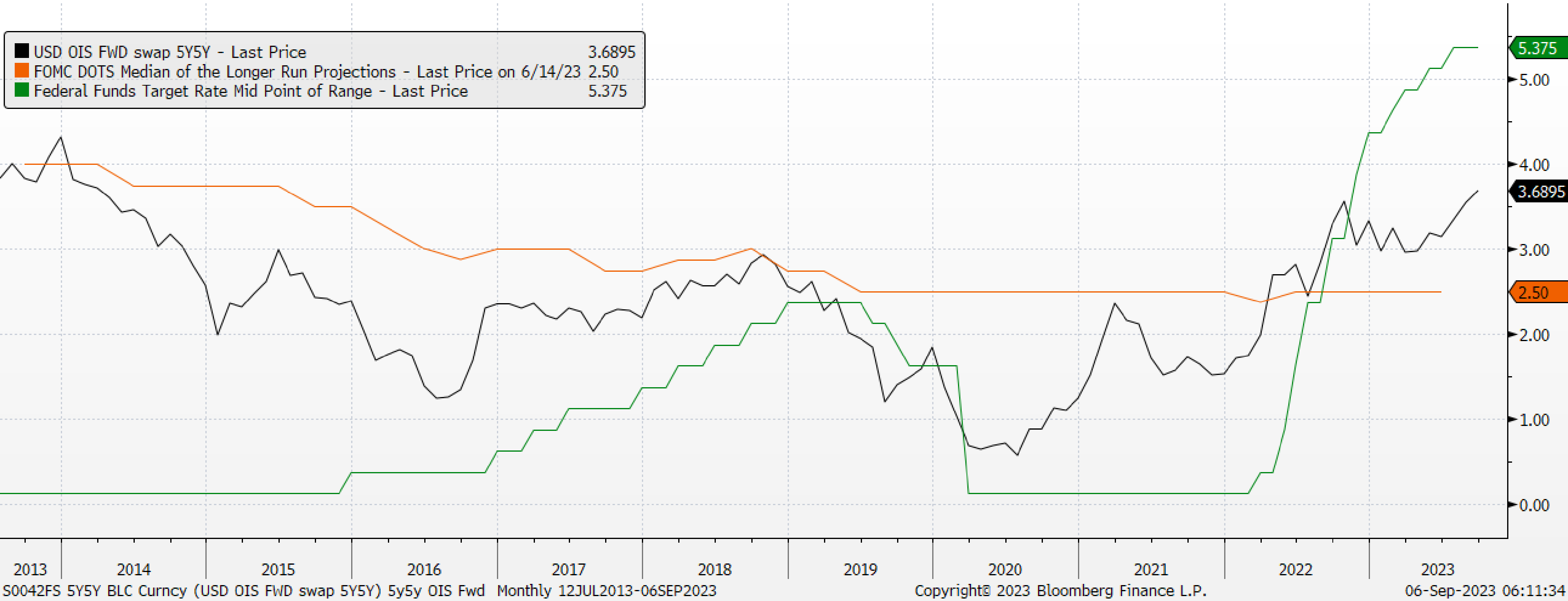
Fed Outlook



Despite strength in the economy, the market and the Fed expect to be done, or nearly, with the rate hiking cycle given the rapid and seemingly sustainable decline in inflation. The market expects rate cuts to begin next spring.

Source: Bloomberg

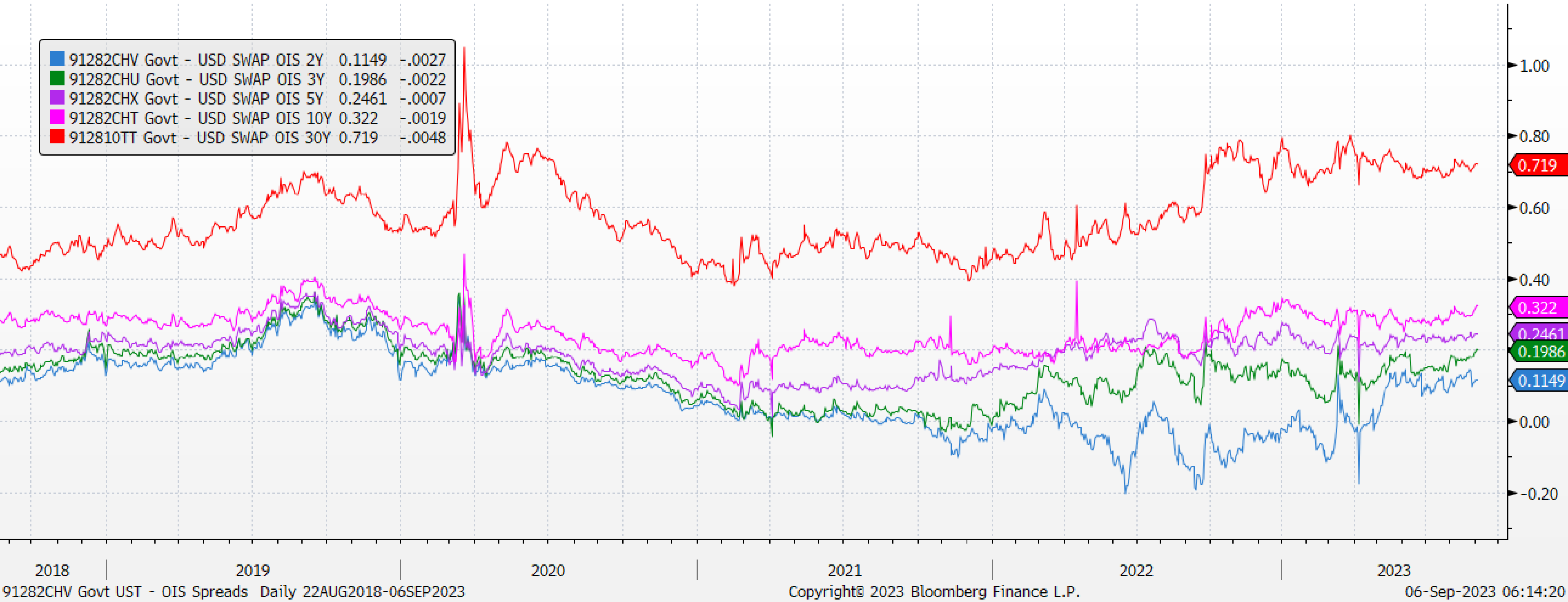
Fed Longer Term Outlook



The Fed is operating in unusual territory with the current policy rate well-above their long-run neutral rate of around 2.5%. While the Fed is committed to get inflation to 2%, which calls for a neutral policy rate around 2-2.5%, markets don't think they will get there and anticipate a higher policy rate than in the past. This is a benefit to investors today.

Source: Bloomberg

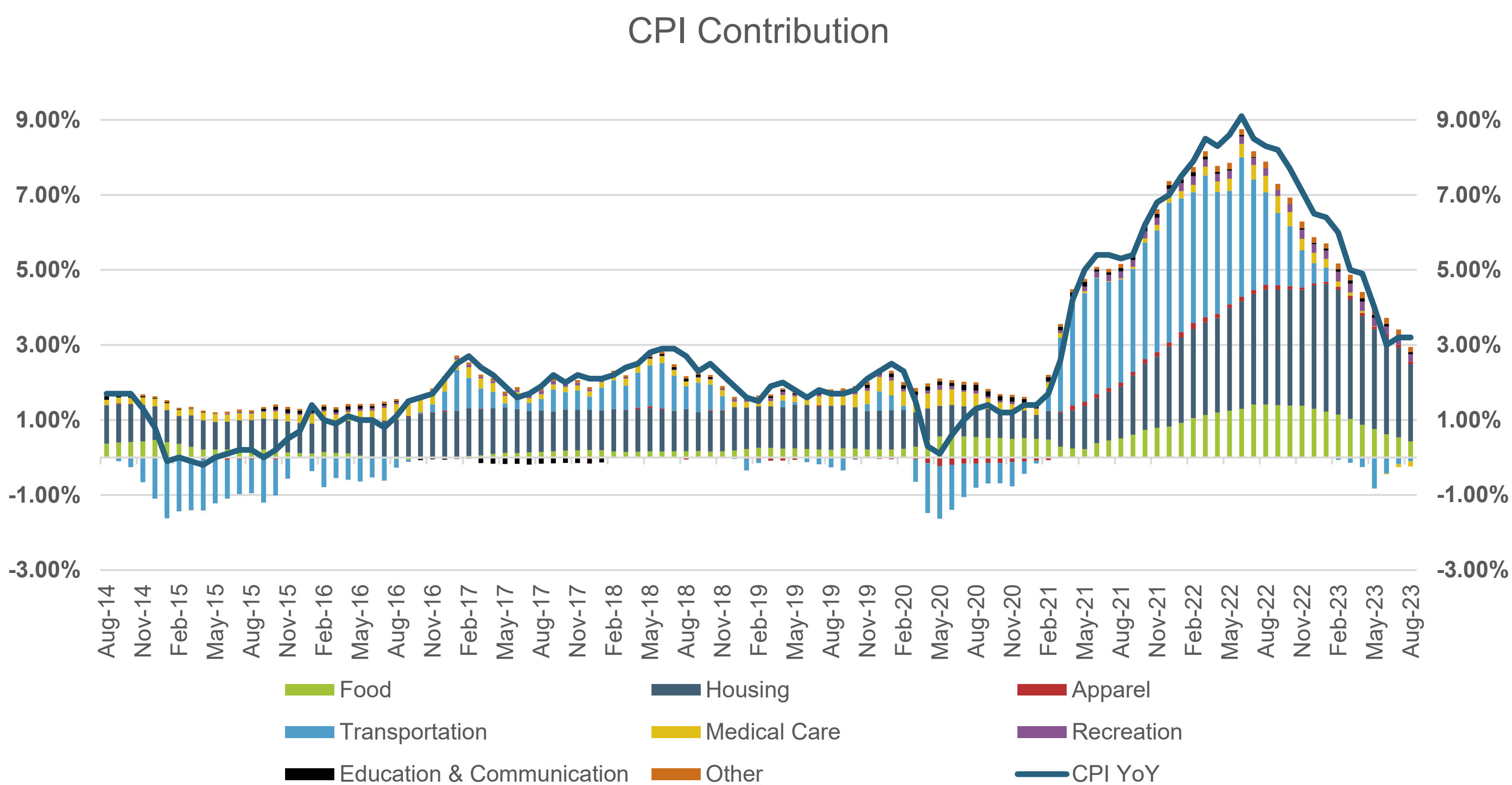
7



Inverted curves are not the norm – we continue to anticipate normalizing over the next 12 to 24-months; but to what? We side more with the Fed and expect them to navigate back toward a 2% inflation world and a policy rate more around 2-2.5% which should lead to a positively sloped curve in the 2-3% range.

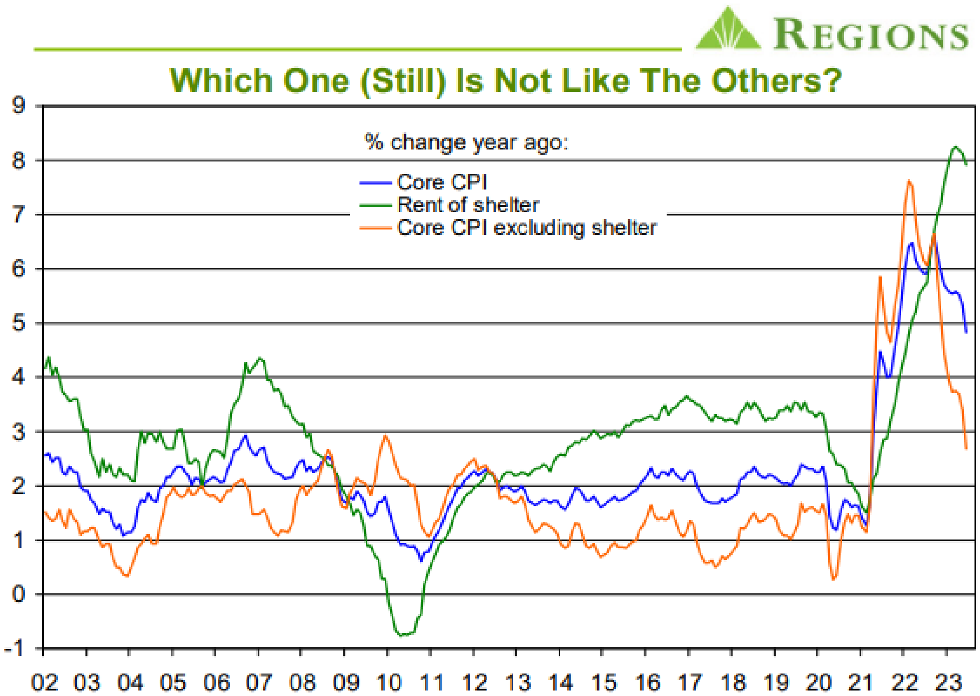
Source: Bloomberg

Price Pressures on the Decline

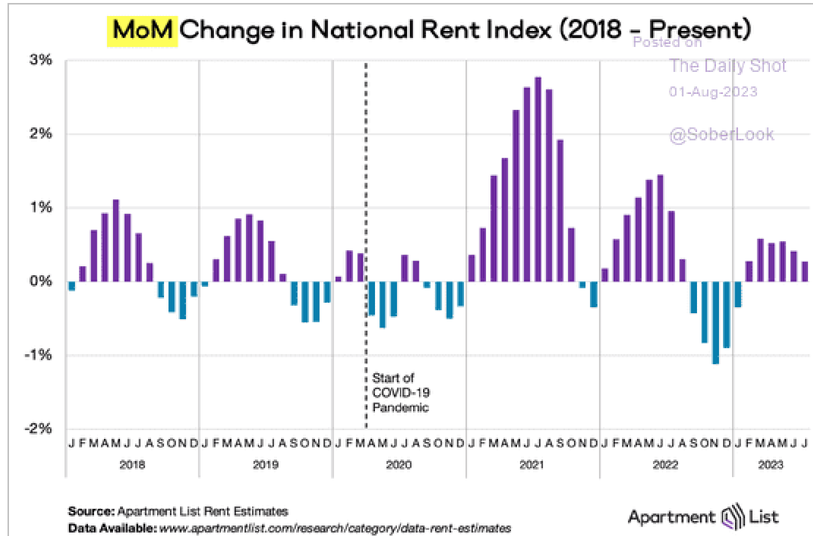


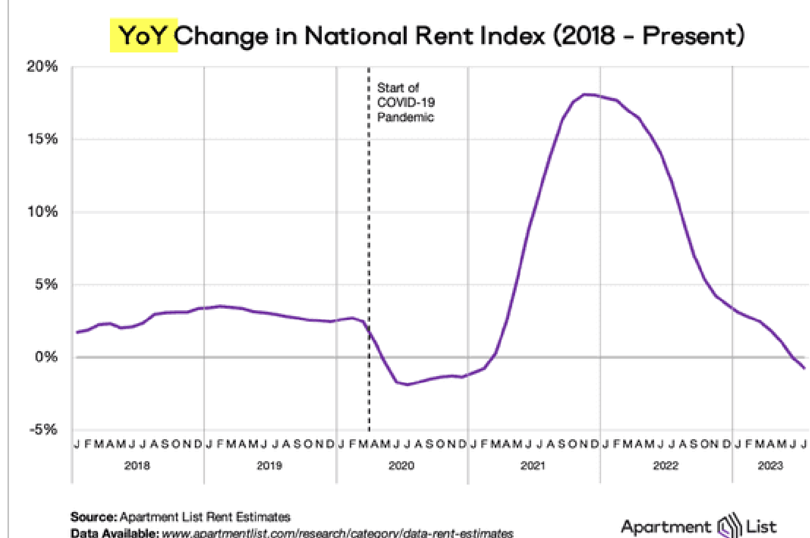
Despite strong labor markets and growth trends, inflation has come down rapidly this year led by declines in goods, energy and food offset by strong housing data given the lagged and smoothed nature of how this data enters the series. The last mile is harder to close out without a recession, but we expect more progress in coming quarters.

Source: Bloomberg, BLS



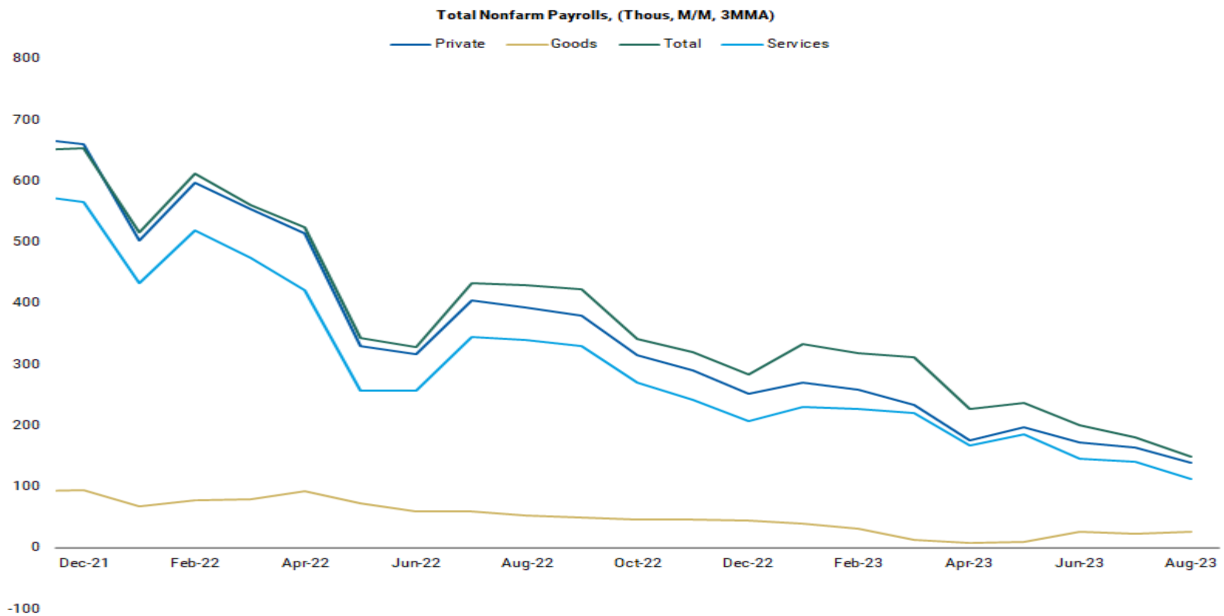
Remarkably, inflation excluding the lagged housing data is essentially back to the Fed's target. Recent home price and rent data point toward a rapid cooling in these pressures that will feed through in the next year.

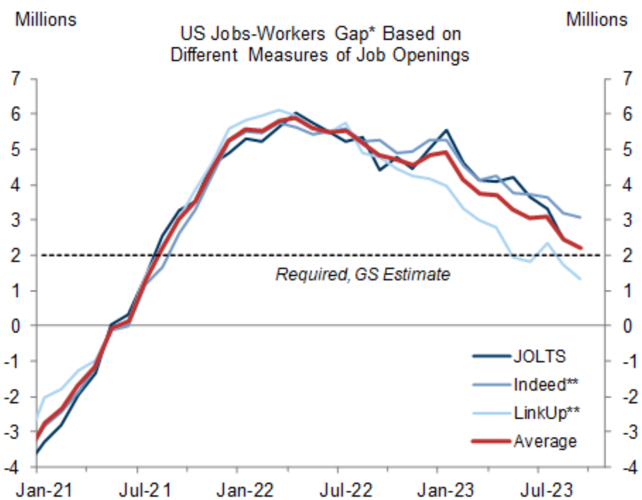




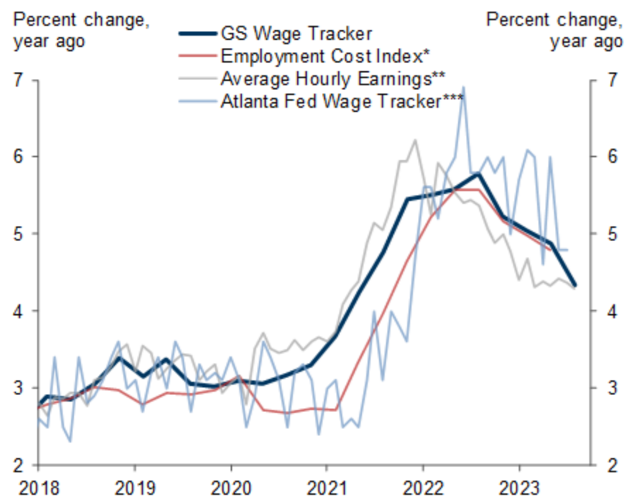
Source: Regions Financial, Apartment List, Daily Shot

Labor Market – Strong but Slowing





* Difference between the number of job openings in the prior month and unemployed workers in the current month.
** Scaled to JOLTS job openings.



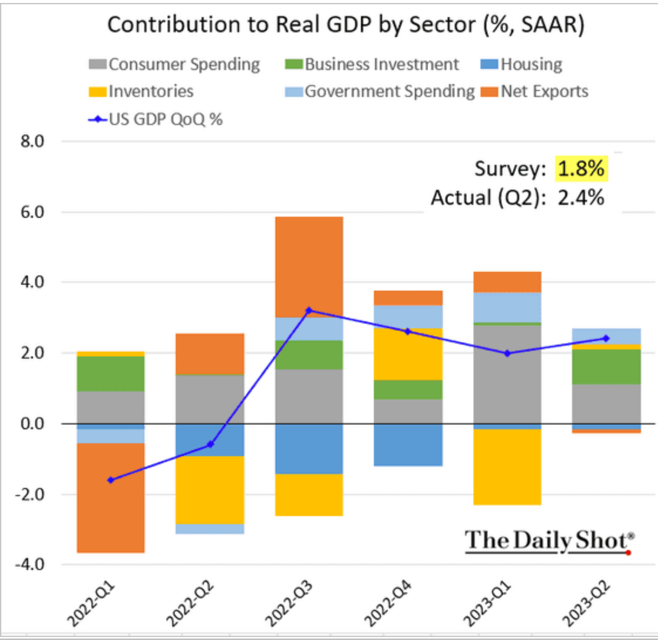
Note: Our wage tracker extracts the common signal from several high-quality wage growth measures. *Private industry workers ex-incentive paid occupations. **All private industry workers, GS composition-adjusted from 2020-2021. ***Non-smoothed median wage growth, adjusted down by -0.5pp composition difference from other measures.

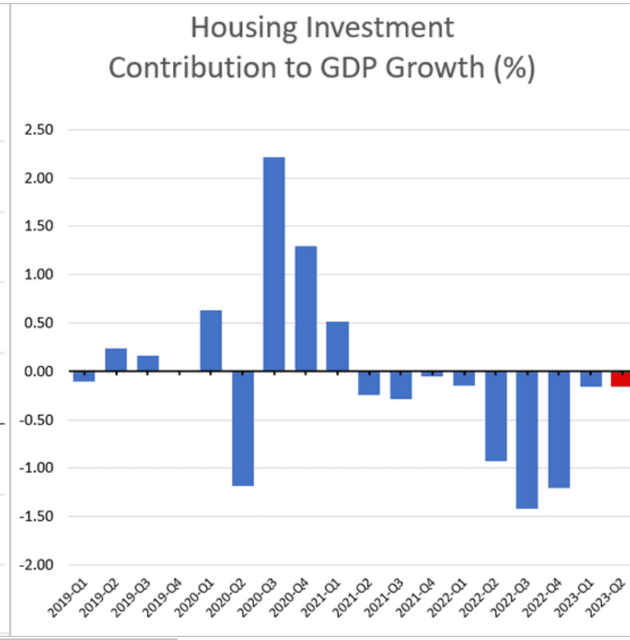
The labor market is slowly cooling down and that trend is expected to continue given the rapid decline in job openings and voluntary separations.

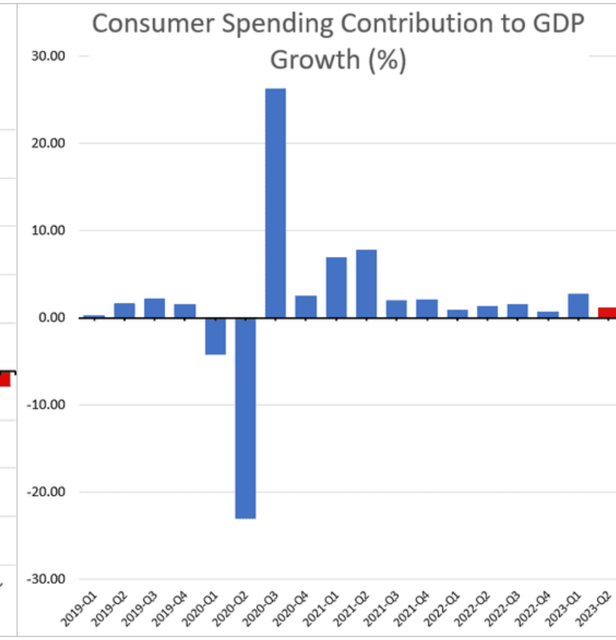
Wage growth has also been cooling in recent quarters and expected to continue given the large decline in inflation and labor demand.

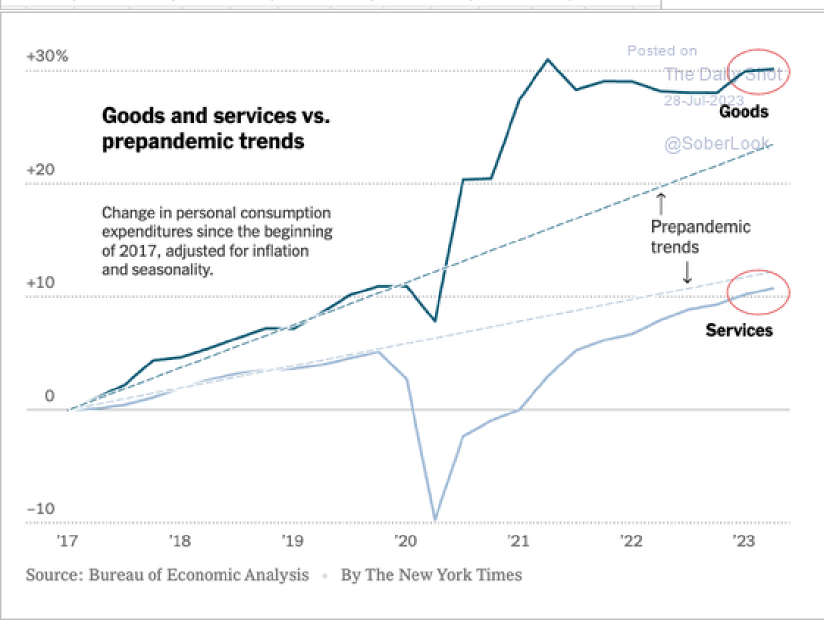
Source: Haver Analytics, Linkup, Indeed, Goldman Sachs Global Investment Research

Growth Re-basing & Re-balancing







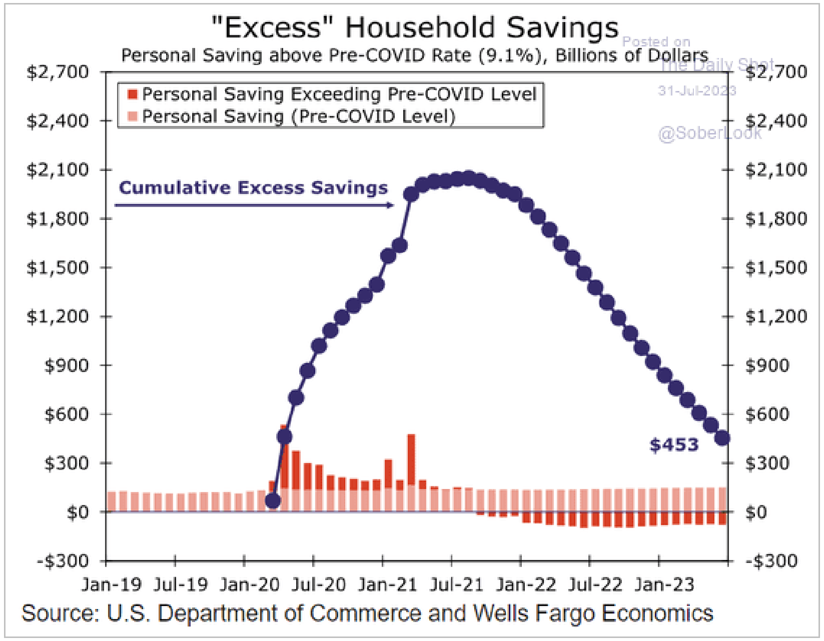


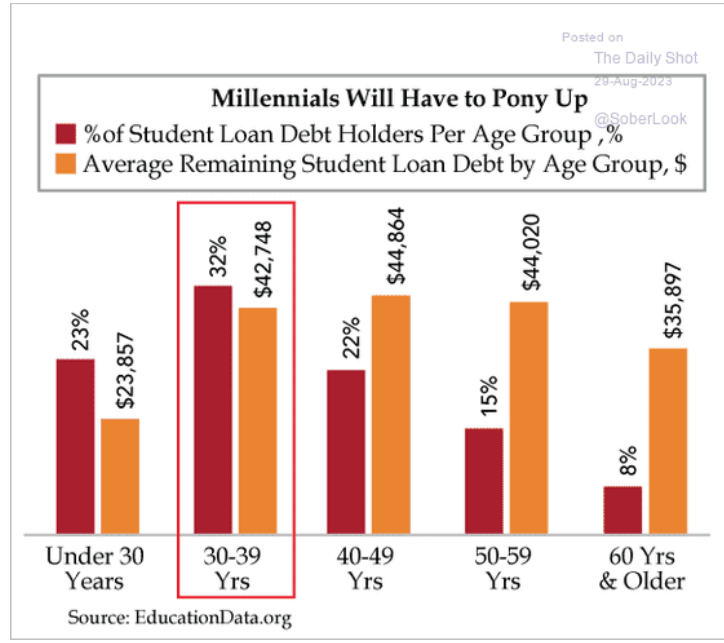
Growth has been rebalancing back toward trend levels with a more even contribution with consumption slowly declining and housing a much smaller drag.

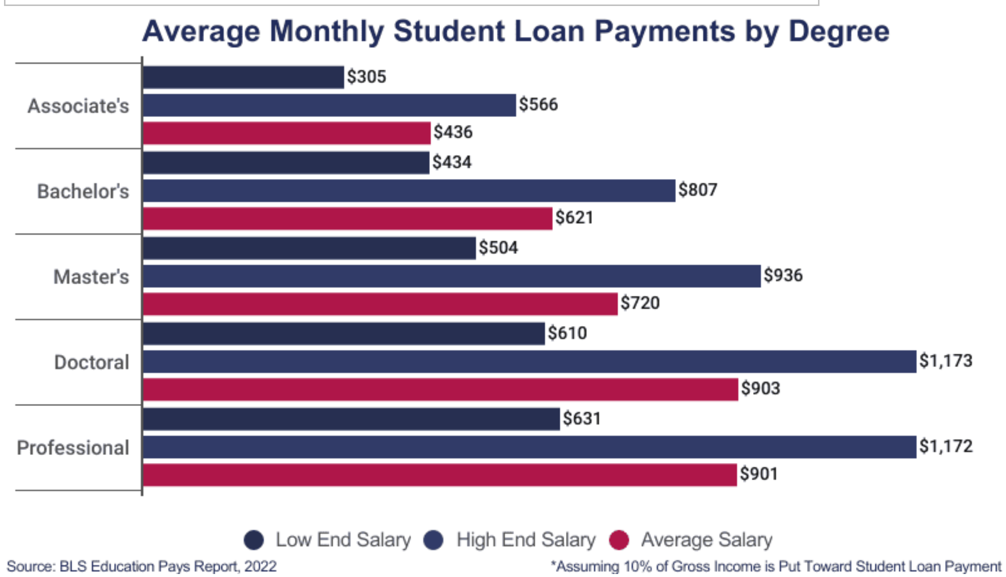
With inflation down, real wages are finally positive again which should keep overall consumption upright while housing and manufacturing rebound.

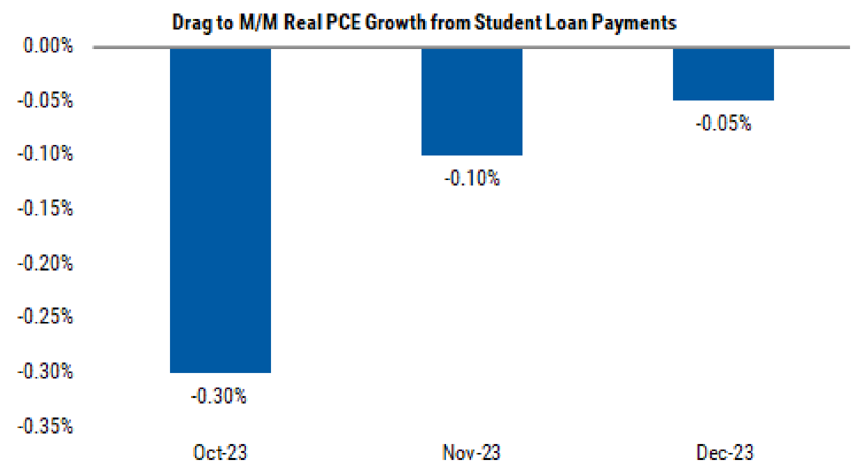
Source: Daily Shot

Student Loans & Decline in Savings



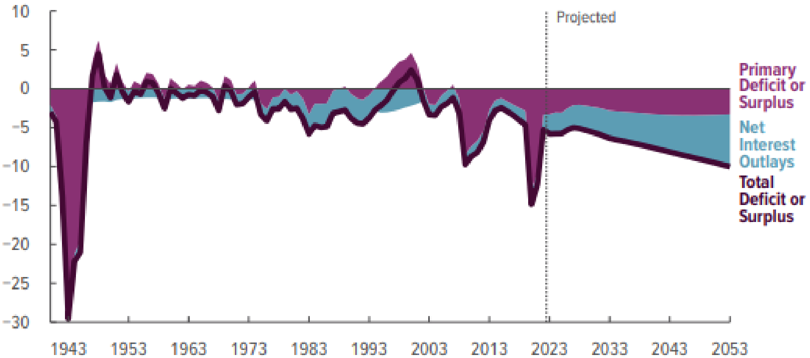






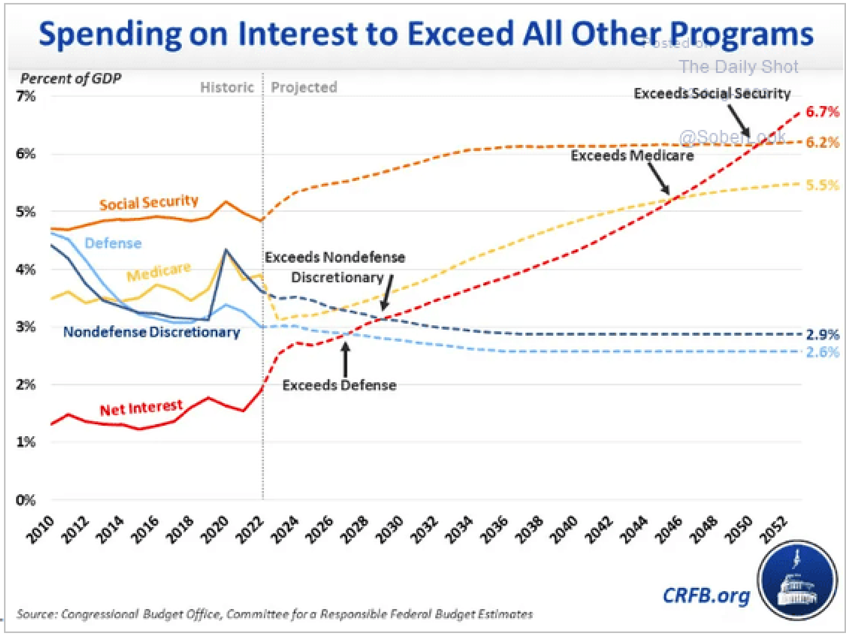
Source: Daily Shot, Morgan Stanley, Education Data Initiative

Deficits
Percentage of GDP

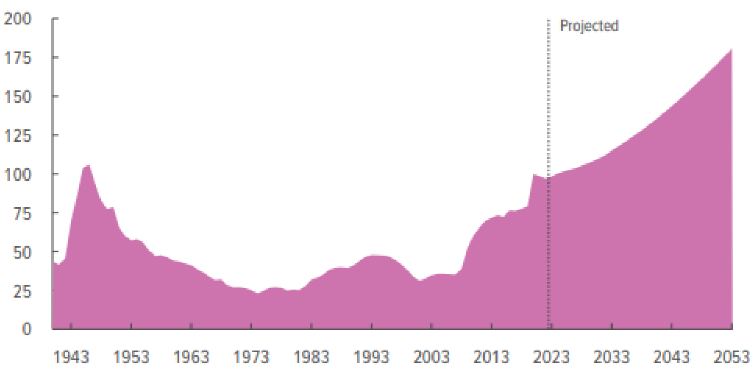


Primary deficits, which exclude interest costs, equal 3.3 percent of GDP in both 2023 and 2053. Combined with rising interest rates, those large and sustained primary deficits cause net outlays for interest to almost triple in relation to GDP.

See Figure 1-1 on page 6.



Federal Debt Held by the Public
Percentage of GDP



Debt rises in relation to GDP over the next three decades, exceeding any previously recorded level—and it is on track to continue growing after 2053.

The fiscal dynamic is unpleasant and not going away any time soon with entitlements picking up given demographics and elevated interest rates set to make interest expense more costly than the entire defense budget.

Source: Committee for a Responsible Federal Budget, Daily Shot

Portfolio Review, Performance and Compliance

Summary Overview

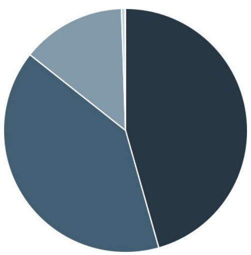
City of Franklin | Total Aggregate Portfolio

June 30, 2023

Portfolio Characteristics

Metric	Value
Cash and Cash Equivalents	30,400,526.87
Investments	195,786,274.04
Book Yield	2.83%
Market Yield	5.05%
Effective Duration	1.18
Years to Maturity	1.25
Avg Credit Rating	AAA

Allocation by Asset Class



Strategic Structure

Account	Par Amount	Book Value	Market Value	Net Unrealized Gain (Loss)	Yield at Cost	Effective Duration	Benchmark Duration	Benchmark
FRANK-Investment Core	198,483,635.91	198,156,168.67	192,949,340.91	(5,206,827.76)	2.48%	1.35	1.35	ICE BofA 0-3 UST
FRANK-Liquidity	30,316,890.96	30,316,890.96	30,316,890.96	0.00	5.00%	0.01	0.08	ICE BofA US UST
FRANK-Certificates of Deposit	2,000,000.00	2,000,000.00	2,000,000.00	0.00	4.10%	1.88	0.15	ICE BofA 0-3 UST
Total	**230,800,526.87**	**230,473,059.63**	**225,266,231.87**	**(5,206,827.76)**	**2.83%**	**1.18**	**0.48**	

Metric	Previous	Current
Strategy	**06/30/2022**	**06/30/2023**
Effective Duration		
Investment Core	1.47	1.35
Benchmark Duration	1.41	1.35
Total Effective Duration	**1.24**	**1.18**
Total Return (Net of Fees %)*		
Investment Core	(0.24)	0.00
Benchmark Return	(0.37)	(0.04)
Total Portfolio Performance	**(0.14)**	**0.18**
**Changes in Market Value include net unrealized and realized gains/ losses.*		
Maturity Total Portfolio		
Average Maturity Total Holdings	**1.28**	**1.25**

Metric	Previous	Current
Book Yield	**06/30/2022**	**06/30/2023**
Ending Book Yield		
Certificates of Deposit	0.50%	4.10%
Investment Core	1.13%	2.48%
Liquidity	1.82%	5.00%
Total Book Yield	**1.22%**	**2.83%**

Values	**06/30/2022**	**06/30/2023**
Market Value + Accrued		
Certificates of Deposit	3,017,723	2,009,660
Investment Core	180,054,428	193,860,250
Liquidity	30,550,694	30,316,891
Total MV + Accrued	**213,622,845**	**226,186,801**
Net Unrealized Gain/Loss		
Total Net Unrealized Gain/Loss	**(4,015,148)**	**(5,206,828)**

Accrued Book Return

Accrued Book Return	Prior Fiscal Ending 6/30/2022	Fiscal Year Ending 6/30/2023
Amortization/Accretion	(85,783.72)	383,982.17
Interest Earned	1,640,497.49	4,098,619.92
Realized Gain (Loss)	0.00	0.00
Book Income	1,554,713.77	4,482,602.08
Average Portfolio Balance	197,441,158.12	215,567,345.19
Book Return for Period	0.78%	2.02%

Fair Market Return

Fair Market Return	Prior Fiscal Ending 6/30/2022	Fiscal Year Ending 6/30/2023
Market Value Change	(4,595,985.92)	(1,575,661.96)
Amortization/Accretion	(85,783.72)	383,982.17
Interest Earned	1,640,497.49	4,098,619.92
Fair Market Earned Income	(3,041,272.15)	2,906,940.12
Average Portfolio Balance	197,441,158.12	215,567,345.19
Fair Market Return for Period	(1.52%)	1.49%

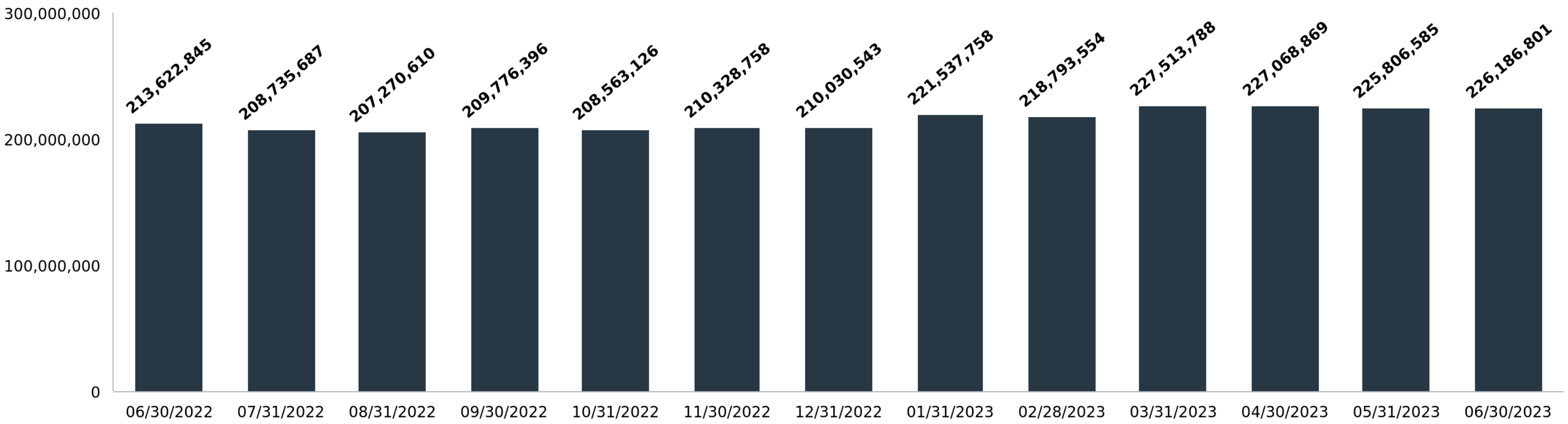
Notation: Book and Fair Market Returns are not annualized

Historical Balances

City of Franklin | Total Aggregate Portfolio

June 30, 2023

Market Value



Market Value and Return

Period Begin	Period End	Market Value + Accrued	Earned Income	Book Yield	Effective Duration	Maturity in Years
06/01/2022	06/30/2022	213,622,845	176,863	1.22%	1.24	1.28
07/01/2022	07/31/2022	208,735,687	217,163	1.36%	1.26	1.29
08/01/2022	08/31/2022	207,270,610	241,947	1.44%	1.26	1.31
09/01/2022	09/30/2022	209,776,396	252,142	1.67%	1.19	1.24
10/01/2022	10/31/2022	208,563,126	271,593	1.78%	1.18	1.23
11/01/2022	11/30/2022	210,328,758	311,151	1.98%	1.15	1.20
12/01/2022	12/31/2022	210,030,543	350,039	2.08%	1.12	1.16
01/01/2023	01/31/2023	221,537,758	393,168	2.39%	1.15	1.20
02/01/2023	02/28/2023	218,793,554	428,835	2.49%	1.16	1.22
03/01/2023	03/31/2023	227,513,788	468,863	2.65%	1.15	1.21
04/01/2023	04/30/2023	227,068,869	496,428	2.77%	1.20	1.25
05/01/2023	05/31/2023	225,806,585	517,577	2.77%	1.18	1.25
06/01/2023	06/30/2023	226,186,801	533,696	2.83%	1.18	1.25

Category

Policy Diversification Constraint	Policy Limit	Actual Value*	Status
US Treasury Obligations Maximum % of Holdings	100.000	40.097	Compliant
US Agency Callable Securities Maximum % of Total Portfolio	25.000	0.000	Compliant
US Agency FFCB Issuer Concentration	35.000	17.861	Compliant
US Agency FHLB Issuer Concentration	35.000	18.875	Compliant
US Agency FHLMC Issuer Concentration	35.000	4.601	Compliant
US Agency FNMA Issuer Concentration	35.000	4.183	Compliant
US Agency Obligations - Primary FHLB, FNMA, FHLMC, FFCB Maximum % of Holdings	100.000	45.520	Compliant
US Agency Obligations - Secondary FICO, FARMER MAC etc. Maximum % of Holdings	10.000	0.000	Compliant
US Agency Obligations Issuer Concentration - Primary FHLB, FNMA, FHLMC, FFCB	35.000	18.875	Compliant
US Agency Obligations Issuer Concentration - Secondary FICO, FARMER MAC etc.	5.000	0.000	Compliant
Municipal Issue Directly Internally or Interfund Loans	10.000	0.000	Compliant
Commercial Paper Issued and Operating in the US	0.000	0.000	Compliant
Commercial Paper Issuer Concentration	5.000	0.000	Compliant
Commercial Paper Maximum % of Holdings	20.000	0.000	Compliant
Certificates of Deposits and Federally Insured Obligations Issuer Concentration	10.000	0.000	Compliant
Certificates of Deposits and Federally Insured Obligations % of Holdings	25.000	0.000	Compliant
Banker's Acceptance Issuer Concentration	5.000	0.000	Compliant
Banker's Acceptance Maximum % of Holdings	10.000	0.000	Compliant
Banker's Acceptance Ratings Minimum A1+/ P1/F1+ (Rated by 1 NRSRO)	0.000	0.000	Compliant
Money Market Govt Only	0.000	0.000	Compliant
Money Market Issuer Concentration	50.000	0.036	Compliant
Money Market Maximum % of Holdings	100.000	0.036	Compliant
LGIP Maximum % of Holdings	30.000	0.496	Compliant
Bank Time Deposits/Savings Accounts Issuer Concentration	50.000	12.961	Compliant
Bank Time Deposits/Savings Accounts Maximum % of Holdings	50.000	12.999	Compliant
Repurchase Agreements Maximum % of Holdings	10.000	0.000	Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Compliance Report

City of Franklin | Total Aggregate Portfolio

June 30, 2023

Category

Policy Maturity Structure Constraint	Policy Limit	Actual %	Status
Maturity Constraints Under 30 days Minimum % of Total Portfolio	10.000	16.155	Compliant
Maturity Constraints Under 2 years Minimum % of Total Portfolio	50.000	77.715	Compliant
Maturity Constraints Under 4 years Minimum % of Total Portfolio	100.000	100.000	Compliant
Policy Maturity Constraint	**Policy Limit**	**Actual Term**	**Status**
US Treasury Maximum Maturity At Time of Purchase (years)	4.000	3.104	Compliant
US Agency Maximum Maturity At Time of Purchase (years)	4.000	3.000	Compliant
Municipals Maximum Maturity At Time of Purchase (years)	4.000	0.000	Compliant
Commercial Paper Days to Final Maturity (days)	90.000	0.000	Compliant
Banker's Acceptance Maximum Maturity At Time of Purchase (days)	180.000	0.000	Compliant
Repurchase Agreements Maximum Maturity At Time of Purchase (days)	4.000	0.000	Compliant
Weighted Average Maturity (years)	2.000	1.242	Compliant
Policy Credit Constraint			**Status**
US Agency Obligations - Secondary Minimum Ratings AA-/Aa3/AA- if rated			Compliant
Commercial Paper Ratings Minimum A1+/P1/F1+ (Rated by 2 NRSRO)			Compliant
Money Market Ratings Minimum AAA/Aaa/AAA (Rated by 1 NRSRO)			Compliant

1) Actual values are based on market value.
2) The compliance report allows for resolutions to be documented if an actual value exceeds a limit. The specific resolution can be found on the client portal site.

Strategy Review

GUIDELINE PORTFOLIO STRATEGY

PRIMARY GOALS

CHANGES

Discuss any upcoming changes in the organization or portfolio

CORE/LIQUIDITY

Review balances to determine core and liquidity account size

STRATEGY

Identify and approve appropriate core account strategy

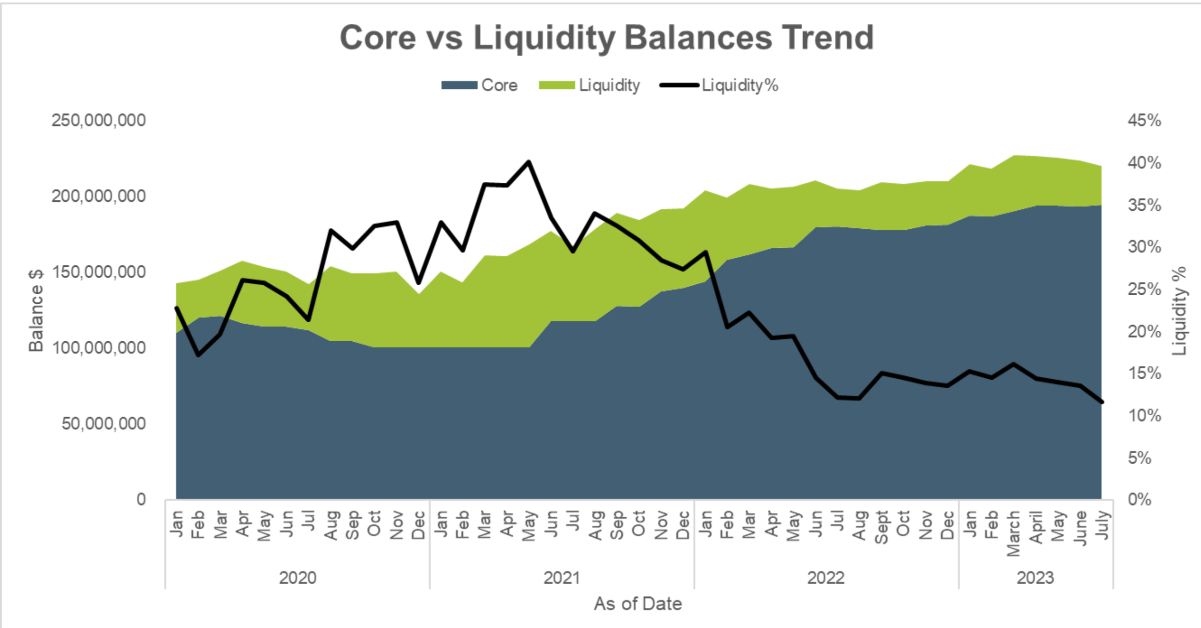
POLICY REVIEW

Discuss and affirm any investment policy modifications

OBSERVATIONS & FUTURE CONSIDERATIONS

- The portfolio earnings have increased and are trending as expected as reinvestments are being made at higher rates.
- Strong sales tax growth and also increase in personnel expenditures.
- Expecting a bond issue in the first half of 2024, and this will likely be invested in a segregated portfolio.

BALANCE TRENDS OVER TIME (General Funds Only)



		Core	Liquidity	Total	Liquidity%
2020	Jan	110,225,209.65	32,593,888.12	142,819,097.77	23%
	Feb	120,632,363.71	25,006,901.80	145,639,265.51	17%
	Mar	121,632,106.58	29,790,147.14	151,422,253.72	20%
	Apr	116,851,452.20	41,224,116.12	158,075,568.32	26%
	May	114,180,138.84	39,648,093.53	153,828,232.37	26%
	Jun	114,212,685.95	36,394,007.04	150,606,692.99	24%
	Jul	111,775,887.12	30,512,710.20	142,288,597.32	21%
	Aug	104,795,430.43	49,368,347.82	154,163,778.25	32%
	Sep	104,769,890.35	44,518,936.63	149,288,826.98	30%
	Oct	100,767,049.79	48,640,857.95	149,407,907.74	33%
	Nov	100,854,427.55	49,633,967.19	150,488,394.74	33%
	Dec	100,898,605.16	35,059,490.71	135,958,095.87	26%
2021	Jan	100,932,122.17	49,548,678.32	150,480,800.49	33%
	Feb	100,877,951.70	42,512,882.96	143,390,834.66	30%
	Mar	100,882,677.42	60,355,572.62	161,238,250.04	37%
	Apr	100,912,160.32	60,162,837.98	161,074,998.30	37%
	May	100,983,054.09	67,803,467.41	168,786,521.50	40%
	Jun	117,887,834.25	59,496,441.64	177,384,275.89	34%
	Jul	118,002,757.06	49,364,929.38	167,367,686.44	29%
	Aug	118,001,031.75	60,799,530.72	178,800,562.47	34%
	Sep	127,944,638.11	61,608,406.18	189,553,044.29	33%
	Oct	127,674,241.55	56,858,533.09	184,532,774.64	31%
	Nov	137,371,970.11	54,614,080.19	191,986,050.30	28%
	Dec	139,817,970.50	52,718,434.20	192,536,404.70	27%
2022	Jan	143,980,274.04	60,081,436.82	204,061,710.86	29%
	Feb	158,412,558.99	40,905,724.49	199,318,283.48	21%
	Mar	161,931,976.17	46,409,111.94	208,341,088.11	22%
	Apr	165,933,087.82	39,580,293.75	205,513,381.57	19%
	May	166,621,418.12	40,355,140.27	206,976,558.39	19%
	Jun	180,054,427.66	30,550,693.73	210,605,121.39	15%
	Jul	180,641,238.76	25,075,858.24	205,717,097.00	12%
	Aug	179,614,093.33	24,637,072.69	204,251,166.02	12%
	Sept	178,220,579.76	31,555,816.45	209,776,396.21	15%
	Oct	178,133,319.62	30,429,806.03	208,563,125.65	15%
	Nov	181,100,773.56	29,227,984.52	210,328,758.08	14%
	Dec	181,576,996.23	28,453,546.87	210,030,543.10	14%
2023	Jan	187,620,355.76	33,917,401.84	221,537,757.60	15%
	Feb	186,866,894.63	31,926,659.84	218,793,554.47	15%
	March	190,858,917.15	36,654,870.91	227,513,788.06	16%
	April	194,408,409.06	32,660,459.78	227,068,868.84	14%
	May	194,117,763.32	31,688,822.14	225,806,585.46	14%
	June	193,860,249.67	30,316,890.96	224,177,140.63	14%
	July	194,603,704.79	25,689,101.83	220,292,806.62	12%

CORE & LIQUIDITY ACCOUNT SIZE

	Current Par	Recommendation (Average Allocation over 12 months)	Recommended Ranges
Core	$198,400,000	$192,000,000	$175,000,000 to $225,000,000
Liquidity	$25,689,102	$32,000,000	$25,000,000 to $50,000,000
CD	$2,000,000	$2,000,000	$0 to $5,000,000

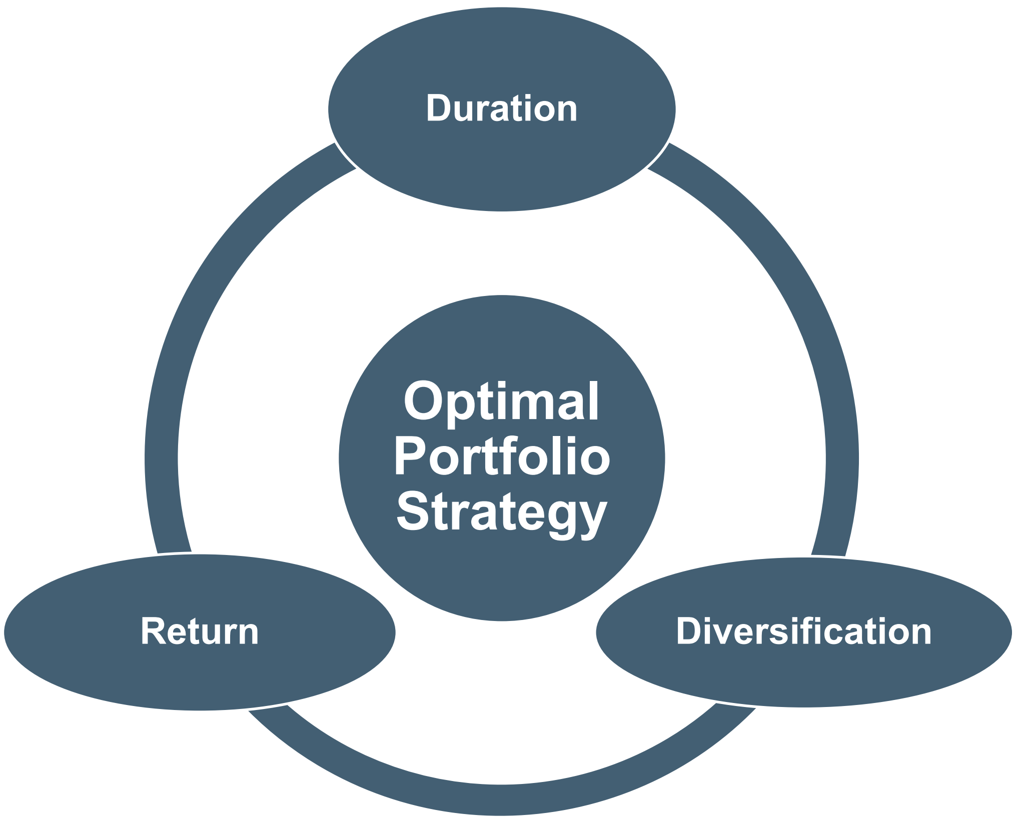
	Current	Recommendation	Recommended Ranges
Liquidity %	12%	15%	10% - 30%

Investment Core Maturities Under 1 Year provide an additional tier of liquidity. The City has ~$65.9 million maturing in the upcoming 12 months.

GPA recommends the above listed core and liquidity amounts, based off of historical balance reviews and this GPS discussion. These are strategy-based recommendations, not related to investment policy requirements and can be adjusted as needed. Additional discussions may be required to make the appropriate changes in the future.

UNDERSTAND

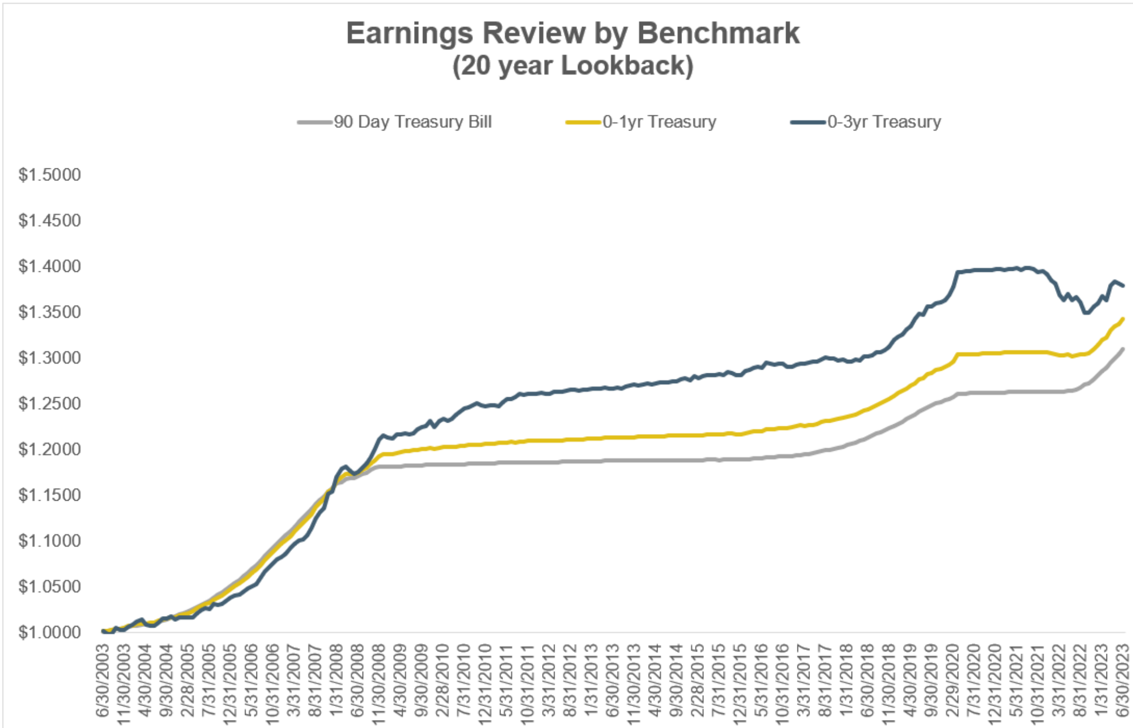
INVESTMENT CORE FUND PORTFOLIO STRATEGY



GPA creates a bespoke optimal portfolio strategy and risk management framework that seeks to:

- Earn a return aligned with a set benchmark over long investment horizons
- Create consistent interest earnings over market and business cycles
- Integrate with liquidity portfolio to meet fluctuating and uncertain cash flow needs

EXTEND DURATION WITHIN RISK GUIDELINES



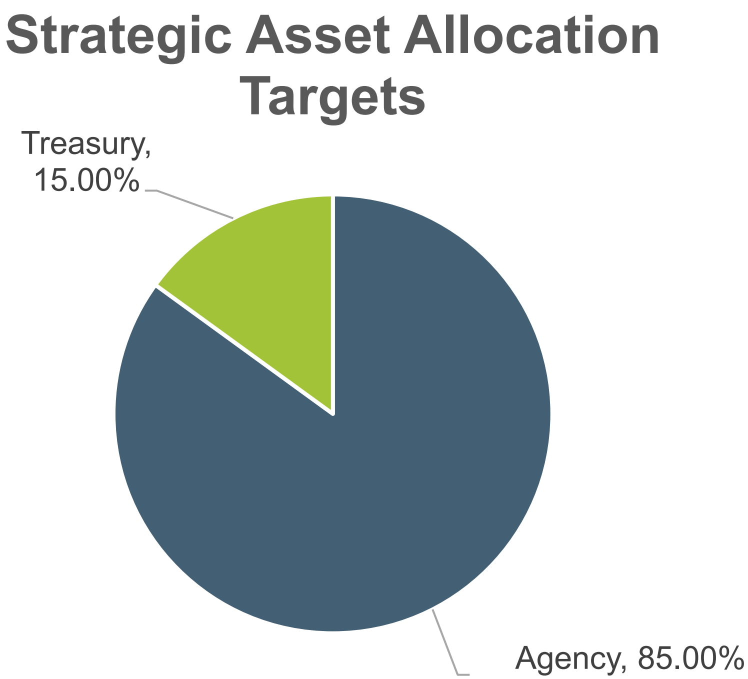
Benchmark	Duration	Cumulative Incremental Earnings (%)	Cumulative Incremental Earnings ($)*
90 Day Treasury Bill	0.23	-	-
0-1yr Treasury	0.49	3%	$6,231,168
0-3yr Treasury	1.35	7%	$13,034,458

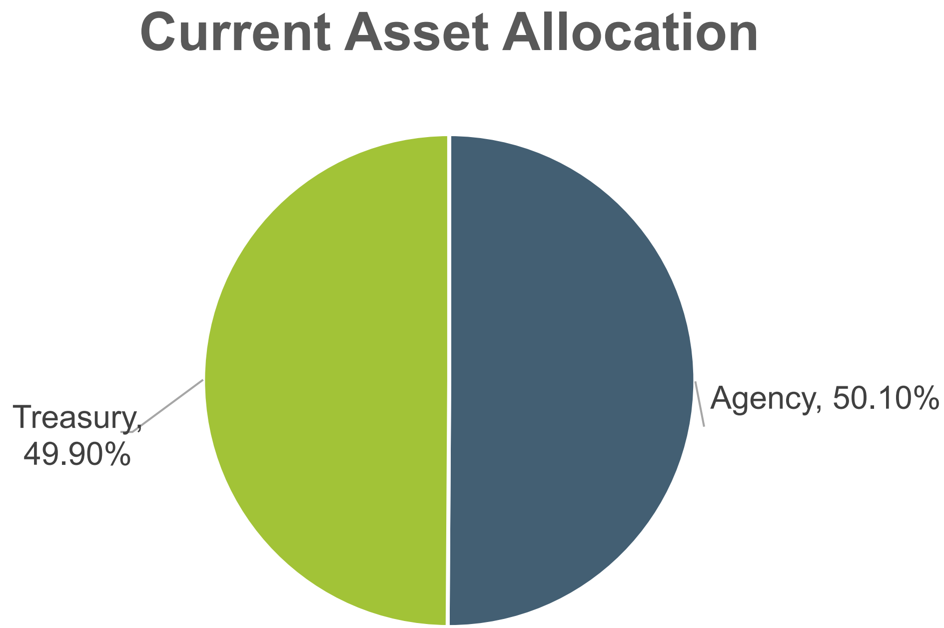
*Based on $190 million Core portfolio

Returns are never guaranteed, and past performance is not an indication of future results

Source: Bloomberg

INVESTMENT CORE ALLOCATION VS TARGET





Market Sector	Strategic Target	Tactical Bands
Agency	85%	0%-90%
Treasury	15%	10%-100%

Strategic targets reflect long term average allocation in the portfolio. GPA will operate within tactical bands based on current market conditions and relevant risk factors in the portfolio.

Data as of 7/31/2023

POLICY REVIEW

DIVERSIFICATION

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P, Moody's, or Equivalent NRSRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	4 years
US Agency Obligations	100%	35%	AAA/Aaa/AAA Rated by 2 NRSRO	4 years
Certificates of Deposit and other evidences of deposits, CDARS and ICS Funds	25%	10%	Fully collateralized or other evidences of deposit under section 6-56-106 (a)(4)	4 years
Bank Deposits	50%	25%	Fully collateralized or other evidences of deposit under section 6-56-106 (a)(4)	N/A
Repurchase Agreements	10%	None	Fully collateralized US Treasury or Agency Securities	N/A
Local Government Investment Pool	30%	None	N/A	N/A
Money Market Funds - Govt Only	10%	None	AAAm	N/A
City of Franklin Notes or Bonds	10%	None	N/A	N/A

MATURITY CONSTRAINTS

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 2 years	50%
Under 4 years	100%
Maturity Constraints	**Maximum of Total Portfolio in Years**
Weighted Average Maturity	2 years
Security Structure Constraint	**Maximum % of Total Portfolio**
Callable Agency Securities	25%

GPA RECOMMENDS:

1. Combine US Agency Primary/Secondary
2. Remove CP and BA per statute requirement that municipalities must have a population of 150,000 or more
3. Include issuer constraint on bank deposits as a best practice – Recommend 25%

Portfolio Holdings and Transactions
City of Franklin

June 30, 2023

Total Aggregate Portfolio

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
US Treasury												
01/31/2022	91282CDA6	3,650,000.00	United States	0.250%	09/30/2023		1.06%	5.14%	3,607,946.22	(37,101.38)	1.86	0.25
03/25/2022	91282CAP6	5,000,000.00	United States	0.125%	10/15/2023		2.01%	5.14%	4,929,064.89	(45,506.95)	2.54	0.29
	91282CBE0	3,500,000.00	United States	0.125%	01/15/2024		0.21%	5.31%	3,406,328.30	(94,064.46)	1.76	0.53
	91282CBR1	3,500,000.00	United States	0.250%	03/15/2024		0.32%	5.39%	3,378,982.93	(121,861.52)	1.74	0.69
	91282CBV2	5,500,000.00	United States	0.375%	04/15/2024		1.32%	5.42%	5,291,874.14	(172,453.93)	2.73	0.77
06/01/2021	91282CCC3	3,000,000.00	United States	0.250%	05/15/2024		0.31%	5.44%	2,869,587.88	(129,880.23)	1.48	0.85
09/28/2021	91282CCG4	5,000,000.00	United States	0.250%	06/15/2024		0.48%	5.44%	4,761,296.45	(228,351.13)	2.46	0.93
09/21/2021	91282CCL3	5,250,000.00	United States	0.375%	07/15/2024		0.41%	5.40%	4,995,164.86	(262,098.13)	2.58	1.01
09/28/2021	91282CCT6	5,000,000.00	United States	0.375%	08/15/2024		0.52%	5.37%	4,737,494.20	(261,537.92)	2.44	1.09
10/12/2021	91282CCX7	5,000,000.00	United States	0.375%	09/15/2024		0.56%	5.34%	4,718,202.72	(276,155.68)	2.43	1.17
11/04/2021	91282CDB4	5,000,000.00	United States	0.625%	10/15/2024		0.72%	5.32%	4,717,324.45	(283,081.32)	2.43	1.25
11/15/2021	91282CDH1	5,000,000.00	United States	0.750%	11/15/2024		0.85%	5.29%	4,707,539.40	(290,168.67)	2.43	1.33
12/15/2021	91282CDN8	5,000,000.00	United States	1.000%	12/15/2024		1.00%	5.24%	4,707,835.79	(294,192.29)	2.43	1.41
	91282CDS7	5,000,000.00	United States	1.125%	01/15/2025		1.92%	5.20%	4,727,899.59	(238,399.18)	2.44	1.49
	9128284F4	5,000,000.00	United States	2.625%	03/31/2025		3.11%	5.04%	4,832,391.80	(160,453.85)	2.49	1.67
06/02/2022	91282CEH0	5,000,000.00	United States	2.625%	04/15/2025		2.72%	5.03%	4,823,712.70	(195,490.01)	2.49	1.71
06/15/2022	91282CEQ0	5,000,000.00	United States	2.750%	05/15/2025		3.44%	4.98%	4,820,111.14	(136,736.97)	2.49	1.79
06/17/2022	91282CEU1	5,000,000.00	United States	2.875%	06/15/2025		3.36%	4.94%	4,815,834.15	(145,517.41)	2.48	1.87
06/23/2022	912828Y79	5,000,000.00	United States	2.875%	07/31/2025		3.36%	4.84%	4,866,812.02	(145,178.57)	2.51	1.97
08/15/2022	91282CFE6	5,000,000.00	United States	3.125%	08/15/2025		3.09%	4.83%	4,887,801.66	(174,495.47)	2.52	2.00
Total		**94,400,000.00**					**1.62%**	**5.20%**	**90,603,205.29**	**(3,692,725.07)**	**46.74**	**1.24**
US Agency												
	3135G05G4	6,000,000.00	Federal National Mortgage Association	0.250%	07/10/2023		0.72%	3.49%	6,001,725.00	(4,708.90)	3.10	0.03
	3137EAEV7	5,500,000.00	Federal Home Loan Mortgage Corporation	0.250%	08/24/2023		0.78%	4.95%	5,466,350.69	(34,243.88)	2.82	0.15
12/11/2020	3137EAEZ8	2,500,000.00	Federal Home Loan Mortgage Corporation	0.250%	11/06/2023		0.25%	5.28%	2,457,729.86	(43,242.51)	1.27	0.34
11/30/2020	3135G06H1	3,500,000.00	Federal National Mortgage Association	0.250%	11/27/2023		0.27%	5.37%	3,429,216.39	(71,275.71)	1.77	0.40
12/11/2020	3137EAFA2	2,500,000.00	Federal Home Loan Mortgage Corporation	0.250%	12/04/2023		0.25%	5.42%	2,446,468.75	(54,021.51)	1.26	0.42
10/31/2022	3130ATPW1	5,000,000.00	Federal Home Loan Banks	4.625%	12/08/2023		4.67%	5.50%	4,995,774.31	(17,828.78)	2.58	0.43
02/12/2021	3133EMQL9	5,000,000.00	Farm Credit System	0.200%	02/12/2024		0.21%	5.37%	4,849,011.11	(154,426.90)	2.50	0.60

Holdings by Security Type

City of Franklin | Investment Core

June 30, 2023

Settlement Date	Cusip	Par Amount	Security	Coupon Rate	Maturity Date	Call Date	Book Yield	Market Yield	Market Value + Accrued	Net Unrealized Gain (Loss)	% Asset	Eff Dur
09/06/2022	3133ENK33	2,500,000.00	Farm Credit System	3.625%	03/06/2024		3.63%	5.49%	2,497,949.65	(30,852.06)	1.29	0.66
12/15/2022	3130ATVC8	5,000,000.00	Federal Home Loan Banks	4.875%	06/14/2024		4.80%	5.50%	4,982,610.42	(31,898.72)	2.57	0.92
10/31/2022	3130ATND5	3,000,000.00	Federal Home Loan Banks	4.375%	09/13/2024		4.55%	5.39%	3,004,305.00	(28,943.50)	1.55	1.14
11/30/2022	3130ATT31	5,000,000.00	Federal Home Loan Banks	4.500%	10/03/2024		4.67%	5.36%	5,002,850.00	(41,897.40)	2.58	1.19
01/23/2023	3133EN6N5	7,500,000.00	Farm Credit System	4.250%	11/20/2024		4.26%	5.31%	7,431,152.08	(104,293.18)	3.83	1.32
08/01/2022	3130ASG94	5,000,000.00	Federal Home Loan Banks	3.375%	12/13/2024		3.16%	5.26%	4,877,837.50	(145,302.25)	2.52	1.39
03/16/2022	3133ENPY0	5,000,000.00	Farm Credit System	1.750%	02/25/2025		2.08%	5.00%	4,775,875.00	(228,516.48)	2.46	1.59
09/30/2022	3133ENP95	2,500,000.00	Farm Credit System	4.250%	09/30/2025		4.49%	4.83%	2,496,182.64	(17,943.75)	1.29	2.10
01/19/2023	3130ATUC9	7,500,000.00	Federal Home Loan Banks	4.500%	12/12/2025		3.96%	4.87%	7,453,537.50	(157,349.08)	3.84	2.29
02/28/2023	3133EPBJ3	5,500,000.00	Farm Credit System	4.375%	02/23/2026		4.61%	4.69%	5,542,600.56	(10,796.28)	2.86	2.43
05/15/2023	3133EPCF0	5,000,000.00	Farm Credit System	4.500%	03/02/2026		3.80%	4.60%	5,062,075.00	(99,258.17)	2.61	2.46
03/17/2023	3130AUU36	7,500,000.00	Federal Home Loan Banks	4.125%	03/13/2026		4.34%	4.80%	7,494,640.62	(86,805.49)	3.87	2.48
05/01/2023	3133EPHH1	8,000,000.00	Farm Credit System	4.000%	04/28/2026		3.97%	4.63%	7,923,040.00	(140,135.85)	4.09	2.62
06/30/2023	3130AWGR5	5,000,000.00	Federal Home Loan Banks	4.375%	06/12/2026		4.47%	4.55%	4,982,476.39	(10,362.29)	2.57	2.73
Total		**104,000,000.00**					**3.24%**	**4.96%**	**103,173,408.47**	**(1,514,102.69)**	**53.22**	**1.46**
Money Market Fund												
06/15/2023	31846V203	80,623.36	U.S. Bancorp Asset Management, Inc.	4.700%	06/30/2023		4.71%	4.71%	80,623.36	0.00	0.04	0.00
Total		**80,623.36**					**4.71%**	**4.71%**	**80,623.36**	**0.00**	**0.04**	**0.00**
Cash												
	CCYUSD	3,012.55	US Dollar	0.000%	06/30/2023		0.00%	0.00%	3,012.55	0.00	0.00	0.00
Total		**3,012.55**					**0.00%**	**0.00%**	**3,012.55**	**0.00**	**0.00**	**0.00**
Portfolio Total		**198,483,635.91**					**2.48%**	**5.07%**	**193,860,249.67**	**(5,206,827.76)**	**100.00**	**1.35**

Cusip	Security	Trade Date	Settlement Date	Coupon Payment	Price	Par Amount	Principal Amount	Accrued Amount	Total Amount	Broker
Buy										
3130ASG94	FHLBANKS 3.375 12/13/24	07/26/2022	08/01/2022	0.00	100.48	5,000,000.00	5,023,950.00	21,562.50	5,045,512.50	WELLS FARGO SECURITIE S
91282CFE6	US TREASURY 3.125 08/15/25	08/11/2022	08/15/2022	0.00	100.10	5,000,000.00	5,005,078.13	0.00	5,005,078.13	MORGAN STANLEY MUFG SECURITIES
3133ENK33	FEDERAL FARM 3.625 03/06/24	08/31/2022	09/06/2022	0.00	99.99	2,500,000.00	2,499,675.00	0.00	2,499,675.00	WELLS FARGO SECURITIE S
3133ENP95	FEDERAL FARM 4.250 09/30/25	09/27/2022	09/30/2022	0.00	99.32	2,500,000.00	2,483,025.00	0.00	2,483,025.00	MS_US
3130ATND5	FHLBANKS 4.375 09/13/24	10/26/2022	10/31/2022	0.00	99.68	3,000,000.00	2,990,490.00	6,927.08	2,997,417.08	MS_US
3130ATPW1	FHLBANKS 4.625 12/08/23	10/26/2022	10/31/2022	0.00	99.94	5,000,000.00	4,997,050.00	7,708.33	5,004,758.33	MORGAN STANLEY
3130ATT31	FHLBANKS 4.500 10/03/24	11/23/2022	11/30/2022	0.00	99.70	5,000,000.00	4,985,000.00	20,000.00	5,005,000.00	TD Ameritrade
3130ATVC8	FHLBANKS 4.875 06/14/24	12/12/2022	12/15/2022	0.00	100.09	5,000,000.00	5,004,700.00	25,729.17	5,030,429.17	JP morgan North America
3130ATUC9	FHLBANKS 4.500 12/12/25	01/17/2023	01/19/2023	0.00	101.47	7,500,000.00	7,610,025.00	71,250.00	7,681,275.00	RBC CM
3133EN6N5	FEDERAL FARM 4.250 11/20/24	01/19/2023	01/23/2023	0.00	99.98	7,500,000.00	7,498,875.00	2,656.25	7,501,531.25	WELLS FARGO SECURITIE S
31846V203	FIRST AMER:GVT OBLG;Y	02/01/2023	02/01/2023	0.00	1.00	22,438,295.16	22,438,295.16	0.00	22,438,295.16	Direct
3133EPBJ3	FEDERAL FARM 4.375 02/23/26	02/24/2023	02/28/2023	0.00	99.34	5,500,000.00	5,463,755.00	3,342.01	5,467,097.01	KEYBANC
3130AUU36	FHLBANKS 4.125 03/13/26	03/14/2023	03/17/2023	0.00	99.39	7,500,000.00	7,454,100.00	33,515.63	7,487,615.63	WELLS FARGO
3133EPHH1	FEDERAL FARM 4.000 04/28/26	04/27/2023	05/01/2023	0.00	100.10	8,000,000.00	8,007,600.00	2,666.67	8,010,266.67	Insperex VCON
3133EPCF0	FEDERAL FARM 4.500 03/02/26	05/10/2023	05/15/2023	0.00	101.82	5,000,000.00	5,091,150.00	45,625.00	5,136,775.00	KEYBANC
3130AWGR5	FHLBANKS 4.375 06/12/26	06/27/2023	06/30/2023	0.00	99.74	5,000,000.00	4,986,750.00	5,468.75	4,992,218.75	Market Axess
Total				**0.00**		**101,438,295.16**	**101,539,518.29**	**246,451.39**	**101,785,969.68**	
Sell										
31846V203	FIRST AMER:GVT OBLG;Y	02/12/2023	02/12/2023	0.00	1.00	22,382,663.96	22,382,663.96	0.00	22,382,663.96	Direct
Total				**0.00**		**22,382,663.96**	**22,382,663.96**	**0.00**	**22,382,663.96**	

GOVERNMENT PORTFOLIO ADVISORS

Government Portfolio Advisors
503-248-9973
www.gpafixedincome.com

Dave Westcott, CFA- CEO
Deanne Woodring, CFA- President
Garrett Cudahey, CFA, CPA- CIO

HISTORIC FRANKLIN TENNESSEE

City of Franklin

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

File #: 21-04981

DATE: July 24, 2023

TO: Budget & Finance Committee

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

SUBJECT:

Discussion Of Fiscal Year 2023 Audit Planning

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee, which serves as the City's audit committee, concerning the audit plan and procedures for fiscal year 2023.

BACKGROUND/STAFF COMMENTS:

This communication is to discuss the plan and procedures for auditing the City's financial statements for fiscal year 2023.

FINANCIAL IMPACT:

There is no financial impact from this communication.

RECOMMENDATION:

N/A

City of Franklin, Tennessee

Audit Planning for the Year Ended June 30, 2023

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

July 17, 2023

To the Budget and Finance Committee
Board of Mayor and Aldermen of
the City of Franklin, Tennessee

Dear Members:

Thank you very much for the opportunity to continue as your independent auditors. We are pleased to provide the details of our audit plan and procedures for the City of Franklin, Tennessee (the "City") for the fiscal year ended June 30, 2023. This report outlines the scope of our work and what we see as the key considerations affecting our 2023 audit. This communication is a method to validate our understanding of the significant issues that impact the City's financial statements, confirm your current year expectations, and align our efforts with your expectations.

The City of Franklin and Crosslin, PLLC share a commitment to quality. We strive to understand the City's operations and emerging issues in order to mitigate risk. Our commitment to quality means we bring technically qualified people to the engagement and reflect quality in every aspect of our work.

We appreciate the opportunity to be of service to the City. If you have any questions or comments, please call Jennifer Manternach, Audit Principal, at (615) 320-5500. Thank you again for this opportunity. We look forward to working with you and everyone at the City of Franklin again this year.

Very truly yours,

Jennifer Manternach

Jennifer Manternach
Principal

The Astoria • 3803 Bedford Avenue, Suite 201 • Nashville, Tennessee 37215 • phone: 615-320-5500 • fax: 615-329-9465 • www.crosslinpc.com
An Independent Member of The BDO Alliance USA

Audit Approach and Plan

We are pleased to be of service to City of Franklin, Tennessee (the "City"). The following report describes our plan for the audit of the financial statements for the fiscal year ending June 30, 2023. This report is designed to provide you with a summary of our overall objectives for the audit and the nature and scope of the planned audit work.

Overall, our audit strategy involves extensive audit principal involvement in all aspects of the planning and execution of the audit and is based on our understanding, of the City gained during our prior audits, current year planning procedures, and discussions with management. Our audit strategy includes the following:

- Focus resources on higher risk areas and other areas of concern as identified by management and those charged with governance.
- Consider inherent risk within the City - i.e., the susceptibility of financial statement misstatement due to material error or fraud, before recognizing the effectiveness of the control systems.
- Consider the control environment and the possibility that the control systems and procedures may fail to prevent or detect a material error or fraud.
- Assess internal controls in determining the degree of detail testing required.
- Consider information about systems and the computer environment in which financial records and related systems operate.
- Consider recent results of operations and significant current year events.
- Conduct the audit of the annual financial statements of the City as of and for the year ended June 30, 2023 in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.
- Consult regarding accounting and reporting matters as needed throughout the year.
- Ensure that those charged with governance are kept appropriately informed of the City's financial reporting matters as required by professional standards.

Audit Approach and Plan (Continued)

The key element of effective audit planning is a thorough understanding of the City's operations. This includes the operating environment, accounting and internal accounting control structure, and financial position. Our history and experience with the City and other governmental entities, our planning procedures, and our planning discussions with the City's management help us capture the knowledge to develop a detailed understanding of these elements. Therefore, we can effectively identify the nature of significant account balances/transaction classes, assess risk, and design audit tests.

Our audit approach is tailored to meet the specific needs of each customer. We have the leverage of our experience base and build upon our understanding of the City's operations. As conditions change, we will continue to develop our understanding of critical audit areas through comprehensive audit planning and risk assessment.

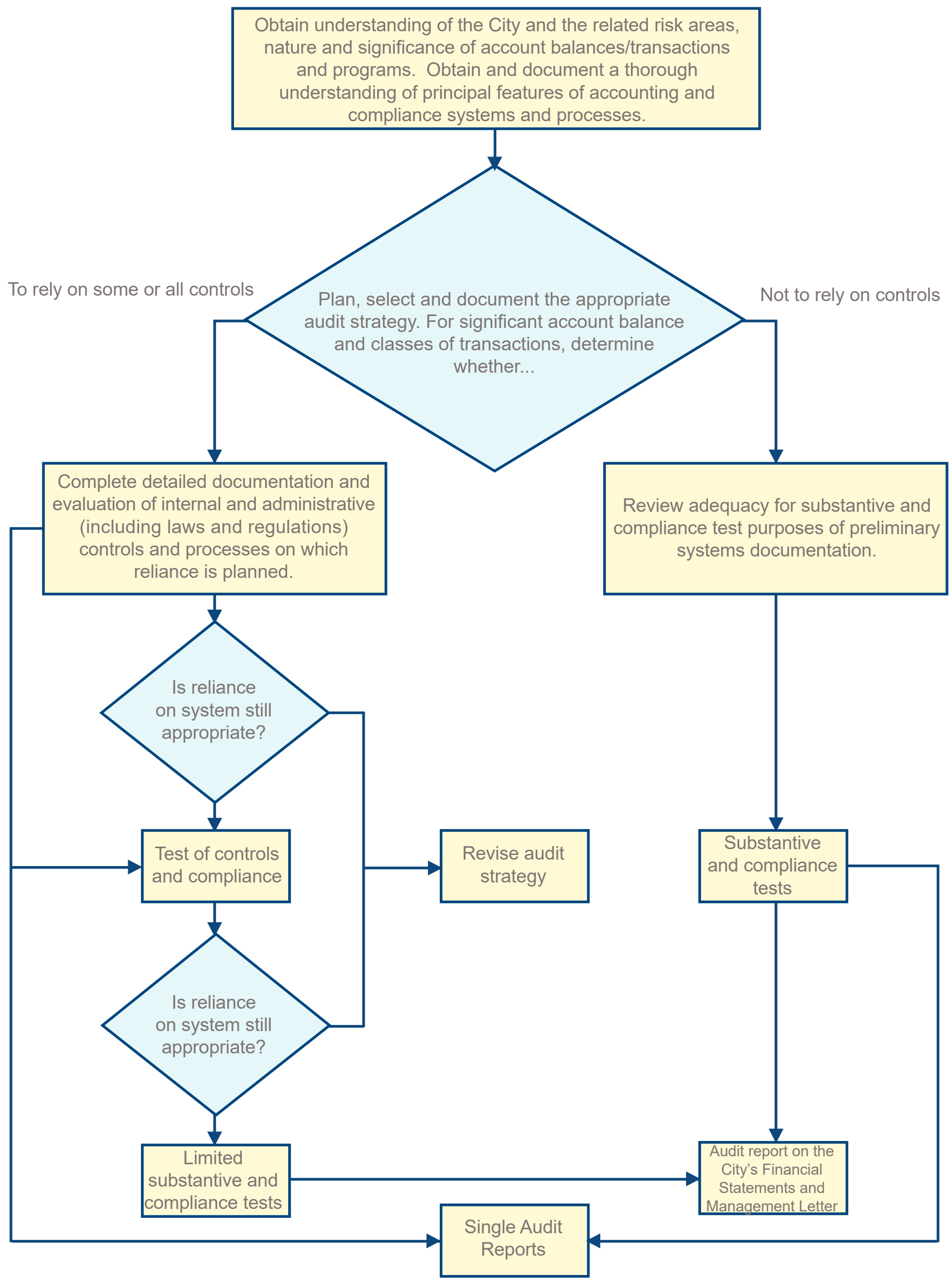
Risk assessment is the essential element in the audit planning process. When reliable risk-assessment decisions are made in the initial planning process, the amount of testing can be correlated with each audit area's relative risk. The result: a more focused, efficient and effective audit.

The following discussion of comprehensive audit planning and risk assessment is necessarily presented in a somewhat static manner. Auditing, however, is a dynamic process. Our audit plan may change during the course of the audit as new information and circumstances come to our attention. Information obtained during a current audit may also affect the planning for future audits. In fact, we generally begin planning the subsequent year's audit at the conclusion of the current year audit. As a result, audit planning is appropriately approached as a continuous process.

Audit Approach and Plan *(Continued)*

Similar to the prior year, our audit will be performed in three phases, which are represented in the following chart and also described below.

Audit Methodology and Approach



Audit Approach and Plan (Continued)

Phase I - Planning

Our Phase I audit procedures include the following:

- Hold an entrance conference with appropriate management personnel.
- Coordinate planning efforts and develop testing methods.
- Complete and submit preliminary customer participation schedule.
- Review correspondence files, budget and related material, organization charts, manuals and programs, governing minutes, financial and other management information, financial statements, and other internal documents.
- Apply preliminary analytical procedures.
- Identify through inquiry and observation the accounting control procedures that prevent or detect errors and fraud.
- Document the internal control structure and the flow of transactions in accordance with U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*.
- Conduct fraud risk interviews (commonly referred to as SAS 99 interviews) with City employees and those charged with governance.
- Make preliminary assessments of control risk and begin planning our substantive procedures.
- Provide details of the audit plan to management and those charged with governance.

Phase II - Substantive Procedures

During Phase II, we perform substantive audit procedures. The results of this work may require us to propose adjustments to account balances, recommend additional disclosures in the financial statements, and make certain comments regarding the City's operations. Our Phase II audit procedures include the following:

- Perform procedures to gather evidence to support management assertions in the financial statements.
- Confirm material account balances and/or transactions with third parties.

Audit Approach and Plan *(Continued)*

- Apply a mixture of analytical procedures and tests of details to achieve audit objectives related to a particular assertion. Some of our analytical procedures can be relied on to significantly reduce or eliminate test of details. At a minimum, our analytical tests will include comparing statement of net position account balances to the prior year and our expectations and comparing actual revenues and expenditures/expenses to prior year's revenues and expenditures/expenses and to budgeted amounts and our expectations.

- Hold progress meetings with the appropriate management personnel.

- Subject all audit tests, resulting conclusions, and working papers to a rigorous in-house quality control review.

Phase III - Reporting and Communication

Communication is an essential part of an effective audit. We want to interact with you as much as possible, not only during the audit, but throughout the year as well. We welcome your questions and comments. During the course of the audit, we will continually meet with financial management personnel to provide a status of the engagement. These status reports will address the progress of our procedures, any problems encountered, open items, and any other issues we believe need to be brought to the attention of management.

Additionally, we will communicate with those charged with governance, as required by professional standards and as necessary to meet our requirements.

Summary of the reporting and communication steps is as follows:

- Discuss all adjusting journal entries proposed by us, if any, with appropriate management personnel.

- Hold an exit conference with management.

- Issue draft and final audit reports and management letter, if applicable.

- Present audit reports, results of the audit, and management letter to those charged with governance.

Areas of Audit Significance

During our audit, we will focus significant resources on the following account balances, related transaction streams and operating matters:

Control Evaluation and Testing, as applicable

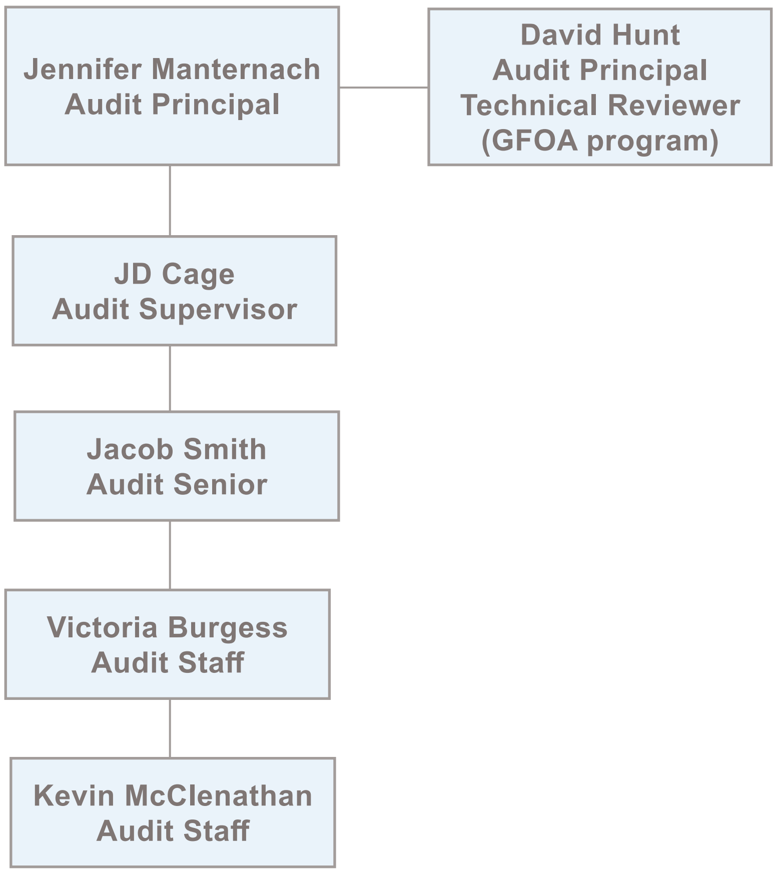
- Cash receipts and revenues
- Property tax billings and receipts
- Purchasing and disbursements
- Employee compensation, including benefit plan
- IT controls over significant accounting systems
- Compliance

Substantive Testing

- Treasury / investments / cash
- Long-lived assets
- GASB 68 considerations for pension recording and reporting
- GASB 75 considerations for postemployment benefits other than pensions (OPEB) recording and reporting
- Accruals
- Property tax, state shared and other revenues, including related receivables
- Grant receipts, disbursements, and revenue
- Utility revenues
- Expenses and budget process
- Debt and deferred outflows of resources
- Net position / fund balance categories including GASB Nos. 34 and 54
- Compliance
- State audit procedures, including the state audit manual
- Implementation of applicable new GASB pronouncements

Customer Service Team

The following is the customer service team:



Independence

- The AICPA's Code of Professional Conduct, Rule 101, sets forth guidance for assurance services provided by accountants under U.S. generally accepted auditing standards. *Government Auditing Standards* also provides guidance for financial audits performed under generally accepted government auditing standards.
- Both sources direct that independence is required both in fact and appearance. Crosslin, PLLC has established quality control policies and procedures to ensure compliance with professional standards, including those related to independence.
- Crosslin, PLLC is independent with respect to the City of Franklin, Tennessee, within the requirements of both the AICPA and *Government Auditing Standards*.

Audit Timeline

The following is our anticipated timing for the 2023 audit. The timing is consistent with the prior year.

TASK	TIMING
Understand the Operations	Ongoing
Assess Overall Controls	Ongoing
Planning Communication	Current
Phase I - Planning and Determine Nature and Extent of Testing	July 2023
Phase I - Commencement Meeting with Management	July 2023
Phase II - Substantive Testing	September - October 2023
Phase III Reporting and Communication	November 2023
Issue Financial Statements	December 2023

Changes in Auditing and Accounting Standards Updates

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin, PLLC is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through its involvement with the AICPA's Government Audit Quality Center and the Government Finance Officers Association (GFOA), including GFOA's Special Review Committee.

We routinely interface with our customers to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise. In addition, we expect to join the Conference Center personnel in relevant discussions to implement all new standards as they arise.

Recent accounting pronouncements including the following. We will analyze these Statements with Conference Center management to ensure appropriate implementation, as applicable.

- **GASB Statement No. 91, *Conduit Debt Obligations***
  Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2022. Earlier application is encouraged.

- **The GASB issued Statement No. 92, Omnibus 2020, which is effective as follows:**

  - The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
  - The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2022.
  - The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2022.
  - The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2022.

- **GASB Statement No. 93, Replacement of Interbank Offered Rates**
  Effective Date: The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2022. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Changes in Auditing and Accounting Standards Updates *(Continued)*

- **GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements**
  Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- **GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance**
  Effective Date: The requirements of this Statement are effective immediately.

- **GASB Statement No. 96, Subscription-Based Information Technology Arrangements**
  Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

- **GASB Statement No. 98, The Annual Comprehensive Financial Report**
  Effective Date: The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

- **GASB Statement No. 99, Omnibus 2022**
  Effective Date: The requirements of this Statement are effective as follows:

  - The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

  - The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

  - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

- **GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62**
  Effective Date: For fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

- **GASB Statement No. 101, Compensated Absences**
  Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Fraud Discussion

SAS 99, *Consideration of Fraud in a Financial Statement Audit*, was issued by the AICPA to heighten the awareness of auditors to the potential for fraud when planning and executing audits. While SAS 99 emphasizes the need for increased professional skepticism throughout the audit engagement, it does not change our responsibilities as auditors. Under SAS 99, we are responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements caused by error or by fraud. However, the extent of required procedures related to the detection of fraud has increased. We approach all audits with an understanding that fraud could occur in any organization at any time and could be perpetrated by anyone.

Gathering Information Needed to Identify Risks of Material Misstatement Due to Fraud

- Engagement team brainstorming discussion.
- Inquiries of management, accounting personnel, and other personnel not directly involved in financial reporting.
- Investigation of unusual or unexpected relationships identified through various analytical procedures.

Responding to Identified Fraud Risks

- Design of the nature, timing, and extent of audit procedures.
- Use of experienced personnel to audit areas of exposure.
- Testing of items below established scopes.

Procedures to Address the Risk of Management Override of Internal Controls

- Review of accounting estimates for bias, including a retrospective review of significant prior year estimates.
- Evaluation of business rationale for significant unusual transactions.
- Inspect and analyze reasonableness of manual adjusting journal entries made during the year.

Evaluating Audit Evidence

- Being cognizant of fraud risk factors throughout audit.
- Being mindful of discrepancies in the accounting records, conflicting or missing audit evidence, and/or problematic or unusual relationships between the auditor and management.

CITY OF FRANKLIN

4TH QUARTER REPORT - UNAUDITED

FY 2023

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

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Executive Summary

Quarter Ended June 30, 2023

- The General Fund shows a current year surplus of $10.2 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 14% less than previous year.
    - road impact fees are 60% less than last year.
    - facilities taxes are 51% less than last year.
- Hotel/Motel taxes are 16% higher.

All Funds Summary

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Change	Fund Summary on Page
General	$75,885,131	$105,114,542	$94,905,655	$86,094,018	$10,208,887	3
Street Aid	$2,870,168	$5,399,470	$5,022,230	$3,247,408	$377,240	6
Sanitation & Envir. Services.	$2,028,590	$11,508,153	$10,471,844	$3,064,899	$1,036,309	7
Road Impact	$32,202,322	$4,651,737	$12,200,420	$24,653,639	($7,548,683)	9
Facilities Tax	$13,171,571	$1,516,052	$62,612	$14,625,011	$1,453,440	10
County Facilities Tax	$4,377,132	$736,620	$600,000	$4,513,752	$136,620	11
Stormwater	$2,914,023	$2,832,236	$2,930,563	$2,815,696	($98,327)	12
Drug	$538,767	$146,021	$150,699	$534,089	($4,678)	13
Hotel/Motel	$8,006,647	$6,416,353	$4,912,113	$9,510,887	$1,504,240	14
Parkland Dedication	$8,451,072	$2,330,659	$4,500,000	$6,281,731	($2,169,341)	15
Transit	$807,254	$3,443,349	$3,443,349	$807,254	$0	16
CDBG	$118,475	$539,667	$468,781	$189,361	$70,886	17
Debt Service	$1,161,978	$15,353,902	$15,709,380	$806,500	($355,478)	18
Capital Projects - Fund 310 (Multi-Purpose)	$15,138,405	$23,708,700	$15,093,553	$23,753,552	$8,615,147	19
Capital Projects - Fund 312 (2019 Bonds)	$931,697	$4,514	$936,211	$0	($931,697)	21
Capital Projects - Fund 313 (2024 Bonds)	$0	$0	$1,848	($1,848)	($1,848)	22
Capital Projects - Fund 350 (Fleet)	$3,253,022	$3,044,940	$1,130,321	$5,167,641	$1,914,619	23
Water & Wastewater Operations	*	$42,092,230	$38,613,523	*	$3,478,707	24
Water & Wastewater Dev. Fees	*	$2,183,709	$363,725	*	$1,819,984	27

* 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	60,556,943	57,745,532	104.9%	58,352,000	103.8%
Property Taxes	10,836,634	8,118,414	133.5%	10,736,007	100.9%
State Sales Tax	9,949,094	9,427,978	105.5%	9,509,000	104.6%
Grants	121,123	2,262,146	5.4%	737,000	16.4%
Alcohol Taxes	3,850,046	4,167,562	92.4%	3,770,206	102.1%
State Mixed Drink Tax (net of 1/2 to County)	1,796,903	1,677,314	107.1%	1,575,969	114.0%
State Business Tax & Fee	5,939,570	5,490,019	108.2%	5,297,524	112.1%
Franchise Fees	2,441,864	2,506,169	97.4%	2,526,090	96.7%
Building Permits	1,435,153	1,661,426	86.4%	1,845,207	77.8%
State TVA In Lieu Of Tax	1,003,531	866,622	115.8%	869,303	115.4%
Interest Income	1,156,671	(1,100,910)	(105.1%)	100,000	1,156.7%
Lease Interest Income	11,357	4,787	237.2%	-	0.0%
Court Fines & Fees	445,928	397,994	112.0%	268,087	166.3%
State Excise Tax	396,896	247,314	160.5%	238,345	166.5%
In Lieu of Tax (Local)	376,479	282,068	133.5%	365,595	103.0%
State Sporting Wagering Tax	115,626	83,921	137.8%	70,000	165.2%
State Beer Tax	38,106	38,120	100.0%	37,292	102.2%
State Income Tax	34,723	77,208	45.0%	-	0.0%
State Cemetary Excise Tax	3,981	1,285	309.7%	-	0.0%
Other Revenues	4,603,914	1,633,011	281.9%	2,534,979	181.6%
Fund Balance Allocation	-	-	0.0%	355,000	0.0%
Total Revenues	***105,114,542***	***95,587,980***	***110.0%***	***99,187,604***	***106.0%***
Expenditures:					
Salaries & Wages	49,978,071	41,661,329	120.0%	50,627,490	98.7%
Employee Benefits	17,636,626	18,205,171	96.9%	20,709,580	85.2%
Transfers To Other Funds	9,503,936	12,910,592	73.6%	9,631,952	98.7%
Contractual Services	4,506,546	4,455,039	101.2%	5,459,264	82.5%
Capital	705,444	1,004,515	70.2%	2,101,690	33.6%
Repair & Maintenance Services	3,677,953	2,737,950	134.3%	3,086,474	119.2%
Utilities	2,456,543	2,194,287	112.0%	2,393,676	102.6%
Lease Payments	76,255	-	0.0%	-	0.0%
Reimbursement from Other Funds	(2,836,514)	(4,197,484)	67.6%	(4,727,525)	60.0%
Other Expenditures	9,201,416	7,664,882	120.0%	9,905,003	92.9%
Total Expenditures	***94,906,276***	***86,636,281***	***109.5%***	***99,187,604***	***95.7%***
Total Unallocated Funds	***10,208,266***	***8,951,699***	***114.0%***	***-***	***0.0%***

FUND SUMMARY

- Local sales taxes are 5% higher over last year.
- Alcohol Taxes are 8% less than last year.
- Building permit revenue is 14% less than 2022. (Development fees that are dependent on timing and type of development.)
- Property Taxes are 33% higher due to higher than expected collections.
- 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 $600,000 from the American Rescue Plan.
- Transfers in the current year are for East McEwen, Jordan Road, and Long Lane Overpass.

General Fund (cont.)

Salaries & Wages - General Fund

Wage Type	Frequency	FY 2023	FY 2022
Regular	26 Payrolls	$46,884,391	$38,085,404
Overtime	26 Payrolls	$3,026,916	$2,758,982
Premium Pay	7/23/2021	$0	$0
ARPA/COVID Pay		$0	$753,375
Holiday Pay	11/21/2022	$66,764	$63,568
		$49,978,071	$41,661,329

Employee Benefits - General Fund

Account Type	Frequency	FY 2023	FY 2022
FICA (Employer's Share)	26 Payrolls	$3,673,352	$2,980,349
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$57,851
Medical/Vision	Monthly	$6,072,303	$7,432,740
Dental	Monthly	$328,161	$131,074
Other Group Insurance	Monthly	$227,096	$507,540
Retirement		$6,523,132	$6,408,949
Unemployment		$15,269	$866
Tool/Clothing Allowance		$19,066	$25,321
Workers Compensation	Monthly	$778,246	$660,481
		$17,636,626	$18,205,171

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 Florence	Relief	$2,910	$0
Hurricane Delta	Relief	$0	$0
Hurricane Dorian	Relief	$5,243	$0
Hurricane Dorian	Relief	$8,446	$0
Hurricane Ida (LA)	Relief	$0	$12,267
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	$992	$411,661
NEPA Phase SR 96	Traffic Signal Improvements	$4,402	$75,271
2022 Local Direct App Grant	Local Direct Appropriation Grant		$924,150
American Rescue Plan	100% of Premium Net Pay	$0	$639,322
Waverly Flood	Public Assistance	$13,173	$0
March 2021 Flood	Public Assistance	$15,749	$95,460
Federal Historic Preservation Grant	Hayes House Window	$0	$14,700
Federal Historic Preservation Grant	Lewisburg Historical District	$5,400	$0
Totals		$121,123	$2,262,146

Capital Expenditures - General Fund

Asset	Stage	FY 2023	FY 2022
Cool Springs Adaptive Signals Control Technology	Design	$0	$141,950
SR-96 Adaptive Signals Control Technology	Design	$11,990	$51,734
Leaf Vacuum John Deere 4045TFC03	Purchase	$0	$95,423
Stryker LifePak 15 V4	Purchase	$0	$102,212
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
Network Security Enterprise	Purchase	$0	$74,504
Sotrage Flash Array	Purchase	$0	$299,754
Network Core	Purchase	$224,518	$0
Salt Storage Barn New Roof	Purchase	$131,901	$0
Ion Wave Purchasing Software	Purchase	$85,618	$0
Police Conference Room AV Upgrade	Purchase	$61,448	$0
John Deere Leaf Vacuum	Purchase	$110,842	$0
Chassis 2021 Isuzu Cab	Purchase	$79,127	$0
Totals		$705,444	$1,004,515

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	135,806	15,243	890.9%	2,500	5,432.2%
State Gasoline Tax	3,052,033	3,035,484	100.5%	2,850,690	107.1%
State Sporting Wagering Tax	33,160	-	0.0%	-	0.0%
Transfer From General Fund	1,083,921	1,250,000	86.7%	1,083,921	100.0%
Total Revenues	***8,269,638***	***6,131,326***	***134.9%***	***7,901,829***	***104.7%***
Expenditures:					
Repair & Maintenance Services	5,022,230	3,261,157	154.0%	5,252,400	95.6%
Total Expenditures	***5,022,230***	***3,261,157***	***154.0%***	***5,252,400***	***95.6%***
Total Unallocated Funds	***3,247,408***	***2,870,169***	***113.1%***	***2,649,429***	***122.6%***

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	-	64,093	0.0%	417,843	0.0%
Interest Income	34,555	7,849	440.3%	5,467	632.1%
Sanitation Collection Services	6,603,410	6,147,151	107.4%	6,984,352	94.5%
Tipping Fees	4,079,676	4,335,569	94.1%	4,580,727	89.1%
Transfer From General Fund	500,000	515,680	97.0%	500,000	100.0%
Other Revenues	290,512	540,184	53.8%	524,253	55.4%
Total Revenues	***13,536,743***	***13,661,654***	***99.1%***	***15,041,232***	***90.0%***
Expenditures:					
Salaries & Wages	3,030,948	2,434,310	124.5%	2,983,687	101.6%
Employee Benefits	1,326,664	1,135,948	116.8%	1,488,565	89.1%
Transfers To Other Funds	209,206	209,551	99.8%	209,187	100.0%
Contractual Services	90,077	79,422	113.4%	76,327	118.0%
Capital	125,409	1,410,107	8.9%	1,586,256	7.9%
Repair & Maintenance Services	610,545	816,906	74.7%	730,852	83.5%
Utilities	79,161	83,381	94.9%	98,838	80.1%
Other Expenditures	4,999,834	5,463,438	91.5%	5,807,681	86.1%
Total Expenditures	***10,471,844***	***11,633,063***	***90.0%***	***12,981,393***	***80.7%***
Total Unallocated Funds	***3,064,899***	***2,028,591***	***151.1%***	***2,059,839***	***148.8%***

FUND SUMMARY

- Collection services revenue is 7% higher than last year.
- Tipping fee revenue is 6% lower 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 25% higher over last year due to the compensation plan update in July 2022.
- Capital expenditures in the 4th quarter are for a Collection Truck being purchased.

Sanitation Fund (cont.)

Salaries & Wages - Sanitation Fund

Wage Type	Frequency	FY 2023	FY 2022
Regular	26 Payrolls	$2,741,505	$2,146,154
Overtime	26 Payrolls	$284,354	$226,433
Premium Pay	7/23/2021	$0	$0
ARPA/COVID Pay		$0	$56,859
Holiday Pay	11/21/2022	$5,089	$4,864
		$3,030,948	$2,434,310

Employee Benefits - Sanitation Fund

Account Type	Frequency	FY 2023	FY 2022
FICA (Employer's Share)	26 Payrolls	$222,592	$172,295
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$4,350
Medical/Vision	Monthly	$659,318	$583,931
Dental	Monthly	$24,546	$12,143
Other Group Insurance	Monthly	$14,941	$35,276
Retirement		$392,120	$309,198
Workers Compensation	Monthly	$13,147	$18,756
		$1,326,664	$1,135,948

Grant Revenue - Sanitation

Grant Name	Purpose	FY 2023	FY 2022
American Rescue Plan	100% of Premium Net Pay	$0	$64,093
Totals		$0	$64,093

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	416,000	(894,242)	(46.5%)	38,625	1,077.0%
Road Impact Fees	4,235,737	10,641,106	39.8%	6,795,689	62.3%
Total Revenues	***36,854,059***	***35,488,138***	***103.8%***	***39,036,636***	***94.4%***
Expenditures:					
Transfers To Other Funds	10,956,852	3,285,816	333.5%	10,957,059	100.0%
Contractual Services	1,243,568	-	0.0%	3,050,000	40.8%
Total Expenditures	***12,200,420***	***3,285,816***	***371.3%***	***14,007,059***	***87.1%***
Total Unallocated Funds	***24,653,639***	***32,202,322***	***76.6%***	***25,029,577***	***98.5%***

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	212,857	(340,740)	(62.5%)	50,000	425.7%
Facilities Taxes	1,301,950	2,666,214	48.8%	3,399,262	38.3%
Other Revenues	1,245	226,444	0.5%	-	0.0%
Total Revenues	***14,687,623***	***13,574,871***	***108.2%***	***16,620,833***	***88.4%***
Expenditures:					
Contractual Services	4,294	-	0.0%	-	0.0%
Capital	52,372	386,605	13.5%	4,834,415	1.1%
Repair & Maintenance Services	5,913	6,500	91.0%	-	0.0%
Other Expenditures	33	10,195	0.3%	8,560	0.4%
Total Expenditures	***62,612***	***403,300***	***15.5%***	***4,842,975***	***1.3%***
Total Unallocated Funds	***14,625,011***	***13,171,571***	***111.0%***	***11,777,858***	***124.2%***

FUND SUMMARY

- Facilities taxes are 51% 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
Refuse Collection Truck	Purchase	$0	$349,925
Caterpillar Mini Excavator	Purchase	$52,372	$0
Totals		$52,372	$386,605

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	75,094	(125,114)	(60.0%)	15,000	500.6%
Facilities Taxes	661,526	1,003,415	65.9%	898,002	73.7%
Total Revenues	***5,113,752***	***5,377,132***	***95.1%***	***5,290,134***	***96.7%***
Expenditures:					
Transfers To Other Funds	600,000	1,000,000	60.0%	600,000	100.0%
Total Expenditures	***600,000***	***1,000,000***	***60.0%***	***600,000***	***100.0%***
Total Unallocated Funds	***4,513,752***	***4,377,132***	***103.1%***	***4,690,134***	***96.2%***

FUND SUMMARY

- This fund was created to account for facilities taxes received from the County.
- Facilities taxes are 34% 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	41,307	(37,433)	(110.3%)	50,000	82.6%
Stormwater Fees	2,595,654	2,560,385	101.4%	2,554,462	101.6%
Other Revenues	195,275	170,268	114.7%	207,989	93.9%
Total Revenues	***5,746,259***	***5,651,675***	***101.7%***	***5,726,474***	***100.3%***
Expenditures:					
Salaries & Wages	1,453,312	1,224,619	118.7%	1,523,895	95.4%
Employee Benefits	615,385	690,667	89.1%	716,618	85.9%
Contractual Services	29,679	9,035	328.5%	74,910	39.6%
Capital	-	-	0.0%	145,052	0.0%
Repair & Maintenance Services	159,249	135,340	117.7%	156,928	101.5%
Utilities	28,623	31,272	91.5%	37,553	76.2%
Other Expenditures	644,315	646,719	99.6%	804,788	80.1%
Total Expenditures	***2,930,563***	***2,737,652***	***107.0%***	***3,459,744***	***84.7%***
Total Unallocated Funds	***2,815,696***	***2,914,023***	***96.6%***	***2,266,730***	***124.2%***

FUND SUMMARY

- Stormwater fees collected are 1% higher than last year.
- Salaries & Wages are 19% 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	26 Payrolls	$1,417,168	$1,152,908
Overtime	26 Payrolls	$33,978	$41,117
Premium Pay	7/23/2021	$0	$28,429
ARPA/COVID Pay		$0	$0
Holiday Pay	11/21/2022	$2,166	$2,166
		$1,453,312	$1,224,619

Employee Benefits - Stormwater Fund

Account Type	Frequency	FY 2023	FY 2022
FICA (Employer's Share)	26 Payrolls	$106,623	$86,198
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$2,066
Medical/Vision	Monthly	$292,769	$290,328
Dental	Monthly	$11,067	$6,695
Other Group Insurance	Monthly	$7,098	$17,353
Retirement		$192,108	$296,097
Workers Compensation	Monthly	$5,720	($8,070)
		$615,385	$690,667

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	19,876	7,255	274.0%	6,000	331.3%
Drug Fines Received	42,735	53,198	80.3%	55,445	77.1%
Other Revenues	83,410	110,195	75.7%	95,360	87.5%
Total Revenues	***684,788***	***773,050***	***88.6%***	***695,572***	***98.4%***
Expenditures:					
Contractual Services	-	27,924	0.0%	-	0.0%
Capital	-	185,295	0.0%	-	0.0%
Other Expenditures	150,078	21,064	712.5%	150,100	100.0%
Total Expenditures	***150,078***	***234,283***	***64.1%***	***150,100***	***100.0%***
Total Unallocated Funds	***534,710***	***538,767***	***99.2%***	***545,472***	***98.0%***

FUND SUMMARY

- Drug fine collections are 20% 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%	8,006,647	100.0%
Grants	296,178	680,966	43.5%	932,445	31.8%
Interest Income	147,228	(182,308)	(80.8%)	5,000	2,944.6%
Distribution from Conference Center	382,133	414,857	92.1%	-	0.0%
State Short Term Vacation Rental Tax	334,255	326,504	102.4%	-	0.0%
Hotel/Motel Taxes	5,638,692	4,875,687	115.6%	3,613,406	156.0%
Other Revenues	-	3,400	0.0%	-	0.0%
Total Revenues	***14,805,133***	***12,046,477***	***122.9%***	***12,557,498***	***114.9%***
Expenditures:					
Transfers To Other Funds	3,754,706	2,269,071	165.5%	3,754,921	100.0%
Contractual Services	10,000	-	0.0%	-	0.0%
Capital	494,596	672,344	73.6%	827,345	59.8%
Repair & Maintenance Services	93,091	18,172	512.3%	140,000	66.5%
Other Expenditures	941,853	1,080,243	87.2%	1,034,609	54.1%
Total Expenditures	***5,294,246***	***4,039,830***	***131.1%***	***5,756,875***	***85.3%***
Total Unallocated Funds	***9,510,887***	***8,006,647***	***118.8%***	***6,800,623***	***139.9%***

FUND SUMMARY

- Hotel/Motel tax collections are 16% higher than last year.
- Other Expenditures are 16% lower than last year due to the Cool Springs Conference Center Operations reporting a profit in August through December and February through May.
- 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	$680,966
American Rescue Plan	Eastern Flank	$296,178	$0
Totals		$296,178	$680,966

Capital Expenditures - Hotel/Motel

Asset	Stage	FY 2023	FY 2022
Carter Hill - Battlefield Park	Purchase	$0	$214,286
Parking Garage Counters	Purchase	$98,516	$294,237
Eastern Flank Improvements	Construction	$296,177	$163,821
Vehicle Barrier System	Purchase	$99,903	$0
Totals		$494,596	$672,344

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	105,491	(240,674)	(43.8%)	5,000	2,109.8%
Parkland Dedication Fees	2,225,168	1,516,084	146.8%	1,134,574	196.1%
Total Revenues	***10,781,731***	***8,826,071***	***122.2%***	***9,590,646***	***112.4%***
Expenditures:					
Transfers To Other Funds	4,500,000	375,000	1,200.0%	4,500,000	100.0%
Total Expenditures	***4,500,000***	***375,000***	***1,200.0%***	***4,500,000***	***100.0%***
Total Unallocated Funds	***6,281,731***	***8,451,071***	***74.3%***	***5,090,646***	***123.4%***

FUND SUMMARY

- Parkland Dedication fees are 47% 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	2,627,537	2,253,270	116.6%	3,478,181	75.5%
Interest Income	34,333	5,646	608.1%	-	0.0%
Transit Fares	84,431	68,173	123.8%	123,000	68.6%
Transfer From General Fund	687,348	444,912	154.5%	815,364	84.3%
Other Revenues	9,700	9,700	100.0%	9,700	100.0%
Total Revenues	***4,250,603***	***3,588,955***	***118.4%***	***5,233,499***	***81.2%***
Expenditures:					
Salaries & Wages	8,613	-	0.0%	-	0.0%
Employee Benefits	659	-	0.0%	-	0.0%
Capital	-	-	0.0%	370,000	0.0%
Other Expenditures	3,434,077	2,781,702	123.5%	4,056,245	84.7%
Total Expenditures	***3,443,349***	***2,781,702***	***123.8%***	***4,426,245***	***77.8%***
Total Unallocated Funds	***807,254***	***807,253***	***100.0%***	***807,254***	***100.0%***

FUND SUMMARY

- Transit fares are 24% higher than last year.
- Transit needed 84% of the budgeted operating subsidy for the year.
- 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	$46,800	$79,139
FY14 5307 Allocation	Transit Services	$18,974	$0
FY16 5307 Allocation	Transit Services	$42,773	$27,557
SFY 2022 Urban Operating Assistance	Operating Assistance	$0	$281,400
5307 FY Application	Transit Services	$5,138	$20,489
Operating Assistance	Transit Services	$55,439	$255,953
TN CARES ACT	COVID Relief-Transit Services	$1,493,843	$1,340,895
TN CARES ACT	COVID Relief-Vanpool	$94,591	$0
537 FY21 Operating Assistance	Transit Services	$0	$247,838
537 FY22 Operating Assistance	Transit Services	$361,802	$0
5307 FY23 Operating Assistance	Transit Services	$162,742	$0
5307 FY23 Operating Assistance	Transit Services-VANPOOL	$1,000	$0
SFY 2023 Operating Assistance	Transit Services	$239,394	$0
2022 IMPROVE Act Capital Assistance	Capital Assistance	$105,041	$0
Totals		$2,627,537	$2,253,270

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	523,184	307,306	170.2%	697,000	75.1%
Interest Income	16,483	3,730	441.9%	-	0.0%
Total Revenues	***658,142***	***425,781***	***154.6%***	***815,475***	***80.7%***
Expenditures:					
Contractual Services	312,919	48,601	643.9%	174,000	179.8%
Repair & Maintenance Services	5,282	18,025	29.3%	200,000	2.6%
Other Expenditures	150,580	240,680	62.6%	323,000	46.6%
Total Expenditures	***468,781***	***307,306***	***152.5%***	***697,000***	***67.3%***
Total Unallocated Funds	***189,361***	***118,475***	***159.8%***	***118,475***	***159.8%***

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	$523,184	$307,306
Totals		$523,184	$307,306

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	10,845,720	11,629,983	93.3%	10,658,665	101.8%
Interest Income	197,631	10,337	1,911.9%	100,000	197.6%
Transfer from Sanitation Fund	209,206	209,551	99.8%	209,187	100.0%
Transfer from Road Impact Fund	2,884,139	2,893,316	99.7%	2,884,346	100.0%
Transfer from Hotel/Motel Tax Fund	1,017,206	1,019,071	99.8%	1,017,421	100.0%
Transfer from Water & Sewer Fund	200,000	200,000	100.0%	200,000	100.0%
Total Revenues	***16,515,880***	***16,899,427***	***97.7%***	***16,231,597***	***101.8%***
Expenditures:					
Debt Service Payments	15,709,380	15,737,449	99.8%	15,719,619	99.9%
Total Expenditures	***15,709,380***	***15,737,449***	***99.8%***	***15,719,619***	***99.9%***
Total Unallocated Funds	***806,500***	***1,161,978***	***69.4%***	***511,978***	***157.5%***

FUND SUMMARY

- The Debt Service Fund shows a current year surplus of $800 thousand.
- 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	56,329	52,074	108.2%	-	0.0%
Interest Income	394,060	(247,081)	(159.5%)	-	0.0%
Transfer From General Fund	4,326,000	7,450,000	58.1%	-	0.0%
Transfer from Road Impact Fund	8,072,713	392,500	2,056.7%	-	0.0%
Transfer from Hotel/Motel Tax Fund	2,737,500	1,250,000	219.0%	-	0.0%
Transfer from Parkland Fund	4,500,000	375,000	1,200.0%	-	0.0%
Transfer from County Fac Tax	600,000	1,000,000	60.0%	-	0.0%
Other Revenues	3,022,098	1,558,458	193.9%	-	0.0%
Total Revenues	***38,847,105***	***22,466,016***	***172.9%***	**-**	***0.0%***
Expenditures:					
Contractual Services	2,564,418	142,550	1,799.0%	-	0.0%
Capital	10,299,206	6,536,001	157.6%	-	0.0%
Repair & Maintenance Services	47,785	6,186	772.5%	-	0.0%
Other Expenditures	2,182,144	642,874	339.4%	-	0.0%
Total Expenditures	***15,093,553***	***7,327,611***	***206.0%***	**-**	***0.0%***
Total Unallocated Funds	***23,753,552***	***15,138,405***	***156.9%***	**-**	***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 last quarter.

Grant Revenue - 310 (Multi-Purpose)

Grant Name	Purpose	FY 2023	FY 2022
SR-6 from SR-397 to Downs Blvd	Roadway Widening	$1,504	$36,096
Harlinsdale Barn	Restoration	$0	$9,906
Harlinsdale Multi-Use Path	Restoration	$54,825	$0
Mack Hatcher Parkway	ROW and Design	$0	$6,072
Totals		$56,329	$52,074

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

Capital Expenditures - Capital

Asset	Stage	FY 2023	FY 2022
Bicentennial Park Final Design	Design	$171,132	$65,877
Lewisburg Pike Sidewalk/Multi-Use Trail	Design	$97,570	$31,428
Liberty Pike/N Royal Oaks Roundabout Design	Design	$83,700	$107,718
SE Municipal Park	Construction	$168,354	$363,664
Harlinsdale Farm Trail and Bridge Design	Construction	$1,605,595	$102,101
New City Hall Design	Design	$865,700	$490,393
FSSD Baseball Field Reconstruction	Construction	$1,874,175	$4,592,453
West Main Street Bridge	Design	$74,963	$7,263
Long Lane Bridge	Design	$3,430,499	$158,148
Harlinsdale Main Barn Restoration	Design	$49,928	$92,553
New Highway 96W Multi-Use Trails	Construction	$73,145	$152,575
Liberty Park	Design	$9,133	$0
Three Culverts/Bridges Improvement Project	Design	$24,807	$0
Aspen Grove Park	Design	$0	$4,328
Liberty Park Improvements	Design	$134,530	$148,650
East McEwen Phase 4 Improvement Project	Design	$18,151	$4,840
East McEwen Phase 5 Improvement Project	Design	$250,827	$28,104
Jordan Road Improvements	Easement	$187,961	$57,500
Del Rio Pike Widening and Improvements	Design	$31,855	$0
Pratt Lane Bridge	Design	$60,504	$128,406
Franklin Road Improvements	Construction	$1,086,677	$0
Totals		$10,299,206	$6,536,001

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	-	1,572,480	0.0%	-	0.0%
Interest Income	4,514	28,176	16.0%	-	0.0%
Other Revenues	-	341,420	0.0%	-	0.0%
Total Revenues	***936,211***	***16,827,931***	***5.6%***	***-***	***0.0%***
Expenditures:					
Contractual Services	-	101,875	0.0%	-	0.0%
Capital	902,924	11,569,035	7.8%	-	0.0%
Repair & Maintenance Services	-	169,256	0.0%	-	0.0%
Other Expenditures	33,286	4,056,068	0.8%	-	0.0%
Total Expenditures	***936,211***	***15,896,234***	***5.9%***	***-***	***0.0%***
Total Unallocated Funds	***-***	***931,697***	***0.0%***	***-***	***0.0%***

FUND SUMMARY

- The fund accounts for the proceeds received from a bond issued in May 2019.
- Capital Expenditures are 92% less than last year due to final bond funds spent by the end of the 1st Quarter of FY2023.

Grant Revenue - 312 (2019 Bonds)

Grant Name	Purpose	FY 2023	FY 2022
SR-96 Multi-Use Trail	Construction of Multi-Use Trail	$0	$1,572,480
Totals		$0	$1,572,480

Capital Expenditures - Bonds (2019 Series)

Asset	Stage	FY 2023	FY 2022
East McEwen Drive Phase 5 Improvements	Design	$0	$185,745
East McEwen Drive Phase 4 Improvements	Design	$0	$1,390,935
New Highway 96W Multi-Use Trails	Construction	$0	$2,181,429
Franklin Road Sidewalks and Streetscape	Construction	$0	$1,328,562
Robinson Lake Dam Rehab	Construction	$0	$363,851
SE Municipal Park	Construction	$0	$5,888,562
McEwen Drive Ramp Improvements	Construction	$0	$229,951
Long Lane Bridge	Easement	$902,924	$0
Totals		$902,924	$11,569,035

Capital Projects Fund 313 (2024 Bonds)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Expenditures:					
Other Expenditures	1,848	-	0.0%	-	0.0%
Total Expenditures	***1,848***	***-***	***0.0%***	***-***	***0.0%***
Total Unallocated Funds	***(1,848)***	***-***	***0.0%***	***-***	***0.0%***

FUND SUMMARY

- The fund accounts for the expenses incurred and will be reimbursed via the Intent Resolution from the bond issued in 2024.

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	138,273	3,022	4,575.1%	-	0.0%
Transfer From General Fund	2,906,667	3,250,000	89.4%	-	0.0%
Total Revenues	***6,297,962***	***3,253,022***	***193.6%***	**-**	***0.0%***
Expenditures:					
Other Expenditures	1,130,321	-	0.0%	-	0.0%
Total Expenditures	***1,130,321***	**-**	***0.0%***	**-**	***0.0%***
Total Unallocated Funds	***5,167,641***	***3,253,022***	***158.9%***	**-**	***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
Stormwater	2	$93,950	$0
Streets	8	$478,050	$0
Totals		$1,130,321	$0

Water/Sewer Operations

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Grants	467,444	218,076	214.3%	1,000,000	46.7%
Interest Income	514,612	(931,257)	(55.3%)	697,200	73.8%
Lease Interest Income	16,777	17,031	98.5%	-	0.0%
Customer Service	39,821,935	36,686,249	108.5%	34,761,121	114.6%
Other Revenues	1,271,462	2,812,423	45.2%	28,800	4,414.8%
Total Revenues	***42,092,230***	***38,802,522***	***108.5%***	***36,487,121***	***115.4%***
Expenditures:					
Salaries & Wages	6,087,679	4,928,782	123.5%	6,581,776	92.5%
Employee Benefits	4,137,826	2,916,356	141.9%	3,015,870	137.2%
Transfers To Other Funds	200,000	200,000	100.0%	200,000	100.0%
Contractual Services	1,687,204	856,742	196.9%	1,051,268	160.5%
Capital	-	-	0.0%	8,986,800	0.0%
Repair & Maintenance Services	2,606,562	552,411	471.9%	844,620	308.6%
Utilities	2,202,973	1,817,837	121.2%	1,703,000	129.4%
Debt Service Payments	768,696	729,631	105.4%	1,371,407	56.1%
Lease Payments	1,646,726	1,488,625	110.6%	6,767,211	24.3%
Other Expenditures	19,275,857	18,125,748	106.3%	12,137,292	158.8%
Total Expenditures	***38,613,523***	***31,616,132***	***122.1%***	***42,659,244***	***90.5%***
Total Unallocated Funds	***3,478,707***	***7,186,390***	***48.4%***	***(6,172,123)***	***(56.4%)***

FUND SUMMARY

- Customer service revenue is 9% higher than last year.
- Grant Revenue is 114% higher than last year due to American Rescue Plan money for Lewisburg Pike Infrastructure improvements.
- Salaries & Wages are 24% 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.

Water/Sewer Operations (cont.)

Customer Service Revenue

Service Revenue	Frequency	FY 2023	FY 2022
Water	Monthly	$24,509,424	$13,457,121
Sewer	Monthly	$15,122,939	$23,076,582
Reclaimed	Monthly	$189,571	$152,546
Totals		$39,821,935	$36,686,249

Grant Revenue - Water/Sewer

Grant Name	Purpose	FY 2023	FY 2022
American Rescue Plan	100% of Premium Net Pay	$0	$147,180
American Rescue Plan	Negative Econ Impact	$462,095	$0
March 2021 Flood	Repairs from 2021 Flood	$5,349	$70,897
Totals		$467,444	$218,076

Salaries & Wages - Water/Sewer Fund

Wage Type	Frequency	FY 2023	FY 2022
Regular	26 Payrolls	$5,776,447	$4,600,362
Overtime	26 Payrolls	$301,812	$205,824
Premium Pay	7/23/2021	$0	$113,717
ARPA/COVID Pay		$0	$0
Holiday Pay	11/21/2022	$9,421	$8,879
		$6,087,679	$4,928,782

Water/Sewer Operations (cont.)

Employee Benefits - Water/Sewer Fund

Account Type	Frequency	FY 2023	FY 2022
FICA (Employer's Share)	26 Payrolls	$447,756	$348,577
FICA (Employer's Share) Premium Pay	7/23/2021	$0	$8,699
Medical/Vision	Monthly	$1,211,523	$1,154,561
Dental	Monthly	$41,640	$27,164
Other Group Insurance	Monthly	$29,969	$71,786
Retirement		$844,803	$755,362
Unemployment Claims		$0	$0
Workers Compensation	Monthly	$92,102	$187,816
Oped-Pension-Compensated Absences	Year-end	$1,470,033	$362,391
		$4,137,826	$2,916,356

Capital Expenditures - Water and Sewer

Asset	Stage	FY 2023	FY 2022
Water Reclamation Facility	Construction	$10,944,897	$23,264,724
South Prong Drainage Basin Sanitary Sewer Improvements	Design	$3,500	$105,942
Gist Street Water and Sewer Line Improvements	Construction	$0	$15,227
New Highway 96W Multi-Use Trails	Construction	$94,911	$1,169,304
Franklin Road Water and Sewer Line Improvements	Construction	$13,093	$478,433
Goose Creek/Redwings Reclaimed Water Pump Station	Design	$138,533	$2,583
SE Municipal Park	Construction	$40,309	$973,811
Sanitary Sewer Main Rehabilitation	Construction	$0	$367,172
Sanitary Sewer Lateral Improvements	Construction	$107,523	$585,400
AMI Project - FlexNet Project MGMT	Design	$0	$50,200
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	$7,900
Water Treatment Plant Valve Access	Construction	$736,740	$0
SE Wastewater Capacity Study	Design	$2,068,857	$761,581
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	$73,083
Watson Branch Sanitary Sewer	Easement	$0	$12,540
New Hope Academy Rehab Project	Construction	$0	$16,394
Southeast Pilot and Redwing Reclaimed Water Pump Station	Construction	$914,023	$2,905,018
Water Reclamation Facility Rehabilitation	Design	$239,296	$0
2023 Chevrolet Silverado	Purchase	$55,797	$0
2023 GMC Sierra Truck	Purchase	$53,328	$0
Shadow Green Sanitary Sewer Improvements	Construction	$586,937	$0
Forrest Crossing No. 1 and 2 Pump Station Replacements	Construction	$68,416	$73,255
WCAS Sewer Line Inter-Local Agreement	Construction	$998,704	$0
Berry Circle Water Line Improvements	Design	$307,845	$0
Totals		$17,372,707	$31,343,632

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	240,288	(222,534)	(108.0%)	-	0.0%
Customer Service	20,000	29,916	66.9%	-	0.0%
Impact Fees	1,918,948	3,991,231	48.1%	-	0.0%
Other Revenues	4,473	613,218	0.7%	-	0.0%
Total Revenues	***2,183,709***	***4,411,831***	***49.5%***	***-***	***0.0%***
Expenditures:					
Transfers To Other Funds	-	(131,995)	0.0%	-	0.0%
Contractual Services	-	2,588	0.0%	-	0.0%
Debt Service Payments	363,725	639,230	56.9%	-	0.0%
Other Expenditures	-	136	0.0%	-	0.0%
Total Expenditures	***363,725***	***509,959***	***71.3%***	***-***	***0.0%***
Total Unallocated Funds	***1,819,984***	***3,901,872***	***46.6%***	***-***	***0.0%***

FUND SUMMARY

- Access fees and system development fees are 33% less than last year. (These revenues are also dependent on timing and type of development.)

On the Horizon

October 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				

November 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		

December 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						

Thursday, October 12, 2023	Budget and Finance Committee Meeting.
Thursday, December 7, 2023	Budget and Finance Committee Meeting, combined November/December meeting.

Finance Department

Contact Information

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City of Franklin

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

File #: 21-04982

DATE: July 24, 2023

TO: Budget & Finance Committee

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

SUBJECT:

Monthly Reports For September 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 - April, May, June 2023
- Schedule 2: Building Permits - May, June, July 2023
- Schedule 3: Road Impact Fees - May, June, July 2023
- Schedule 4: Facilities Tax (City) - May, June, July 2023
- Schedule 5: Facilities Tax (County) - May, June, July 2023
- Schedule 6: Gasoline Tax (Street Aid Fund) - April, May, June 2023
- Schedule 7: Hotel/Motel Tax - April, May, June 2023
- Schedule 8: Conference Center - May, June, July 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 September 2023

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax (June 2023)

The local sales tax remittance from the State of Tennessee for June 2023 sales (received by the City in August 2023) was $5,338,658 compared to $5,116,242 for the same month in FY 2022, a monthly year over year increase of $222,417 or 4.3%.

Schedule 2: Building Permits (July 2023)

2024 fiscal year to date is more than 2023 by 24.7%, and compared to 2024 budget is less by 23.2%.

Schedule 3: Road Impact Fees * (July 2023)

Combined 2024 fiscal year to date compared to 2023 is 22.1% less, and compared to 2024 budget is less by 72.9%. By quadrant, Arterial Area 2024 fiscal year to date compared to 2023 is 23.4% less, and compared to 2024 budget is less by 76.9%. Coll Area 1 2024 fiscal year to date compared to 2023 is 100% less, and compared to 2024 budget is less by 100.0%; Coll Area 2 2024 fiscal year to date compared to 2023 is 50.3% less, and compared to 2024 budget is less by 70.0%; Coll Area 3 2024 fiscal year to date compared to 2023 is 4662.0% more, and compared to 2024 budget is more by 68.8%; Coll Area 4 2024 fiscal year to date compared to 2023 is 100.0% less, and compared to 2024 budget is less by 100.0%.

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

2024 fiscal year to date compared to 2023 is 1.8% less, and compared to 2024 budget is less by 45.0%.

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

2024 fiscal year to date compared to 2023 is 38.6% more, and compared to 2024 budget is 18.2% more.

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

The gasoline tax remittance from the State of Tennessee for June 2023 sales (received by the City in August 2023) was $252,985 compared to $262,191 for the same month in FY 2022, a decrease of $9,206 or 3.5%.
For budget comparisons, the City anticipated collections of $199,548 for June 2023, a difference of $53,436 more, or 26.8%. The fiscal year increase from last fiscal year is 7.1%.

Schedule 7: Hotel/Motel Tax (June 2023)

2023 fiscal year to date compared to 2022 is 15.6% more, and compared for 2023 budget is more by 56.0%.

Schedule 8: Conference Center (July 2023)

The City's ½ share of the loss for July 2023 was $19,158. In July 2022, the City's ½ share of the loss was $20,134.

*** 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

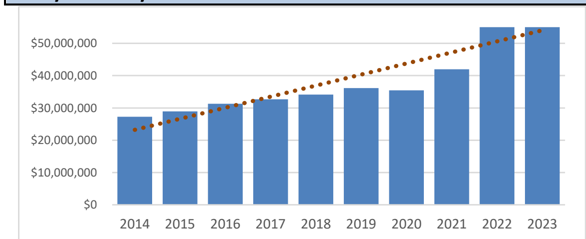
Finance Department - Monthly Reports

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).

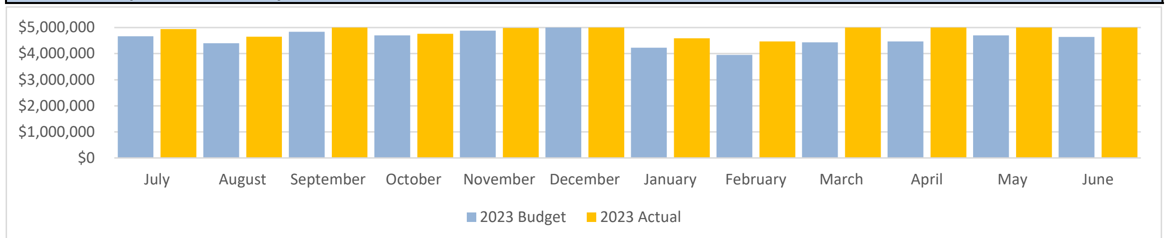
Monthly Report for September 2023: The local sales tax remittance from the State of Tennessee for June 2023 sales (received by the City in August 2023) was $5,338,658 compared to $5,116,242 for the same month in FY 2022, a monthly year over year increase $222,417, or 4.3% more. August receipts (June sales) are the final 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
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%	
2023	$60,556,943	$2,811,411	4.9%	
Average Increase (Decrease)		**$ 3,456,121**	**9.3%**	**$ 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	$5,117,533	$123,594	2.5%	$649,067	14.5%
May	$5,121,519	$4,697,972	$5,343,633	$222,114	4.3%	$645,661	13.7%
June	$5,116,242	$4,639,241	$5,338,658	$222,417	4.3%	$699,417	15.1%
	$57,745,532	**$55,752,000**	**$60,556,943**	**$234,284**	**4.9%**	**$400,412**	**8.6%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$2,811,411		**$4,804,942**	
				Total		*Total*	

City of Franklin

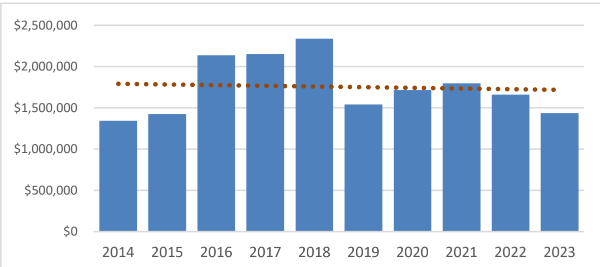
Finance Department - Monthly Reports

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.

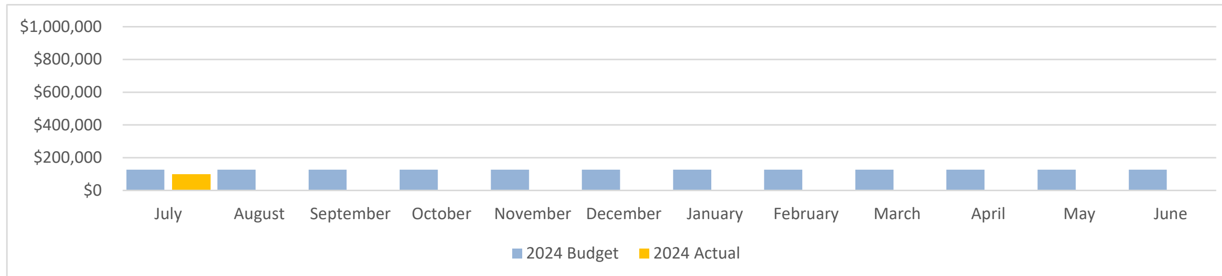
Monthly Report for September 2023: 2024 year-to-date is more than 2023 by 24.7%, and compared to 2024 budget is less by 23.2%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2023	$1,435,153	($226,273)	-13.6%
Average Increase (Decrease)		**$ 38,821**	**5.5%**

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$77,814	$126,378	$97,062	$19,248	24.7%	($29,316)	-23.2%
August	$123,295	$126,378					
September	$258,724	$126,378					
October	$215,701	$126,378					
November	$62,749	$126,378					
December	$98,858	$126,378					
January	$83,910	$126,378					
February	$112,575	$126,378					
March	$87,337	$126,378					
April	$76,522	$126,378					
May	$104,099	$126,378					
June	$133,569	$126,378					
	$1,435,153	**$1,516,538**	**$97,062**	**$19,248**	**24.7%**	**($29,316)**	**-23.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$19,248		**($29,316)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

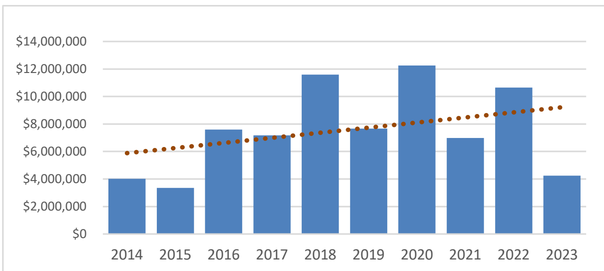
Schedule 3:	Road Impact Fees	Fund	Road Impact	Account:	128-(32800-32804)-00000

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 September 2023: 2024 year-to-date compared to 2023 is 22.1% less, and compared to 2024 budget is less by 72.9%.

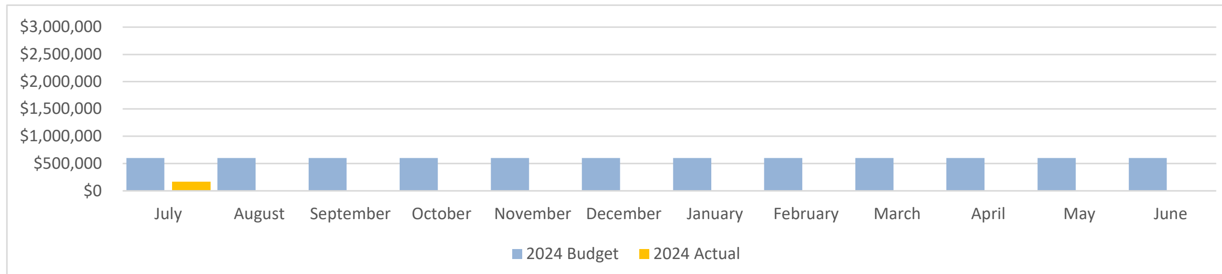
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2023	$4,235,737	($6,405,369)	-60.2%
Average Increase (Decrease)		**$ 92,966**	**16.2%**

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$209,858	$603,057	$163,414	($46,444)	-22.1%	($439,643)	-72.9%
August	$432,347	$603,057					
September	$1,718,381	$603,057					
October	$182,782	$603,057					
November	$83,195	$603,057					
December	$212,228	$603,057					
January	$122,083	$603,057					
February	$348,027	$603,057					
March	$176,637	$603,057					
April	$234,643	$603,057					
May	$209,580	$603,057					
June	$305,976	$603,057					
	$4,235,737	**$7,236,688**	**$163,414**	**($46,444)**	**-22.1%**	**($439,643)**	**-72.9%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($46,444)		**($439,643)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

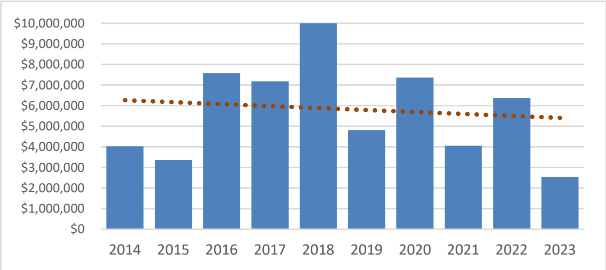
Schedule 3A:	Arterial Area	Fund	Road Impact	Account:	128-32800-00000

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 September 2023: 2024 year-to-date compared to 2023 is 23.4% less, and compared to 2024 budget is less by 76.9%.

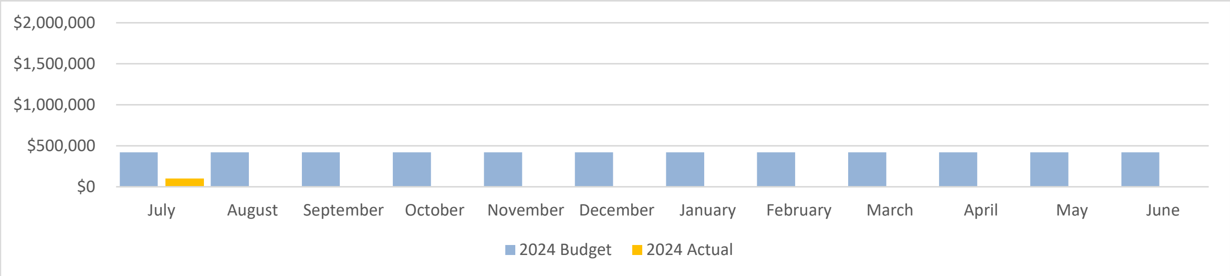
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2023	$2,530,625	($3,840,599)	-60.3%
Average Increase (Decrease)		**$ (77,545)**	

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$126,913	$420,950	$97,248	($29,665)	-23.4%	($323,702)	-76.9%
August	$257,059	$420,950					
September	$1,024,755	$420,950					
October	$108,784	$420,950					
November	$49,551	$420,950					
December	$126,254	$420,950					
January	$72,593	$420,950					
February	$207,152	$420,950					
March	$105,254	$420,950					
April	$141,594	$420,950					
May	$126,714	$420,950					
June	$184,002	$420,950					
	$2,530,625	**$5,051,405**	**$97,248**	**($29,665)**	**-23.4%**	**($323,702)**	**-76.9%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($29,665)		**($323,702)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

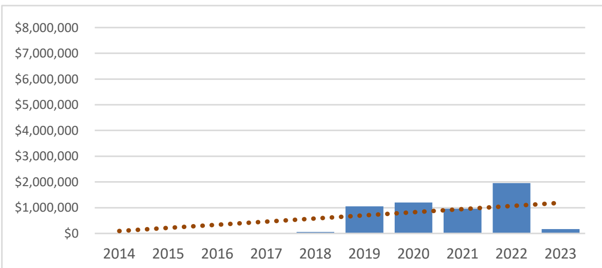
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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 September 2023: 2024 year-to-date compared to 2023 is 100% less, and compared to 2024 budget are less by 100%.

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.

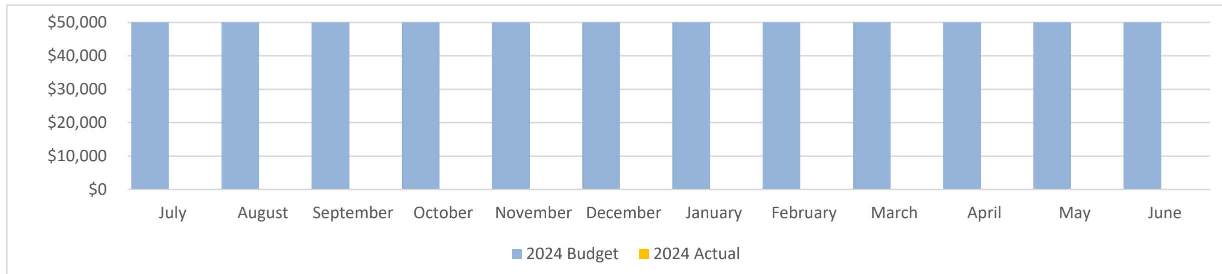
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2014	Breakdown between Quadrants began in FY 2018.		
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%
2023	$173,287	($1,784,378)	-91.1%

Average Increase (Decrease) $ 22,673

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$25,696	$53,543	$0	($25,696)	-100.0%	($53,543)	-100.0%
August	$10,356	$53,543					
September	$0	$53,543					
October	$6,680	$53,543					
November	$0	$53,543					
December	$40,299	$53,543					
January	$12,726	$53,543					
February	$34,832	$53,543					
March	$0	$53,543					
April	$10,855	$53,543					
May	$10,020	$53,543					
June	$21,823	$53,543					
	$25,696	**$53,543**	**$0**	**($25,696)**	**-100.0%**	**($53,543)**	**-100.0%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($25,696)		**($53,543)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

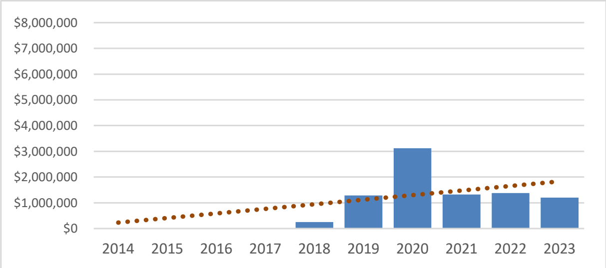
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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 September 2023: 2024 year-to-date compared to 2023 is 50.3% less, and compared to 2024 budget is less by 70.0%.

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.

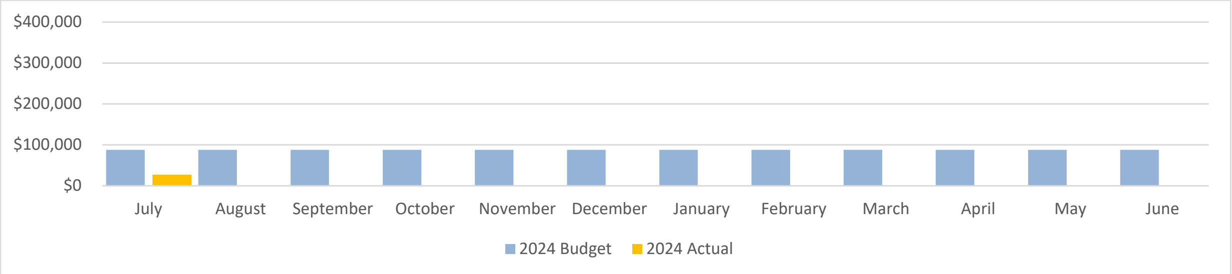
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2014	Breakdown between Quadrants began in FY 2018.		
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%
2023	$1,199,356	($175,245)	-12.7%

Average Increase (Decrease) $ 189,576

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$53,074	$87,912	$26,403	($26,671)	-50.3%	($61,509)	-70.0%
August	$159,922	$87,912					
September	$593,323	$87,912					
October	$39,763	$87,912					
November	$20,284	$87,912					
December	$28,524	$87,912					
January	$23,404	$87,912					
February	$74,588	$87,912					
March	$47,168	$87,912					
April	$49,769	$87,912					
May	$42,786	$87,912					
June	$66,751	$87,912					
	$1,199,356 *Total*	**$1,054,942** *Total*	**$26,403** *Total*	**($26,671)** *Average* **($26,671)** *Total*	**-50.3%** *Average*	**($61,509)** *Average* **($61,509)** *Total*	**-70.0%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

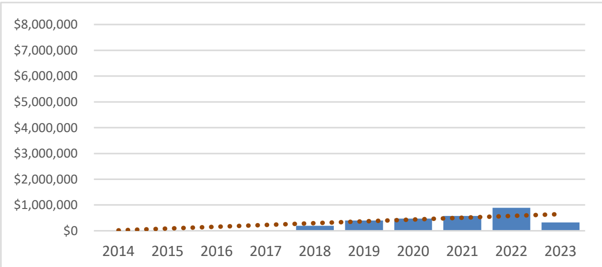
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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 September 2023: 2024 year-to-date compared to 2023 is 4662.0% more, and compared to 2023 budget is more by 68.8%.

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.

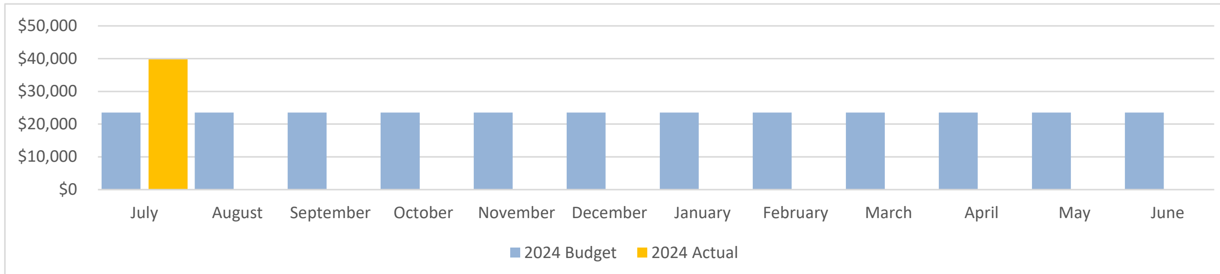
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2014	Breakdown between Quadrants began in FY 2018.		
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%
2023	$320,779	($570,229)	-64.0%

Average Increase (Decrease) $ 26,210

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$835	$23,551	$39,763	$38,928	4662.0%	$16,212	68.8%
August	$835	$23,551					
September	$99,468	$23,551					
October	$27,555	$23,551					
November	$13,360	$23,551					
December	$17,151	$23,551					
January	$13,360	$23,551					
February	$31,455	$23,551					
March	$24,215	$23,551					
April	$32,425	$23,551					
May	$26,720	$23,551					
June	$33,400	$23,551					
	$320,779	**$282,609**	**$39,763**	**$38,928**	**4662.0%**	**$16,212**	**68.8%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$38,928		**$16,212**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

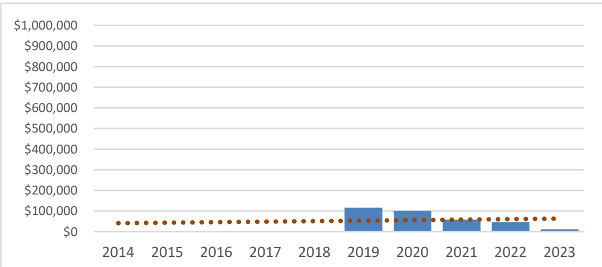
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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 September 2023: 2024 year-to-date compared to 2023 is 100% less, and compared to 2024 budget is less by 100%.

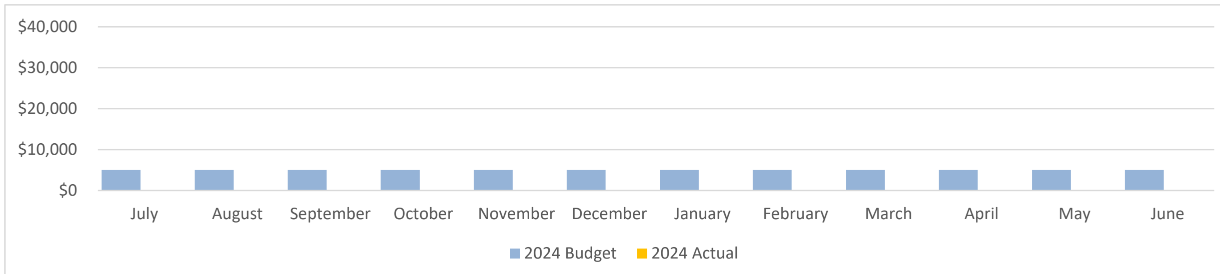
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2014	Breakdown between Quadrants began in FY 2018.		
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%
2023	$11,690	($34,918)	-74.9%
Average Increase (Decrease)	**$ (26,032)**		

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$3,340	$5,020	$0	($3,340)	-100.0%	($5,020)	-100.0%
August	$4,175	$5,020					
September	$835	$5,020					
October	$0	$5,020					
November	$0	$5,020					
December	$0	$5,020					
January	$0	$5,020					
February	$0	$5,020					
March	$0	$5,020					
April	$0	$5,020					
May	$3,340	$5,020					
June	$0	$5,020					
	$11,690 *Total*	**$60,242** *Total*	**$0** *Total*	**($3,340)** *Average*	**-100.0%** *Average*	**($5,020)** *Average*	**-100.0%** *Average*
				($3,340) *Total*		**($5,020)** *Total*	

City of Franklin

Finance Department - Monthly Reports

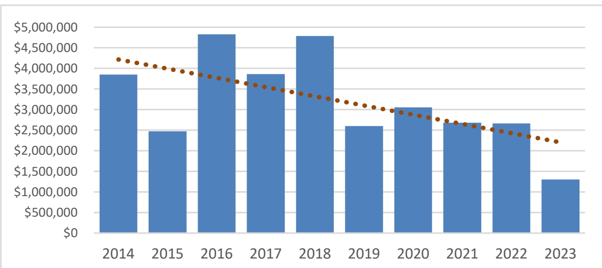
Schedule 4:	Facilities Tax (City)	Fund	Facilities Tax	Account:	130-31600-00000

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 September 2023: 2023 year-to-date compared to 2023 is 1.8% less, and compared to 2024 budget is less by 45.0%.

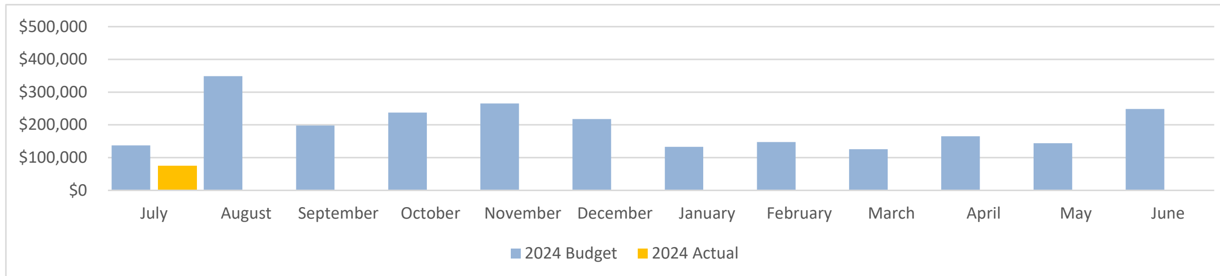
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2023	$1,301,950	($1,364,264)	-51.2%
Average Increase (Decrease)		**($131,539)**	**1.9%**

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$76,800	$137,234	$75,415	($1,385)	-1.8%	($61,819)	-45.0%
August	$93,870	$349,133					
September	$332,217	$197,921					
October	$88,127	$237,659					
November	$37,787	$265,433					
December	$98,377	$217,572					
January	$72,064	$133,204					
February	$127,036	$147,607					
March	$74,588	$125,961					
April	$80,552	$165,108					
May	$102,354	$144,150					
June	$118,178	$248,729					
	$1,301,950 *Total*	**$2,369,711** *Total*	**$75,415** *Total*	**($1,385)** *Average* **($1,385)** *Total*	**-1.8%** *Average*	**($61,819)** *Average* **($61,819)** *Total*	**-45.0%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

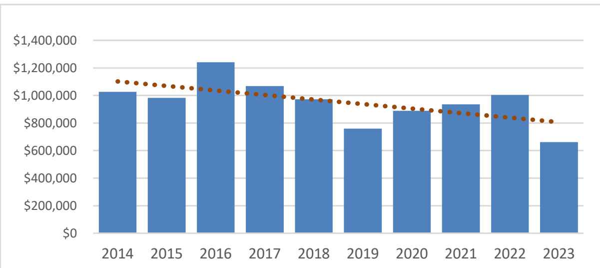
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used 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 September 2023: 2024 year-to-date compared to 2023 is 38.6% more, and compared to 2024 budget is 18.2% more.

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.

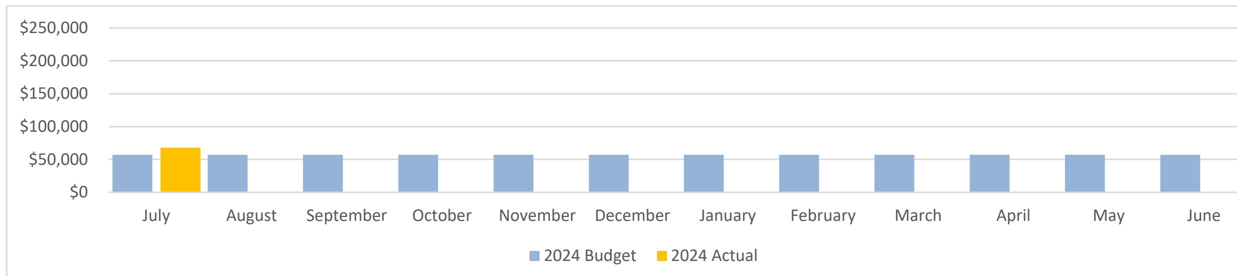
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2023	$661,526	($341,889)	-34.1%
Average Increase (Decrease)		**$ (17,700)**	**-2.9%**

FY24 Month by Month Summary



Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$48,628	$57,001	$67,382	$18,754	38.6%	$10,380	18.2%
August	$46,396	$57,001					
September	$53,869	$57,001					
October	$43,923	$57,001					
November	$35,446	$57,001					
December	$44,845	$57,001					
January	$82,621	$57,001					
February	$48,374	$57,001					
March	$53,148	$57,001					
April	$65,194	$57,001					
May	$88,426	$57,001					
June	$50,656	$57,001					
	$661,526	**$684,017**	**$67,382**	**$18,754**	**38.6%**	**$10,380**	**18.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$18,754		**$10,380**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

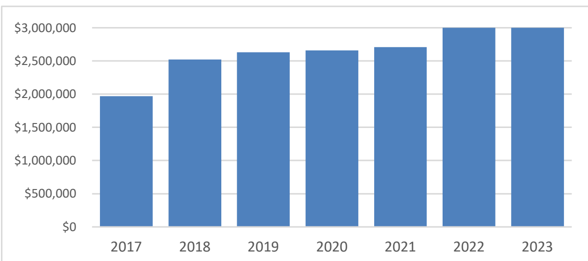
Schedule 6:	Gasoline Tax	Fund	Street Aid	Account:	121-33220-00000

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 September 2023: The gasoline tax remittance from the State of Tennessee for June 2023 sales (received by the City in August 2023) was $252,985 compared to $262,191 for the same month in FY 2022, a decrease of $9,206 or 3.5%.

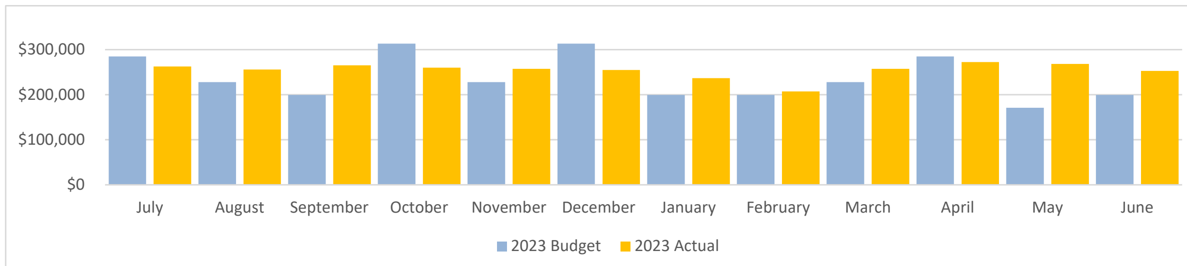
For budget comparisons, the City anticipated collections of $199,548 for June 2023, a difference of $53,436 more, or 26.8%.

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%
2023	$3,052,033	$16,550	0.5%
Average Increase (Decrease)		**$ 156,034**	**6.9%**

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	$272,602	$28,581	11.7%	($12,467)	-4.4%
May	$268,964	$171,041	$268,192	($772)	-0.3%	$97,151	56.8%
June	$262,191	$199,548	$252,985	($9,206)	-3.5%	$53,436	26.8%
	$3,035,484	**$2,850,690**	**$3,052,033**	**$1,379**	**0.5%**	**$16,779**	**7.1%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$16,550		**$201,343**	
				Total		*Total*	

City of Franklin

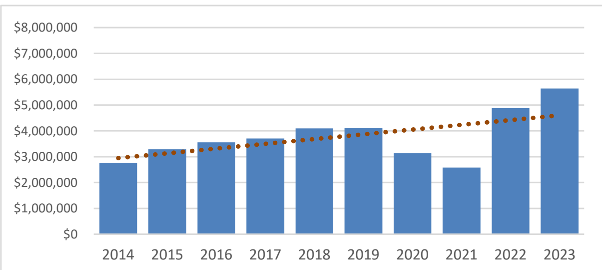
Finance Department - Monthly Reports

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%.

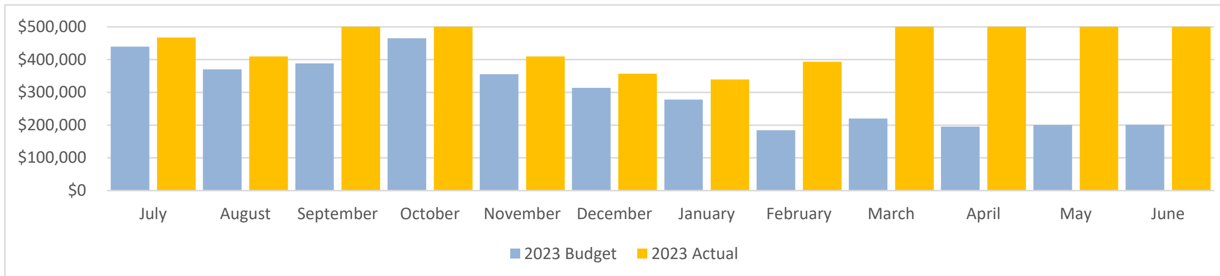
Monthly Report for September 2023: 2023 year-to-date compared to 2022 is 15.6% more, and compared to 2023 budget is more by 56.0%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2023	$5,638,677	$762,990	15.6%
Average Increase (Decrease)		**$ 323,490**	**12.1%**

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	$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	$393,726	$94,930	31.8%	$209,355	113.6%
March	$456,235	$220,328	$541,247	$85,011	18.6%	$320,919	145.7%
April	$505,453	$195,732	$555,358	$49,905	9.9%	$359,626	183.7%
May	$509,705	$200,797	$553,282	$43,577	8.5%	$352,485	175.5%
June	$545,520	$201,070	$576,478	$30,959	5.7%	$375,408	186.7%
	$4,875,687 *Total*	**$3,613,406** *Total*	**$5,638,677** *Total*	**$63,583** *Average* **$762,990** *Total*	**15.6%** *Average*	**$168,773** *Average* **$2,025,271** *Total*	**56.0%** *Average*

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 September 2023: The loss for July 2023 was $19,158 compared to a loss of $20,135 for the same month in 2022, an increase of $976.

MONTHLY - Conference Center Financials Jul 22-Jun 23

	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Total
Gross Revenue	445,937												445,937
House Profit	22,869												22,869
Less: Fixed Expenses	38,887												38,887
Net Income	(16,018)												(16,018)
Less: FF&E Reserve 5%	22,297												22,297
Net Cash Flow	(38,315)												(38,315)
City 1/2	(19,158)	-	-	-	-	-	-	-	-	-	-	-	(19,158)

MONTHLY - Conference Center Financials Jul 21-Jun 22

	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	642,079	470,348	7,561,343
House Profit	21,395	104,748	224,546	255,299	156,501	90,319	(27,720)	206,121	155,243	246,036	131,386	54,264	1,618,138
Less: Fixed Expenses	40,401	40,401	40,400	40,401	40,400	40,401	40,176	39,125	38,882	38,752	38,541	37,927	475,807
Net Income	(19,006)	64,347	184,146	214,898	116,101	49,918	(67,896)	166,996	116,361	207,284	92,845	16,337	1,142,331
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	32,104	23,517	377,978
Net Cash Flow	(40,267)	33,378	144,346	175,308	83,737	18,521	(86,900)	133,823	82,626	166,130	60,741	(7,180)	764,263
City 1/2	(20,134)	16,689	72,173	87,654	41,869	9,261	(43,450)	66,912	41,313	83,065	30,371	(3,590)	382,132

MONTHLY Differences - Conference Center Financials

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
City 1/2 Difference	976											