HISTORIC FRANKLIN TENNESSEE

City of Franklin

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

Meeting Agenda

Budget & Finance Committee

Thursday, October 19, 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
September 14, 2023 Budget and Finance Committee Meeting

Sponsors: Angie Skarp

NEW BUSINESS

2. Report Of The Actuary For The Employee Pension Plans And Retiree Health Plan

Sponsors: Kristine Brock, Mike Lowe

3. Monthly Reports For October 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, September 14, 2023	3:00 PM	Board Room

CALL TO ORDER

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

Board Members Present: Ann Petersen, Patrick Baggett, Clyde Barnhill, Jason Potts arrived at 03:21 PM

Board Members Absent: None

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 Skarp

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

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

   A motion was made by Alderman Patrick Baggett, seconded by Alderman Ann Petersen to Recommend Approval of the Resolution to the Board of Mayor and Aldermen. The motion Passed 3-0. This item is expected at the September 26, 2023 Board of Mayor and Aldermen Meeting for consideration.

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

A motion was made by Alderman Ann Petersen, seconded by Alderman Patrick Baggett to Recommend Approval of the Ordinance to the Board of Mayor and Aldermen. The motion Passed 4-0. This item is expected at the September 26, 2023 Board of Mayor and Aldermen Meeting for First Reading.

4. **Annual Investment Report**

Sponsors: Kristine Brock, Mike Lowe

The item was acknowledged.

5. **Discussion Of Fiscal Year 2023 Audit Planning**

Sponsors: Kristine Brock, Mike Lowe, Margaret Wilson

The item was acknowledged.

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

Sponsors: Mike Lowe, Margaret Wilson

The item was acknowledged.

7. **Monthly Reports For September 2023**

Sponsors: Mike Lowe, Margaret Wilson

The item was acknowledged.

OTHER BUSINESS

ADJOURN

A motion was made by Alderman Patrick Baggett, seconded by Alderman Jason Potts to Adjourn. The motion Passed 4-0.

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Clyde Barnhill, Chair

City of Franklin

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

File #: 21-05355

DATE: October 9, 2023

TO: Budget & Finance Committee

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

SUBJECT:

Report Of The Actuary For The Employee Pension Plans And Retiree Health Plan

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning 2023 actuarial reports for the City's two employee pension plans and the retiree health plan.

BACKGROUND/STAFF COMMENTS:

Generally Accepted Accounting Principles (GAAP) require a licensed actuary to prepare a report on an annual basis determining the financial liability for a public defined benefit pension plan and also calculate the employer's annual contribution requirement to the plan. The City of Franklin has two defined benefit pension plans for its full time employees. Staff hired on or before 12/31/2016 are members of a single employer City of Franklin pension plan (the "closed plan"). Employees hired on or after 1/1/2017 are members of a multi-employer State of Tennessee Consolidated Retirement System pension plan (the "open plan").

Generally Accepted Accounting Principals (GAAP) require a licensed actuary to prepare a report on an bi-annual bases determining the financial liability for a governments Other Post Employment Benefits ("OPEB"). For the City of Franklin, the only financial benefit offered to retirees other than pensions is access to a retiree healthcare plan until age 65. The City pays 50% of the premiums for eligible retirees who elect health care coverage in Plan II.

FINANCIAL IMPACT:

The City's FY 2024 adopted budget includes employer funding in the amount of $7,019,361 for the closed pension plan and $1,035,789 for the open pension plan, in accordance with the actuary's determination. The City's retiree health plan is funded on a pay-as-you-go basis, with annual expenses based on claims experience. For FY 2022, retiree medical expenses were $456,949.

RECOMMENDATION:

For informational purposes.

USI Consulting Group
5301 Virginia Way
Suite 400
Brentwood, TN 37027
www.usicg.com
Tel: 615.665.1640

Joseph K. Meyers, FSA, MAAA
Direct Line: (629) 895 7833
Fax: (615) 665-1650
Email: Joseph.Meyers@usi.com

August 30, 2023

Kristine Brock
Assistant City Administrator/Chief Financial Officer
City of Franklin
Franklin, TN 37064

Dear Kristine

The attached report summarizes the results of an actuarial valuation as of July 1, 2023 for City of Franklin Post-Retirement Medical Benefits Other Than Pensions. This reports reflects the May 23, 2023 resolution to change the Option 2 Retiree Health Care Cost Share to 50% City / 50% Employee for current and future Option 2 retirees. We trust this report will be helpful in the formulation of policy with respect to the operation and financing of the plan.

The opportunity to serve City of Franklin is appreciated, and we will be pleased to supplement this report in any way, as you request.

The actuarial valuation summarized in this report has been performed utilizing generally accepted actuarial principles and is based on actuarial assumptions, each of which is considered to be reasonable taking into account the experience of the plan and which, in combination, represent a best estimate of the anticipated experience of the plan.

Sincerely,

Joseph K Meyers

Lauren Chrisman

Joseph K. Meyers, FSA, MAAA
Vice President & Consulting Actuary

Lauren Chrisman, ASA, MAAA
Assistant Vice President & Consulting Actuary

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USI CONSULTING GROUP

City of Franklin Post-Retirement Medical Benefits Other Than Pensions

GASB Statement No.75
Actuarial Report

June 30, 2023 and June 30, 2024

Contents

Certification

Legislative background

The Governmental Accounting Standards Board amended Statement No. 45 with Statement No. 75; the effective date for Statement No. 75 is for the fiscal year beginning after June 15, 2017. Statement No. 75 of the Governmental Accounting Standards Board requires the determination of the OPEB expense for the fiscal year beginning July 1, 2017. Statement No. 75 provides a new approach in calculating the pension expense which differs significantly from Statement No. 45 methodology. The purpose of this report is to provide pertinent GASB Statement No. 75 information relating to the City of Franklin Post-Retirement Medical Benefits Other Than Pensions for the fiscal year ending June 30, 2023 and June 30, 2024 financial statements.

Purpose and use

This report has been prepared exclusively for the City of Franklin. Actuarial computations under Statement No. 75 are for purposes of fulfilling employer and other post-employment benefit plan governmental accounting requirements and may not be appropriate for other purposes. The calculations reported herein have been made on a basis consistent with our understanding of the statements. USI Consulting Group is not responsible for consequences resulting from the use of any part of this report without prior authorization or approval. This report provides actuarial advice and does not constitute legal, accounting, tax or investment advice. Determinations for other purposes, such as funding, bond ratings, or judging benefit security, may be significantly different from the results shown in this report.

Actuarial findings in this report are based on actuarial assumptions selected by City of Franklin which reflect expected plan experience. Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with the results, in our opinion the actuarial assumptions reasonably reflect the expected future experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. All of these factors can result in the risk of volatility in the Net OPEB Liability over time.

Data

The calculations shown in this report have been prepared using employee data and plan documentation furnished by City of Franklin as of July 1, 2023. While we have not audited the data, we have reviewed it for reasonableness and internal consistency, and to the best of our knowledge, there are no material limitations to the data provided. Summaries of the census data and plan provisions can be found in the Basis for Valuation section of this report.

Subsequent events

We are unaware of any subsequent event after July 1, 2023 which would have a material effect on the results presented in this report.

Assumptions, methods, and procedures

The results presented in this report comply with the assumptions, methods, and procedures under the Statement No. 75. The results are based on the July 1, 2023 actuarial valuation with measurement dates of June 30, 2023 and June 30, 2024, and reporting dates of June 30, 2023 and June 30, 2024. All actuarial assumptions are set by the plan sponsor. Statement No. 75 mandates the use of the Entry Age Normal actuarial funding method for the purposes of those statements. For a description of the June 30, 2022 assumptions, methods, and procedures, please refer to the June 30, 2022 report.

Changes in plan provisions, actuarial assumptions, and actuarial methods

The following changes were made to the actuarial assumptions and methods effective July 1, 2023.

1. The discount rate is 4.13% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023 under Statement No. 75.
2. The assumed trend rate for the medical claims was changed to 6.25% grading uniformly to 5.20% over 2 years and following the Getzen model thereafter until reaching an ultimate rate of 3.94% in the year 2075.
3. Effective May 23, 2023, the Retiree Health Care Cost Share to 50% City / 50% Employee for current and future option 2 retirees. The impact we included in Fiscal 2023 results.

Summaries of the plan provisions, actuarial assumptions and methods can be found in the basis for valuation section of this report.

Professional qualifications

This report has been prepared under the supervision of Joseph K. Meyers, FSA, MAAA, a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and a consulting actuary with USI Consulting Group, who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. To the best of our knowledge this report has been prepared in accordance with generally accepted actuarial standards and our understanding of Government Accounting Standards Board Statement No. 75, including the overall appropriateness of the analysis, assumptions, and results and conforms to appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for the actuarial report. We are not aware of any direct or material indirect financial interest or relationship that could create, or appear to create, a conflict of interest that would impair the objectivity of our work. The undersigned is available to provide supplemental information or explanation.

Joseph K. Meyers

August 30, 2023

Joseph K. Meyers, FSA, MAAA
Vice President & Consulting Actuary

Date

Basis of Valuation

Summary of provisions of the plan

Covered employees

Retirees and their covered spouses are eligible to remain on the City of Franklin's self-insured group health plan until reaching Medicare eligibility. Eligibility is defined by normal or alternative retirement.

<u>Normal Retirement</u>: Eligibility is age 62 with 20 years of service

<u>Alternative Retirement, Hired Prior to July 1, 2006</u>: Eligibility is 25 years of service

<u>Alternative Retirement, Hired on or After July 1, 2006 and before January 1, 2017</u>: age 55 with 25 years of service

<u>Alternative Retirement, Hired on or After January 1, 2017</u>: age 60 OR 30 years of service

Medical benefits provided

The benefits provided are identical to the medical and prescription drug benefits provided to active employees under the City of Franklin Medical Plan. For those retiring under normal retirement with medical plan option I, vision benefits are also available. Benefits are provided to Medicare eligibility. For spouses, coverage ends at the earlier of the spouse's and member's Medicare eligibility.

Cost to participant

Retiree contributions are defined by normal or alternative retirement, as described below.

<u>Normal Retirement</u>: Retirees pay 15% of the total monthly premium rate for single coverage and 20% of the total monthly rate for family coverage.

<u>Alternative Retirement</u>: Retirees pay 50% of the total monthly premium rate.

Summary of Actuarial Assumptions

Mortality rates

Active and Retired: 105% RP-2014 Blue Collar Mortality Tables for Males and Females adjusted back to 2006

Disabled: 105% RP-2014 Disabled Retiree Mortality Tables for Males and Females adjusted back to 2006

Withdrawal rates

Administrative and General Government: The 2003 SOA Pension Plan Turn Over Study - Basic Age Table

Police and Fire: 115% of the 2003 SOA Pension Plan Turn Over Study - Basic Age Table

Retirement rates

Administrative Employees

Age	5-6 Years of Service	7-19 Years of Service	20-24 Years of Service	25 or More Years of Service
Under 41	0.0%	0.0%	0.0%	0.0%
41-49	0.0%	0.0%	0.0%	10.0%
50-54	0.0%	0.0%	0.0%	20.0%
55-61	0.0%	5.0%	5.0%	10.0%
62	0.0%	25.0%	50.0%	50.0%
63-64	0.0%	15.0%	25.0%	40.0%
65	15.0%	40.0%	40.0%	40.0%
66-68	20.0%	40.0%	40.0%	40.0%
69	20.0%	20.0%	40.0%	40.0%
70	100.0%	100.0%	100.0%	100.0%

General Government Employees

Age	5 Years of Service	6-19 Years of Service	20-24 Years of Service	25 or More Years of Service
Under 55	0.0%	0.0%	0.0%	0.0%
55	0.0%	10.0%	10.0%	12.5%
56	0.0%	5.0%	5.0%	10.0%
57-59	0.0%	5.0%	5.0%	7.5%
60-61	0.0%	5.0%	5.0%	12.5%
62	0.0%	25.0%	50.0%	50.0%
63-64	0.0%	15.0%	25.0%	25.0%
65	50.0%	50.0%	50.0%	50.0%
66-68	50.0%	50.0%	50.0%	50.0%
69	50.0%	50.0%	50.0%	50.0%
70+	100.0%	100.0%	100.0%	100.0%

Fire and Police Employees

Age	5-9	10-19	20-24	25	26	27	28	29+
Under 55	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	10.0%	10.0%	20.0%	20.0%	20.0%	20.0%	20.0%
56	0.0%	5.0%	5.0%	20.0%	40.0%	40.0%	40.0%	40.0%
57	0.0%	5.0%	5.0%	20.0%	40.0%	60.0%	60.0%	60.0%
58	0.0%	5.0%	5.0%	20.0%	40.0%	60.0%	80.0%	80.0%
59-61	0.0%	5.0%	5.0%	20.0%	40.0%	60.0%	80.0%	100.0%
62	0.0%	25.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
63-64	0.0%	15.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
65-68	50.0%	50.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
69	10.0%	10.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
70+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Disability rates

100% UAW Table – Unisex Male

Discount rate

4.13% per annum based on the S&P 500 High Grade 20 Year Rate Index as of June 30, 2023

Salary increases

2.00% per annum

Expected long-term rate of return on plan assets

Not applicable

Plan participation

100% of future eligible retirees are assumed to elect the medical coverage upon retirement

Marital status

64% of future eligible retirees are assumed to cover a spouse, with males assumed to be 3 years older than female spouses.

Actual spouse participation and dates of birth were used for retirees. For missing information, males were assumed to be 3 years older than female spouses.

Healthcare cost trend rate

Medical: 6.25% graded uniformly to 5.20% over 2 years and following the Getzen model thereafter to an ultimate rate of 3.94% in the year 2075.

Administrative expenses for 2023-24

Administrative expenses for the medical plan were assumed to be $576 per annum.

Medical claims cost for 2023-24

Claims experience for the four years ending June 2023 were projected to the valuation year at 6.25% and weighted using the sum-of-digits method. Projected costs were spread over the covered population.

	Non-Medicare Eligible
Retiree/Spouse	$17,167

These claims costs have been calculated for a male at attained age 65 and decrease according to the Dale Yamamoto aging table.

Retiree contributions for 2023-24

	Member	Spouse
Annual Premium		
Option 1	$9,450	$10,219
Option 2	$8,442	$9,521

Retirees with medical plan option 1 pay 15% for single coverage and 20% for family coverage. Retirees with medical plan option 2 pay 50% of the rate shown above for employee or family coverage.

Coordination with Medicare

Not applicable

Valuation date

July 1, 2023

Actuarial valuation method

Entry Age Normal

Asset valuation method

Not applicable

Funding policy

The benefits of the City of Franklin Post-Retirement Medical Benefits Other Than Pensions are funded on a pay-as-you-go basis. The company funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for postretirement benefits.

Age variance

Claims were adjusted based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.

Age	Male	Female	Age	Male	Female
15	0.179	0.211	40	0.289	0.441
16	0.172	0.213	41	0.304	0.450
17	0.164	0.216	42	0.319	0.458
18	0.157	0.219	43	0.334	0.467
19	0.149	0.222	44	0.350	0.476
20	0.141	0.224	45	0.365	0.484
21	0.143	0.246	46	0.388	0.501
22	0.144	0.267	47	0.411	0.518
23	0.145	0.288	48	0.434	0.535
24	0.146	0.310	49	0.457	0.553
25	0.147	0.331	50	0.481	0.570
26	0.155	0.348	51	0.509	0.587
27	0.162	0.366	52	0.538	0.605
28	0.170	0.383	53	0.567	0.623
29	0.177	0.401	54	0.596	0.641
30	0.185	0.418	55	0.625	0.659
31	0.194	0.421	56	0.660	0.684
32	0.204	0.423	57	0.695	0.709
33	0.213	0.426	58	0.731	0.734
34	0.222	0.428	59	0.766	0.759
35	0.232	0.431	60	0.802	0.784
36	0.243	0.433	61	0.841	0.815
37	0.255	0.435	62	0.881	0.846
38	0.266	0.437	63	0.921	0.877
39	0.278	0.439	64	0.960	0.909
			65	1.000	0.940

Amortization period

For Statement 75 contribution calculations: 20 years (closed) beginning July 1, 2018

For Statement No. 75: Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Summary of Participant Data

Data as of January 1, 2023

Number of Participants	
Actives (covered)	680
Actives (not covered)	0
Retirees	34
Covered Spouses of Retirees	15
Annual Projected Payroll	$53,770,538
Average Projected Earnings	$79,074

Actuarially Determined Contribution

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2024
Total OPEB Liability	$22,778,125	$19,712,226
Plan Fiduciary Net Position	0	0
Net OPEB Liability	$22,778,125	$19,712,226
Years of Amortization	16	15
Amortization Payment	$1,665,322	$1,718,134
Normal Cost	659,120	537,676
Interest	25,200	46,111
Actuarially Determined Contribution	$2,349,642	$2,301,921

GASB Disclosure

GASB Statement No. 75

This section presents specific information required under Statement No. 75 which is not included in other sections of this report. The information in this section is to satisfy the reporting for the plan sponsor. This section contains the following:

- Schedule of changes in OPEB liability
- OPEB expense
- OPEB Liability healthcare cost trend rate and discount rate sensitivity
- Deferred outflows and inflows of resources
- Schedule of changes in OPEB Liability and reconciliation between years
- Schedule of Contributions

Total OPEB Liability is the plan liability determined using assumptions listed in the Summary of Actuarial Assumptions.

Schedule of changes in net OPEB liability, deferrals, and OPEB expense

SCHEDULE OF CHANGES IN NET OPEB LIABILITY

	Increase (Decrease)					
	Total OPEB Liability (a)	**Plan Net Position (b)**	**Net OPEB Liability (a) - (b)**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**OPEB Expense**
Balances--at 7/1/2022	$22,778,125	$0	$22,778,125	$5,995,325	$823,375	
Changes for the Year:						
Service cost	659,120		659,120			659,120
Interest	499,967		499,967			499,967
Benefit changes	1,701,196		1,701,196			1,701,196
Experience losses (gains)	(608,842)		(608,842)		507,368	(101,474)
Changes of assumptions	(4,814,361)		(4,814,361)		4,011,967	(802,394)
Contributions--Employer		502,979	(502,979)			
Contributions--members		0	0			0
Net investment income		0	0			
Expected return on plan investments						0
Current expense of asset gain/loss						0
Non expensed asset (gain)/loss				0	0	
Refunds of contributions		0	0			
Benefits paid	(502,979)	(502,979)	0			
Administrative expenses		0	0			0
Recognition of Prior Post-measurement Contribution				0		
Post-measurement Contribution				0		
Other changes		0	0			
Amortization of or change in beginning balances				(2,868,344)	(365,706)	2,502,638
Net Changes	(3,065,899)	0	(3,065,899)	(2,868,344)	4,153,629	4,459,053
Balances--at 6/30/2023	$19,712,226	$0	$19,712,226	$3,126,981	$4,977,004	$4,459,053

SCHEDULE OF CHANGES IN NET OPEB LIABILITY

	Increase (Decrease)					
	Total OPEB Liability (a)	**Plan Net Position (b)**	**Net OPEB Liability (a) - (b)**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**	**OPEB Expense**
Balances–at 7/1/2023	$19,712,226	$0	$19,712,226	$3,126,981	$4,977,004	
Changes for the Year:						
Service cost	537,676		537,676			537,676
Interest	812,373		812,373			812,373
Benefit changes	0		0			
Experience losses (gains)	0		0	0	0	0
Changes of assumptions	0		0	0	0	0
Contributions--Employer		579,849	(579,849)			
Contributions--members		0	0			0
Net investment income		0	0			
Expected return on plan investments						0
Current expense of asset gain/loss						0
Non expensed asset (gain)/loss				0	0	
Refunds of contributions		0	0			
Benefits paid	(579,849)	(579,849)	0			
Administrative expenses		0	0			0
Recognition of Prior Post-measurement Contribution				0		
Post-measurement Contribution				0		
Other changes		0	0			
Amortization of or change in beginning balances				(2,868,345)	(1,269,572)	1,598,773
Net Changes	770,200	0	770,200	(2,868,345)	(1,269,572)	2,948,822
Balances–at 6/30/2024	$20,482,426	$0	$20,482,426	$258,636	$3,707,432	$2,948,822

Sensitivity of OPEB liability to changes in the medical trend

The following represents the net OPEB liability calculated using the stated medical trend assumption, as well as what the OPEB liability would be if it were calculated using a medical trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

Net OPEB Liability	1% Decrease	Current	1% Increase
June 30, 2023	$17,644,825	$19,712,226	$22,099,927
June 30, 2024	$18,238,479	$20,482,426	$23,082,165

Sensitivity of OPEB liability to changes in the discount rate

The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability	1% Decrease 3.13%	Current Rate 4.13%	1% Increase 5.13%
June 30, 2023	$21,756,790	$19,712,226	$17,899,784
June 30, 2024	$22,520,359	$20,482,426	$18,670,507

OPEB expense & deferred outflows/inflows of resources

For the year ended June 30, 2023, the recognized OPEB expense will be $4,459,053. At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Original Amount	Date Established	Original Amortization Period (Years)	Recognized Annually in Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses (gains)	($1,918,330)	7/1/2018	6	($319,722)	$0	$319,720
	0	7/1/2019	5	0	0	0
	(275,901)	7/1/2020	6	(45,984)	0	137,949
	0	7/1/2021	5	0	0	0
	(608,842)	7/1/2022	6	(101,474)	0	507,368
Change of assumptions	16,434,163	7/1/2018	6	2,739,027	2,739,028	0
	0	7/1/2019	5	0	0	0
	775,904	7/1/2020	6	129,317	387,953	0
	0	7/1/2021	5	0	0	0
	(4,814,361)	7/1/2022	6	(802,394)	0	4,011,967
Total				$1,598,770	$3,126,981	$4,977,004

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactives (no future service is assumed for inactives for this calculation).

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Years Ending June 30:	
2024	1,598,773
2025	(820,535)
2026	(820,530)
2027	(903,868)
2028	(903,863)
Thereafter	0

For the year ended June 30, 2024, the recognized OPEB expense will be $2,948,822. At June 30, 2024, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Original Amount	Date Established	Original Amortization Period (Years)	Recognized Annually in Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience losses (gains)	($1,918,330)	7/1/2018	6	($319,720)	$0	$0
	0	7/1/2019	5	0	0	0
	(275,901)	7/1/2020	6	(45,984)	0	91,965
	0	7/1/2021	5	0	0	0
	(608,842)	7/1/2022	6	(101,474)	0	405,894
Change of assumptions	16,434,163	7/1/2018	6	2,739,028	0	0
	0	7/1/2019	5	0	0	0
	775,904	7/1/2020	6	129,317	258,636	0
	0	7/1/2021	5	0	0	0
	(4,814,361)	7/1/2022	6	(802,394)	0	3,209,573
Total				$1,598,773	$258,636	$3,707,432

Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactives (no future service is assumed for inactives for this calculation).

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Years Ending June 30:	
2025	(820,535)
2026	(820,530)
2027	(903,868)
2028	(903,863)
2029	0
Thereafter	0

Schedule of changes in the NOL and related ratios

	fiscal year ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB Liability										
Service cost	$537,676	$659,120	$645,058	$574,635	$559,038	$532,417	$142,900			
Interest	812,373	499,967	485,969	586,392	566,552	$155,371	$158,282			
Changes of benefit terms	0	1,701,196	0	0	0	($6,939)	$0			
Differences between expected and actual experience	0	(608,842)	0	(275,901)	0	($1,918,330)	$0			
Changes of assumptions	0	(4,814,361)	0	775,904	0	$16,434,163	$0			
Benefit Payments / Refunds	(579,849)	(502,979)	(456,949)	(430,070)	(485,623)	($451,742)	($645,902)			
Net Change in Total OPEB Liability	$770,200	($3,065,899)	$674,078	$1,230,960	$639,967	$14,744,940	($344,720)			
Total OPEB Liability - beginning	19,712,226	22,778,125	22,104,047	20,873,087	20,233,120	5,488,180	5,832,900			
Total OPEB Liability - ending (a)	$20,482,426	$19,712,226	$22,778,125	$22,104,047	$20,873,087	$20,233,120	$5,488,180			
Plan Fiduciary Net Position										
Contributions - employer	$579,849	$502,979	$456,949	$430,070	$485,623	$451,742	$645,902			
Contributions - employee	0	0	0	0	0	0	0			
Net investment income	0	0	0	0	0	0	0			
Benefit Payments / Refunds	(579,849)	(502,979)	(456,949)	(430,070)	(485,623)	(451,742)	(645,902)			
Administrative expenses	0	0	0	0	0	0	0			
Other	0	0	0	0	0	0	0			
Net Change in Plan Fiduciary Net Position	$0	$0	$0	$0	$0	$0	$0			
Plan Fiduciary Net Position - beginning	0	0	0	0	0	0	0			
Plan Fiduciary Net Position - ending (b)	$0	$0	$0	$0	$0	$0	$0			
Net OPEB Liability - ending (a) - (b)	$20,482,426	$19,712,226	$22,778,125	$22,104,047	$20,873,087	$20,233,120	$5,488,180			
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Covered-employee payroll	$54,845,949	$53,770,538	$42,888,447	$42,047,497	$40,104,752	$39,318,384	N/A			
Net OPEB Liability as a % of covered-employee payroll	37.3%	36.7%	53.1%	52.6%	52.0%	51.5%	N/A			

Schedule of contributions

	fiscal year ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$2,301,921	$2,349,642	$2,205,196	$2,276,913	$1,934,262	$1,814,333	N/A			
Contributions in relation to the actuarially determined contribution	579,849	502,979	456,949	430,070	485,623	451,742	93,323			
Contribution deficiency (excess)	$1,722,072	$1,846,663	$1,748,247	$1,846,843	$1,448,639	$1,362,591	N/A			
Covered-employee payroll	$54,845,949	$53,770,538	$42,888,447	$42,047,497	$40,104,752	$39,318,384	N/A			
Contributions as a percentage of covered-employee payroll	1.1%	0.9%	1.1%	1.0%	1.2%	1.1%	N/A			

Tennessee Consolidated Retirement System

FRANKLIN CITY OF

GASB Statement No. 68

Actuarial Report

Reporting Date: June 30, 2023

USI CONSULTING GROUP

Certification

Accounting Governance Background

Governmental Accounting Standards Board (GASB) Statement No. 68 establishes financial reporting standards for state and local government employers with pension plans that are administered through trusts or equivalent arrangements. The objective of this statement is to improve the usefulness of the information included in employer financial statements.

Purpose and Use

This report has been prepared exclusively for the Tennessee Consolidated Retirement System. Actuarial computations under Statement No. 68 are for purposes of fulfilling employer governmental accounting requirements, and may not be appropriate for other purposes. The calculations reported herein have been made on a basis consistent with our understanding of the statement. USI Consulting Group is not responsible for consequences resulting from the use of any part of this report without prior authorization or approval. This report provides actuarial advice and does not constitute legal, accounting, tax or investment advice. Determinations for other purposes, such as funding, bond ratings, or judging benefit security, may be significantly different from the results shown in this report.

Actuarial findings in this report are based on actuarial assumptions which reflect expected plan experience. Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with the results, in our opinion the actuarial assumptions reasonably reflect the expected future experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan’s funded status); and changes in plan provisions or applicable law. All of these factors can cause volatility in the Net Pension Liability (Asset) over time.

The actuarial liabilities shown in this report are determined using software purchased from an outside vendor which was developed for this purpose. Certain information is entered into this model in order to generate the liabilities. These inputs include economic and non-economic assumptions, plan provisions, and census information. We rely on the coding within the software to value the liabilities using the actuarial methods and assumptions selected. Both the input to and the output from the model is checked for accuracy and reviewed for reasonableness.

Data

The calculations shown in this report have been prepared using employee data (including covered-employee payroll) and plan documentation furnished by the Tennessee Consolidated Retirement System as of June 30, 2022. Plan asset information was furnished by the Tennessee Consolidated Retirement System for the twelve month period ending June 30, 2022. While we have not audited the data, we have reviewed it for reasonableness and internal consistency. We have made reasonable assumptions with regard to any incomplete records, and to the best of our knowledge, there are no material limitations to the data provided. A complete summary of the census data utilized in this report is available upon request.

Assumptions, Methods, and Procedures

The results presented in this report comply with the assumptions, methods, and procedures under Statement No. 68. The results are based on a June 30, 2022 actuarial valuation date, a measurement date of June 30, 2022 and a reporting date of June 30, 2023. All assumptions are selected by the TCRS Board of Trustees. Statement No. 68 mandates the use of the Entry Age Normal actuarial funding method.

Subsequent Events

We are unaware of any subsequent events after the actuarial valuation date, measurement date or reporting date which would have a material effect on the results presented in this report.

Changes in Plan Provisions, Actuarial Assumptions, and Actuarial Methods

The mortality improvement assumption adopted with the 2020 experience study utilizes the most current projection scale published by the Society of Actuaries as of the actuarial valuation date. As of June 30, 2022, the projection scale was updated from Scale MP-2020 to Scale MP-2021. This change was included with other experience gains or losses.

No other changes were made to the plan provisions, actuarial assumptions or methods effective June 30, 2022.

Summaries of the plan provisions, actuarial assumptions and methods can be found in the Basis for Valuation section of this report.

Professional Qualifications

This report has been prepared under the supervision of Justin C. Thacker, a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and a consulting actuary with USI Consulting Group, who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. To the best of our knowledge this report has been prepared in accordance with generally accepted actuarial standards and our understanding of Government Accounting Standards Board Statement No. 68, including the overall appropriateness of the analysis, assumptions, and results and conforms to appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for the actuarial report. We are not aware of any direct or material indirect financial interest or relationship that could create, or appear to create, a conflict of interest that would impair the objectivity of our work. The undersigned are available to provide supplemental information or explanation.

Justin Thacker

August 22, 2023
Date

Justin C. Thacker
Fellow, Society of Actuaries
Enrollment No. 23-6078
Phone 629.895.7858

Tim Lavender

August 22, 2023
Date

Timothy C. Lavender
Fellow, Society of Actuaries
Enrollment No. 23-6745
Phone 629.895.7822

Basis for Valuation

Summary of Plan Provisions

The actuarial valuation includes all benefits provided by the Tennessee Consolidated Retirement System to the current active and inactive plan members. Benefit provisions include retirement, death and disability benefits. If applicable, post-retirement cost of living adjustments are included. Tennessee state law provides full documentation of the plan provisions. The Tennessee Consolidated Retirement System actuarial valuation funding report as of June 30, 2022 includes a summary of plan provisions.

Summary of Actuarial Assumptions and Methods

Investment Rate of Return

6.75 percent per annum, compounded annually

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. equity	4.88%	31%
Developed market international equity	5.37%	14%
Emerging market international equity	6.09%	4%
Private equity and strategic lending	6.57%	20%
U.S. fixed income	1.20%	20%
Real estate	4.38%	10%
Short-term securities	0.00%	1%
		100%

Discount Rate

6.75 percent per annum, compounded annually

Paragraph 29 of Statement No. 68 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position based on projected contributions, benefit payments and investment earnings. The current contribution policy requires contributions of the normal cost plus a closed amortization of the unfunded liabilities (not to exceed 30 years from when the unfunded liability was created). In addition, the employer has a documented history of contributing 100 percent of the actuarially determined contribution requirement. The discount rate utilized assumes that employee contributions will be made at the current applicable rate and that contributions from the employer will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the pension funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on these assumptions and the actuarial methodology adopted, the employer's fiduciary net position is expected to remain positive and to be available to make projected future benefit payments of current active and inactive members and to cover administrative expenses. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Actuarial Valuation Method

All liabilities and normal costs shown in this report are calculated based on the Entry Age Normal method.

Asset Valuation Method

Fair Market Value

Amortization Method for GASB Statement No. 68

Level Dollar

Amortization Period for GASB Statement No. 68

Investment gains or losses are amortized over five years. Experience gains or losses and changes in actuarial assumptions are amortized over the average working lifetime of all participants. Plan amendments are recognized immediately.

Additional Assumptions

The Tennessee Consolidated Retirement System actuarial valuation funding report as of June 30, 2022 includes a summary of actuarial assumptions.

Selection of Assumptions

The TCRS Board of Trustees selected the assumptions described above based on the review of plan experience in conjunction with an experience study conducted as of June 30, 2020. A complete plan experience study is conducted every four years.

GASB Statement No. 68

This section presents specific information required under Statement No. 68. The information in this report is to satisfy the employer reporting for the pension plan. This section contains the following:

- Summary of Key Actuarial Assumptions for Statement No. 68
- Employees Covered by Benefit Terms
- Contributions
- Schedule of Changes in the Net Pension Liability (Asset)
- Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate
- Pension Expense (Income) and Deferred Outflows/Inflows of Resources
- Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
- Schedule of Contributions

Fiduciary Net Position is the amount of assets available for benefits in the Pension Plan.

Total Pension Liability is the plan liability determined using assumptions listed in the Summary of Actuarial Assumptions.

Net Pension Liability (Asset) is the difference in the Total Pension Liability and the Fiduciary Net Position.

Summary of Key Actuarial Assumptions for GASB Statement No. 68

Reporting Date	June 30, 2023
Measurement Date	June 30, 2022
Actuarial Valuation Date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Asset valuation method	Fair market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2021 (generational projection)
Cost of living adjustments	2.125 percent, if provided

Employees Covered by Benefit Terms

Inactive employees or beneficiaries currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	103
Active employees	273
Total	376

A complete summary of the census data utilized in this report is available upon request.

Contributions

June 30, 2022 employer contributions	$765,476
Employer contribution rate	6.03%

Schedule of Changes in Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2021	$3,343,452	$3,601,980	$(258,528)
Service cost	1,153,748		1,153,748
Interest	301,268		301,268
Changes of benefit terms	0		0
Differences between expected and actual experience	433,770		433,770
Changes of assumptions	0		0
Contributions-employer		765,476	(765,476)
Contributions-employee		646,517	(646,517)
Net investment income		(163,051)	163,051
Benefit payments, including refunds of employee contributions	(67,940)	(67,940)	
Administrative expense		(23,817)	23,817
Other		0	0
Net changes	1,820,846	1,157,185	663,661
Balance at June 30, 2022	$5,164,298	$4,759,165	$405,133

Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate

The following represents the net pension liability (asset) calculated using the stated discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability (Asset)	$1,707,675	$405,133	$(594,279)

Pension Expense (Income) and Deferred Outflows/Inflows of Resources

	Pension Expense (Income)
Service cost	$1,153,748
Interest	301,268
Changes of benefit terms	0
Contributions-employees	(646,517)
Projected investment income	(287,692)
Recognition of experience (gains)/losses	97,567
Recognition of investment (gains)/losses	4,830
Recognition of assumption changes	27,050
Administrative expense	23,817
Other changes in plan fiduciary net position	0
Pension Expense (Income)	$674,071

For the year ended June 30, 2023, the recognized pension expense (income) is $674,071. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to pensions are from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$826,795	$78,075
Changes of assumptions	243,449	0
Net difference between projected and actual earnings of pension plan investments	373,814	274,108
Total	$1,444,058	$352,183

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Outflows (a)	Inflows (b)	Amount Reported (a) + (b)
2023	$230,050	$(100,603)	$129,447
2024	230,050	(100,215)	129,835
2025	230,050	(99,960)	130,090
2026	223,441	(99,960)	123,481
2027	223,441	(8,675)	214,766
2028	133,292	(8,675)	124,617
Thereafter	403,785	(34,700)	369,085

Development of Deferred Outflows and Deferred Inflows

	Original Amount	Date Established	Original Period	Amount Recognized in Expense	Deferred Outflow Amount	Deferred Inflow Amount
Experience (gains) / losses	$433,770	06/30/2023	10	$43,377	$390,393	$0
	$(95,425)	06/30/2022	11	$(8,675)	$0	$(78,075)
	$282,980	06/30/2021	11	$25,725	$205,805	$0
	$246,960	06/30/2020	11	$22,451	$157,156	$0
	$146,886	06/30/2019	10	$14,689	$73,441	$0
	$0	06/30/2018	11	$0	$0	$0
	$0	06/30/2017	0	$0	$0	$0
	$0	06/30/2016	0	$0	$0	$0
	$0	06/30/2015	0	$0	$0	$0
		Total		**$97,567**	**$826,795**	**$(78,075)**

	Original Amount	Date Established	Original Period	Amount Recognized in Expense	Deferred Outflow Amount	Deferred Inflow Amount
Investment (gains) / losses	$450,743	06/30/2023	5	$90,149	$360,594	$0
	$(456,425)	06/30/2022	5	$(91,285)	$0	$(273,855)
	$33,047	06/30/2021	5	$6,609	$13,220	$0
	$(1,273)	06/30/2020	5	$(255)	$0	$(253)
	$(1,948)	06/30/2019	5	$(388)	$0	$0
	$(751)	06/30/2018	5	$0	$0	$0
	$0	06/30/2017	5	$0	$0	$0
	$0	06/30/2016	5	$0	$0	$0
	$0	06/30/2015	5	$0	$0	$0
		Total		**$4,830**	**$373,814**	**$(274,108)**

	Original Amount	Date Established	Original Period	Amount Recognized in Expense	Deferred Outflow Amount	Deferred Inflow Amount
Assumption	$0	06/30/2023	0	$0	$0	$0
changes	$297,549	06/30/2022	11	$27,050	$243,449	$0
	$0	06/30/2021	0	$0	$0	$0
	$0	06/30/2020	0	$0	$0	$0
	$0	06/30/2019	0	$0	$0	$0
	$0	06/30/2018	11	$0	$0	$0
	$0	06/30/2017	0	$0	$0	$0
	$0	06/30/2016	0	$0	$0	$0
	$0	06/30/2015	0	$0	$0	$0
		Total		**$27,050**	**$243,449**	**$0**

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
(year shown is June 30 measurement date)

	2022
Total Pension Liability	
Service cost	$1,153,748
Interest	301,268
Changes of benefit terms	0
Differences between expected and actual experience	433,770
Changes of assumptions	0
Benefit Payments, including refunds of employee contributions	(67,940)
Net Change in Total Pension Liability (Asset)	1,820,846
Total Pension Liability (Asset) - beginning	3,343,452
Total Pension Liability (Asset) - ending (a)	$5,164,298
Plan Fiduciary Net Position	
Contributions - employer	$765,476
Contributions - employee	646,517
Net investment income	(163,051)
Benefit Payments, including refunds of employee contributions	(67,940)
Administrative expenses	(23,817)
Other	0
Net Change in Plan Fiduciary Net Position	$1,157,185
Plan Fiduciary Net Position - beginning	3,601,980
Plan Fiduciary Net Position - ending (b)	$4,759,165
Net Pension Liability (Asset) - ending (a) - (b)	$405,133
Plan Fiduciary Net Position as a % of the Total Pension Liability	92.16%
Covered-employee payroll	$12,690,108
Net Pension Liability (Asset) as a % of covered-employee payroll	3.19%

Schedule of Contributions

(Information to be inserted as of the employer's most recent fiscal year end)

	2022	2023
Actuarially determined contribution	$765,476	(Entity to insert)
Contributions in relation to the actuarially determined contribution	765,476	(Entity to insert)
Contribution deficiency (excess)	$0	(Entity to insert)
Covered-employee payroll	$12,690,108	(Entity to insert)
Contributions as a percentage of covered-employee payroll	6.03%	(Entity to insert)

Notes to Schedule

Actuarially determined contribution rates for the year ended June 30, 2023 are based on the results of the June 30, 2021 actuarial valuation. Detailed below are the methods and assumptions used in the June 30, 2021 actuarial valuation.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period (years)	Various
Asset valuation method	10-year smoothed within a 20 percent corridor to market value
Inflation	2.25 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	6.75 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2020 (generational projection)
Cost of living adjustments	2.125 percent, if provided

USI CONSULTING GROUP

City of Franklin Pension Plan and Trust

GASB Statement No. 67 and GASB Statement No.68

Actuarial Report

December 31, 2022

Contents

Certification

Purpose and use

This report has been prepared exclusively for the City of Franklin. Actuarial computations under Statements No. 67 and No. 68 are for purposes of fulfilling employer and pension plan governmental accounting requirements and may not be appropriate for other purposes. The calculations reported herein have been made on a basis consistent with our understanding of the statements. USI Consulting Group is not responsible for consequences resulting from the use of any part of this report without prior authorization or approval. This report provides actuarial advice and does not constitute legal, accounting, tax or investment advice. Determinations for other purposes, such as funding, bond ratings, or judging benefit security, may be significantly different from the results shown in this report.

Actuarial findings in this report are based on actuarial assumptions which reflect expected plan experience. Although the deviation of the actual future plan experience and the expected experience inherently creates some uncertainty with the results, in our opinion the actuarial assumptions reasonably reflect the expected future experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. All of these factors can result in the risk of volatility in the Net Pension Liability over time.

This valuation was prepared on the basis of the interest, salary and demographic assumptions that were determined from the Experience Study for the period January 1, 2014 to December 31, 2018 prepared by USI Consulting Group and approved by the Board for use beginning with the January 1, 2019 actuarial valuation. These assumptions will remain in effect for valuation purposes until such time as the Board adopts revised assumptions, which is scheduled to be performed after the January 1, 2024 valuation.

A detailed explanation of the actuarial assumptions and methods used in the report are contained in the Basis of Valuation section. Also included in the Basis of Valuation section of this report is a summary of provisions of the plan as we understand them.

Data

The calculations shown in this report have been prepared using employee data and plan documentation furnished by the City of Franklin as of December 31, 2022 and plan assets furnished by the trustee for the twelve month period ending December 31, 2022. While we have not audited the data, we have reviewed it for reasonableness and internal consistency, and to the best of our knowledge, there are no material limitations to the data provided. Summaries of the census data and plan provisions can be found in the Basis for Valuation section of this report.

Subsequent Events

We are unaware of any subsequent event after December 31, 2022 which would have a material effect on the results presented in this report.

Assumptions, methods, and procedures

The results presented in this report comply with the assumptions, methods, and procedures under the Statements No. 67 and No. 68. For Statement 67 the results are based on the January 1, 2023 actuarial valuation date with a measurement date and reporting date of December 31, 2022. For Statement 68 the results are based on the January 1, 2023 actuarial valuation with a measurement date and reporting date of December 31, 2022. All actuarial assumptions are set by the plan sponsor. Statements No. 67 and No. 68 mandate the use of the Entry Age Normal actuarial funding method for the purposes of those statements.

Changes in plan provisions, actuarial assumptions, and actuarial methods

The following assumptions were changed beginning with the January 1, 2023 valuation.

The interest rate assumption has been changed from that used in the prior year report. The change is as follows:

	Prior Year	Current Year
Valuation Rate	7.00%	6.90%
Investment Rate	7.00%	6.90%

Reason: Mayor, and Alderman to Amend the Investment Assumption Rate of the City of Franklin Employees' Pension Plan was approved. The City of Franklin has committed to reduce the investment rate of return assumption by 10 basis points each year until the investment rate reaches 6.50%; to better reflect plan's current and future rate of return expectations.

Professional qualifications

This report has been prepared under the supervision of S. Kevin Sullivan , a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and a consulting actuary with USI Consulting Group, who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. To the best of my knowledge this report has been prepared in accordance with generally accepted actuarial standards and my understanding of Government Accounting Standards Board Statements No. 67 and No. 68, including the overall appropriateness of the analysis, assumptions, and results and conforms to appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for the actuarial report. I am not aware of any direct or material indirect financial interest or relationship that could create, or appear to create, a conflict of interest that would impair the objectivity of my work. The undersigned is available to provide supplemental information or explanation.

July 13, 2023
Date

S. Kevin Sullivan
Fellow, Society of Actuaries
Enrollment No. 23-06235
Phone 629.895.7855

Basis of Valuation

Summary of provisions of the plan

This Summary is not a summary Plan Description or a Plan Document. You should not rely solely on this summary in making a determination of eligibility for the plan or its benefits.

Name of Plan

City of Franklin Employees' Pension Plan

Plan Sponsor & Plan Administrator

City of Franklin

Trustees

City of Franklin

City of Franklin Employee Pension and Trust Investment

Human Resources Director, two (2) members of the Board appointed by the Mayor, two (2) City Employee Representatives elected by the Employee population covered by this Plan, and two (2) Citizen Representatives who shall be appointed initially by the Mayor.

Effective Date

The Plan was originally established effective May 1, 1971. The restated Plan document is effective January 1, 2018. The latest amendment changed the Average Compensation definition to allow compensation to reference the consecutive calendar months that produce the highest average, rather than calendar years, effective after January 1, 2023.

Effective December 31, 2018, the cash balance must be taken as a single Lump Sum or as a Cash Refund Annuity. If you are not retired, you must take the account balance as of the date you retire. If you are retired, you must take the cash balance no later than your required minimum distribution date.

Plan Year

The plan year is the calendar year.

Eligibility

A full-time employee who works 30 hours or more per week will become an active member on the first day of the month after meeting the following requirements:

- Completes one year of continuous service
- Reaches age 21
- An Employee hired on or after February 15, 2010, shall become eligible to participate in the Plan and become a Participant as of the first day of the month immediately following the commencement of the Employee's employment by the City, provided, however, that such Employee shall be eligible to participate in the Plan only upon his election to participate.

Effective January 1, 2017, the Plan is closed to new participants.

Credited Service

Credited Service under the Plan is based on completed calendar months during which an Employee has been in continuous employment with the City of Franklin. Periods of absence due to disability, military service, or approved leave are not considered discontinuance of employment.

Plan Compensation

Plan Compensation is W-2 Compensation, including deferrals made under this Plan as mandatory pre-tax employee contributions, any amounts made under a cafeteria (§125) plan, overtime pay, bonuses, holiday pay, fringe benefits (cash or non-cash), deferred compensation, welfare benefits, and other regular pay. Compensation excludes reimbursements or other expense allowances, moving expenses, uniform allowances, and supplemental pay for police officers and firefighters, long-term disability benefits, pay in-lieu-of notice, severance pay, tuition reimbursements, or automobile allowances.

On November 17, 2016, the City approved the creation of a Retirement Health Savings (RHS) Plan that is exempt from income tax when disbursements are made for medical expenses and related health insurance payments and premiums. The initial phase of the RHS plan includes the City Administrator, Assistant City Administrators, and Department Directors. Funds contributed to the RHS plan are not considered wages in pension benefit calculations.

Average Compensation

"Average Compensation" shall mean the average of the Participant's Compensation over the three (3) consecutive whole calendar years of a Participant's Employment during which his Compensation was the greatest out of the last ten (10) calendar years, or over a lesser number of Years of Employment actually served provided, however, that for a Participant who was first hired by the City on or after February 15, 2010, "Average Compensation" shall mean the average of the Participant's Compensation over the five (5) consecutive whole calendar years of a Participant's Employment during which his Compensation was the greatest out of the last ten (10) calendar years or over a lesser number of Years of Employment actually served.

As of January 1, 2023 the Average Compensation was amended as follows: (i) for Participants hired on or after February 15, 2010 the average of the Participant's Compensation over the consecutive sixty (60) month period of a Participant's Employment during which his Compensation was the greatest out of the last one hundred and twenty (120) months or over a lesser number of months of Employment actually served, and (ii) for Participants hired on or after May 1, 1971 and prior to February 15, 2010 the average of the Participant's Compensation over the consecutive thirty-six (36) month period of a Participant's Employment during which his Compensation was the greatest out of the last one hundred and twenty (120) months or over a lesser number of months of Employment actually served. For purposes of the above only months in which the Participant was employed and received compensation for a whole month shall be included. Such periods shall be referred to as a Measuring Period.

Accrued Benefit

The Accrued Benefit is determined in the same manner as Normal Retirement Benefit using Average Compensation and Service at date of determination.

Participants' Cash Balance Accounts are the account balances on the date of determination.

Normal Retirement

Eligibility

Normal retirement occurs at age 65 and completion of 5 years of Plan participation. With respect to employees hired before July 1, 2006, normal retirement occurs when they complete 25 years of service.

Benefit

For employees hired before July 1, 1995, the benefit formula is the greater of

- 2.00% of Average Compensation multiplied by the number of years of Credited Service, less 50.00% of the monthly Primary Insurance Amount provided under Social Security at the time of retirement, or
- 1.00% of Average Compensation multiplied by the number of years of Credited Service.

For all retirements and terminations after July 1, 2003, the benefit formula is 2.00% of Average Compensation multiplied by the number of years of Credited Service.

Cash Balance Accounts

Cash Balance Accounts include the sum of all pre-tax employee contributions, post-tax employee contributions, discretionary City contributions, and interest credits.

Early Retirement

Eligibility

Completion of ten years of Credited Service and attainment of age 55, or completion of 25 years of Credited Service regardless of age.

Benefit

The benefit is determined under the Accrued Benefit formula stated above, which is based on service and compensation to date, and is payable at age 65. A reduced benefit is payable immediately. The reduction for immediate commencement of benefits is 5% per year for each year preceding normal retirement with a prorated adjustment for partial years, rounded to the nearest month. A participant hired before February 15, 2010 who has attained age 62 with twenty years of Credited Service will receive an Early Retirement Benefit without reduction.

Participants hired after July 1, 2006 and before February 15, 2010 can retire after age 55 with at least 25 year of service with no reduction for early retirement.

Participant's Cash Balance Accounts are the account balances on the Early Retirement Date.

Late Retirement

Benefit

The late retirement benefit is the greater of the benefit determined under Normal Retirement above calculated as of the Normal Retirement Date actuarially increased to the late retirement date, or the benefit determined under Normal Retirement above recognizing pay and service to the late retirement date.

Participants' Cash Balance Accounts are the account balances on the actual Retirement Date.

Disability Retirement

Eligibility

A participant must be totally and permanently disabled.

Benefit

The benefit is the accrued retirement benefit reduced for early payment or deferred to age 65 if the participant is not otherwise eligible to receive a benefit.

Vesting

A participant will be vested in his Accrued Benefit according to the following schedule adopted after January 1, 2003.

Credited Service	Vested Percentage
Less than 5 years	0%
5 years	100%

A participant is 100% vested immediately in all Cash Balance Accounts.

Death Before Retirement

Eligibility

Attainment of age 21 and one year of Credited Service is required to be eligible for this benefit upon death.

Benefit

The beneficiary receives the monthly benefit that can be provided by the actuarial present value of the accrued benefit. If the employee dies before becoming eligible for Early Retirement, the beneficiary may receive a Lump Sum equal to the actuarial present value of the accrued benefit.

Death After Retirement

No benefit is payable unless an optional form of settlement has been elected. Otherwise, the benefit is the employee's contributions, plus interest, less the amount of annuity payments paid.

Annuity Forms

The following forms are available:

Normal Form

- The normal form for the monthly benefit is a life annuity benefit. However, each participant married at retirement who does not elect otherwise will receive a joint annuity in a reduced amount providing for a 50% continuation to a survivingspouse.
- The normal form for the Cash Balance Accounts is a lump sum. However, it may be converted to an annuity payable for life with a death benefit refund of the account at the Participant's Retirement Date, minus the sum of the monthly payments that have been made.

Optional Forms

- Contingent options at 50%, 75%, or 100% of the benefit being paid to the beneficiary upon death of the retiree
- Five, ten, and fifteen year certain and life annuities
- Social Security adjustment option
- Special option upon request and granted by the City

Contributions

Mandatory Participant Contributions

Employees that elect to participate, who were first hired by the City on or after February 15, 2010, shall make a mandatory contribution to the Plan in an amount equal to 5% of the Participant's Compensation. Employees are 100% vested in total accumulated contribution without interest.

Pre-Tax Employee Contributions

Employees hired before July 1, 1995 may contribute from 3.00% to 10.00% on a pre-tax basis to a Cash Balance Account. For employees hired on or after July 1, 1995, a 3.00% pre-tax contribution is required, but an additional contribution up to 7% may be made if elected on a one-time basis.

Post-Tax Employee Contributions

Employees may make a voluntary after-tax contribution of 1.00% to 10.00% of annual salary to a Cash Balance Account.

Discretionary City Contributions

The City may make additional contributions to Participants' Cash Balance Accounts on a discretionary basis.

Regular City Contributions

The City will make regular contributions as required to fund the Plan.

Interest on Cash Balance Accounts will be credited each year with interest calculated at the rate for U.S. Treasury Bills as of November 1, of the previous year plus 1.00%. The minimum interest to be credited will be no less than 6.00% per year.

The Historical Cash Balance interest crediting rates are:

Year	Rate
1995	9.08%
1996	7.26%
1997	7.48%
1998	7.11%
1999	6.25%
2000	7.15%
2001	6.78%
2002	6.12%
2003	6.00%
2004	6.12%
2005-2022	6.00%

Summary of actuarial assumptions and methods

Investment rate of return

Rate of Return – 6.90% per annum, compounded annually

The assets of the pension plan are invested by Dahab Associates and Associates and the Tennessee Consolidated Retirement System.

Salary Scale

Prior to December 31, 2017: 4% annual increase

Beginning December 31, 2018, Based on age.

Discount Rate

Prior to December 31, 2017 - 7.50% per annum

December 31, 2017 – December 31, 2018 – 7.40% per annum

December 31, 2018 – December 31, 2019 – 7.30% per annum

December 31, 2019 – December 31, 2020 – 7.20% per annum

December 31, 2020 – December 31, 2021 – 7.10% per annum

December 31, 2021 – December 31, 2022 – 7.00% per annum

Beginning December 31, 2022 – 6.90% per annum

Paragraph 43 of Statement No. 67 provides for an alternative method to be used other than the projection of the pension plan's fiduciary net position based on projected contributions, benefit payments and investment earnings. The Town of Smyrna's funding policy is to contribute the amounts calculated under the actuarial cost method used to calculate the annual required contribution.

Mortality Rates

105% of the RP-2014 Healthy Annuitants and Non-Annuitants, Blue Collar Mortality Tables, Adjusted back to 2006, Separate for Males and Females.

Withdrawal Rates

Tier I and Tier III – The Basic Age Table - 2003 SOA Pension Plan Turnover Study

Tier II and Tier IV – 115% of The Basic Age Table - 2003 SOA Pension Plan Turnover Study

Disability Rates/Disabled Mortality/Recovery Rates

100% of UAW table for Males and Females

Rate of Retirement

Active Participants are assumed to retire Based on the following:

Tier I - General

Service

Age	Under 5	5-6	7-19	20-24	25 & Over
<40	0.00%	0.00%	0.00%	0.00%	0.00%
40-49	0.00%	0.00%	5.00%	5.00%	10.00%
50-54	0.00%	0.00%	5.00%	5.00%	20.00%
55	0.00%	0.00%	5.00%	5.00%	10.00%
56	0.00%	0.00%	5.00%	5.00%	10.00%
57-61	0.00%	0.00%	5.00%	5.00%	10.00%
62	0.00%	0.00%	25.00%	50.00%	50.00%
63-64	0.00%	0.00%	15.00%	25.00%	40.00%
65	0.00%	15.00%	40.00%	40.00%	40.00%
66-69	0.00%	20.00%	20.00%	40.00%	40.00%
70+	0.00%	100.00%	100.00%	100.00%	100.00%

Age	Under 5	5-6	7-19	20-24	25 & Over
<55	0.00%	0.00%	0.00%	0.00%	0.00%
55	0.00%	0.00%	10.00%	10.00%	12.50%
56	0.00%	0.00%	5.00%	5.00%	10.00%
57-59	0.00%	0.00%	5.00%	5.00%	7.50%
60-61	0.00%	0.00%	5.00%	5.00%	12.50%
62	0.00%	0.00%	25.00%	50.00%	50.00%
63-64	0.00%	0.00%	15.00%	25.00%	25.00%
65-69	0.00%	50.00%	50.00%	50.00%	50.00%
70+	0.00%	100.00%	100.00%	100.00%	100.00%

Rates of Retirement (continued)

Tier I - Police / Fire

	Service							
Age	Under 10	10-19	20-24	25	26	27	28	29 & Over
Under 40	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
40-49	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%	0.50%
50	0.00%	0.00%	0.00%	20.00%	20.00%	20.00%	2.00%	2.00%
51	0.00%	0.00%	0.00%	20.00%	20.00%	40.00%	40.00%	40.00%
52	0.00%	0.00%	0.00%	20.00%	20.00%	60.00%	60.00%	60.00%
53	0.00%	0.00%	0.00%	20.00%	20.00%	60.00%	80.00%	80.00%
54	0.00%	0.00%	0.00%	20.00%	20.00%	60.00%	80.00%	80.00%
55	0.00%	10.00%	10.00%	40.00%	60.00%	80.00%	80.00%	80.00%
56-61	0.00%	5.00%	5.00%	20.00%	40.00%	60.00%	80.00%	80.00%
62	0.00%	25.00%	50.00%	50.00%	50.00%	60.00%	80.00%	80.00%
63-64	0.00%	15.00%	25.00%	40.00%	20.00%	40.00%	60.00%	80.00%
64-69	0.00%	40.00%	40.00%	50.00%	20.00%	40.00%	60.00%	80.00%
70+	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Tiers II & III - Police / Fire

	Service								
Age	Under 5	5-9	10-14	20-24	25	26	27	28	29 & Over
<55	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55	0.00%	0.00%	1.00%	10.00%	20.00%	20.00%	20.00%	20.00%	20.00%
56	0.00%	0.00%	5.00%	5.00%	20.00%	40.00%	40.00%	40.00%	40.00%
57	0.00%	0.00%	5.00%	5.00%	20.00%	40.00%	60.00%	60.00%	60.00%
58	0.00%	0.00%	5.00%	5.00%	20.00%	40.00%	60.00%	80.00%	80.00%
59	0.00%	0.00%	5.00%	5.00%	20.00%	40.00%	60.00%	8.00%	100.00%
60	0.00%	0.00%	5.00%	5.00%	20.00%	40.00%	60.00%	80.00%	100.00%
61	0.00%	0.00%	5.00%	5.00%	20.00%	40.00%	60.00%	80.00%	100.00%
62	0.00%	0.00%	25.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
63-64	0.00%	0.00%	15.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
65-68	0.00%	50.00%	50.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
69	0.00%	10.00%	10.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
70+	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Provision for Expenses

The expenses are reflected in the interest funding rates.

Form of payment

Participants elect normal form of payment.

Marriage assumptions

100% of both males and females are assumed to be married with husbands 3 years older than their wives.

Actuarial Valuation Method

Entry Age Normal Level Percent of Salary

Asset valuation Method

Fair Market Value for Statement No. 67 and statement No. 68

Amortization Method

Level Dollar Amount

Amortization Period

For Statement No. 68 as of December 31, 2022:

Investment gains or losses are amortized over 5 years

Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 2.83 years. Plan amendments are recognized immediately.

Changes in actuarial assumptions are amortized over the average working lifetime of all participants. For determining the actuarially determined contribution: Amortization of unfunded supplemental liability over 2.83 years.

Selection of Assumptions and Valuation Method

The actuary annually reviews the assumptions and methods for reasonableness. The City of Franklin approves the actuarial report and the assumptions and funding methods described in the report.

Changes in methods from prior actuarial valuation

None

Summary of participants

Data as of December 31, 2022

1. Inactive Plan Participants:

a) Retirees and Beneficiaries Currently Receiving Benefits	289
b) Terminated Employees Entitled to Deferred Benefits	183
c) Disabled Employees	3
d) Total	475

2. Active Plan Participants:

a) Vested	396
b) Nonvested	1
c) Total	397

GASB Disclosure

GASB Statement No. 67

This section presents specific information required under Statement No. 67 which is not included in other sections of this report. The information in this report is to satisfy the reporting for the pension plan. This section contains the following:

- Statement of Fiduciary Net Position
- Statement of Change in Fiduciary Net Position
- Investment Information
- Net Pension Liability including discount rate sensitivity and reconciliation between years
- Schedule of Contributions
- Schedule of Investments

Fiduciary Net Position is the amount of assets available for benefits in the Pension Plan.

Total Pension Liability is the plan liability determined using assumptions listed in the Summary of Actuarial Assumptions.

Net Pension Liability is the difference in the Total Pension Liability and the Fiduciary Net Position.

Statement of Fiduciary Net Position (unaudited)

	December 31, 2022
Assets	
Cash Equivalents	$0
Total Cash	0
Receivables:	
Contributions	0
Investment Income	0
Other	0
Total Receivables	0
Investments:	
TCRS	139,488,078
Hamilon Lane	470,713
Landmark	77,818
FIA Timber	1,660,065
BTG Select II	5,174
RMS Forest	1,104,965
Holding Cash	849,193
Total Investments:	143,656,006
Total Assets	143,656,006
Liabilities	
Payables:	
Investment Management Fees	0
Other	0
Total Liabilities	0
Net Position Restricted for Pensions	$143,656,006

Statement of Changes in Fiduciary Net Position (unaudited)

	December 31, 2022
Additions	
Contributions:	
Employer	$6,660,363
Employee	700,782
Total Contributions	7,361,145
Investment Income:	
Net Appreciation in Fair Value of Investments	(16,940,161)
Interest and Dividends	0
Less Investment Expense	0
Net Investment Income	(16,940,161)
Other	0
Total Additions	(9,579,016)
Deductions	
Benefit Payments / Refunds	7,473,103
Administrative Expenses	75,699
Other	0
Total Deductions	7,548,802
Net Increase in Net Position	(17,127,818)
Net Position Restricted for Pensions	
Beginning of Year	160,783,824
End of Year	$143,656,006

Investment Information

Investment Policy

Information regarding the investment policy may be obtained from the City of Franklin. The following is a summary of the asset allocation as of December 31, 2022:

Asset Class	Allocation
Domestic Equity	43.20%
International Equity	14.86%
Fixed Income	28.84%
Real Estate	9.22%
Timber	1.93%
Cash	1.95%

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return based on monthly cash flows on pension plan investments, net of pension plan investment expense, was -10.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability (NPL)

Determination of Net Pension Liability

The components of the net pension liability at December 31, 2022 were as follows:

Total Pension Liability	195,578,819
Plan Fiduciary Net Position	(143,656,006)
Net Pension Liability	$51,922,813
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.45%

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	$76,047,271	$51,922,813	$31,798,423

Schedule of Changes in the NPL and Related Ratios

Fiscal year ending June 30

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service cost	$2,093,993	$1,911,994	$1,894,635	$2,017,416	$2,438,659	$2,344,647	$2,303,771	$2,257,541		
Interest	7,209,696	7,983,916	8,725,546	9,572,072	10,165,977	10,650,805	11,448,477	12,145,206		
Cash Balance Increase	N/C	273,366	270,241	289,162	291,703	293,738	267,298	330,978		
Changes of benefit terms	0	0	0	0	0	0	0	0		
Differences between expected and actual experience	3,542,156	3,597,048	5,623,929	2,887,307	622,830	5,262,761	3,987,815	8,801,410		
Changes of assumptions	1,852,274	771,750	1,530,808	1,191,865	1,706,426	1,853,652	1,990,837	2,177,793		
Benefit Payments / Refunds	(3,699,996)	(4,238,026)	(4,668,158)	(5,310,361)	(6,812,691)	(6,289,974)	(7,937,323)	(7,473,103)		
Net Change in Total Pension Liability	10,998,123	10,300,048	13,377,001	10,647,461	8,412,904	14,115,629	12,060,875	18,239,825		
Total Pension Liability - beginning	97,426,953	108,425,076	118,725,124	132,102,125	142,749,586	151,162,490	165,278,119	177,338,994		
Total Pension Liability - ending (a)	$108,425,076	$118,725,124	$132,102,125	$142,749,586	$151,162,490	$165,278,119	$177,338,994	$195,578,819		
Plan Fiduciary Net Position										
Contributions - employer	$2,846,724	$3,888,628	$4,471,922	$4,254,456	$5,988,709	$5,061,105	$6,160,363	$6,660,363		
Contributions - employee	525,364	548,163	593,845	831,941	702,598	688,835	896,492	700,782		
Net investment income	(1,678,689)	6,452,638	14,823,429	(3,237,304)	18,743,979	14,134,655	24,962,458	(16,940,161)		
Benefit Payments / Refunds	(3,699,996)	(4,238,026)	(4,668,158)	(5,310,361)	(6,812,691)	(6,289,974)	(7,937,323)	(7,473,103)		
Administrative expenses	(584,138)	(171,371)	(112,112)	(114,344)	(142,565)	(115,649)	(102,925)	(75,699)		
Other	0	0	0	0	0	0	0	0		
Net Change in Plan Fiduciary Net Position	($2,590,735)	$6,480,032	$15,108,926	($3,575,612)	$18,480,030	$13,478,972	$23,979,065	($17,127,818)		
Plan Fiduciary Net Position - beginning	89,423,146	86,832,411	93,312,443	108,421,369	104,845,757	123,325,787	136,804,759	160,783,824		
Plan Fiduciary Net Position - ending (b)	$86,832,411	$93,312,443	$108,421,369	$104,845,757	$123,325,787	$136,804,759	$160,783,824	$143,656,006		
Net Pension Liability - ending (a) - (b)	$21,592,665	$25,412,681	$23,680,756	$37,903,829	$27,836,703	$28,473,360	$16,555,170	$51,922,813		
Plan Fiduciary Net Position as a % of the Total Pension Liability	80.1%	78.6%	82.1%	73.4%	81.6%	82.8%	90.7%	73.5%		
Covered-employee payroll	$30,362,658	$30,832,419	$31,118,096	$31,795,391	$30,013,785	$29,868,272	$29,370,570	$30,238,979		
Net Pension Liability as a % of covered-employee payroll	71.1%	82.4%	76.1%	119.2%	92.7%	95.3%	56.4%	171.7%		

Notes to Schedule

See Summary of Plan Provisions for notes regarding benefit changes. See Summary of Actuarial Assumptions and Methods for notes regarding changes in assumptions.

Schedule of Contributions

	fiscal year ending June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	$2,846,724	$3,888,628	$4,205,916	$4,254,456	$5,988,709	$5,061,105	$5,160,363	$4,117,465		
Contributions in relation to the actuarially determined contribution	2,846,724	3,888,628	4,471,922	4,254,456	5,988,709	5,061,105	6,160,363	6,660,363		
Contribution deficiency (excess)	$0	$0	($266,006)	$0	$0		($1,000,000)	($2,542,898)		
Covered-employee payroll	$30,362,658	$30,832,419	$31,118,096	$31,795,391	$30,013,785	$29,868,272	$29,370,570	$30,238,979		
Contributions as a percentage of covered-employee payroll	9.4%	12.6%	14.4%	13.4%	20.0%	16.9%	21.0%	22.0%		

Notes to Schedule

See Summary of Actuarial Assumptions and Methods for details regarding methods and assumptions used to determine contribution rates.

Schedule of Investment Returns

	fiscal year ending June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return, net of investment expense	-2.54%	7.29%	16.09%	-4.00%	18.08%	11.26%	18.43%	-10.62%		

GASB Statement No. 68

This section presents specific information required under Statement No. 68 which is not included in other sections of this report. The information in this report is to satisfy the reporting for the pension plan. This section contains the following:

- Schedule of Changes in Net Pension Liability, Deferrals, and Pension Expense
- Pension Expense and Deferred Outflows and Inflows of Resources

Schedule of Changes in NPL

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balances--at 12/31/2021	$ 177,338,993	$ 160,783,824	$ 16,555,169
Changes for the Year:			
Service cost	2,257,541		2,257,541
Interest expense	12,145,206		12,145,206
Benefit changes	-		-
Experience losses (gains)	8,801,410		8,801,410
Changes of assumptions	2,177,793		2,177,793
Contributions--City		6,660,363	(6,660,363)
Contributions--members	330,978	700,782	(369,804)
Net investment income		(16,940,161)	16,940,161
Expected return on plan investments			
Current expense of asset gain/loss			
Non expensed asset gain/loss			
Benefits paid	(7,473,103)	(7,473,103)	-
Plan administrative expenses		(75,699)	75,699
Recognition of Prior Post-measurement Contribution			
Post-measurement Contribution			
Other changes		-	-
Amortization of or change in beginning balances			
Net Changes	18,239,825	(17,127,818)	35,367,644
Balances--at 12/31/2022	$ 195,578,819	$ 143,656,006	$ 51,922,813

Pension Expense & Deferred Outflows/Inflows of Resources

	Fiscal Year Ending December 31, 2021	Fiscal Year Ending December 31, 2022
Service cost	2,303,771	2,257,541
Interest	11,448,477	12,145,206
Benefit changes	-	-
Contributions--members	(629,194)	(369,804)
Expected investment return	(9,678,227)	(11,248,300)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	4,818,230	7,270,868
Recognition of investment gains or losses	(5,603,573)	1,627,390
Recognition of assumption changes	2,098,019	2,407,704
Plan administrative expenses	102,925	75,699
Pension Expense	4,860,427	14,166,305

For the year ended December 31, 2022, the recognized pension expense will be $14,166,305. At December 31, 2022, the City of Franklin reported deferred outflows of resources and deferred inflows of resources relation to pensions from the following sources:

	As of December 31, 2021			As of December 31, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Recognized in 2022 Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources	Remaining Amort. Period
Experience losses (gains)						
- 12/31/2014	1,668,461	-	208,558	1,459,903	-	7.000 years
- 12/31/2015	3,034,366	-	337,152	2,697,214	-	8.000 years
- 12/31/2016	2,248,152	-	224,816	2,023,336	-	9.000 years
- 12/31/2017	3,866,449	-	351,496	3,514,953	-	10.000 years
- 12/31/2018	-	-	-	-	-	0.000 years
- 12/31/2019	95,057	-	95,057	-	-	0.000 years
- 12/31/2020	2,061,233	-	1,600,764	460,469	-	0.288 years
- 12/31/2021	2,646,658		1,341,157	1,305,501	-	0.973 years
- 12/31/2022	-	-	3,111,867	5,689,543	-	1.828 years
subtotal	15,620,376	-	7,270,868	17,150,918	-	
Change of assumptions						
- 12/31/2016	482,346	-	48,234	434,112	-	9.000 years
- 12/31/2017	1,052,431	-	95,676	956,755	-	10.000 years
- 12/31/2018	-	-	-	-	-	0.000 years
- 12/31/2019	260,436	-	260,436	-	-	0.000 years
- 12/31/2020	726,008	-	563,822	162,187	-	0.288 years
- 12/31/2021	1,321,291	-	669,546	651,745	-	0.973 years
- 12/31/2022	-	-	769,991	1,407,802	-	1.828 years
subtotal	3,842,512	-	2,407,704	3,612,601	-	
Net difference between projected and actual earnings on investments						
- 12/31/2018	2,224,413	-	2,224,413	-	-	1.000 years
- 12/31/2019	-	4,197,300	(2,098,650)	-	2,098,650	2.000 years
- 12/31/2020	-	3,237,657	(1,079,219)	-	2,158,438	3.000 years
- 12/31/2021	-	12,227,385	(3,056,846)	-	9,170,539	4.000 years
- 12/31/2022	-	-	5,637,692	22,550,769	-	5.000 years
subtotal	2,224,413	19,662,341	1,627,390	22,550,769	13,427,626	
Total	$ 21,687,301	$ 19,662,341	$ 11,305,962	$ 43,314,288	$ 13,427,626	

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	11,305,962
2023	7,130,668
2024	5,983,046
2025	3,846,778
2026	6,903,624
Thereafter	6,022,547

In addition, GASB Statement No. 71 requires contributions between the measurement date (December 31, 2022) and the disclosure date (December 31, 2023) for Statement No. 68 to be reported as a deferred outflow of resources. The expected contributions for this period are $0.

City of Franklin Employees' Pension Plan

2023 Funding Valuation

October 19, 2023

Kevin Sullivan, FSA, FCAS, EA | Principal

COF Employees' Pension Plan Agenda

- Background on the Plan/Active Populations
- Assumption Update
- Key Results – 2023 Funding
- Key Demographics
- TCRS Open Plan Update

COF Employees' Pension Plan Background

The Pension Plan and Benefit of a City Employee is Determined by Their Hire Date

Hired Before January 1, 2017 (City of Franklin Pension Plan – the "Closed Plan"

There are four Tiers within the Plan

Hired on or After January 1, 2017 - TCRS Plan

Tier 1

(Hired before 7/1/2006)

Tier 2

(Hired between 7/1/2006 and 2/15/2010)

Tier 3

(Hired after 2/15/2010 and elected to contribute to the Plan)

Tier 4

(Hired after 2/15/2010 and did not elect to contribute to the Plan)

COF Employees' Pension Plan
Background

Employee classification

- Tier I
  - Employees hired before July 1, 2006 (Voluntary contribution - pre/post tax)
  - Normal retirement as early as 25 years of Credited Service
- Tier II
  - Employees hired between July 1, 2006 and February 15, 2010
  - Normal retirement at 65/5 years of service
- Tier III
  - Employees hired after February 15, 2010 who elected to contribute to the Plan.
- Tier IV
  - Employees hired after February 15, 2010 who elected to contribute to a defined contribution plan. This valuation holds no liability for this group.

- Effective January 1, 2017, the Plan was closed to new Participants, Census data for those employees was not provided.

COF Employees' Pension Plan

Assumption/Method Updates

- In 2023, the discount rate changed from 7.00% to 6.90%.
  - Continues the pattern of reducing the rate by 10 basis points each year
  - The change in discount rate caused an increase in the liability of \$2.0MM and \$0.2MM in the contribution
- For the 2023 valuation, the funded status and contribution is based on the Actuarial Value of Assets
  - Actuarial Value of Assets is a Five-Year Smoothed Value
  - Gains and losses are recognized over a five-year period
  - Generally results in a more stable contribution

COF Employees' Pension Plan

Actuarial Value of Assets

Determination of Valuation Assets

Market Assets, January 1, 2022		$160,783,824
Weighted Prior Year Contributions		1,748,783
Weigthed Prior Year Distributions		(3,752,445)
Subtotal		158,780,162
Expected Interest		11,114,611
Total Contributions		7,361,145
Total Distributions		(7,804,981)
Expected Asset Value, January 1, 2023		$171,454,599
Market Asset Value, January 1, 2023		143,656,006
Variance from Expected Asset Value		$(27,798,593)
2022	$27,798,593	
2021	(15,371,000)	
2020	(5,969,280)	
2019	(11,053,282)	
Market Asset Value for January 1, 2023		$143,656,006
-80% of 2022 Variance		22,238,874
-60% of 2021 Variance		(9,222,600)
-40% of 2020 Variance		(2,387,712)
-20% of 2019 Variance		(2,210,656)
Actuarial Valuation Assets Before Limits		$152,073,912
Limits of Actuarial Value of assets		
a. 90% of Market Value including accruals		$129,290,405
b. 110% of Market Value including accruals		158,021,607
Actuarial Value of Assets after limits		152,073,912

COF Employees' Pension Plan

How Well Funded is the Plan?

All measures using 6.90% Discount Rate

Liability Measure	Liability	Asset Value (Actuarial Value)	Funded Ratio	2022 Funded Ratio	Comments
Present Value of Benefits – Value of all benefits expected to be earned by all current participants	$209.7MM	$152.1MM	72.5%	84.1%	Not a useful measure of the funded status
Entry Age Normal Accrued Liability – Liability to date under the required funding method	$195.6MM	$152.1MM	77.8%	90.7%	The best measure of funded status. Generally considered "well funded" to be above 80%
Accumulated Benefit Obligation – Liability if everyone terminated on the valuation date	$164.8MM	$152.1MM	92.3%	108.8%	Include nonvested benefits

COF Employees' Pension Plan

Key Results - Funding

	2023	2022	2021	2020
Number of Participants				
Active	397	406	438	466
Deferred Vested	183	193	184	179
Retired and Disabled	292	274	261	238
Annual Covered Payroll	$ 30,238,979	$ 29,370,570	$ 29,868,272	$ 30,013,785
Average Annual Earnings	$ 76,169	$ 72,341	$ 68,192	$ 64,407
Present Value of Benefits	$209,723,952	$191,134,494	$179,661,796	$ 165,401,042
Entry Age Normal Past Service Liability	$195,578,819	$177,338,994	$165,278,119	$151,162,490
Actuarial Value of Assets	$152,073,912	$160,783,824	$136,804,759	$123,325,787
Unfunded Supplemental Liability	$43,504,907	$16,555,170	$28,473,360	$27,836,703
Annual Funding Levels				
Normal Cost	$ 2,354,516	$ 2,257,541	$ 2,303,771	$ 2,344,647
Normal Cost Rate	7.79%	7.69%	7.71%	7.81%
Expected Employee Contribution	$ (324,394)	$ (300,756)	$ (314,541)	$ (321,389)
Net Normal Cost	$ 2,030,122	$ 1,956,785	$ 1,989,230	$ 2,023,258
Net Normal Cost % of Payroll	6.71%	6.66%	6.66%	6.74%
Recommended Contribution	$ 7,019,361	$ 4,117,466	$ 5,160,362	$ 5,061,105
% of Payroll	23.21%	14.02%	17.28%	16.86%
Present Value of Accrued Benefits	$164,765,127	$147,795,574	$135,949,251	$ 122,667,986
Security Ratio	92.30%	108.79%	100.63%	100.54%

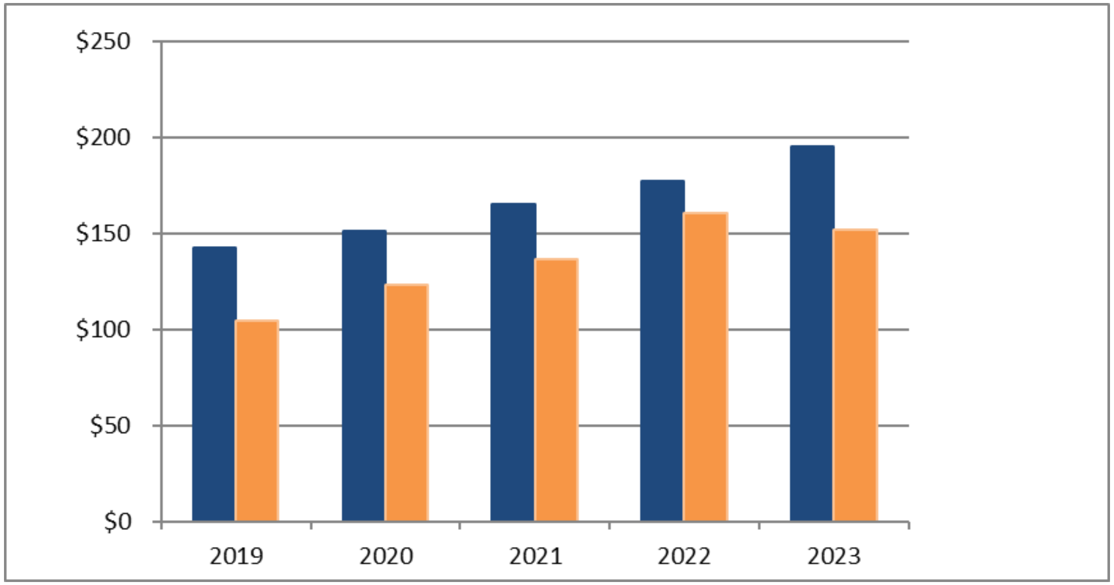
COF Employees' Pension Plan

Funded Status (in millions)

- The funded status decreased from 2022 to 2023.

Key Factors

- Discount rate decline increased the liability
- Negative asset return lowered the asset value (change to 5 year smoothing partially offset that impact).



	2019	2020	2021	2022	2023
Liability	$142.7	$151.2	$165.2	$177.4	$195.6
Asset Value	$104.8	$123.3	$136.8	$160.8	$152.1
Funded Ratio	73.44%	81.55%	82.81%	90.7%	77.8%
Interest Rate	7.30%	7.20%	7.10%	7.00%	6.90%

COF Employees' Pension Plan

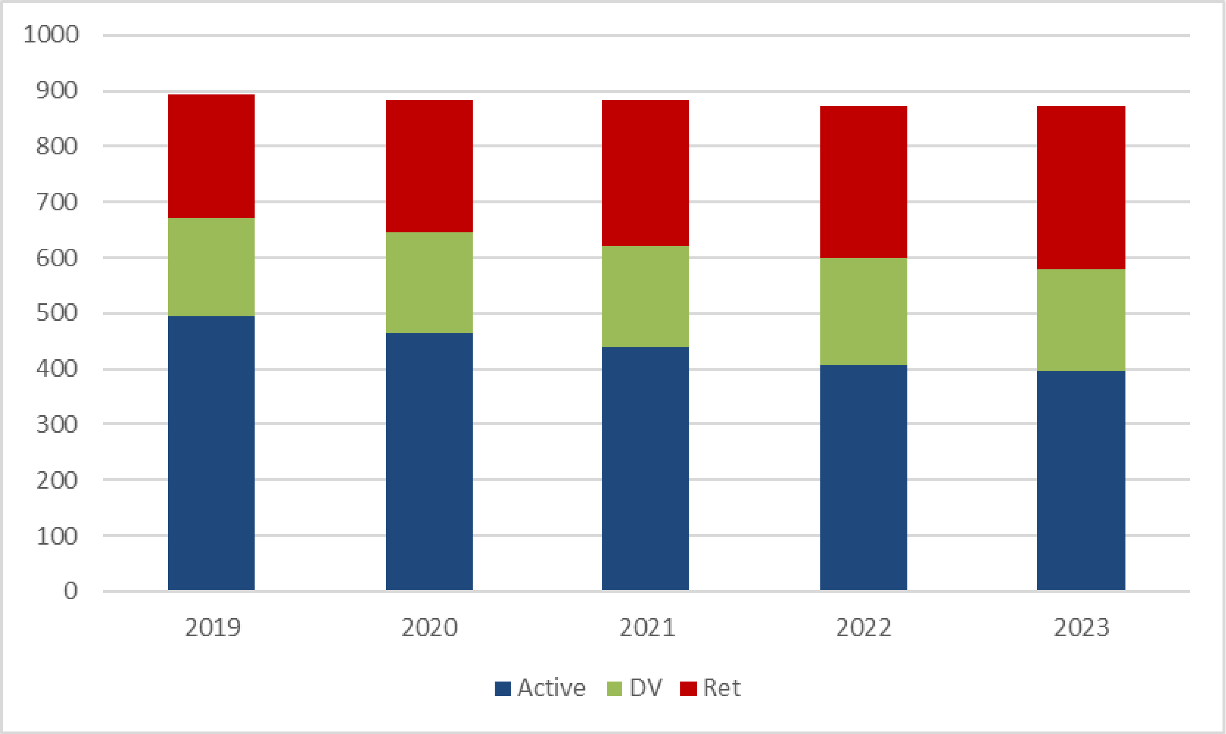
Recommended Cash Contribution (in millions)

- The Total contribution is [Normal cost - Expected Employee contribution + Amortization of Unfunded Liabilities]

Year	2018	2019	2020	2021	2022	2023
Contribution	$4.30	$5.90	$5.10	$5.70	$4.11	$7.02

COF Employees' Pension Plan
Demographics

- No new entrants beginning on January 1, 2017



COF Employees' Pension Plan

Gain/Loss Summary for 2021

	Gain/(Loss)
Investment	(19,380,687)
Retirement Decrement	(2,082,698)
Termination Decrement	(1,523,713)
Disability	(105,372)
Retiree Mortality	(242,613)
Compensation & COLA Increase	(4,859,560)
Other Mortality	(179,659)
Transfers	31,544
Data Corrections	(117,079)
Total Gain/(Loss)	**(28,459,837)**

TCRS Open Plan Summary

	2022	2021
Valuation Date	June 30, 2022	June 30, 2021
Contribution Period	7/1/2023 – 6/30/2024	7/1/2022 – 6/30/2023
Active Members	273	205
Annualized Salary	$14,092,368	$9,949,267
Inactive Members	103	70
Discount Rate	6.75%	6.75%
Present Value of Benefits	$23,228,626	$16,572,459
Employee Contribution Rate	5.00%	5.00%
Employer ADC Rate	7.35%	7.22%
Actuarial Accrued Liability	$5,164,298	$3,320,420
Actuarial Value of Assets	$4,671,539	$3,139,572
Funded Ratio	90.5%	94.6%

Questions/Discussion

- ______________________________________
- ______________________________________
- ______________________________________
- ______________________________________
- ______________________________________

City of Franklin

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

File #: 21-05354

DATE: October 9, 2023

TO: Budget & Finance Committee

FROM: Mike Lowe, Comptroller
Margaret Wilson, Financial Manager

SUBJECT:

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

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

Monthly Reports for October 2023

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax (July 2023)

The local sales tax remittance from the State of Tennessee for July 2023 sales (received by the City in September 2023) was $5,017,174 compared to $4,940,855 for the same month in FY 2022, a monthly year over year increase of $76,319 or 1.5%.

Schedule 2: Building Permits (August 2023)

2024 fiscal year to date is more than 2023 by 4.5%, and compared to 2024 budget is less by 16.9%.

Schedule 3: Road Impact Fees * (August 2023)

Combined 2024 fiscal year to date compared to 2023 is 39.0% less, and compared to 2024 budget is less by 67.5%. By quadrant, Arterial Area 2024 fiscal year to date compared to 2023 is 39.2% less, and compared to 2024 budget is less by 72.3%. 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 64.8% less, and compared to 2024 budget is less by 57.4%; Coll Area 3 2024 fiscal year to date compared to 2023 is 4916.0% more, and compared to 2024 budget is more by 77.8%; 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) * (August 2023)

2024 fiscal year to date compared to 2023 is 0.9% less, and compared to 2024 budget is less by 65.2%.

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

2024 fiscal year to date compared to 2023 is 128.2% more, and compared to 2024 budget is 90.3% more.

Beginning FY2024, Facilities Tax (County) is now being reported on an accrual basis rather than cash basis. Therefore, FY2024 will have 13 payments (June 2023-June 2024).

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

The gasoline tax remittance from the State of Tennessee for July 2023 sales (received by the City in September 2023) was $266,887 compared to $262,555 for the same month in FY 2023, an increase of $4,332 or 1.6%.
For budget comparisons, the City anticipated collections of $265,181 for July 2023, a difference of $1,706 more, or 0.6%. The fiscal year increase from last fiscal year is 1.6%.

Schedule 7: Hotel/Motel Tax (July 2023)

2024 fiscal year to date compared to 2023 is 3.5% more, and compared for 2023 budget is more by 9.3%.

Schedule 8: Conference Center (August 2023)

The City's ½ share of the gain for August 2023 was $79,690. In August 2022, the City's ½ share of the gain was $16,689.

*** 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

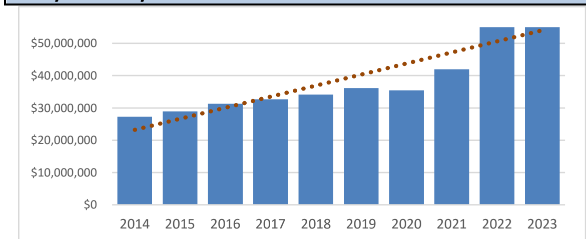
Finance Department - Monthly Reports

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).

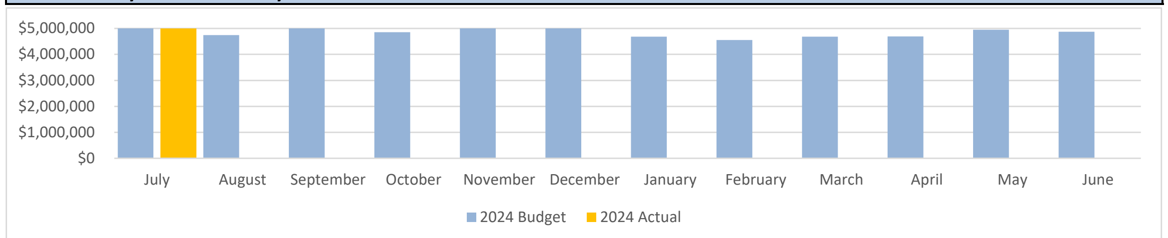
Monthly Report for October 2023: The local sales tax remittance from the State of Tennessee for July 2023 sales (received by the City in September 2023) was $5,017,174 compared to $4,940,855 for the same month in FY 2023, a monthly year over year increase $76,319, or 1.5% more. September receipts (July sales) are the first month of the FY 2024 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**

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	$4,940,855	$5,039,671	$5,017,174	$76,319	1.5%	($22,497)	-0.4%
August	$4,650,081	$4,743,082					
September	$5,022,821	$5,123,277					
October	$4,761,957	$4,857,196					
November	$4,984,513	$5,084,202					
December	$6,139,766	$6,262,561					
January	$4,590,039	$4,681,839					
February	$4,465,281	$4,554,586					
March	$5,201,808	$4,685,658					
April	$5,117,533	$4,693,927					
May	$5,343,633	$4,949,928					
June	$5,338,658	$4,871,627					
	$60,556,943	**$59,547,553**	**$5,017,175**	**$76,319**	**1.5%**	**($22,497)**	**-0.4%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$76,319		**($22,497)**	
				Total		*Total*	

City of Franklin

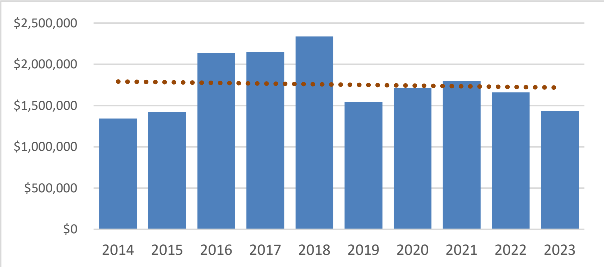
Finance Department - Monthly Reports

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.

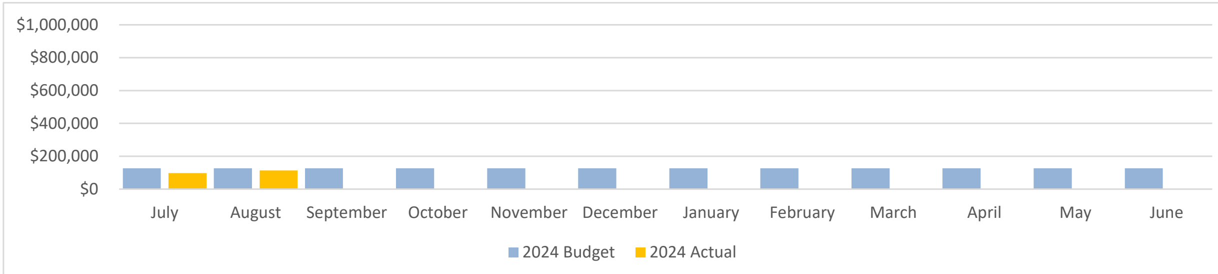
Monthly Report for October 2023: 2024 year-to-date is more than 2023 by 4.5%, and compared to 2024 budget is less by 16.9%.

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	$113,012	($10,283)	-8.3%	($13,366)	-10.6%
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**	**$210,074**	**$4,483**	**4.5%**	**($21,341)**	**-16.9%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$8,965		**($42,682)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

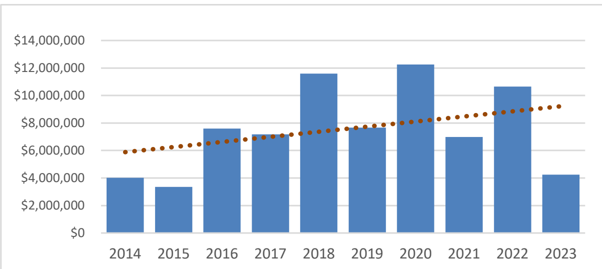
Schedule 3:	Road Impact Fees	Fund	Road Impact	Account:	128-(32800-32804)-00000

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 October 2023: 2024 year-to-date compared to 2023 is 39.0% less, and compared to 2024 budget is less by 67.5%.

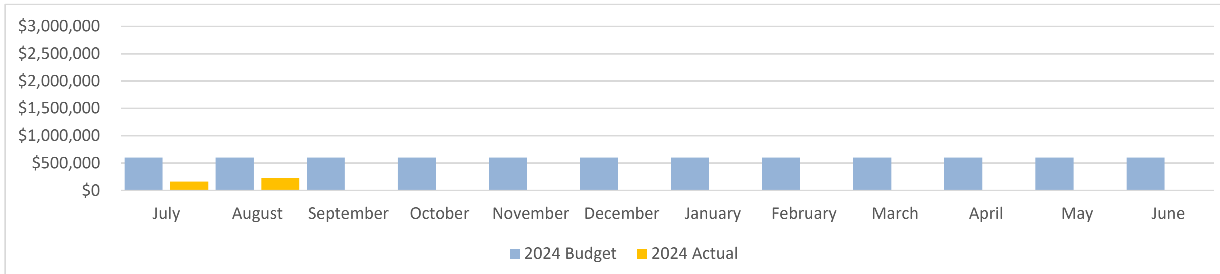
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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	$228,619	($203,728)	-47.1%	($374,438)	-62.1%
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 *Total*	**$7,236,688** *Total*	**$392,033** *Total*	**($125,086)** *Average* **($250,172)** *Total*	**-39.0%** *Average*	**($407,041)** *Average* **($814,082)** *Total*	**-67.5%** *Average*

City of Franklin

Finance Department - Monthly Reports

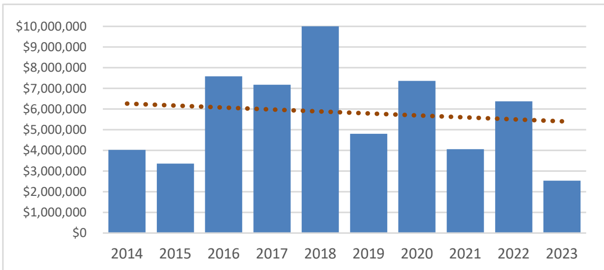
Schedule 3A:	Arterial Area	Fund	Road Impact	Account:	128-32800-00000

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

Monthly Report for October 2023: 2024 year-to-date compared to 2023 is 39.2% less, and compared to 2024 budget is less by 72.3%.

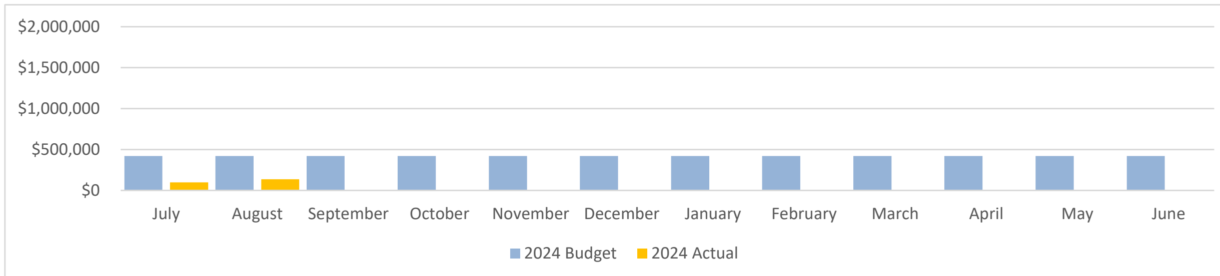
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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	$136,050	($121,009)	-47.1%	($284,900)	-67.7%
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 *Total*	**$5,051,405** *Total*	**$233,298** *Total*	**($75,337)** *Average* **($150,674)** *Total*	**-39.2%** *Average*	**($304,301)** *Average* **($608,603)** *Total*	**-72.3%** *Average*

City of Franklin
Finance Department - Monthly Reports

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

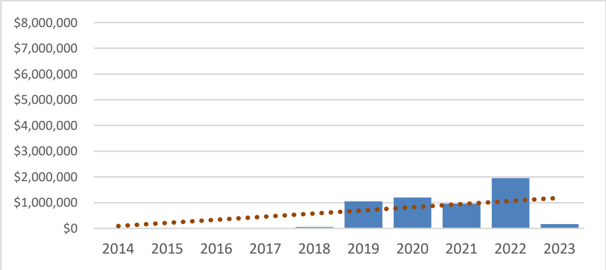
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds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

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

Monthly Report for October 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.

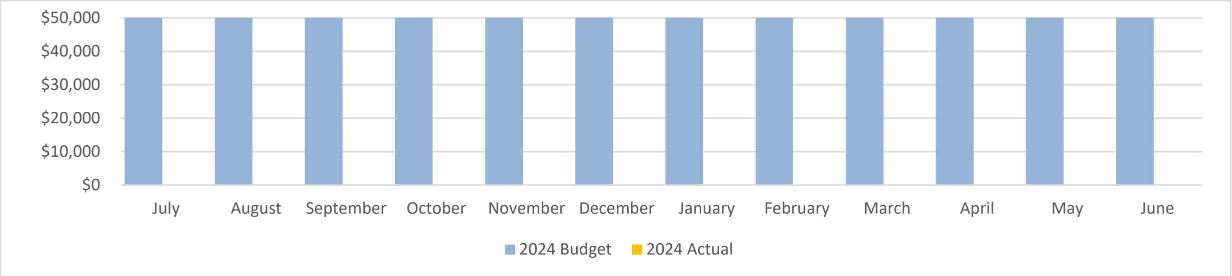
Yearly Summary



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	$0	($10,356)	-100.0%	($53,543)	-100.0%
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 *Total*	**$53,543** *Total*	**$0** *Total*	**($18,026)** *Average* **($36,052)** *Total*	**-100.0%** *Average*	**($53,543)** *Average* **($107,086)** *Total*	**-100.0%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

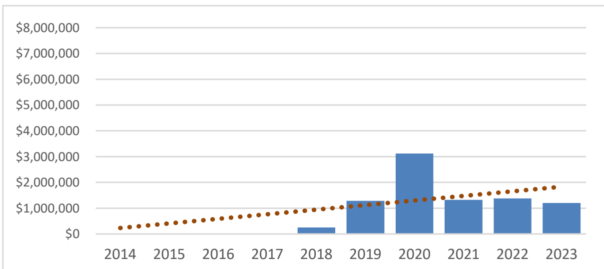
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds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

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

Monthly Report for October 2023: 2024 year-to-date compared to 2023 is 64.8% less, and compared to 2024 budget is less by 57.4%.

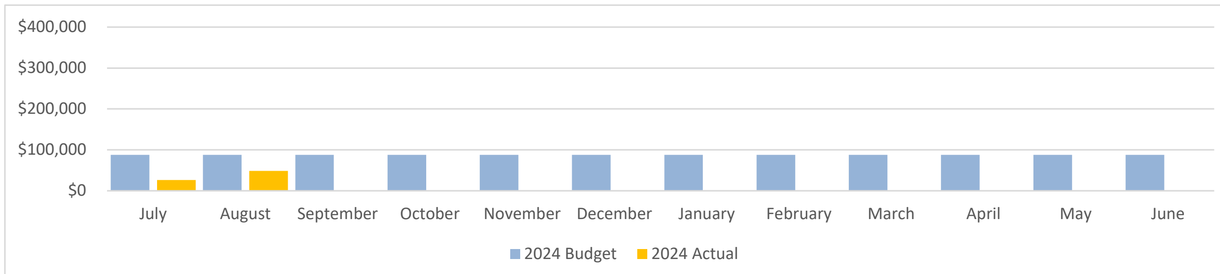
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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	$48,564	($111,358)	-69.6%	($39,348)	-44.8%
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*	**$74,967** *Total*	**($69,015)** *Average*	**-64.8%** *Average*	**($50,428)** *Average*	**-57.4%** *Average*
				($138,029) *Total*		**($100,857)** *Total*	

City of Franklin

Finance Department - Monthly Reports

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

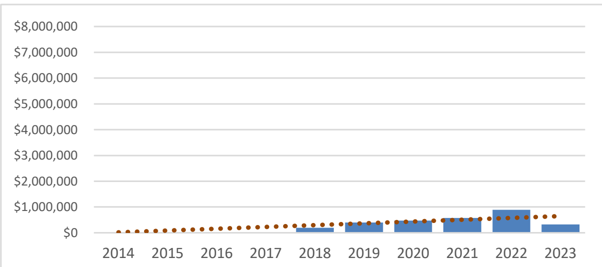
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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 October 2023: 2024 year-to-date compared to 2023 is 4916.0% more, and compared to 2024 budget is more by 77.8%.

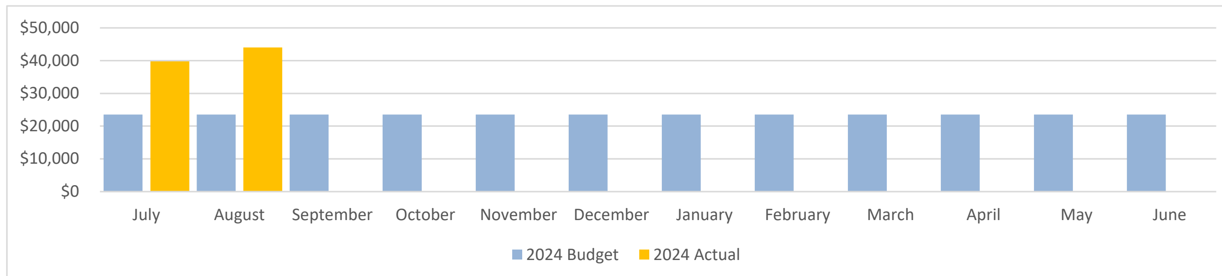
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

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	$44,005	$43,170	5170.1%	$20,454	86.9%
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**	**$83,768**	**$41,049**	**4916.0%**	**$18,333**	**77.8%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$82,098		**$36,667**	
				Total		*Total*	

City of Franklin
Finance Department - Monthly Reports

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

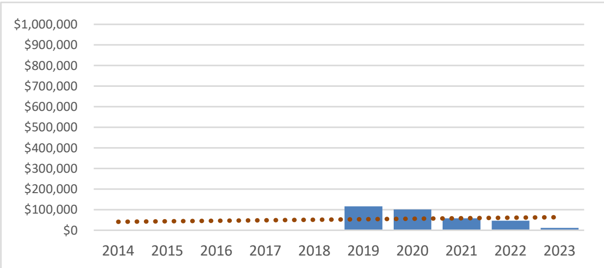
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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 October 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.

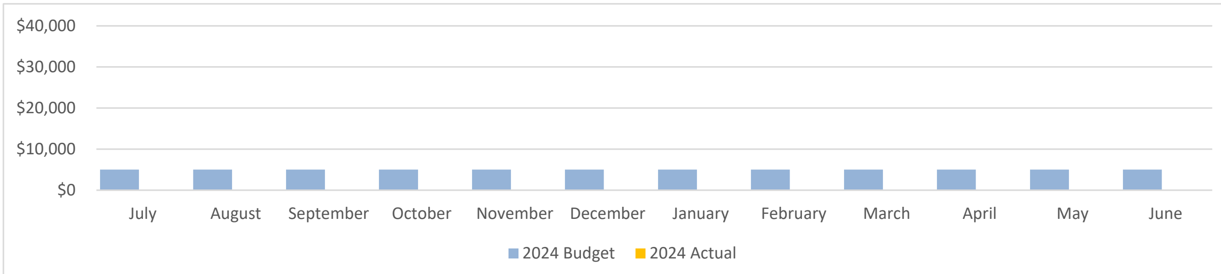
Yearly Summary



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	$0	($4,175)	-100.0%	($5,020)	-100.0%
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*	**($3,758)** *Average* **($7,515)** *Total*	**-100.0%** *Average*	**($5,020)** *Average* **($10,040)** *Total*	**-100.0%** *Average*

City of Franklin

Finance Department - Monthly Reports

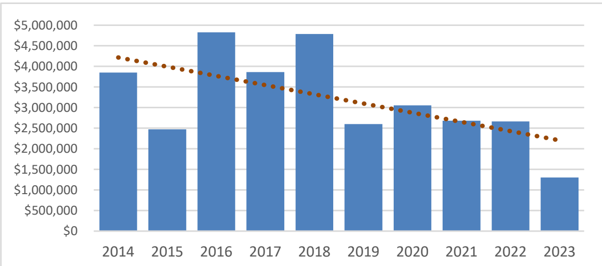
Schedule 4:	Facilities Tax (City)	Fund	Facilities Tax	Account:	130-31600-00000

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

Monthly Report for October 2023: 2024 year-to-date compared to 2023 is 0.9% less, and compared to 2024 budget is less by 65.2%.

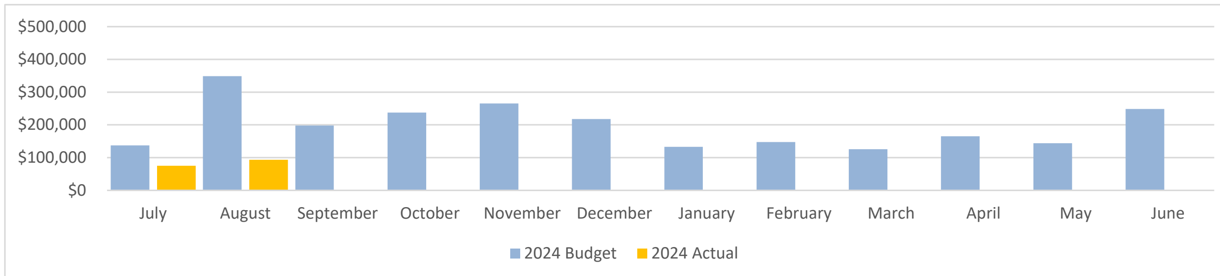
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

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	$93,649	($221)	-0.2%	($255,484)	-73.2%
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*	**$169,064** *Total*	**($803)** *Average* **($1,606)** *Total*	**-0.9%** *Average*	**($158,652)** *Average* **($317,303)** *Total*	**-65.2%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

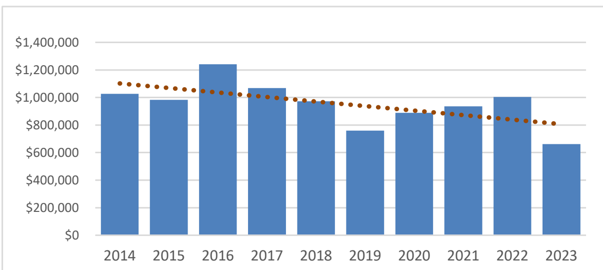
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used 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 October 2023: 2024 year-to-date compared to 2023 is 128.2% more, and compared to 2024 budget is 90.3% 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.

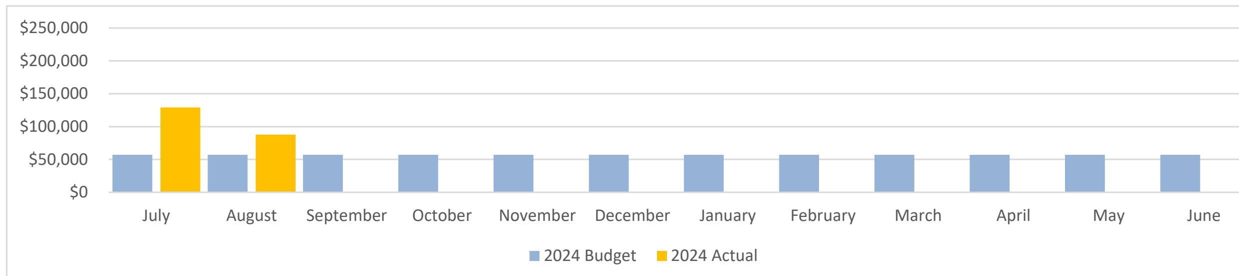
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

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	$129,039	$80,411	165.4%	$72,038	126.4%
August	$46,396	$57,001	$87,852	$41,456	89.4%	$30,850	54.1%
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**	**$216,891**	**$60,933**	**128.2%**	**$51,444**	**90.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$121,867		**$102,888**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

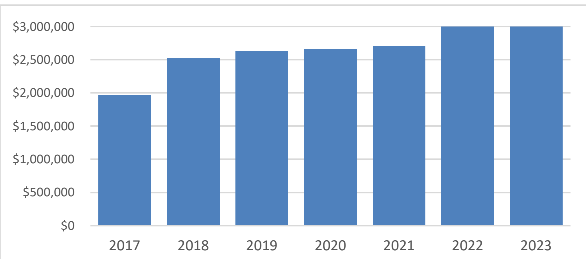
Schedule 6:	Gasoline Tax	Fund	Street Aid	Account:	121-33220-00000

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 October 2023: The gasoline tax remittance from the State of Tennessee for July 2023 sales (received by the City in September 2023) was $266,887 compared to $262,555 for the same month in FY 2023, an increase of $4,332 or 1.6%.

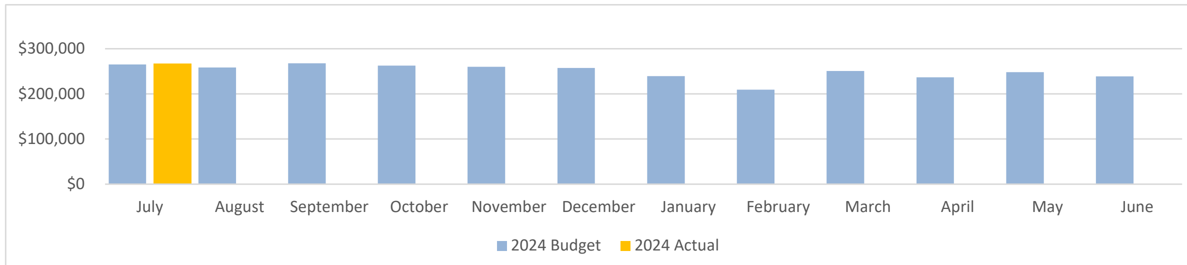
For budget comparisons, the City anticipated collections of $265,181 for July 2023, a difference of $1,706 more, or 0.6%.

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%**

FY24 Month by Month Summary



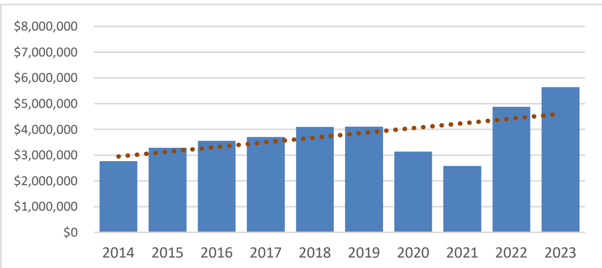
Month	2023 Actual	2024 Budget	2024 Actual	$ Inc./(Dec.) from 2023 Actual	% Inc./(Dec.) from 2023 Actual	$ Inc./(Dec.) from 2024 Budget	% Inc./(Dec.) from 2024 Budget
July	$262,555	$265,181	$266,887	$4,332	1.6%	$1,706	0.6%
August	$255,841	$258,399					
September	$265,351	$268,004					
October	$260,036	$262,636					
November	$257,585	$260,161					
December	$254,868	$257,417					
January	$236,890	$239,259					
February	$207,475	$209,549					
March	$257,654	$250,645					
April	$272,602	$236,864					
May	$268,192	$248,271					
June	$252,985	$238,878					
	$3,052,033	**$2,995,263**	**$266,887**	**$4,332**	**1.6%**	**$1,706**	**0.6%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$4,332		**$1,706**	
				Total		*Total*	

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%.

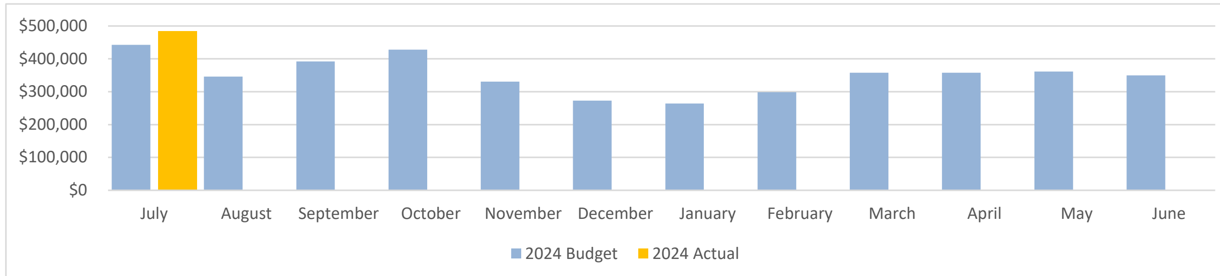
Monthly Report for October 2023: 2024 year-to-date compared to 2023 is 3.5% more, and compared to 2024 budget is more by 9.3%.

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%**

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	$467,695	$443,017	$484,257	$16,563	3.5%	$41,240	9.3%
August	$409,407	$346,150					
September	$500,906	$391,864					
October	$534,393	$428,345					
November	$409,466	$330,612					
December	$357,111	$272,843					
January	$339,608	$263,915					
February	$393,726	$298,804					
March	$541,247	$357,633					
April	$555,358	$357,729					
May	$553,282	$361,769					
June	$576,478	$350,079					
	$5,638,677	**$4,202,759**	**$484,257**	**$16,563**	**3.5%**	**$41,240**	**9.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$16,563		**$41,240**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

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

Monthly Report for October 2023: The gain for August 2023 was $79,690 compared to a gain of $16,689 for the same month in 2022, an increase of $63,001.

MONTHLY - Conference Center Financials Jul 23-Jun 24

	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	792,872											1,238,809
House Profit	22,869	237,735											260,604
Less: Fixed Expenses	38,887	38,711											77,598
Net Income	(16,018)	199,024											183,006
Less: FF&E Reserve 5%	22,297	39,644											61,941
Net Cash Flow	(38,315)	159,380											121,065
City 1/2	(19,158)	79,690	-	-	-	-	-	-	-	-	-	-	60,533

MONTHLY - Conference Center Financials Jul 22-Jun 23

	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Total
Gross Revenue	425,211	619,385	795,995	791,807	647,273	627,935	380,085	663,459	674,693	823,073	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	63,001										