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

City of Franklin

Meeting Agenda

Budget & Finance Committee

Thursday, November 30, 2017 **2:00 PM** **Board Room**

Call To Order

1. 17-1007 Consideration of Minutes from October 5, 2017.

2. 17-1005 Election of Chairman and Vice-Chairman for 2018

3. 17-1016 Consideration of 2018 Meeting Schedule

Sponsors: Kristine Brock

Attachments: Budget and Finance Committee Schedule_2018

4. 17-0861 Consideration of Resolution 2017-71, "A Resolution to Revise the Organizational Chart Within the Franklin Police Department." (11/30/17 Budget & Finance 4-0)

Attachments: RES 2017-71 Police Reorg_with attachment.Law Approved
RES 2017-71 Police Reorg DRAFT _ Not Law Approved

5. 17-1014 Consideration of Resolution 2017-85, a Resolution to Adopt Budget Goals for FY 2018-2019 (11/30/17 Budget & Finance 4-0)

Sponsors: Kristine Brock and Michael Walters Young

Attachments: Res 2017-85 FY 2019 Budget Goals_with attachment A.Law Approved

6. 17-1002 Consideration of Resolution 2017-81, A Resolution for Adoption of a Debt Management Policy (11/30/17 Budget & Finance 4-0)

Sponsors: Eric Stuckey and Kristine Brock

Attachments: RESOLUTION 2017-81 for Amended Debt Management Policy_with attachmen

7. 17-1044 Consideration of an Extension to Contract No. 2011-0118, a contract between U.S. Bank and the City of Franklin for Custodian Relationship Relative to the City of Franklin Pension Plan (11/30/17 Budget & Finance 4-0)

Sponsors: Eric Stuckey and Kristine Brock

Attachments: COF Contract No. 2011-0118 w. US Bank_Amendment 1_Law Approved Dec 1

8. 17-1000 Acknowledge Receipt of Comprehensive Annual Financial Report for City of Franklin (11/30/17 Budget & Finance)

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

9. 17-1001 Acknowledge Receipt of Annual Financial Report for Cool Springs Conference Center (11/30/17 Budget & Finance)

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

10. 17-1015 Discussion of the Status of the Capital Projects Fund

Sponsors: Michael Walters Young

Attachments: Fund 310_311 - Capital Projects Fund - FY 2018 Update.pdf

11. 17-1023 Monthly Reports for November 2017

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

Attachments: Monthly Reports - November 2017

City of Franklin - 1st Quarter Report 2018

Other Business

Adjournment

ANYONE REQUESTING ACCOMMODATIONS DUE TO DISABILITIES SHOULD CONTACT A.D.A. COORDINATOR, AT 791-3277 AT LEAST 10 DAYS PRIOR TO THE MEETING, IF POSSIBLE.

City of Franklin, Tennessee
Budget & Finance Committee
Proposed 2018 Meeting Dates

All meetings are scheduled for the 2nd Thursday of each month unless noted below. There is no meeting scheduled for July.

January 11th

February 8th

March 8th

April 12th

May 10th

June 14th

August 9th

September 13th

October 18th (moved from 11th due to TGFOA Fall Conference)

November 29th (combined Nov/Dec meeting)

RESOLUTION 2017-71

TO BE ENTITLED: "A RESOLUTION TO REVISE THE ORGANIZATIONAL CHART WITHIN THE POLICE DEPARTMENT"

WHEREAS, the Board of Mayor and Aldermen established the annual budget for the City of Franklin for the Fiscal Year 2017-2018, by Ordinance 2017-19, effective July 1, 2017; and

WHEREAS, the Police Department desires to adjust the Organizational Chart in the Records Section of the Criminal Investigations Division; and

WHEREAS, with respect to the Records Section of the Criminal Investigations Division, the Fiscal Year 2017-2018 Budget contains monies allocated for two (2) part-time Administrative Secretary positions, of which both are currently vacant; and

WHEREAS, it has been determined that the Records Section, the Criminal Investigations Division, and the Police Department would be better served by reducing the number of budgeted part-time Administrative Secretaries from two (2) to zero (0), and creating one (1) new full-time Records Clerk position; and

WHEREAS, the Board of Mayor and Aldermen desires to support the minor reorganization of the Police Department to include this initiative as there would be no increase in anticipated costs; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to adopt such change.

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

Section 1. The City of Franklin hereby adopts the amended Organization and Personnel Charts for the Police Department, to be incorporated within the FY 2017-18 Budget, as shown in Exhibit A, attached, with two (2) part-time Administrative Secretary positions being reclassified to one (1) full-time Records Clerk position without amending the expenditures currently adopted in the Budget for FY 2017-18.

Section 2. That the Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this _________day of ______________________2017.

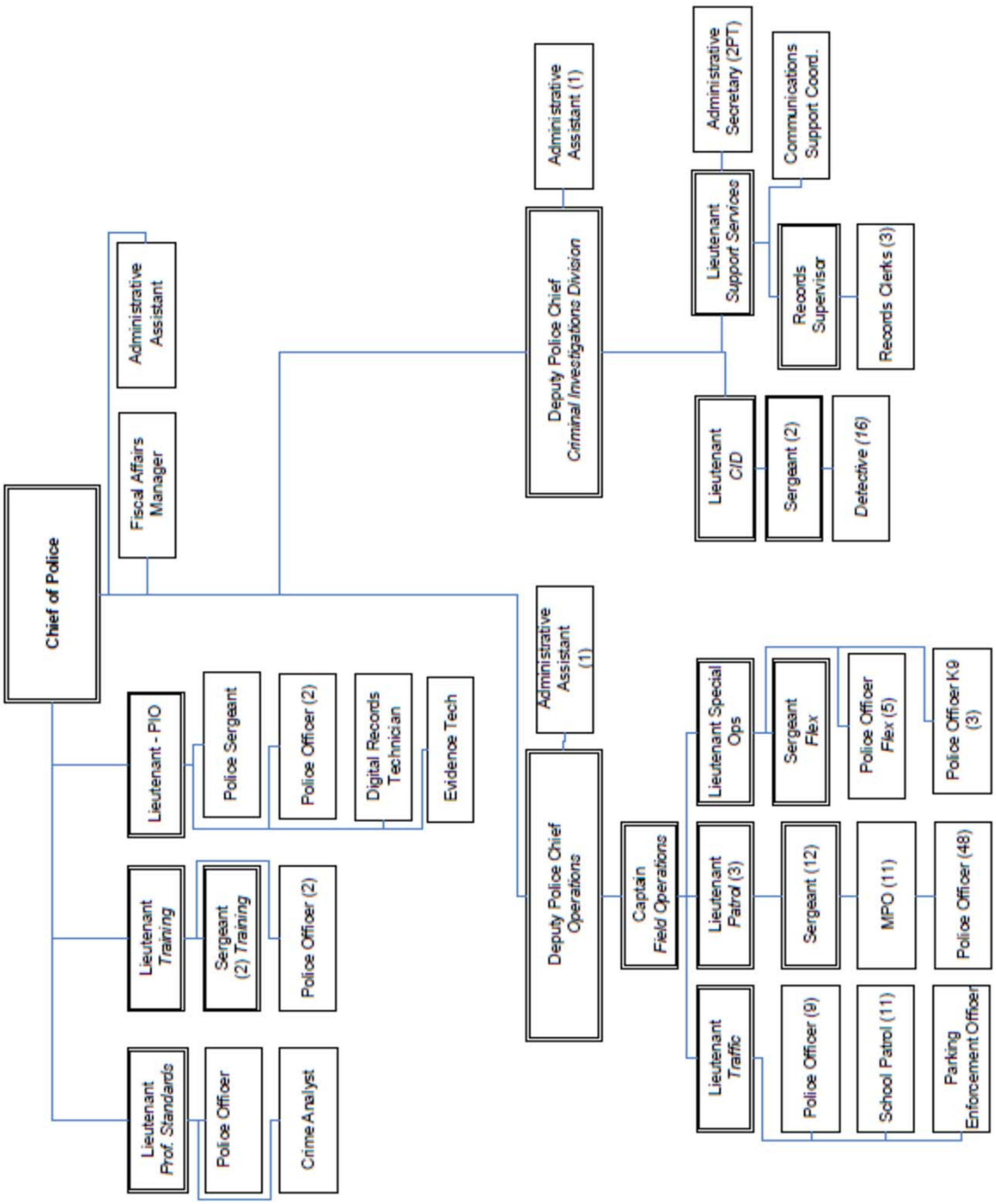
ATTEST	CITY OF FRANKLIN, TENNESSEE
By: __________________________	By: __________________________
ERIC S. STUCKEY City Administrator	DR. KEN MOORE Mayor

Approved as to Form

By: __________________________
Shauna R. Billingsley
City Attorney

Law Dept. approved 11.21.17

Organizational Chart (Current)



Staffing by Position (Current)

Position	Pay Grade	FY 2014 F-T	FY 2014 P-T	FY 2015 F-T	FY 2015 P-T	FY 2016 F-T	FY 2016 P-T	FY 2017 F-T	FY 2017 P-T	FY 2018 F-T	FY 2018 P-T
Sworn Officers											
Police Chief	Grade M	1	0	1	0	1	0	1	0	1	0
Police Deputy Chief	Grade K	3	0	2	0	2	0	2	0	2	0
Field Operations Captain	Grade J	0	0	0	0	1	0	1	0	1	0
Police Lieutenants	Grade I	9	0	9	0	10	0	10	0	10	0
Police Sergeant	Grade G	20	0	20	0	18	0	18	0	18	0
Detective/Master Patrol	Grade F	15	0	27	0	27	0	27	0	27	0
Police Officers	Grade E	80	0	68	0	68	0	70	0	70	0
Police Officer (R&D)	Grade E	1	0	1	0	1	0	0	0	0	0
Non-Sworn Personnel											
Fiscal Affairs Manager	Grade H	0	0	1	0	1	0	1	0	1	0
Crime Analyst	Grade F	0	0	0	0	0	0	1	0	1	0
Digital Records Technician	Grade F	0	0	0	0	1	0	1	0	1	0
Asst. Comm. Super.*	Grade E	1	0	1	0	1	0	0	0	0	0
Records Supervisor	Grade E	1	0	1	0	1	0	1	0	1	0
Sr. Communications Officer*	Grade E	3	0	3	0	3	0	0	0	0	0
Admin. Asst.	Grade D	4	0	4	0	4	0	3	0	3	0
Comm. Center Support Coord.	Grade D	1	0	1	0	1	0	1	0	1	0
Evidence Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Communications Officer*	Grade D	12	0	12	0	12	0	0	0	0	0
Administrative Secretary	Grade B	0	2	0	2	0	2	0	2	0	2
Records Clerk	Grade B	3	0	3	0	3	0	3	0	3	0
Parking Enforcement Officer	Grade B	1	0	1	0	1	0	1	0	1	0
School Patrol (Part-time)	Grade A	0	18	0	11	0	11	0	11	0	11
Total Authorized Staffing		**156**	**20**	**156**	**13**	**157**	**13**	**142**	**13**	**142**	**13**

Positions by Division

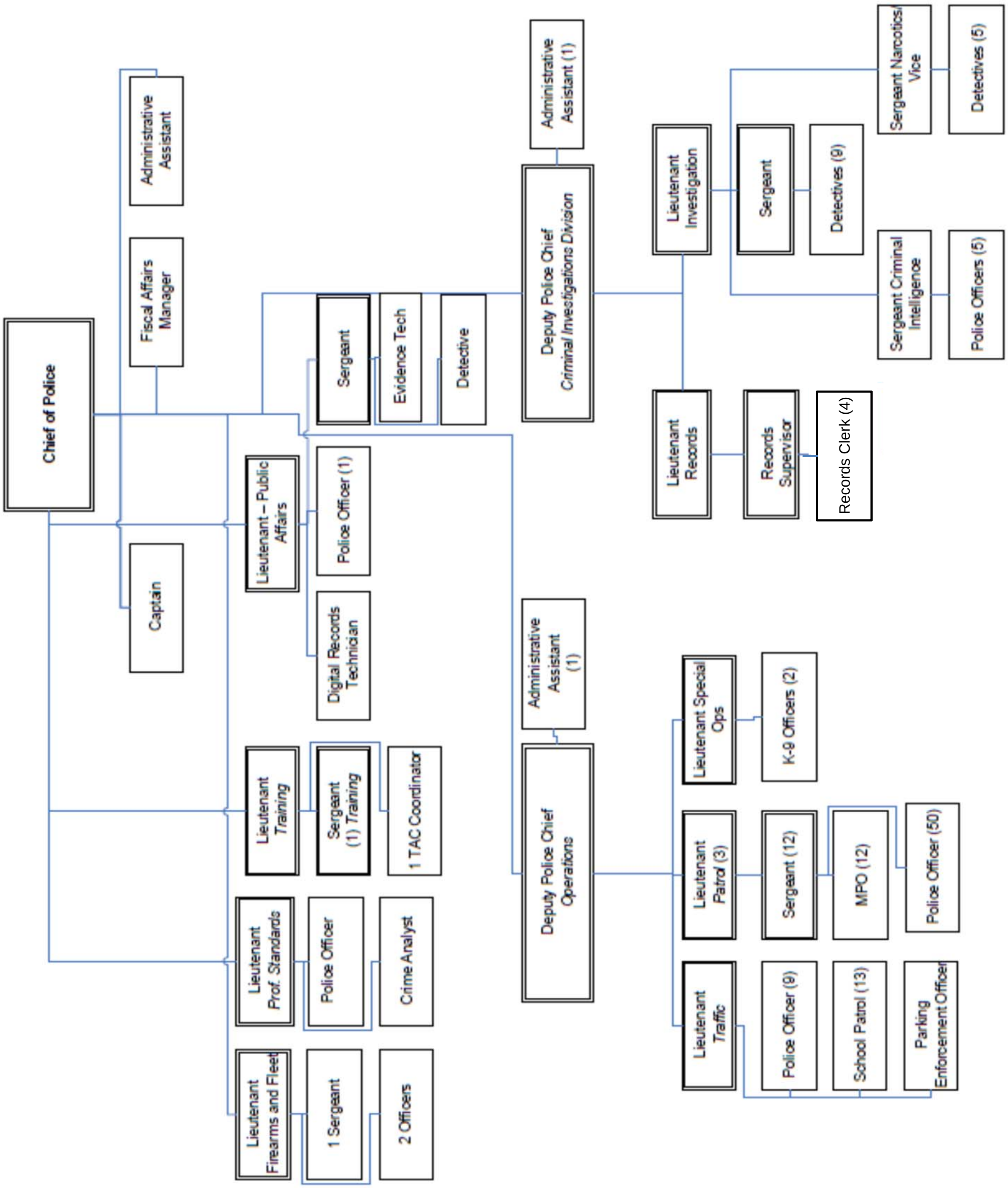
Division	FY 2014	FY 2015 F-T	FY 2015 P-T	FY 2016 F-T	FY 2016 P-T	FY 2017 F-T	FY 2017 P-T	FY 2018 F-T	FY 2018 P-T
Administration	N/A Breakout between	8	0	9	0	15	0	17	0
Patrol		88	11	88	11	97	11	97	11
CID		60	2	60	2	30	2	28	2
Total Authorized Staffing		**156**	**13**	**157**	**13**	**142**	**13**	**142**	**13**

The City continues to provide for salary costs of 14 communications employees who were transferred to Williamson County in November 2016.

Exhibit A

Res 2017-71

Organizational Chart (Proposed)



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Sworn Officers											
Police Chief	Grade M	1	0	1	0	1	0	1	0	1	0
Police Deputy Chief	Grade K	3	0	2	0	2	0	2	0	2	0
Police Captain	Grade J	0	0	0	0	1	0	1	0	1	0
Police Lieutenants	Grade I	9	0	9	0	10	0	10	0	10	0
Police Sergeant	Grade G	20	0	20	0	18	0	18	0	18	0
Detective/Master Patrol	Grade F	15	0	27	0	27	0	27	0	27	0
Police Officers	Grade E	80	0	68	0	68	0	70	0	70	0
Police Officer (R&D)	Grade E	1	0	1	0	1	0	0	0	0	0
Non-Sworn Personnel											
Fiscal Affairs Manager	Grade H	0	0	1	0	1	0	1	0	1	0
Crime Analyst	Grade F	0	0	0	0	0	0	1	0	1	0
Digital Records Technician	Grade F	0	0	0	0	1	0	1	0	1	0
Asst. Comm. Super.*	Grade E	1	0	1	0	1	0	0	0	0	0
Records Supervisor	Grade E	1	0	1	0	1	0	1	0	1	0
Sr. Communications Officer*	Grade E	3	0	3	0	3	0	0	0	0	0
Admin. Asst.	Grade D	4	0	4	0	4	0	3	0	3	0
Comm. Center Support Coord.	Grade D	1	0	1	0	1	0	1	0	1	0
Evidence Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Communications Officer*	Grade D	12	0	12	0	12	0	0	0	0	0
Administrative Secretary	Grade B	0	2	0	2	0	2	0	2	0	0
Records Clerk	Grade B	3	0	3	0	3	0	3	0	4	0
Parking Enforcement Officer	Grade B	1	0	1	0	1	0	1	0	1	0
School Patrol (Part-time)	Grade A	0	18	0	11	0	11	0	11	0	11
Total Authorized Staffing		**156**	**20**	**156**	**13**	**157**	**13**	**142**	**13**	**143**	**11**

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Patrol	Breakout		88	11	88	11	97	11	97	11
CID	between		60	2	60	2	30	2	28	2
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ATTEST

By: _________________________

ERIC S. STUCKEY

City Administrator

CITY OF FRANKLIN, TENNESSEE

By: _________________________

DR. KEN MOORE

Mayor

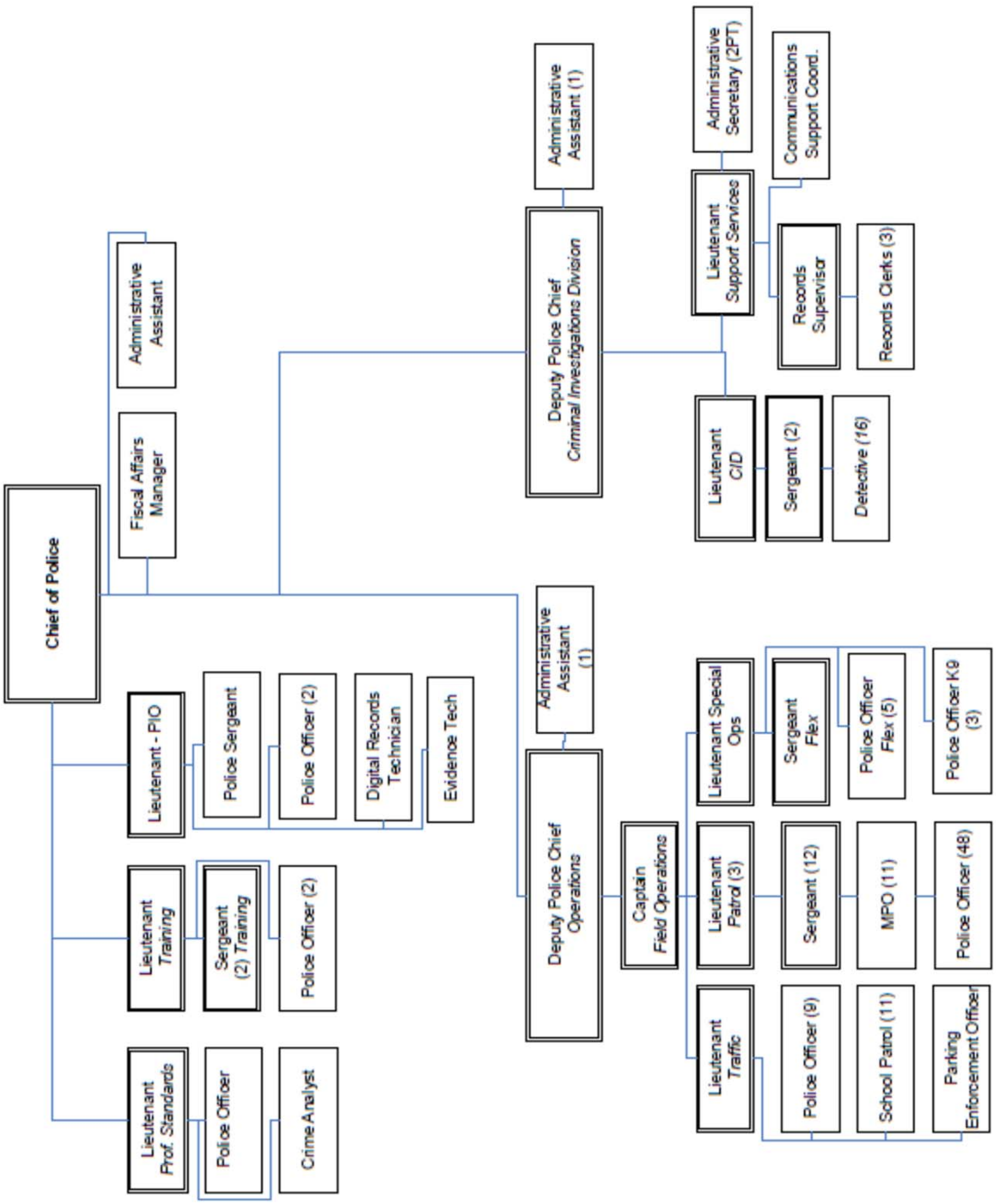
Approved as to Form

By: _________________________

Shauna R. Billingsley

City Attorney

Organizational Chart (Current)



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Sworn Officers											
Police Chief	Grade M	1	0	1	0	1	0	1	0	1	0
Police Deputy Chief	Grade K	3	0	2	0	2	0	2	0	2	0
Field Operations Captain	Grade J	0	0	0	0	1	0	1	0	1	0
Police Lieutenants	Grade I	9	0	9	0	10	0	10	0	10	0
Police Sergeant	Grade G	20	0	20	0	18	0	18	0	18	0
Detective/Master Patrol	Grade F	15	0	27	0	27	0	27	0	27	0
Police Officers	Grade E	80	0	68	0	68	0	70	0	70	0
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Fiscal Affairs Manager	Grade H	0	0	1	0	1	0	1	0	1	0
Crime Analyst	Grade F	0	0	0	0	0	0	1	0	1	0
Digital Records Technician	Grade F	0	0	0	0	1	0	1	0	1	0
Asst. Comm. Super.*	Grade E	1	0	1	0	1	0	0	0	0	0
Records Supervisor	Grade E	1	0	1	0	1	0	1	0	1	0
Sr. Communications Officer*	Grade E	3	0	3	0	3	0	0	0	0	0
Admin. Asst.	Grade D	4	0	4	0	4	0	3	0	3	0
Comm. Center Support Coord.	Grade D	1	0	1	0	1	0	1	0	1	0
Evidence Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Communications Officer*	Grade D	12	0	12	0	12	0	0	0	0	0
Administrative Secretary	Grade B	0	2	0	2	0	2	0	2	0	2
Records Clerk	Grade B	3	0	3	0	3	0	3	0	3	0
Parking Enforcement Officer	Grade B	1	0	1	0	1	0	1	0	1	0
School Patrol (Part-time)	Grade A	0	18	0	11	0	11	0	11	0	11
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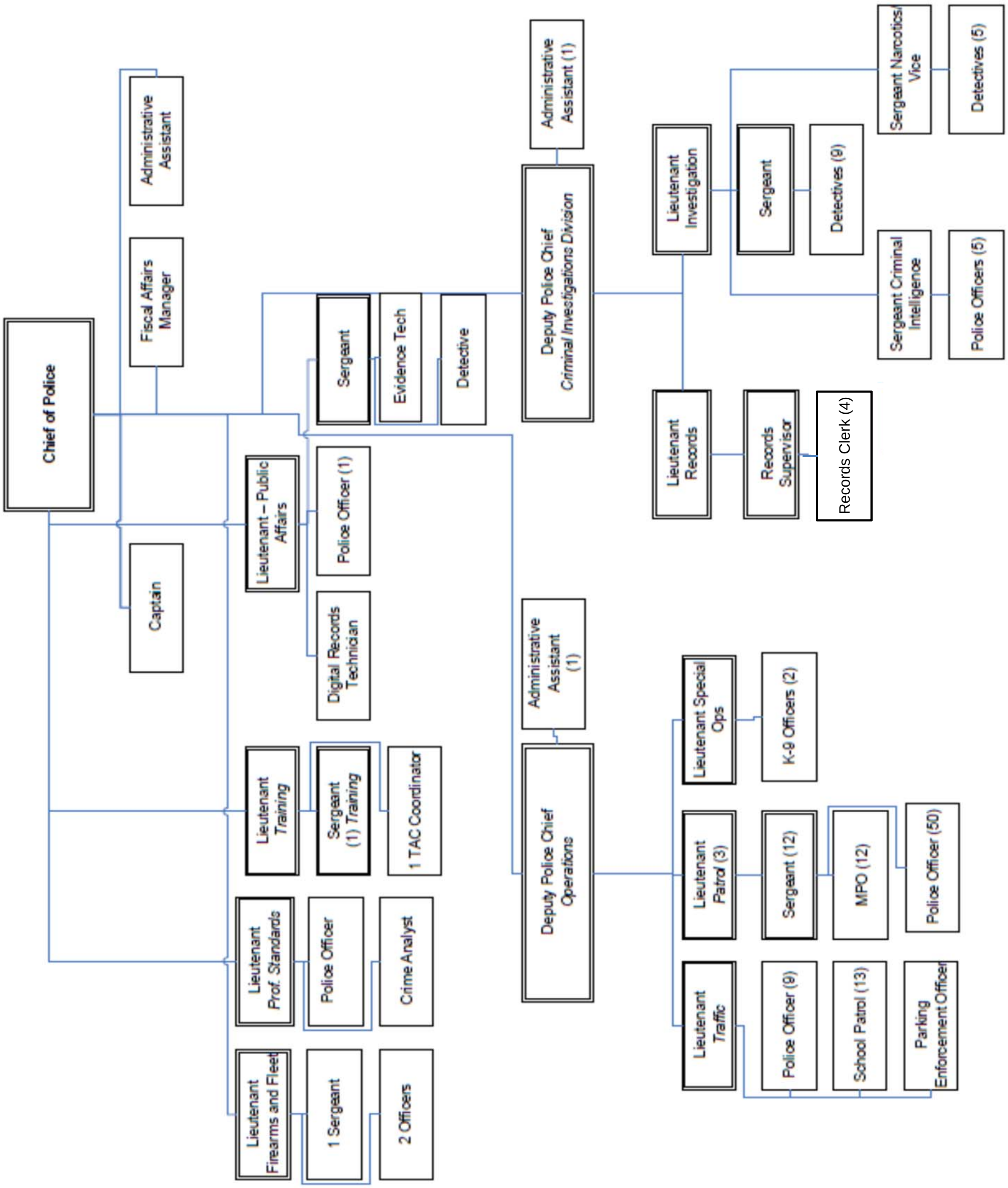

Staffing by Position (Proposed)

Position	Pay Grade	FY 2014		FY 2015		FY 2016		FY 2017		FY 2018	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Sworn Officers											
Police Chief	Grade M	1	0	1	0	1	0	1	0	1	0
Police Deputy Chief	Grade K	3	0	2	0	2	0	2	0	2	0
Police Captain	Grade J	0	0	0	0	1	0	1	0	1	0
Police Lieutenants	Grade I	9	0	9	0	10	0	10	0	10	0
Police Sergeant	Grade G	20	0	20	0	18	0	18	0	18	0
Detective/Master Patrol	Grade F	15	0	27	0	27	0	27	0	27	0
Police Officers	Grade E	80	0	68	0	68	0	70	0	70	0
Police Officer (R&D)	Grade E	1	0	1	0	1	0	0	0	0	0
Non-Sworn Personnel											
Fiscal Affairs Manager	Grade H	0	0	1	0	1	0	1	0	1	0
Crime Analyst	Grade F	0	0	0	0	0	0	1	0	1	0
Digital Records Technician	Grade F	0	0	0	0	1	0	1	0	1	0
Asst. Comm. Super.*	Grade E	1	0	1	0	1	0	0	0	0	0
Records Supervisor	Grade E	1	0	1	0	1	0	1	0	1	0
Sr. Communications Officer*	Grade E	3	0	3	0	3	0	0	0	0	0
Admin. Asst.	Grade D	4	0	4	0	4	0	3	0	3	0
Comm. Center Support Coord.	Grade D	1	0	1	0	1	0	1	0	1	0
Evidence Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Communications Officer*	Grade D	12	0	12	0	12	0	0	0	0	0
Administrative Secretary	Grade B	0	2	0	2	0	2	0	2	0	0
Records Clerk	Grade B	3	0	3	0	3	0	3	0	4	0
Parking Enforcement Officer	Grade B	1	0	1	0	1	0	1	0	1	0
School Patrol (Part-time)	Grade A	0	18	0	11	0	11	0	11	0	11
Total Authorized Staffing		**156**	**20**	**156**	**13**	**157**	**13**	**142**	**13**	**143**	**11**

Positions by Division

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The City continues to provide for salary costs of 14 communications employees who were transferred to Williamson County in November 2016.

RESOLUTION NO. 2017-85

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN FOR THE CITY OF FRANKLIN ADOPTING BUDGET GOALS FOR THE FISCAL YEAR 2018-2019

WHEREAS, the City of Franklin strives to provide excellent services to its citizens on a cost-effective basis through adoption of an annual operating budget as required by the Municipal Charter and the laws of the State of Tennessee; and

WHEREAS, this budget document is guided in principle by the goals and strategic planning developed by the Board of Mayor and Aldermen with input from the citizens of the City; and

WHEREAS, it is deemed to be in the public interest to provide for the long range fiscal health of the system by establishing financial, non-financial, and specific operational goals each year; and

WHEREAS, a set of goals has been reviewed by the Budget & Finance Committee and the full Board of Mayor & Aldermen.

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

SECTION 1. The Goals for Fiscal Year 2018-2019, as set forth more fully in **Attachment A,** is herewith approved and adopted.

SECTION 2: That this Resolution shall be effective upon adoption.

ADOPTED THIS _________ DAY OF __________, _____.

ATTEST:

By: ______________________________
Eric S. Stuckey
City Administrator/Recorder

CITY OF FRANKLIN, TENNESSEE:

By: ______________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________
Shauna R. Billingsley
City Attorney

City of Franklin, Tennessee

FY 2019 Operating Budget

Budget Planning

Budget Goals

Setting targeted goals is vital to accomplishment of any plan. For a financial plan to succeed, targeted goals are vital in guiding policymakers and civil servants in ensuring city services are provided in the most effective manner possible. The FY 2019 Budget goals are provided herein showing both the type of goal but where (and if) the proposed goal ties into FranklinForward, the City of Franklin's Strategic Plan.

Financial Goals

- Maintain and enhance the positive fiscal position of the City by adherence to financial management principles for public funds.
- Continue to pursue options for revenue diversification among property taxes, sales taxes, fees, interest earnings, other income, and state shared revenues with expenditure growth reviewed annually in terms of population increases and desired public service levels.
- Produce a structurally balanced budget with ongoing revenues meeting ongoing expenses.
- Pursue additional revenue sources when and where appropriate.
- Maintain reserve funds in compliance with the Board of Mayor and Aldermen's adopted policy.
- Maintain compliance with the City's adopted debt policy and capital funding program.
- Leverage local funds through the pursuit of grant opportunities.

Non-Financial Goals

- Maintain and enhance services to citizens. Avoid employee layoffs and other actions that would negatively impact the delivery of City services.
- Focus on the delivery of projects approved through the 2017-26 Capital Investment Program and supported by the Invest Franklin initiative
- Focus on continued maintenance and improvement to the water and wastewater infrastructure by advancing rate-funded capital projects.
- Develop, adopt, and implement programs and policies, which create and sustain a positive economic environment within the City of Franklin supporting job growth and private investment.

City of Franklin, Tennessee

FY 2019 Operating Budget

Budget Planning

- Cooperate with other agencies to generate significant economic development opportunities within Franklin and Williamson County. Enhance Franklin's competitive position.
- Continue an emphasis on maintenance of facilities and equipment with replacement of the City's fixed assets as necessary, which include equipment, infrastructure, and facilities.
- Continue and further enhance our commitment to employee training and professional development, and thereby providing a positive work environment for teamwork, individual and department initiatives, productivity, and individual development.
- Maintain and continue to enhance the compensation and benefit plan for employees within our financial capabilities; to retain and attract qualified and motivated employees in a highly competitive market.
- Continue commitment to the vitality of the downtown area, historical areas, and neighborhoods throughout the city.
- Encourage Community improvement projects to maintain and enhance the appearance and funcitionality of the City's existing residential neighborhoods and business area.

Specific Fiscal Year 2019 Initiatives

- Work towards the development of incentives for the development of affordable and workforce housing in the City of Franklin.
- Continue the emphasis that will maintain and enhance existing service levels to the citizens of Franklin focusing upon core values of excellence, innovation, teamwork, integrity and an action-orientation.
- Support and connect the City's operational efforts to long-term planning initiatives that have been completed in recent years and/or is currently underway. These key planning efforts include the Board-adopted strategic plan Franklin*Forward* , the Integrated Water Resource Plan (IWRP), the Comprehensive Transportation Plan, the Park's Master Plan, the Greenway/Open Space Plan, and the neighborhood street resurfacing program.
- Implement amendments to the compensation plan ensuring that the City is a highly competitive employer.
- Continue efforts to recruit qualified employees including efforts to diversify the workforce.
- Continue to work on a long-term assessment of City Hall facilities and operational needs due to growth, service requirements, and technology.

City of Franklin, Tennessee

FY 2019 Operating Budget

Budget Planning

	• Move forward with implementation of projects indentified by the Board of Mayor and Aldermen with the Capital Investment Program and supported by the *Invest* **Franklin** initiative. Develop in updated 2018-27 Capital Investment Program.
	• Continue to identify opportunities to expand and enhance the City's communication with the public through various strategies and mediums.
	• Promote/market the City as a preferred economic development location in cooperation with the State of Tennessee, Williamson County and other partners.
	• Continue the City's participation in the benchmarking program through UT-MTAS, the city-wide performance measurement program connecting measures to the Board's strategic plan, **Franklin*Forward*** , and further development and build out of the City's Open Performance website - http://performance.franklintn.gov.
	• Support the sustainability efforts identified by staff and the City's Sustainability Commission.
	• Continue work toward additional long-term funding strategies for multi-modal and vehicular transportation needs in Franklin, Williamson County and throughout the Middle Tennessee region.

RESOLUTION 2017-81

TO BE ENTITLED: "A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN FOR ADOPTION OF A DEBT MANAGEMENT POLICY"

WHEREAS, the City of Franklin, by action of the Board of Mayor and Aldermen in 2009, adopted a debt management policy to guide the City of Franklin in its undertaking of financial obligations, maintain a sustainable financial position, and assist in analyzing the use of debt for capital project; and

WHEREAS, by action of the Board of Mayor and Aldermen in 2016, the debt management policy was modified; and

WHEREAS, the debt management policy will need to be modified and updated from time to time to conform to state requirements, market conditions, rating implications, and to otherwise best serve the needs of the City.

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

Section 1. That the Debt Management Policy, as amended, is hereby adopted.

Section 2. That this Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this 12th day of December, 2017.

ATTEST:

By: ______________________
Eric Stuckey
City Administrator

CITY OF FRANKLIN, TENNESSEE:

By: ______________________
Dr. Ken Moore
Mayor

Approved as to form:

____

Shauna R. Billingsley, City Attorney

CITY OF FRANKLIN

T E N N E S S E E

Debt Management Policy

Prepared by
Public Financial Management, Inc.
Originally Adopted on June 23, 2009
Revised and Adopted by Finance Committee, March 10, 2016
Revised and Adopted by Board of Mayor & Aldermen, April 12, 2016
Revised and Proposed by Staff, November 30, 2017

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Introduction

Debt management policies are written guidelines and restrictions that affect the amount and type of debt issued by a state or local government, the issuance process, and the management of a debt portfolio. A debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, and demonstrates a commitment to long-term financial planning, including a multi-year capital plan. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and should meet its obligations in a timely manner.

Debt levels and their related annual costs are important long-term obligations that must be managed within available resources. An effective debt management policy provides guidelines for a government to manage its debt program in line with those resources.

Since the guidelines contained in the Policy require regular updating in order to maintain relevance and to respond to the changes inherent in the capital markets, the City plans to revisit the Policy from time to time.

City of Franklin
Debt Management Policy

I. Policy Statement

In managing its debt, it is the City's policy to:

- Achieve the lowest cost of capital
- Ensure high credit quality
- Assure access to the capital credit markets
- Preserve financial flexibility
- Manage interest rate risk exposure

II. Goals & Objectives

Debt policies and procedures are tools that ensure that financial resources are adequate to meet the City's long-term planning objectives. In addition, the Debt Management Policy ("Policy") helps to ensure that financings undertaken by the City satisfy certain clear objective standards which allow the City to protect its financial resources in order to meet its long-term capital needs. The adoption of clear and comprehensive financial policies enhances the internal financial management of the City.

The Policy formally establishes parameters for issuing debt and managing a debt portfolio which considers the City's specific capital improvement needs; ability to repay financial obligations; the existing legal, economic, and financial and debt market conditions. Specifically, the policies outlined in this document are intended to assist in the following:

- To guide the City and its managers in policy and debt issuance decisions
- To maintain appropriate capital assets for present and future needs
- To promote sound financial management
- To protect the City's credit rating
- To ensure the legal use of City's debt issuance authority
- To promote cooperation and coordination with other stakeholders in the financing and delivery of services
- To evaluate debt issuance options

III. Issuance Process

The City charter, which was approved by private Act of the Tennessee Legislature as Chapter 126 in 1967, as amended, authorizes the City to issue general obligation bonds subject to the adoption of a bond resolution by the Board of Mayor and Aldermen. Other sections of the Tennessee Code Annotated and the Federal Tax Code may govern the issuance or structure of the City's bonds.

These provisions serve as a basis for the City's affordability guidelines described later in this policy.

IV. Credit Quality and Credit Enhancement

The City's debt management activities will be conducted to receive the highest credit ratings possible, consistent with the City's financing objectives. The Finance Director will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the City's debt. The Finance Director will provide the rating agencies with periodic updates of the general financial condition of the City. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The City, together with the Financial Advisor, shall prepare presentations to the rating agencies to assist credit analysts in making an informed decision. The Finance Director shall be responsible for determining whether or not a rating shall be requested on a particular financing, and which of the major rating agencies will be asked to provide such rating.

The City will make an annual credit presentation to the Board of Mayor and Aldermen, explaining the City's current rating, rating agency views on the City's performance and current items which may positively or adversely affect the City's General Obligation credit rating.

The City will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus cost for each case. Only when clearly demonstrable savings can be shown shall an enhancement be considered. The City will consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements:

1. **Bond Insurance**
   The City may purchase bond insurance when such purchase is deemed prudent and advantageous for negotiated sales. The predominant determination shall be based on such insurance being less costly than the present value of the difference in the interest on insured bonds versus uninsured bonds. For competitive sales, the purchaser of the bonds will determine whether bond insurance will be used.

   The City will solicit quotes for bond insurance from interested providers, or in the case of a competitive sale, allow bidders to request bond insurance. In a negotiated sale, the City will select a provider whose bid is most cost effective and whose terms and conditions governing the guarantee are satisfactory to the City. The winning bidder in a competitive sale will determine the provider of bond insurance.

2. **Letters of Credit**
   The City may enter into a letter-of-credit (LOC) agreement when such an agreement is deemed prudent and advantageous. The City will prepare and distribute a request for qualifications to qualified banks or other qualified financial institutions which includes terms and conditions that are acceptable to the City.

V. Debt Affordability

The ratios and standards identified below are intended to provide guidelines which permit and facilitate long-term access to capital while ensuring that financial leveraging decisions do not negatively impact the City's annual operations. The City shall consider the ability to repay debt as it relates to the total budget resources and the property tax base:

Total Budget Resources

- Net Direct Debt divided by Operating Revenues $\leq$ 3.00X

As defined by Moody's US Local Government General Obligation Debt report dated January 15, 2014.

- Total Governmental Funds Debt Service as a percent of Expenditures $\leq$ 25%

As defined by Standard & Poor's U.S. Local Governments General Obligation Ratings: Methodology and Assumptions dated September 12, 2013.

Property Tax Base

- Net Direct Debt as a percent of Full Value (Market or Taxable Value) $\leq$ 1.75%

As defined by Moody's US Local Government General Obligation Debt report dated January 15, 2014.

As part of the City's effort to manage these metrics and the impact such have on the City's credit rating, the City, along with its Financial Advisor, will calculate the indicative ratings per Moody's and S&P's applicable local government criteria.

VI. Bond Structure

The City shall establish all terms and conditions relating to the issuance of bonds and will invest all bond proceeds pursuant to the terms of the City's Investment Policy. Unless otherwise authorized by the City, the following shall serve as the Policy for determining structure:

1. **Term**
   All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, and in consideration of the ability of the City to absorb the additional debt service expense within the debt affordability guidelines, but in no event will the term exceed thirty (30) years.

2. **Capitalized Interest**
   From time to time certain financings may require the use of capitalized interest from the issuance date until the City has beneficial use and/or occupancy of the financed project. Interest may be financial (capitalized) through a period permitted by federal law and State statute if it is determined that doing so is beneficial to the financing by the Finance Director.

3. **Debt Service Structure**
   General Obligation debt issuance shall be planned to achieve relatively net level debt service or level principal amortization considering the City's outstanding debt obligations, while matching debt service to the useful life of facilities. The City shall avoid the use of bullet or balloon maturities, absent sinking fund requirements, except in those instances where these maturities serve to make existing overall debt service level or to match a specific income stream. Debt which is supported by project revenues and is intended to be self-supporting will be structured to achieve level proportional coverage to expected available revenues.

4. **Call Provisions**
   In general, the City's securities will include a call feature no later than ten (10) years from the date of delivery of the bonds. The City will avoid the sale of long-term non-callable bonds absent careful evaluation by the City's Finance Director with respect to the value of the call option.
5. **Original Issuance Discount/Premium**
   Bonds with original issuance discount/premium will be permitted.
6. **Deep Discount Bonds**
   Deep discount bonds may provide a lower cost of borrowing in certain capital markets. The City's Finance Director will carefully consider their value and effect on any future refinancing as a result of the lower-than-market coupon.
7. **Structured Products**
   The determination of the City to consider the use of structured products as a hedge against interest rate risk or a method to lower its cost of borrowing will be made by the Finance Director. The City will comply with state guidelines and will be able to quantify and understand the potential risks or to achieve fixed and/or variable rate exposure targets. The City will not use structured products for speculative purposes.

VII. Types of Debt

When the City determines that the use of debt is appropriate, the following criteria will be utilized to evaluate the type of debt to be issued.

Security Structure

1. **General Obligation Indebtedness**
   The City may issue general obligation indebtedness supported by the full faith and credit of the City. General Obligation indebtedness shall be used to finance capital projects that do not have independent creditworthiness and significant ongoing revenue streams. The City may also use its General Obligation pledge or other tax-revenue pledge to support other revenue-supported debt, if such support improves the economics of the revenue-supported debt issue (including pledges required to participate in a debt program) and is used in accordance with these guidelines. (For example, the City may borrow from the State of Tennessee Revolving Loan Fund Program ("SRF Program") for funding of capital improvements for the Water & Wastewater Utility. The SRF Program often requires the City's full faith and credit pledge and a supporting pledge of the City's state shared revenues in addition to a revenue pledge.)
2. **Revenue Indebtedness**
   The City may issue revenue indebtedness, where repayment of the debt service obligations of said indebtedness will be made through revenues generated from specifically designated sources. Revenue indebtedness will typically be issued for capital projects which can be supported from project or enterprise-related revenues.
3. **Capital Leases**
   The City may use capital leases to finance short-term projects.

Duration

1. **Long-Term Debt (maturing after 3 years)**

The City may issue long-term debt where it is deemed that capital improvements should not be financed from current revenues or short-term borrowings. Long-term borrowing will not be used to finance current operations or normal maintenance. Long-term debt will be self-supporting and structured such that financial obligations do not exceed the expected useful life of the project(s).

a) *Serial and Term Bonds* may be issued in either fixed or variable rate modes to finance capital infrastructure projects with an expected life of three years or greater.

b) *Capital Outlay Notes* may be issued to finance capital infrastructure projects with an expected life of three to seven years.

2. Short-Term Debt (maturing within three years)

Short-term borrowing may be utilized for the construction period of a long-term project or for the temporary funding of operational cash flow deficits or anticipated revenues (defined as an assured source with the anticipated amount based on conservative estimates) subject to the following policies:

a) *Bond Anticipation Notes (BANs)*, including commercial paper notes issued as BANs, may be issued instead of capitalizing interest to reduce the debt service during the construction period of a project or facility. The BANs shall not mature more than 2 years from the date of issuance. BANs can be rolled in accordance with federal law and State statute. BANs shall mature within 6 months after substantial completion of the financed facility.

b) *Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs)* shall be issued only to meet cash flow needs consistent with a finding by bond counsel that the sizing of the issue fully conforms to Federal IRS and state requirements and limitations.

c) *Lines of Credit* shall be considered as an alternative to other short-term borrowing options. A *line* of credit shall be structured to limit concerns as to the Internal Revenue Code.

d) *Intrafund Loans* shall only be used to fund operational deficiencies among accounts or for capital projects to be paid from current fiscal year revenues. Such intrafund loans shall in no event extend beyond twelve (12) months and shall only be issued in compliance with state regulations and limitations.

e) *Other Short-Term Debt*, including commercial paper notes, may be used when it provides an interest rate advantage or as interim financing until market conditions are more favorable to issue debt in a fixed rate mode. The City will determine and utilize the least costly method for short-term borrowing. The City may issue short-term debt when there is a defined repayment source or amortization of principal.

Interest Rate Modes

Fixed Rate Debt

To maintain a predictable debt service burden, the City may give preference to debt that carries a fixed interest rate.

Variable Rate Debt

The percentage of <u>net</u> variable rate debt outstanding (excluding (1) debt which has been converted to synthetic fixed rate debt and (2) an amount of debt considered to be naturally hedged to short-term assets in the Unreserved Fund Balance) shall not exceed 20% of the City's total outstanding debt and will take into consideration the amount and investment strategy of the City's operating cash.

1. The following circumstances may result in the consideration of issuing variable rate debt:

a) Asset-Liability Matching

b) Construction Period Funding

c) High Interest Rates. Interest rates are above historic averages.

d) Variable Revenue Stream. The revenue stream for repayment is variable, and is anticipated to move in the same direction as market-generated variable interest rates, or the dedication of revenues allows capacity for variability.

e) Adequate Safeguards Against Risk. Financing structure and budgetary safeguards are in place to prevent adverse impacts from interest rate shifts; such structures could include, but are not limited to, interest rate caps and short-term cash investments in the City's General Fund.

f) Financial Advisor Analysis. An analysis from the City's Financial Advisor evaluating and quantifying the risks and returns involved in the variable rate financing and recommending variable rate as the lowest cost option.

g) As a Component to Synthetic Fixed Rate Debt. Variable rate bonds may be used in conjunction with a financial strategy, which results in synthetic fixed rate debt. Prior to using synthetic fixed rate debt, the City shall certify that present value savings of at least 3% results from issuing synthetic fixed rate debt relative to traditional fixed rate debt.

VIII. Use of Synthetic Debt

The Finance Director will determine whether the use of synthetic debt is appropriate and will comply with the state statutes regulating the use of synthetic debt.

Swaps are appropriate to use when they achieve a specific objective consistent with overall financial policy. Swaps may be used, for example, to lock-in a current market fixed rate or create additional variable rate exposure. Swaps may be used to produce interest rate savings, alter the pattern of debt service payments, or for asset/liability matching purposes. Swaps may be used to cap, limit or hedge variable rate payments.

Options granting the right to commence or cancel an underlying swap may be used to the extent the swap itself is otherwise consistent with these guidelines; however, the Finance Director must determine if the use of any such option is appropriate and warranted given the potential benefit, risks, and objectives of the City.

IX. Refinancing Outstanding Debt

The Finance Director with assistance from the City's Financial Advisor shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The Finance Director will consider the following issues when analyzing possible refunding opportunities:

1. **Debt Service Savings**
   Absent other compelling considerations such as the opportunity to eliminate onerous or restrictive covenants contained in existing debt documents, the Finance Director establishes a minimum present value savings threshold of 3.0% of the advanced refunded bond principal amount. The present value savings will be net of all costs related to the refinancing. If present value savings is less than 3.0%, the Finance Director may consider the option value captured as a percent of total savings. If the option value exceeds 70% and present value savings is less than 3.0%, the Finance Director may opt to complete a refunding. If the present value savings per maturity is at least 3.0% but less than 70% of the option value, the Finance Director may opt to complete a refunding. The decision to take savings on an upfront or deferred basis must be explicitly approved by the Board of Mayor and Alderman. Current refunding opportunities will be considered by the Finance Director if the refunding generates positive present value savings.

2. **Restructuring for economic purposes**
   The City will refund debt when it is in the best financial interest of the City to do so. Such refunding will be limited to restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, release reserve funds or remove unduly restrictive bond covenants.

3. **Term of Refunding Issues**
   The City will refund bonds within the term of the originally issued debt. However, the Finance Director may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Finance Director may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

4. **Escrow Structuring**
   The City shall utilize the least costly securities available in structuring refunding escrows. In the case of open market securities, a certificate will be provided by a third party agent, who is not a broker-dealer stating that the securities were procured through an arms-length, competitive bid process, that such securities were more cost effective than State and Local Government Obligations (SLGS), and that the price paid for the securities was reasonable within Federal guidelines. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.

5. **Arbitrage**
   The City shall take all necessary steps to optimize escrows and to avoid negative arbitrage in its refunding subject to the City's investment policies. Any positive arbitrage will be rebated as necessary according to Federal guidelines.

X. Methods of Issuance

The City or its designee will determine the method of issuance on a case-by-case basis.

1. **Competitive Sale**
   In a competitive sale, the City's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

   The City's Financial Advisor shall not be permitted to bid on the City's competitive bond sale.

2. **Negotiated Sale**
   While the City prefers the use of a competitive process, the City recognizes that some securities are best sold through negotiation. In its consideration of a negotiated sale, the City shall assess the following circumstances:

   a. State prohibitions against negotiated sales,

   b. A structure which may require a strong pre-marketing effort such as a complex transaction or a "story" bond,

   c. Size of the issue which may limit the number of potential bidders,

   d. Market volatility is such that the City would be better served by flexibility in timing a sale,

   e. Whether the Bonds are issued as variable rate demand obligations,

   f. Whether an idea or financing structure is a proprietary product of a single firm.

   The City's Financial Advisor shall not be permitted to serve as the underwriter on the City's negotiated bond sale.

3. **Private Placement**
   From time to time the City may elect to privately place its debt. Such placement shall only be considered if this method is demonstrated to result in a cost savings to the City relative to other methods of debt issuance.

   The City's Financial Advisor shall not be permitted to purchase the City's debt through a private placement.

XI. Underwriter Selection (Negotiated Transaction)

Senior Manager Selection
The Board of Mayor and Alderman or its designee shall select the senior manager for a proposed negotiated sale. The selection criteria shall include but not be limited to the following:

- The firm's ability and experience in managing complex transactions
- Prior knowledge and experience with the City
- The firm's willingness to risk capital and demonstration of such risk
- Quality and experience of personnel assigned to the City's engagement
- Financing ideas presented
- Underwriting fees

Co-Manager Selection

Co-managers will be selected on the same basis as the senior manager. In addition to their qualifications, co-managers appointed to specific transactions will be a function of transaction size and the necessity to ensure maximum distribution of the City's bonds.

Selling Groups

The City may use selling groups in certain transactions. To the extent that selling groups are used, the Finance Director at his or her discretion may make appointments to selling groups as the transaction dictates.

Underwriter's Counsel

In any negotiated sale of City debt in which legal counsel is required to represent the underwriter, the appointment will be made by the Senior Manager with input from the City.

Underwriter's Discount

The Finance Director will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Finance Director will determine the allocation of fees with respect to the management fee, if any. The determination will be based upon participation in the structuring phase of the transaction.

All fees and allocation of the management fee will be determined prior to the sale date; a cap on management fee, expenses and underwriter's counsel will be established and communicated to all parties by the Finance Director. The senior manager shall submit an itemized list of expenses charged to members of the underwriting group. Any additional expenses must be substantiated.

Evaluation of Underwriter Performance

The Finance Director with assistance of an independent Financial Advisor will evaluate each bond sale after completion to assess the following: costs of issuance including underwriters' compensation, pricing of the bonds in terms of the overall interest cost and on a maturity-by-maturity basis, and the distribution of bonds and sales credits.

Following each sale, the Finance Director shall provide a report to the Board of Mayor and Aldermen on the results of the sale.

Syndicate Policies

For each negotiated transaction, the Finance Director will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Finance Director shall ensure receipt of each member's acknowledgement of the syndicate policies for the upcoming sale prior to the sale date.

Designation Policies

To encourage the pre-marketing efforts of each member of the underwriting team, orders for the City's bonds will be net designated, unless otherwise expressly stated. The City shall require the senior manager to:

- Equitably allocate bonds to other managers and the selling group
- Comply with Municipal Securities Rulemaking Board (MSRB) regulations governing the priority of orders and allocations
- Within 10 working days after the sale date, submit to the Finance Director a detail of orders, allocations and other relevant information pertaining to the City's sale

XII. Consultants

Financial Advisor

The City shall select a financial advisor (or advisors) to assist in its debt issuance and debt administration processes. Selection of the City's financial advisor(s) shall be based on, but not limited to, the following criteria:

- Overall quality of the firm's proposal as an indicator of its probability for success.
- Relevant Financial Advisor experience with municipal government issuers and the public sector.
- Indication that the firm has a broadly based background and is therefore capable of balancing the City's overall needs for continuity and innovation in capital planning and debt financing.
- Experience and demonstrated success as indicated by its listing of current major clients.
- The firm's professional reputation for integrity and compliance with state and federal law.
- Independence from municipal bond underwriting, trading, or other clients, activities, or events which could result in a conflict of interest.
- Professional qualifications and experience of principal employees who will work for the City.
- Commitment to fair and equitable employment practices.
- Consideration will be given to the proposed fee structure and estimated costs, but price will not be the sole determining factor.

Financial Advisory Services

Financial advisory services provided to the City shall include, but shall not be limited to the following:

- Advise the City on financial matters relating to proposed capital financing projects.
- Analyze the current debt profile and recommend appropriate changes to ensure correct mix of fixed rate debt, variable rate debt and structured products to accomplish the City's immediate and long-term fiscal objectives.
- Working with the City staff and their legal advisors, prepare Preliminary Official Statement, Official Statement, Notice of Bond Sale and other related documents.
- Advise and assist in presentations to rating agencies.
- Assist the City in obtaining competitive bids from bond underwriters, trustees, paying agents/registrars, printers and escrow verification agents, as necessary.
- In the event the City undertakes negotiated underwritings, the Financial Advisor shall represent the City's interests in all aspects of the negotiated transaction, including underwriter selection, revenue and transaction structuring, credit enhancement and pricing scales.
- Arrange for electronic disclosure and bidding services.
- Develop five and ten year debt strategies that incorporate the City's capital financing plans and revenue constraints. Discuss funding alternatives and cost benefits of proposed

strategies. Determine the City's debt or bonding capacity and the revenue impact of capital projects.

- Assist the City in identifying and obtaining new sources of funding for capital needs such as new revenues, asset sales, state and/or federal grants or incentive programs.
- Assess use of swaps and other structured products, and propose strategies, to meet the City's financing objectives.
- Develop a formal written debt policy, which incorporates the City's financial and operational objectives.
- Perform annual credit/scorecard calculations using the applicable local government criteria as provided by Moody's and Standard & Poor's.
- Perform bi-annual review of the City's credit/scorecard calculations in comparison to peer cities.
- Conduct necessary analysis and feasibility studies relating to financing of City projects, including cash flows, sources and uses, and sensitivity analysis of variables in a financing, such as interest rate, maturities, and rate of principal redemption.
- Propose innovative financing techniques, which may assist the City in minimizing costs, simplifying debt financing or achieving the City's objectives.
- Provide consultation and research on tax issues faced by the City relative to the financing of public infrastructure.
- Advise the City in complying with and preparing continuing disclosure information pursuant to Security and Exchange Commission rules.
- Cooperate and confer with the City's Bond Counsel and other advisors retained by the City.
- Review all financing documents and advise the City's Finance Director accordingly.
- Undertake such additional actions as will lead to the prompt and successful delivery of the proceeds and the production and availability of bonds.
- Make recommendations on legislation, as requested, which may significantly affect the bond's cost of financing.

Conflict of Interest
The City requires that its consultants and advisors provide objective advice and analysis, maintain the confidentiality of City financial plans, and be free from any conflicts of interest. Specifically, underwriters shall clearly identify itself in writing as an underwriter and not a financial advisor from the earliest stages of its relationship with the City. The underwriter must clarify its primary role as a purchaser of securities in an arms-length commercial transaction and that it has financial and other interests that differ from those of the City.

Bond Counsel
The City shall enter into an engagement letter agreement with the legal counsel representing the City in a debt transaction. City debt will include a written opinion by legal counsel affirming that the City is authorized to issue the proposed debt, that the City has met all legal requirements necessary for issuance, and a determination of the proposed debt's federal income tax status.

The approving opinion and other documents relating to the issuance of debt will be prepared by counsel with extensive experience in public finance and tax issues.

Disclosure by Financing Team Members
All financing team members, and their associated costs to perform such services, either on an on-time or continued basis, will be required to provide full and complete disclosure to the City and its governing body. Any and all Financing Team Members shall also disclose agreements with other financing team members and outside parties. The extent of disclosure may vary depending on the nature of the transaction. However, in general terms, no agreements shall be permitted which could compromise the firm's ability to provide independent advice which is solely in the City's best interests or which could reasonably be perceived as a conflict of interest.

XIII. Disclosure

The City will provide annual financial and economic information to the Electronic Municipal Market Access facility of the Municipal Securities Rulemaking Board. The City will also notify the MSRB of any of the following material events:

- Principal and interest payment delinquencies
- Nonpayment-related defaults
- Unscheduled draws on bond-related reserves
- Unscheduled draws on credit enhancements
- Substitution of credit or liquidity providers or the failure of performance on the part of a liquidity provider
- Adverse tax opinions or events affecting the tax-exempt status of any bonds
- Modifications to rights of bond holders
- Bond calls
- Defeasances
- Matters affecting collateral
- Rating changes

The City will also maintain a system of record keeping and reporting which complies with the arbitrage rebate compliance requirements of the federal tax code.

XIV. Debt Policy Review

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt, interest rate swaps and options. The City maintains the right to modify these guidelines and may make exceptions to any of them at any time to the extent that the execution of such debt, swap or option achieves City goals.

This policy will be reviewed no less frequently than annually. At that time the Finance Director will consider any recommendations for any amendments, deletions, additions, improvements or clarification.

INSTITUTIONAL TRUST & CUSTODY SCHEDULE OF FEES

CUSTODY SERVICES FOR THE CITY OF FRANKLIN EMPLOYEES' PENSION PLAN

ANNUAL MARKET VALUE SCHEDULE

FIRST $25 MILLION 2.5 BASIS POINTS
NEXT $25 MILLION 2 BASIS POINTS
>$50 MILLION 1.5 BASIS POINTS
$7,500 MINIMUM ANNUAL FEE

- Safekeeping of assets
- Transaction settlement
- Cash Management (all cash swept daily)
- Online account access, management reporting, and statement delivery
- Online balance inquiry and trade affirmations
- Consolidated accounting & reporting
- Onsite client meetings as needed
- Professional, designated relationship team
- Unlimited number of DTCC/Federal Reserve eligible securities to be held in nominee name
- Proxy management (stock splits, spin-offs, name changes, etc.)
- Timely and accurate pricing of assets
- Standard Custody agreement
- Collection of income (dividends, interest, matured bonds, settled sales)

TRANSACTION PROCESSING

▪ Standard DTC or Fed Buys/Sales/Principal Paydowns	waived
▪ U.S. Bank Money Center Trades (Directed)	waived
▪ Physical Trades	waived
▪ Wire Distributions	waived
▪ Pension Payments	Check $3.50 ACH $3.00 Including postage

SERVICE AND FEE ASSUMPTIONS

- Fees are debited from the account(s) quarterly
- U.S. Bank does not have investment management responsibility
- Fee Schedule assumes exclusive use of one of U.S. Bank's proprietary money market funds for investment of short-term cash
- U.S.Bank reserves the right to re-evaluate pricing and implement a change in the fee schedule with 30-day notice
- This fee schedule pertains to domestic securities, i.e.;DTC and ADRs. International securities priced separately

All other terms and conditions remain unchanged.

EFFECTIVE DATE:

Client		**U.S. Bank National Association**	
______________________	__________	______________________	__________
Authorized Signature	Date	Authorized Signature	Date

Law Approved 12.11.2017

Fund 310/311 - Capital Projects Fund Reconciliation

Executive Summary

Introduction:

This report is designed to reconcile the Capital Projects Fund from FY 2005 through the end of the most current Fiscal Year, FY 2017. The major questions which this report attempts to answer are:

- What is the historical performance of the fund?
- What is the current balance of the fund? (and what are the component which make up the current balance - both expenses and reserves against fund balance?)
- What is the plan to alleviate the remaining deficit in the future?

To answer these questions, the following Exhibits are provided:

- Summary: Provides the historical performance of the fund showing Revenue and Expense Totals, FY 2005-2017
- Current Balance: Provides project by project deficits and balances of all reservations against fund balance as of June 30, 2017 & November 15, 2017
- Proposed closeout plan: How to finalize the closure of remaining deficits in Fund 310

This is the second of two parts of the reconciliation. A prior reconciliation was provided one-year ago at this time.

Fund 310/311 - Capital Projects Fund Reconciliation

Summary

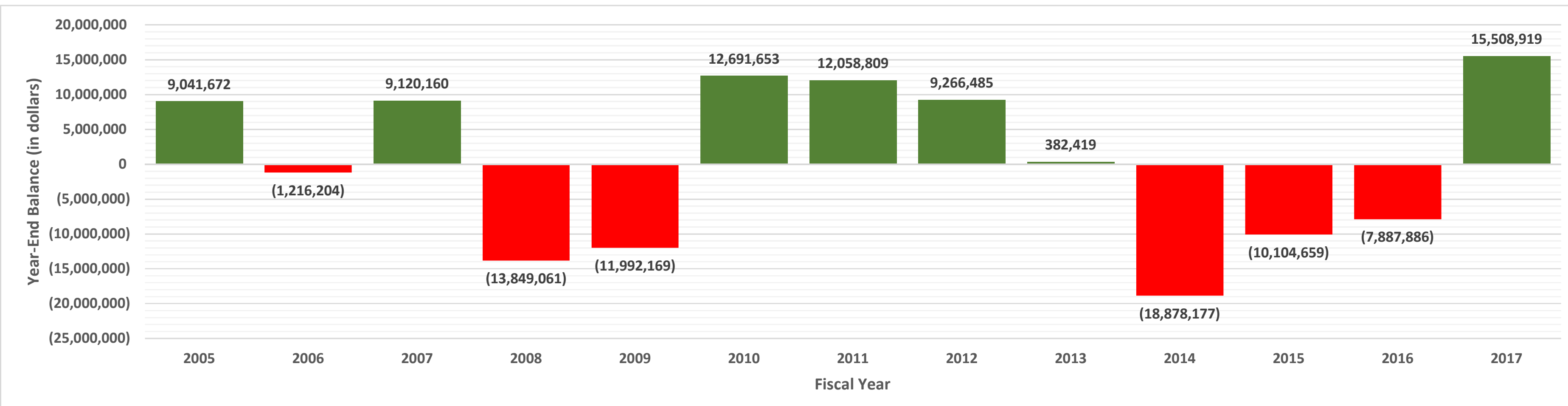
Summary: The Capital Projects Fund serves as the primary accounting mechanism for the tracking of infrastructure related capital projects. It functions differently than almost any other fund the City has in two respects:

1) It is a "pass-through" account. Money comes in and money is spent. Or in reality, money is authorized to be spent first and the reimbursements are deposited within the account in the form of bond proceeds, grants, or other forms.
2) It can run a deficit. It can do this because it is the only fund which is unbudgeted. It is unbudgeted because it is impossible to know, year in and year out, how long projects will last. This is not to say there is not authorization or budgets for individual projects; the Board of Mayor and Alderman still approves limits on how much can be spent on a project, but this is done project-by-project and NOT as the fund as a whole.

As a result of these factors, the fund has been in a deficit as frequently as it has been in a surplus position. Fundamentally, this is okay - again, the function of the fund is merely to account for the costs of large-scale, multi-fiscal year projects.

The history of the ending fund balance in the Capital Projects Fund from FY 2005-2017 provided below.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues	14,742,041	10,916,950	20,612,689	16,576,849	17,625,869	35,150,291	29,257,513	23,382,482	13,381,214	21,602,010	3,409,189	1,918,500	30,107,755
Expenses	5,700,369	12,133,154	11,492,529	30,425,910	29,618,038	22,458,638	17,198,704	14,115,997	12,998,795	40,480,187	13,513,848	9,806,386	14,598,835
EOY Balance	9,041,672	(1,216,204)	9,120,160	(13,849,061)	(11,992,169)	12,691,653	12,058,809	9,266,485	382,419	(18,878,177)	(10,104,659)	(7,887,886)	15,508,919



Source: 2005-2017 Comprehensive Annual Financial Reports , City of Franklin, Tennessee

Fund 310/311 - Capital Projects Fund Reconciliation

Balance as of June 30, 2017

As of the last reconciliation, that of June 30, 2016, the audited final balance of the Capital Projects Fund (Fund 310) was ($7,887,889). A lot of activity has occurred over the last year, including the creation of a new fund, Fund 311, for the issuance of over $23 million in G.O. Bonds and to account for the costs of prior and ongoing capital projects. As of June 30, 2017, the combined Multi-Purpose Capital Funds balance is $15,508,919.48. A detailed summary of how that breaks down is shown below:

	Reconciliation of Project Costs as of June 30, 2017	
A	**Deficit as of 6/30/2016**	**$ (7,887,886)**
	Revenues	**Amount**
	Property Taxes	$ 623,685
	County Facilities Tax	$ 1,068,030
	Grants	$ 1,795,154
	Bond Proceeds	$ 23,120,000
	Transfers from Other Funds	$ 4,836,071
	Other Contributions/Premium	$ 6,547,105
	Interest Income	$ 5,595
B	**Revenues Total**	**$ 37,995,641**
	Expenses	**Amount**
	Contractual Services	$ (232,693)
	Debt Service & Lease Payments	$ (200,673)
	Transfer to Fund 132 (County Facilities Tax)	$ (3,487,056)
	Capital Projects	$ (2,565,948)
	Other Expenditures	$ (8,112,467)
C	**Total Expenses**	**$ (14,598,836)**
D (A+B+C)	**Balance of Multi-Purpose Capital Fund (310/311) as of 6/30/2017**	**$ 15,508,919**

Breakout between 310/311			
Balances as of 6/30/2017			
Fund 310		**Fund 311**	
Prior Balance	**$ (7,887,886)**	**Prior Balance**	**$ -**
Revenues	**$ 11,335,474**	**Revenues**	**$ 26,660,166**
Expenses	**$ (5,780,652)**	**Expenses**	**$ (8,818,184)**
Ending Balance	**$ (2,333,063)**	**Ending Balance**	**$ 17,841,982**
Combined Balance			**$ 15,508,919**

The logic behind creating two sub-funds within the Multi-Purpose Capital Projects fund was simple. Fund 311 is solely dedicated to the proceeds of the June 2017 G.O. Bond Issuance. Once those funds are used and those projects completed, Fund 311 will cease to exist. This separation of accounting for large capital projects makes it easier to distinguish what is remaining within Fund 310.

Although the issuance of bonds eliminated the overall deficit within the Multi-Purpose Capital Projects Fund, there remained a multi-million deficit as of June 30, 2017. Further research shows that this has grown after June 30, 2017, and staff can reconcile what projects comprise this deficit on the following page.

Fund 310/311 - Capital Projects Fund Reconciliation

Current Balance - as of November 15, 2017

Activity has continued within both funds since June 30, 2017. This reconciliation will focus mostly on Fund 310, because that is the component of the Multi-Purpose Capital Projects Fund with outstanding deficits. (For the record, the balance within Fund 311 as of November 15, 2017 is $15,076,645.49. To date, $2,765,336.38 has been spent on various projects, though the lion share has been spent on completing Hillsboro Phase II.)

The reconciliation below shows the identifiable balance of Fund 310 by component/project as of November 15, 2017.

	Reconciliation of Project Costs as of November 15, 2017	
A	**Deficit as of 6/30/2017**	**$ (2,333,063)**
	Revenues	**Amount**
	Grants	$ 412,573
	Transfers from Other Funds	$ 1,500,000
B	**Revenues Total**	**$ 1,912,573**
	Expenses	**Amount**
	Mack Hatcher Northwest	$ (4,982,754)
	Phase I CIP Projects	$ (843,103)
	Old Projects	$ (1,968)
	Leases	$ (24,440)
C	**Total Expenses**	**$ (5,852,265)**
D (A+B+C)	**Balance of Fund 310 as of 11/15/2017**	**$ (6,272,756)**

Although the lion share of this deficit will be reimbursed by TDOT for work on Mack Hatcher Northwest, there are still multiple components which make up this actual balance of ($6,272,756). It is important to understand each of these and determine what is the real outstanding balance which requires additional resources to close the remaining deficit. Another way of viewing this deficit is as follows:

Fund 310/311 - Capital Projects Fund Reconciliation

Current Balance - as of November 15, 2017

Outstanding Deficit of Fund 310

Starting Balance as of November 15, 2017		**$**	**(6,272,756)**
First, segregate out balances of all outstanding projects. (This amount includes all balances for future Phase I CIP projects, like Franklin Road, and upcoming projects like Mack Hatcher NW.	Franklin Road	$	121,364
	Columbia Road	$	176,020
	Mack Hatcher Northwest	$	(4,406,031)
	Mallory Green Developer Contribution for Jordan Road	$	391,284
	SRW96 Multiuse Trail	$	(71,961)
	E. McEwen / Cool Springs Intersection	$	(33,509)
	Goose Creek Bypass Intersection	$	(11,574)
	Mallory/Royal Oaks/Liberty Int Imp (2017-005), net of Road Impact $1,500,000	$	1,410,743
	Total Ongoing Projects	**$**	**(2,423,664)**
Balance of Fund 310, less Ongoing Projects		**$**	**(3,849,092)**
Second, account for remaining transfers within the fund. As of June 30 2017, there was still $635,074 within the fund which was attributable to the County Facilities Tax. This balance will be moved via a future Budget Amendment.	County Facilities Tax	$	635,074
Balance of Fund 310, less transfers out		**$**	**(4,484,166)**
Finally, account for unrestricted revenues within the fund. This would be Property Tax (1.5 cents from FY 2015, 2016)		$	1,215,764
Balance of Fund 310, less unrestricted revenues		**$**	**(5,699,930)**

This amount, ($5,699,930), is the actual remaining deficit balance within Fund 310 which requires additional revenues. This amount is attributable to one project - South Carothers Extension. All of the prior year's transfers and closeouts have eliminated the deficits caused through other projects. Only this project - the South Carothers Extension - needs to be closed out.

Why did this occur? In one simple word, opportunity. The construction of South Carothers and the extension were not originally in the CIP at the time. Staff recommended and the BOMA acted in the interest of taking advantage of the growth opportunities in that section of Franklin to extend and enhance this important arterial roadway. As a result of being appropriately aggressive and building the road outside of our CIP process, the City was unable to time the reimbursement of the roadway through intent resolutions with the BOMA and was thus unable to add the costs of the roadway to prior bond issuances. Steps have been taken to refine our planning, construction and financing processes to prevent this situation in the future and are detailed on the next page under the section entitled "Moving Forward."

Fund 310/311 - Capital Projects Fund Reconciliation

Proposed Close Out Plan

Staff recommends a three pronged strategy over FY 2018 and FY 2019 to closeout this remaining balance of ($5,699,930):

	Outstanding Deficit Balance of Fund 310	**$ (5,699,930)**
1)	Apply Property Tax Revenues within Fund 310. This will require no action of the BOMA, as funds are already in Fund 310	$ 1,215,764
	Remaining Deficit Balance of Fund 310, after applying Property Tax balances inside the fund	**$ (4,484,166)**
2)	As part of FY 2018 Year-End Close, apply fund balance from the following funds:	
	Transfer from Road Impact Fund	$ 1,500,000
	Remaining Deficit Balance of Fund 310 as of end of FY 2018	**$ (2,984,166)**
3)	As part of FY 2019 Year-End Close, apply fund balance from the following funds:	
	Transfer from General Fund - Capital Funding Account	$ 1,484,166
	Transfer from Road Impact Fund	$ 1,500,000
	Remaining Deficit Balance of Fund 310 as of end of FY 2019	**$ 0**

This strategy will allow the South Carothers deficit to be eliminated while maintain adequate year-end fund balances within both the General Fund and the Road Impact Fund and ensure the continued ability for the BOMA to leverage capital monies where needed to continue building new projects. Staff believes it prudent to use Road Impact funds to cover at least half of this deficit, but reserves the right to examine year-end fund balances at the end of FY 2018 and see if both funds can accommodate the transfers as shown above at that time.

Moving Forward

Although the fund will constantly have activity, staff has worked over the last 24 months to streamline and strengthen our capital financial planning process to ensure that such large, unfunded deficits do not occur in the future. Steps taken include:

- Create 10-year Capital Financing Model
- Develop 10-year Capital Improvement Plan with BOMA prioritization for each Phase
- Finance and Engineering staff working together to understand the estimated timing of capital projects
- Developing a two-year cycle for bond issuances and intent resolutions ensuring that proceeds are spent timely and sufficient funds are available year-to-year within the Multi-Purpose Capital Projects Fund

These steps ensure that the City is in the best position possible to continue to meet the needs of its growing citizenry, take advantage of opportunities as they arise and maintain flexibility of funding infrastructure improvements while responsibly accounting for its finances.

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City of Franklin

Monthly Reports for November 2017

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax

The local sales tax remittance from the State of Tennessee for September 2017 sales (received by the City in November 2017) was $2,748,694 compared to $2,817,429 for the same month in 2017, a decrease of $68,735 or -2.4%. During the same period, the State of Tennessee sales tax collections were up 2.62% from the prior year.

For budget comparisons, the City anticipated collections of $2,944,109 for September 2017, a difference of $195,415 less, or -6.6%.

Schedule 2: Building Permits

2018 year-to-date is exceeding 2017 by almost 13%, and compared to 2018 budget is higher by 28%.

Schedule 3: Road Impact Fees

2018 year-to-date compared to 2017 is almost 95% higher, and compared to 2018 budget is higher by almost 73%.

Schedule 4: Facilities Tax (City)

2018 year-to-date compared to 2017 is almost 35% higher, and compared to 2018 budget is higher by 43%.

Schedule 5: Facilities Tax (County)

2018 year-to-date compared to 2017 is almost 11% higher, and compared to 2018 budget is almost 6% less.

Schedule 6: Conference Center

The City's ½ share of the loss for September was ($2,501). In September 2016, the City's ½ share of the profit was $15,576.

The City's ½ share of the profit for October was $76,034. In October 2016, the City's ½ share of the profit was $27,310.

Schedule 7: 1st Quarter 2018 Financial Report

Due to the timing of the holidays, the report was not yet available. It will be distributed early next week.

City of Franklin

Finance Department - Monthly Reports

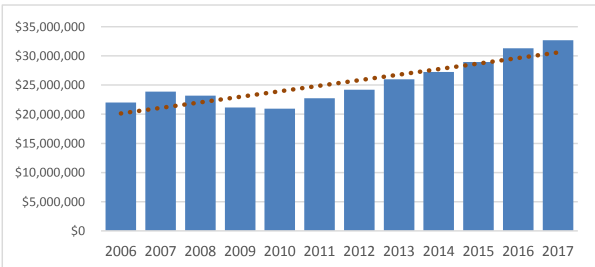
Schedule 1:	Local Sales Tax	Fund	General	Account:	110-31300-00000

Summary: Tennessee Code Annotated 67-6-702 authorizes the levy of a local sales tax. The maximum rate authorized is 2.75%. The current rate is 2.25%. The tax is applied only to the first $1,600 of any single article of personal property. The City receives 1/2 of the 2.25% 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.

Monthly Report for November 2017: The local sales tax remittance from the State of Tennessee for September 2017 sales (received by the City in November 2017) was $2,748,694 compared to $2,817,429 for the same month in 2017, a decrease of $68,735 or -2.4%. During the same period, the State of Tennessee sales tax collections were up 2.62% from the prior year.

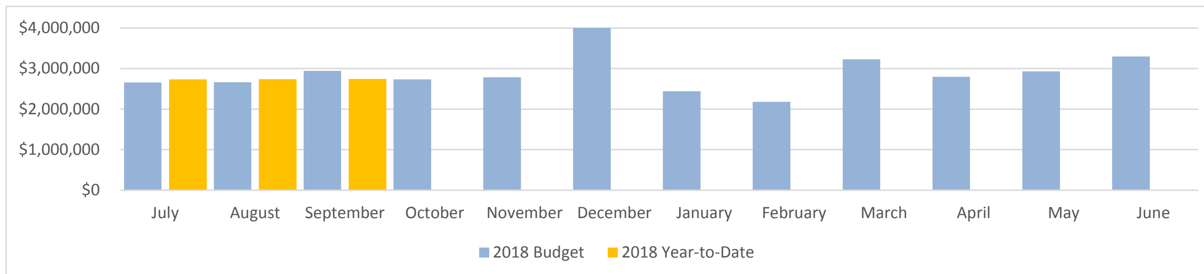
For budget comparisons, the City anticipated collections of $2,944,109 for September 2017, a difference of $195,415 less, or -6.6%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2006	$22,005,703	$2,219,473	11.2%
2007	$23,885,264	$1,879,561	8.5%
2008	$23,185,434	($699,830)	-2.9%
2009	$21,152,554	($2,032,880)	-8.8%
2010	$20,969,821	($182,733)	-0.9%
2011	$22,720,666	$1,750,845	8.3%
2012	$24,197,413	$1,476,747	6.5%
2013	$25,995,733	$1,798,320	7.4%
2014	$27,254,742	$1,259,009	4.8%
2015	$28,943,994	$1,689,252	6.2%
2016	$31,309,366	$2,365,372	8.2%
2017	$32,694,268	$1,384,902	4.4%
Average Increase (Decrease)		**$ 1,075,670**	**4.4%**

2017 Month by Month Summary



Month	2017 Actual	2018 Budget	2018 Year-to-Date	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2017 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget
July	$2,546,087	$2,660,661	$2,735,433	$189,346	7.4%	$74,772	2.8%
August	$2,547,776	$2,662,426	$2,739,864	$192,088	7.5%	$77,438	2.9%
September	$2,817,429	$2,944,109	$2,748,694	($68,735)	-2.4%	($195,415)	-6.6%
October	$2,616,784	$2,734,539					
November	$2,666,949	$2,786,962					
December	$3,870,492	$4,044,664					
January	$2,338,925	$2,444,176					
February	$2,186,682	$2,180,041					
March	$2,812,649	$3,232,309					
April	$2,798,951	$2,799,152					
May	$2,651,183	$2,934,465					
June	$2,840,361	$3,298,976					
	$32,694,268	**$34,722,480**	**$8,223,991**	**$104,233**	**4.0%**	**($14,402)**	**-0.5%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$312,699		**($43,205)**	
				Total		*Total*	

City of Franklin

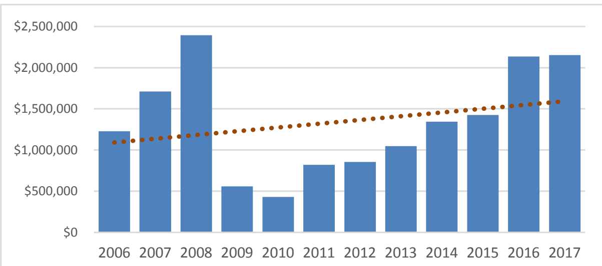
Finance Department - Monthly Reports

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.

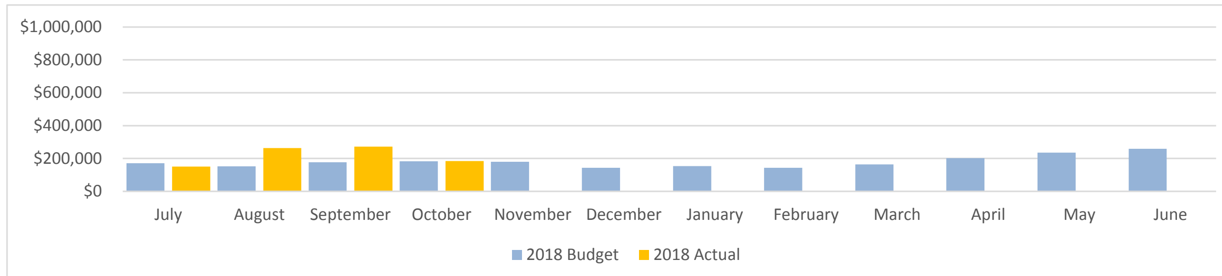
Monthly Report for November 2017: 2018 year-to-date is exceeding 2017 by almost 13%, and compared to 2018 budget is higher by 28%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2006	$1,228,209	$163,948	15.4%
2007	$1,710,865	$482,656	39.3%
2008	$2,395,129	$684,264	40.0%
2009	$559,112	($1,836,017)	-76.7%
2010	$430,901	($128,211)	-22.9%
2011	$820,111	$389,210	90.3%
2012	$855,409	$35,298	4.3%
2013	$1,046,947	$191,538	22.4%
2014	$1,343,978	$297,031	28.4%
2015	$1,426,188	$82,210	6.1%
2016	$2,136,322	$710,134	49.8%
2017	$2,153,262	$16,940	0.8%
Average Increase (Decrease)		$ 90,750	16.4%

2017 Month by Month Summary



Month	2017 Actual	2018 Budget	2018 Actual	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2017 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget
July	$121,004	$171,447	$151,308	$30,304	25.0%	($20,139)	-11.7%
August	$210,112	$152,281	$263,053	$52,941	25.2%	$110,772	72.7%
September	$180,020	$176,735	$272,790	$92,770	51.5%	$96,055	54.3%
October	$262,602	$183,206	$184,369	($78,233)	-29.8%	$1,163	0.6%
November	$135,926	$179,432					
December	$210,630	$144,199					
January	$123,906	$154,086					
February	$307,583	$143,068					
March	$204,555	$163,297					
April	$115,135	$202,449					
May	$102,657	$235,037					
June	$179,132	$259,559					
	$2,153,262	**$2,164,796**	**$871,520**	**$24,446**	**12.6%**	**$46,963**	**27.5%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$97,782		**$187,851**	
				Total		*Total*	

City of Franklin

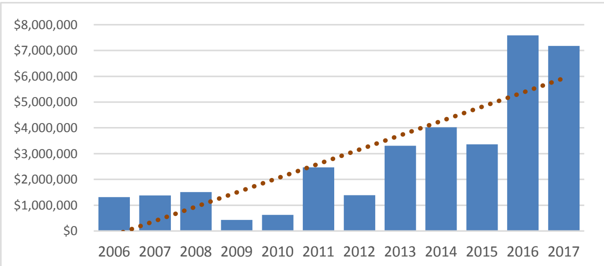
Finance Department - Monthly Reports

Schedule 3:	Road Impact Fees	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. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

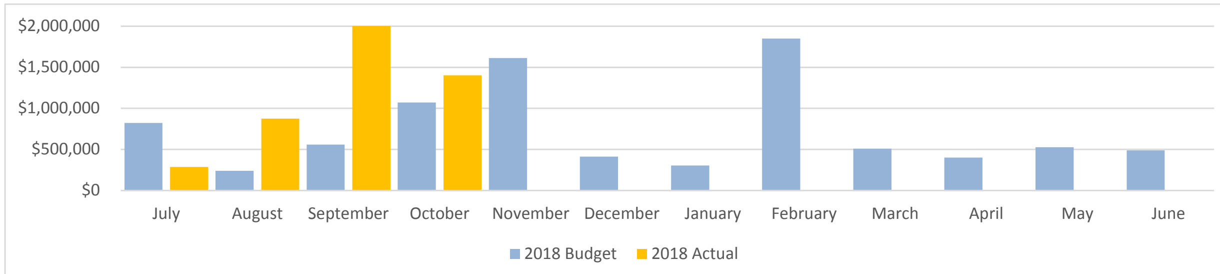
Monthly Report for November 2017: 2018 year-to-date compared to 2017 is almost 95% higher, and compared to 2018 budget is higher by almost 73%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2006	$1,309,544	$9,259	0.7%
2007	$1,381,660	$72,116	5.5%
2008	$1,509,963	$128,303	9.3%
2009	$426,916	($1,083,047)	-71.7%
2010	$629,194	$202,278	47.4%
2011	$2,466,846	$1,837,652	292.1%
2012	$1,391,645	($1,075,201)	-43.6%
2013	$3,306,075	$1,914,430	137.6%
2014	$4,021,752	$715,677	21.6%
2015	$3,358,431	($663,321)	-16.5%
2016	$7,586,724	$4,228,293	125.9%
2017	$7,180,150	($406,574)	-5.4%
Average Increase (Decrease)		$ 489,989	41.9%

2017 Month by Month Summary



Month	2017 Actual	2018 Budget	2018 Actual	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2017 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget
July	$243,473	$822,112	$286,769	$43,296	17.8%	($535,343)	-65.1%
August	$555,634	$241,405	$875,735	$320,101	57.6%	$634,330	262.8%
September	$296,383	$560,570	$2,088,489	$1,792,106	604.7%	$1,527,919	272.6%
October	$1,292,910	$1,071,561	$1,402,083	$109,173	8.4%	$330,522	30.8%
November	$235,324	$1,611,763					
December	$1,031,651	$412,251					
January	$327,710	$305,947					
February	$1,112,247	$1,851,036					
March	$526,916	$508,696					
April	$189,294	$400,389					
May	$169,647	$526,492					
June	$1,198,961	$487,778					
	$7,180,150	**$8,800,000**	**$4,653,076**	**$566,169**	**94.8%**	**$489,357**	**72.6%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$2,264,676		**$1,957,428**	
				Total		*Total*	

City of Franklin

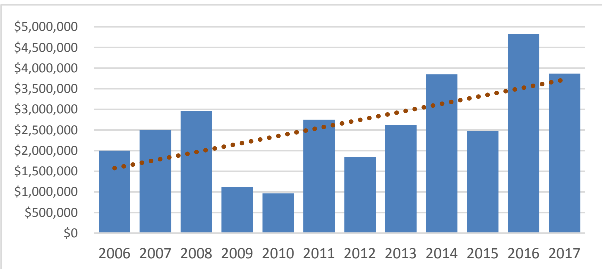
Finance Department - Monthly Reports

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

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

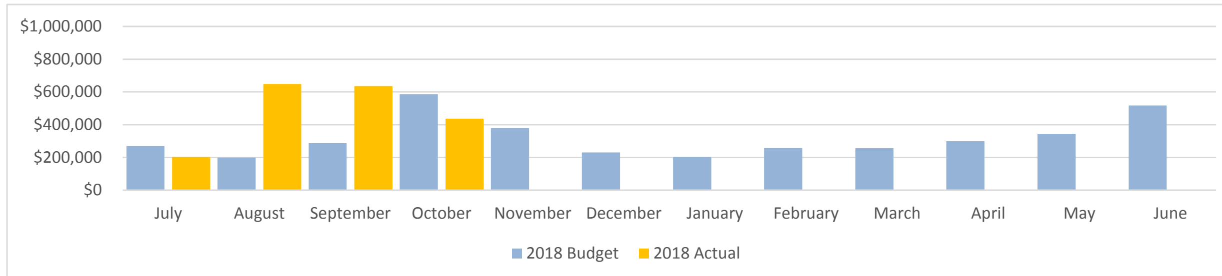
Monthly Report for November 2017: 2018 year-to-date compared to 2017 is almost 35% higher, and compared to 2018 budget is higher by 43%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2006	$2,000,000	$145,836	7.9%
2007	$2,500,000	$500,000	25.0%
2008	$2,956,284	$456,284	18.3%
2009	$1,115,914	($1,840,370)	-62.3%
2010	$963,748	($152,166)	-13.6%
2011	$2,748,927	$1,785,179	185.2%
2012	$1,845,690	($903,237)	-32.9%
2013	$2,617,339	$771,649	41.8%
2014	$3,848,783	$1,231,444	47.0%
2015	$2,468,473	($1,380,310)	-35.9%
2016	$4,827,968	$2,359,495	95.6%
2017	$3,864,453	($963,515)	-20.0%
Average Increase (Decrease)		**$167,524**	**21.4%**

2017 Month by Month Summary



Month	2017 Actual	2018 Budget	2018 Actual	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2017 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget
July	$221,540	$269,353	$202,536	($19,004)	-8.6%	($66,817)	-24.8%
August	$299,262	$200,233	$649,402	$350,140	117.0%	$449,169	224.3%
September	$242,795	$287,720	$635,277	$392,482	161.7%	$347,557	120.8%
October	$663,512	$586,081	$437,274	($226,238)	-34.1%	($148,807)	-25.4%
November	$176,544	$380,276					
December	$432,916	$230,852					
January	$180,975	$204,276					
February	$575,155	$257,463					
March	$372,318	$256,795					
April	$140,530	$299,099					
May	$119,466	$344,420					
June	$439,440	$517,303					
	$3,864,453	**$3,833,871**	**$1,924,489**	**$124,345**	**34.9%**	**$145,276**	**43.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$497,380		**$581,102**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

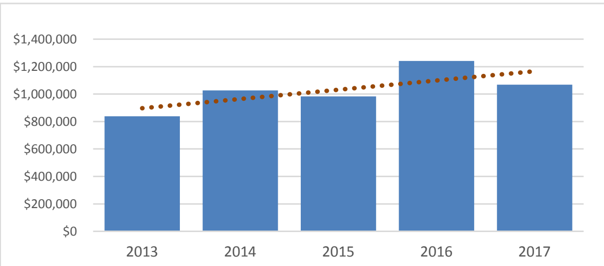
Schedule 5:	Facilities Tax (County)	Fund	Facilities Tax (County)	Account:	132-31600-00000

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 November 2017: 2018 year-to-date compared to 2017 is almost 11% higher, and compared to 2018 budget is almost 6% less.

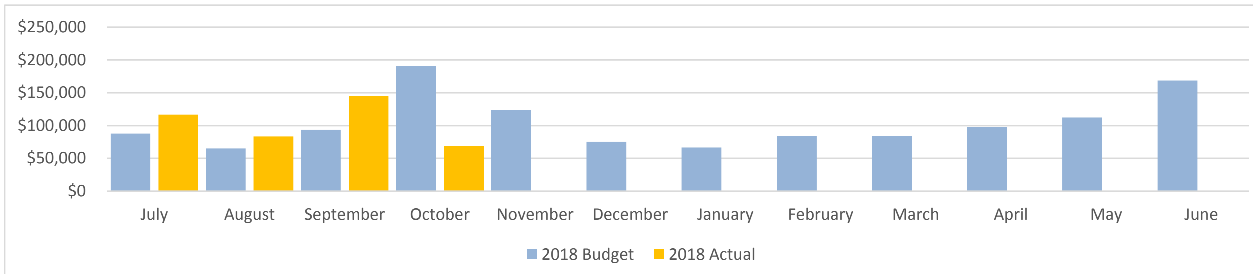
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2006	County Facilities Tax receipts began in FY 2012.		
2007			
2008			
2009			
2010			
2011			
2012	$672,961	$672,961	100.0%
2013	$838,523	$165,562	24.6%
2014	$1,026,933	$188,410	22.5%
2015	$982,605	($44,328)	-4.3%
2016	$1,241,241	$258,636	26.3%
2017	$1,068,030	($173,211)	-14.0%
Average Increase (Decrease)		$ 178,005	11.0%

2017 Month by Month Summary



Month	2017 Actual	2018 Budget	2018 Actual	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2017 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget
July	$105,603	$87,820	$116,590	$10,987	10.4%	$28,770	32.8%
August	$81,772	$65,284	$83,476	$1,704	2.1%	$18,192	27.9%
September	$99,841	$93,809	$144,825	$44,984	45.1%	$51,016	54.4%
October	$86,075	$191,087	$68,704	($17,371)	-20.2%	($122,383)	-64.0%
November	$72,223	$123,985					
December	$84,727	$75,267					
January	$103,741	$66,602					
February	$65,668	$83,944					
March	$172,230	$83,726					
April	$61,077	$97,519					
May	$62,194	$112,295					
June	$72,879	$168,662					
	$1,068,030 *Total*	**$1,250,000** *Total*	**$413,595** *Total*	**$10,076** *Average*	**10.8%** *Average*	**($6,101)** *Average*	**-5.6%** *Average*
				$40,304 *Total*		**($24,405)** *Total*	

MARRIOTT

October 16, 2017

Kristine Tallent ACA/CFO
City of Franklin, Tennessee
109 Third Avenue South
Franklin, TN 37064

Schedule 6
(September)

Dear Ms. Tallent:

Please find enclosed the Consolidated Profit and Loss Statement for the Cool Springs Conference Center for period end September 30, 2017.

A summary of the financial and distribution date is as follows:

COOL SPRINGS CONFERENCE CENTER
September, 2017

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENE	543,784	582,188	604,184	1,589,000	1,567,407	1,677,896
HOUSE PROFIT	41,308	55,700	79,779	98,617	63,644	112,458
Less: FIXED EXPENSES	19,121	19,773	18,419	57,363	59,319	56,507
NET INCOME	22,187	35,927	61,360	41,254	4,325	55,952
Less: FF&E RESERVE 5%	27,189	29,109	30,209	79,450	78,370	83,895
NET CASH FLOW	(5,002)	6,818	31,151	(38,196)	(74,045)	(27,943)

TOTAL CURRENT BALANCE DUE TO OWNERS	($5,002)
TOTAL DUE TO/(FROM) CITY OF FRANKLIN	($2,501)
TOTAL DUE TO/(FROM) WILLIAMSON COUNTY	($2,501)

The financial statements for the Cool Springs Conference Center, subject to routine year-end audit and adjustments, is true and correct in all material respects to the best of my knowledge.

Sincerely,

Randy Hansen
Controller

Michael Sanders
General Manager

FRANKLIN MARRIOTT COOL SPRINGS
700 COOL SPRINGS BLVD
FRANKLIN, TENNESSEE 37067 USA
T: 615.261.6100
MARRIOTT.COM/BNACS

MARRIOTT

November 15, 2017

Kristine Tallent ACA/CFO
City of Franklin, Tennessee
109 Third Avenue South
Franklin, TN 37064

Schedule 6
(October)

Dear Ms. Tallent:

Please find enclosed the Consolidated Profit and Loss Statement for the Cool Springs Conference Center for period end October 31, 2017.

A summary of the financial and distribution date is as follows:

COOL SPRINGS CONFERENCE CENTER
October, 2017

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENE	776,464	689,530	609,758	2,365,464	2,256,937	2,287,654
HOUSE PROFIT	219,747	117,389	102,803	318,364	181,033	215,261
Less: FIXED EXPENSES	28,855	19,773	17,658	86,218	79,092	74,165
NET INCOME	190,892	97,616	85,145	232,146	101,941	141,096
Less: FF&E RESERVE 5%	38,823	34,477	30,525	118,273	112,847	114,420
NET CASH FLOW	152,068	63,139	54,620	113,873	(10,906)	26,676

TOTAL CURRENT BALANCE DUE TO OWNERS	$152,068
TOTAL DUE TO/(FROM) CITY OF FRANKLIN	$76,034
TOTAL DUE TO/(FROM) WILLIAMSON COUNTY	$76,034

The financial statements for the Cool Springs Conference Center, subject to routine year-end audit and adjustments, is true and correct in all material respects to the best of my knowledge.

Sincerely,

Randy Hansen
Controller

Michael Sanders
General Manager

FRANKLIN MARRIOTT COOL SPRINGS
700 COOL SPRINGS BLVD
FRANKLIN, TENNESSEE 37067 USA
T: 615.261.6100
MARRIOTT.COM/BNACS

Schedule 7

CITY OF FRANKLIN

1ST QUARTER REPORT

FY 2018

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

TABLE OF CONTENTS

Executive Summary

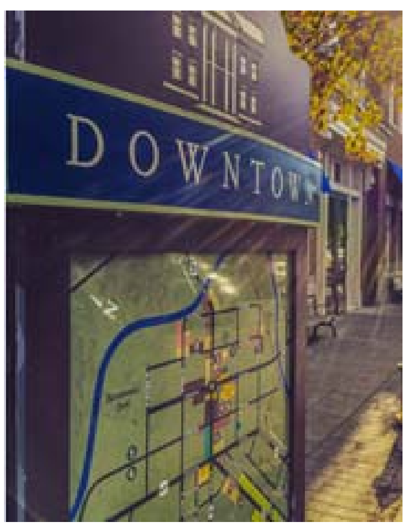
Quarter Ended September 30, 2017

- Consistent with the 1st quarter of prior years, the General Fund shows a current year deficit, as property tax billings do not occur until the 2nd quarter (October 1).
- In July, a general pay increase of 2.5% plus an additional performance-based pay increase up to an additional 2.5% was implemented.
- In the General Fund, local sales taxes are 4% higher over last year.
- In the General Fund, state shared taxes are almost 16% higher. Part of the increase is receiving TVA funds of $200,000 a month earlier in 2018. Also, although state sales tax was anticipated to be lower due to the change in State Law, the second factor was the impact of the City's special census resulting in a higher proportion of shared taxes.
- In the General Fund, higher interest rates are resulting in additional interest income.
- For development fees that are dependent on timing and type of development,
    - building permit revenue is up almost 29%.
    - road impact fees are almost triple last year. Facilities taxes are almost double last year.
    - water/sewer development fees are almost 48% higher than last year.
- In the Street Aid Fund, gasoline taxes are almost 37% higher. A higher amount was anticipated with the beginning of the new State Law for fuel tax.

All Funds Summary

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Change	Fund Summary on Page
General	$43,283,142	$12,736,282	$17,140,952	$38,878,472	($4,404,670)	3
Street Aid	$502,481	$669,734	$1,193,647	($21,432)	($523,913)	4
Sanitation & Envir. Services.	$687,099	$2,054,512	$2,017,392	$724,219	$37,120	5
Road Impact	$5,889,789	$3,267,229	$2,252,210	$6,904,808	$1,015,019	6
Facilities Tax	$10,441,436	$1,520,263	$159,113	$11,802,586	$1,361,150	7
County Facilities Tax	$3,488,072	$352,119	$0	$3,840,191	$352,119	8
Stormwater	$4,687,695	$623,950	$588,558	$4,723,087	$35,392	9
Drug	$541,205	$91,047	$57,164	$575,088	$33,883	10
Hotel/Motel	$3,827,284	$1,237,347	$622,415	$4,442,216	$614,932	11
In Lieu of Parkland	$4,584,138	$12,115	$0	$4,596,253	$12,115	12
Transit	$374,758	$587,207	$587,207	$374,758	$0	13
CDBG	$86,263	$41,815	$41,194	$86,884	$621	14
Debt Service	$90,197	$1,659,393	$2,791,670	($1,042,080)	($1,132,277)	15
Capital Projects	$15,508,919	$1,991,475	$3,691,954	$13,808,440	($1,700,479)	16
Water & Wastewater Operations	*	$8,484,981	$9,507,272	*	($1,022,291)	17
Water & Wastewater Dev. Fees	*	$1,464,679	$1,534,310	*	($69,631)	18

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



General Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Local Sales Tax	$8,223,991	$7,911,292	104.0%	$34,722,480	23.7%
State Shared Taxes	1,935,581	1,676,420	115.5%	12,162,320	15.9%
Property Taxes	27,371	23,552	116.2%	6,732,423	0.4%
Alcohol Taxes	1,097,700	958,424	114.5%	4,147,689	26.5%
Grants	45,880	93,992	48.8%	1,949,098	2.4%
Franchise Fees	161,542	155,111	104.1%	2,323,232	7.0%
Building Permits & Fees	912,006	708,617	128.7%	3,393,893	26.9%
Court Fines & Fees	113,099	123,466	91.6%	602,909	18.8%
In Lieu of Tax (Local)	0	23,239	0.0%	288,934	0.0%
Interest Income	92,678	30,432	304.5%	321,877	28.8%
Other Revenues	126,434	184,689	68.5%	2,297,172	5.5%
Total Revenues	***12,736,282***	***11,889,234***	***107.1%***	***68,942,027***	***18.5%***
Expenditures:					
Salaries & Wages	7,631,630	7,182,975	106.2%	33,440,669	22.8%
Employee Benefits	3,365,429	3,393,048	99.2%	14,626,258	23.0%
Utilities	500,135	578,665	86.4%	2,222,806	22.5%
Contractual Services	895,208	929,298	96.3%	3,659,450	24.5%
Repair & Maintenance Services	627,699	422,954	148.4%	2,140,905	29.3%
Debt Service & Lease Payments	757,835	956,120	79.3%	2,034,906	37.2%
Reimbursement from Other Funds	(701,383)	(676,796)	103.6%	(2,787,801)	25.2%
Transfers To Other Funds	542,761	423,484	0.0%	1,142,993	47.5%
Capital (>$25,000)	1,059,614	2,956	35,852.3%	3,939,744	26.9%
Other Expenditures	2,462,024	2,679,658	91.9%	8,522,097	28.9%
Total Expenditures	***17,140,952***	***15,892,362***	***107.9%***	***68,942,027***	***24.9%***
Total Unallocated Funds	***(4,404,670)***	***(4,003,128)***	***110.0%***	***0***	***0.0%***

FUND SUMMARY

- Consistent with the 1st quarter of prior years, the General Fund shows a current year deficit, as property tax billings do not occur until the 2nd quarter (October 1).
- In July, a general pay increase of 2.5% plus an additional performance-based pay increase up to an additional 2.5% was implemented.
- Local sales taxes are 4% higher over last year.
- State shared taxes are almost 16% higher. Part of the increase is receiving TVA funds of $200,000 a month earlier in 2018. Also, although state sales tax was anticipated to be lower due to the change in State Law, the second factor was the impact of the City's special census resulting in a higher proportion of shared taxes.
- Higher interest rates are resulting in additional interest income.
- Building permit revenue is up almost 29%.

Street Aid Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$502,481	$373,415	134.6%	$377,136	133.2%
State Shared Taxes	669,331	489,814	136.7%	2,250,003	29.7%
Property Taxes	0	0	0.0%	946,516	0.0%
Interest Income	403	46	886.4%	204	197.7%
Total Revenues	***1,172,215***	***863,275***	***135.8%***	***3,573,859***	***32.8%***
Expenditures:					
Repair & Maintenance Services	1,193,647	833,590	143.2%	3,145,000	38.0%
Other Expenditures	0	638	0.0%	600	0.0%
Total Expenditures	***1,193,647***	***834,228***	***143.1%***	***3,145,600***	***37.9%***
Total Unallocated Funds	***(21,432)***	***29,047***	***(73.8%)***	***428,259***	***(5.0%)***

FUND SUMMARY

- In the Street Aid Fund, gasoline taxes are almost 37% higher. A higher amount was anticipated with the beginning of the new State Law for fuel tax.
- Expenditures are for the paving activity in the 1st quarter.
- The deficit is anticipated to be temporary as additional gas tax revenue is received.

Sanitation Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$687,009	$767,350	89.5%	$635,501	108.1%
Interest Income	81	73	110.8%	196	41.2%
Sanitation Collection Services	1,407,514	1,310,562	107.4%	5,759,661	24.4%
Tipping Fees	619,019	611,030	101.3%	2,342,768	26.4%
Other Revenues	27,988	81,513	34.3%	441,715	6.3%
Total Revenues	***2,741,611***	***2,770,528***	***99.0%***	***9,179,841***	***29.9%***
Expenditures:					
Salaries & Wages	487,077	464,983	104.8%	2,098,633	23.2%
Employee Benefits	278,037	263,645	105.5%	1,068,860	26.0%
Utilities	19,334	20,168	95.9%	92,125	21.0%
Contractual Services	0	0	0.0%	9,000	0.0%
Repair & Maintenance Services	151,674	179,280	84.6%	658,215	23.0%
Debt Service & Lease Payments	99,352	358,741	27.7%	295,484	33.6%
Transfers To Other Funds	15,806	2,670	591.9%	328,558	4.8%
Capital (>$25,000)	0	0	0.0%	266,590	0.0%
Other Expenditures	966,112	922,041	104.8%	3,715,405	26.0%
Total Expenditures	***2,017,392***	***2,211,528***	***91.2%***	***8,532,870***	***23.6%***
Total Unallocated Funds	***724,219***	***559,000***	***129.6%***	***646,971***	***111.9%***

FUND SUMMARY

- The monthly residential rate increased by $1 effective July 2017.
- Collection services revenue is 7% higher than last year.
- Collection services and tipping fee revenues have been sufficient to cover operating expenditures in the 1st quarter.

Road Impact Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$5,889,789	$5,019,848	117.3%	$4,613,276	127.7%
Interest Income	16,236	4,206	386.0%	10,000	162.4%
Road Impact Fees	3,250,993	1,095,490	296.8%	8,800,000	36.9%
Road Impact Credits	0	0	0.0%	(301,440)	0.0%
Total Revenues	***9,157,018***	***6,119,544***	***149.6%***	***13,121,836***	***69.8%***
Expenditures:					
Contractual Services	238,005	560,061	42.5%	3,583,528	6.6%
Transfers To Other Funds	2,014,205	611,825	329.2%	4,209,552	47.8%
Total Expenditures	***2,252,210***	***1,171,886***	***192.2%***	***7,793,080***	***28.9%***
Total Unallocated Funds	***6,904,808***	***4,947,658***	***139.6%***	***5,328,756***	***129.6%***

FUND SUMMARY

- Road impact fees are almost triple last year. (These revenues are dependent on timing and type of development.)
- Higher interest rates are resulting in additional interest income.

Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$10,441,436	$6,976,276	149.7%	$9,247,326	112.9%
Interest Income	33,048	749	4,413.7%	18,821	175.6%
Facilities Taxes	1,487,215	763,597	194.8%	3,833,871	38.8%
Total Revenues	***11,961,699***	***7,740,622***	***154.5%***	***13,100,018***	***91.3%***
Expenditures:					
Utilities	0	3,066	0.0%	0	0.0%
Contractual Services	90,072	1,865	4,829.6%	0	0.0%
Repair & Maintenance Services	0	26,090	0.0%	20,000	0.0%
Capital (>$25,000)	69,041	30,302	227.8%	3,840,500	1.8%
Other Expenditures	0	5,598	0.0%	188,600	0.0%
Total Expenditures	***159,113***	***66,921***	***237.8%***	***4,049,100***	***3.9%***
Total Unallocated Funds	***11,802,586***	***7,673,701***	***153.8%***	***9,050,918***	***130.4%***

FUND SUMMARY

- Facilities taxes are almost double last year. (These revenues are dependent on timing and type of development.) Last year was the highest year of collection.
- Higher interest rates are resulting in additional interest income.
- Most of the capital budgeted in 2018 is for fire station 7 construction that has not yet occurred.

County Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$3,488,072	$0	0.0%	$3,487,056	100.0%
Interest Income	7,228	$0	0.0%	$0	0.0%
Facilities Taxes	344,891	0	0.0%	1,250,000	27.6%
Total Revenues	***3,840,191***	***0***	***0.0%***	***4,737,056***	***81.1%***
Expenditures:					
Capital (>$25,000)	0	0	0.0%	500,000	0.0%
Total Expenditures	***0***	***0***	***0.0%***	***500,000***	***0.0%***
Total Unallocated Funds	***3,840,191***	***0***	***0.0%***	***4,237,056***	***90.6%***

FUND SUMMARY

- This fund was created to account for facilities taxes received from the County.
- Expenditures budgeted for this fund include those costs attributable to signalization and pedestrian enhancements next to Franklin High School as part of the Phase I CIP project of Hillsboro Road - Phase II.

Stormwater Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$4,687,695	$4,873,735	96.2%	$4,078,428	114.9%
Building Permits & Fees	0	0	0.0%	86,700	0.0%
Interest Income	8,847	(4,945)	(178.9%)	10,200	86.7%
Stormwater Fees	606,724	595,658	101.9%	2,598,344	23.4%
Other Revenues	8,379	18,112	46.3%	82,595	10.1%
Total Revenues	***5,311,645***	***5,482,560***	***96.9%***	***6,856,267***	***77.5%***
Expenditures:					
Salaries & Wages	231,852	195,958	118.3%	1,038,796	22.3%
Employee Benefits	95,882	108,121	88.7%	513,549	18.7%
Utilities	6,663	11,555	57.7%	61,978	10.8%
Contractual Services	18,045	212,255	8.5%	168,104	10.7%
Repair & Maintenance Services	26,306	34,919	75.3%	126,235	20.8%
Debt Service & Lease Payments	0	0	0.0%	170,366	0.0%
Capital (>$25,000)	83,256	63,078	132.0%	3,605,000	2.3%
Other Expenditures	126,554	136,728	92.6%	535,637	23.6%
Total Expenditures	***588,558***	***762,614***	***77.2%***	***6,219,665***	***9.5%***
Total Unallocated Funds	***4,723,087***	***4,719,946***	***100.1%***	***636,602***	***741.9%***

FUND SUMMARY

- Stormwater fees are almost 2% higher than last year.
- Higher interest rates are resulting in additional interest income.

Drug Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$541,205	$515,642	105.0%	$502,808	107.6%
Interest Income	1,789	675	265.0%	2,265	79.0%
Drug Fines Received	14,097	16,653	84.7%	77,373	18.2%
Other Revenues	75,161	21,316	352.6%	145,530	51.6%
Total Revenues	***632,252***	***554,286***	***114.1%***	***727,976***	***86.9%***
Expenditures:					
Capital (>$25,000)	14,941	0	0.0%	151,146	9.9%
Other Expenditures	42,223	6,343	665.7%	108,500	38.9%
Total Expenditures	***57,164***	***6,343***	***901.2%***	***259,646***	***22.0%***
Total Unallocated Funds	***575,088***	***547,943***	***105.0%***	***468,330***	***122.8%***

FUND SUMMARY

- Drug fine collections are 15% lower than last year. This revenue is dependent on court actions.

Hotel/Motel Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$3,827,284	$2,634,109	145.3%	$3,432,542	111.5%
Interest Income	7,553	2,110	358.0%	4,000	188.8%
Hotel/Motel Taxes	1,229,794	993,594	123.8%	3,594,227	34.2%
Total Revenues	***5,064,631***	***3,629,813***	***139.5%***	***7,030,769***	***72.0%***
Expenditures:					
Contractual Services	17,271	2,877	600.2%	140,000	12.3%
Transfers To Other Funds	354,395	356,908	99.3%	1,112,812	31.8%
Capital (>$25,000)	0	21,936	0.0%	409,286	0.0%
Other Expenditures	250,749	226,290	110.8%	895,557	28.0%
Total Expenditures	***622,415***	***608,011***	***102.4%***	***2,557,655***	***24.3%***
Total Unallocated Funds	***4,442,216***	***3,021,802***	***147.0%***	***4,473,114***	***99.3%***

FUND SUMMARY

- In FY 2018, the City of Franklin along with the City of Brentwood and Williamson County are jointly performing audits of taxes due from hotels/motels located within its jurisdictions. Some billings and collections of additional taxes occurred during the end of first quarter. The audit is expected to conclude in third quarter 2018.
- Hotel/Motel tax collections are almost 24% higher than last year.
- 

In Lieu of Parkland Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$4,584,138	$4,425,966	103.6%	$4,578,183	100.1%
Interest Income	12,115	3,543	341.9%	20,000	60.6%
In Lieu of Parkland Fees	0	137,454	0.0%	2,387,178	0.0%
Total Revenues	***4,596,253***	***4,566,963***	***100.6%***	***6,985,361***	***65.8%***
Expenditures:					
Capital (>$25,000)	0	0	0.0%	500,000	0.0%
Total Expenditures	***0***	***0***	***0.0%***	***500,000***	***0.0%***
Total Unallocated Funds	***4,596,253***	***4,566,963***	***100.6%***	***6,485,361***	***70.9%***

FUND SUMMARY

- No in lieu of funds were collected in the 1st quarter.
- The expenditures budgeted are for land acquisition for future parks.

Transit Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$374,758	$374,758	100.0%	$362,441	103.4%
Grants	17,370	200,890	8.6%	1,640,436	1.1%
Interest Income	3,741	1,579	237.0%	3,200	116.9%
Transit Fares	20,935	15,576	134.4%	144,500	14.5%
Transfer From General Fund	542,761	423,484	128.2%	892,993	60.8%
Other Revenues	2,400	2,500	96.0%	9,700	24.7%
Total Revenues	***961,965***	***1,018,787***	***94.4%***	***3,053,270***	***31.5%***
Expenditures:					
Capital (>$25,000)	0	0	0.0%	330,000	0.0%
Other Expenditures	587,207	644,122	91.2%	2,360,829	24.9%
Total Expenditures	***587,207***	***644,122***	***91.2%***	***2,690,829***	***21.8%***
Total Unallocated Funds	***374,758***	***374,665***	***100.0%***	***362,441***	***103.4%***

FUND SUMMARY

- Transit has needed almost 61% of the budgeted operating subsidy in the 1st quarter. Grant revenues are anticipated during the year to stay within the budgeted total transfer.

CDBG Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$86,263	$85,185	101.3%	$48,985	176.1%
Grants	41,185	40,895	100.7%	250,000	16.5%
Interest Income	630	197	319.2%	300	210.1%
Total Revenues	***128,078***	***126,277***	***101.4%***	***299,285***	***42.8%***
Expenditures:					
Contractual Services	21,194	10,895	194.5%	152,500	13.9%
Repair & Maintenance Services	20,000	30,000	66.7%	120,000	16.7%
Other Expenditures	0	0	0.0%	1,500	0.0%
Total Expenditures	***41,194***	***40,895***	***100.7%***	***274,000***	***15.0%***
Total Unallocated Funds	***86,884***	***85,382***	***101.8%***	***25,285***	***343.6%***

FUND SUMMARY

- 15% of budgeted expenditures have been incurred. Grant revenues offset the expenditures incurred.

Debt Service Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$90,197	$5,000	1,803.9%	$5,000	1,803.9%
Property Taxes	0	0	0.0%	8,733,490	0.0%
Interest Income	0	0	0.0%	5,000	0.0%
Rebate on BAB/RZEDB Bonds	674,987	425,523	158.6%	904,051	74.7%
Transfer from Sanitation Fund	15,806	2,670	591.9%	396,057	4.0%
Transfer from Road Impact Fund	514,205	611,825	84.0%	2,709,552	19.0%
Transfer from Hotel/Motel Tax Fund	354,395	356,908	99.3%	1,113,103	31.8%
Transfer from Water & Sewer Fund	100,000	100,000	100.0%	200,000	50.0%
Total Revenues	***1,749,590***	***1,501,926***	***116.5%***	***14,066,253***	***12.4%***
Expenditures:					
Debt Service & Lease Payments	2,791,670	2,590,122	107.8%	14,056,253	19.9%
Total Expenditures	***2,791,670***	***2,590,122***	***107.8%***	***14,056,253***	***19.9%***
Total Unallocated Funds	***(1,042,080)***	***(1,088,196)***	***95.8%***	***10,000***	***(10,420.8%)***

FUND SUMMARY

- Consistent with the 1st quarter of prior years, the Debt Service fund shows a current year deficit, as property tax billings do not occur until the 2nd quarter (October 1).

Capital Projects Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$15,508,919	($7,887,886)	(196.6%)	$0	0.0%
Grants	427,268	237,772	179.7%	0	0.0%
Interest Income	64,207	0	0.0%	0	0.0%
Facilities Taxes	0	287,216	0.0%	0	0.0%
Transfer from Road Impact Fund	1,500,000	0	0.0%	0	0.0%
Other Revenues	0	352,873	0.0%	0	0.0%
Total Revenues	***17,500,394***	***(7,010,025)***	***(249.6%)***	***0***	***0.0%***
Expenditures:					
Contractual Services	3,255	19,571	16.6%	0	0.0%
Repair & Maintenance Services	314,807	0	0.0%	0	0.0%
Debt Service & Lease Payments	1,250	0	0.0%	0	0.0%
Capital (>$25,000)	824,640	885,163	93.2%	0	0.0%
Other Expenditures	2,548,002	1,328,666	191.8%	0	0.0%
Total Expenditures	***3,691,954***	***2,233,400***	***165.3%***	***0***	***0.0%***
Total Unallocated Funds	***13,808,440***	***(9,243,425)***	***(149.4%)***	***0***	***0.0%***

FUND SUMMARY

- The fund includes the proceeds remaining from the $23 million bond issue in June 2017.

Water/Sewer Operations

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$86,708	$17,803	487.0%	$92,600	93.6%
Customer Service	8,293,075	8,063,378	102.8%	29,750,930	27.9%
Other Revenues	105,198	87,531	120.2%	26,800	392.5%
Total Revenues	***8,484,981***	***8,168,712***	***103.9%***	***29,870,330***	***28.4%***
Expenditures:					
Salaries & Wages	963,706	889,604	108.3%	4,450,128	21.7%
Employee Benefits	463,448	438,992	105.6%	2,007,807	23.1%
Utilities	406,281	367,936	110.4%	1,508,321	26.9%
Contractual Services	521,161	139,358	374.0%	535,625	97.3%
Repair & Maintenance Services	161,410	77,667	207.8%	349,500	46.2%
Debt Service & Lease Payments	389,164	301,715	129.0%	2,383,685	16.3%
Transfers To Other Funds	100,000	100,000	100.0%	200,000	50.0%
Capital (>$25,000)	3,594,285	3,388,265	106.1%	5,377,000	66.8%
Other Expenditures	2,907,817	2,783,082	104.5%	8,888,341	32.7%
Total Expenditures	***9,507,272***	***8,486,619***	***112.0%***	***25,700,407***	***37.0%***
Total Unallocated Funds	***(1,022,291)***	***(317,907)***	***321.6%***	***4,169,923***	***(24.5%)***

FUND SUMMARY

- Customer service revenue is almost 3% higher than last year.
- The deficit is anticipated to be temporary as additional revenue is received.

Water/Sewer Development Fees

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$61,919	$27,322	226.6%	$0	0.0%
Customer Service	13,000	2,000	650.0%	0	0.0%
Access Fees	768,072	521,566	147.3%	0	0.0%
System Development Fees	621,688	421,476	147.5%	0	0.0%
Other Revenues	0	3,614	0.0%	0	0.0%
Total Revenues	***1,464,679***	***975,978***	***150.1%***	***0***	***0.0%***
Expenditures:					
Contractual Services	9,586	0	0.0%	0	0.0%
Debt Service & Lease Payments	377,677	344,064	109.8%	0	0.0%
Capital (>$25,000)	1,147,096	5,104	22,474.5%	0	0.0%
Other Expenditures	(49)	37	(132.1%)	0	0.0%
Total Expenditures	***1,534,310***	***349,205***	***439.4%***	***0***	***0.0%***
Total Unallocated Funds	***(69,631)***	***626,773***	***(11.1%)***	***0***	***0.0%***

FUND SUMMARY

- Access fees and system development fees are 47% higher than last year. (These revenues are also dependent on timing and type of development.)
- The deficit is anticipated to be temporary as additional revenue is received.

On the Horizon

December

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

January

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

February

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

December 2017	No Budget and Finance Committee Meeting scheduled. (November 30 is a combined November and December meeting.)
Thursday, January 11, 2018	Budget and Finance Committee Meeting. Budget Presentations begin (Budget Calendar and Revenue Preview).
Thursday, February 8, 2018	Budget and Finance Committee Meeting. Budget Presentations continue (Sanitation, Police, Drug Fund, Fire, and Parks).

Finance Department

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