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

City of Franklin

Meeting Agenda

Budget & Finance Committee

Thursday, November 12, 2015 | **4:00 PM** | **Board Room**

Call To Order

1. 15-0923 Approval of Minutes from October 8, 2015.

2. 15-0742 Discussion of Financing for Water Projects

Sponsors: Eric Stuckey and Russ Truell

Attachments: SRF loan rates 11.5.15
interest rate forecast 1
Economic Forecast Grid - 10.9.15
Amortization 30 year competitive sale

3. 15-0872 Consideration of Resolution 2015-76, A Resolution for Adoption of a Debt Management Policy (11/12/15 Finance 4-0; 03/10/16 Finance 3-0; 03-22-16 WS)

Sponsors: Russ Truell and Eric Stuckey

Attachments: Resolution 2015-76 Debt Policy
Debt Policy updated 11.26.13
15-0872 Debt Policy revised 3.10.16 v2.pdf
PFM presentation on Debt Policy revisions

4. 15-0997 Consideration of Ordinance 2015-92 - FY 2016 Budget Amendment #3. (11/12/15 Finance 4-0; 11/24/15 BOMA 1st Reading 6-0; 01/12/16 BOMA 7-0) THIRD AND FINAL READING

Sponsors: Eric Stuckey and Michael Walters Young

Attachments: 2016 Budget Amendment #3 Memo - November 12
Ordinance 2015-92 - 2016 Budget Amendment Ordinance - #3
Impact of 2015-92 - FY 2016 Budget Amendment #3

5. [15-0998] PUBLIC HEARING: Consideration of Ordinance 2015-66, an Ordinance to Change the Organizational Chart of the Finance Department. (11/12/15 Finance 4-0; Deferred from 11-24-15 BOMA; 1st Reading 12-08-15 BOMA 8-0) SECOND AND FINAL READING

Sponsors: Eric Stuckey and Russ Truell

Attachments: Attachment A

ORD 2015-66 CORRECTED.pdf

6. [15-1005] Consideration of Contract 2015-0359 between the Tennessee Department of Health and the City of Franklin (11/12/15 Finance 4-0)

Sponsors: Russ Truell and Eric Stuckey

Attachments: Contract 2015-0359 Health Department

Contract 2015-0359 final

7. [15-1018] Cost of Services Analysis - Sanitation & Environmental Services Collection Division

Sponsors: Becky Caldwell and Eric Stuckey

Attachments: SES Collection - Cost of Services Analysis - November 2015

8. [15-1023] Consideration of Ordinance 2015-49, an Ordinance to Amend Appendix A, Chapter 17, of the Franklin Municipal Code to Increase the Tipping Fees for Transfer Station Services. (11/12/15 Finance 4-0; 1st Reading 12-08-15 BOMA 8-0) SECOND AND FINAL READING

Sponsors: Eric Stuckey and Becky Caldwell

Attachments: Ordinance 2015-49 Transfer Station Tip Fees

9. [15-1024] Consider recommendation to direct staff to pursue obtaining legislative authority for the Board to consider whether to increase the City's threshold for sealed submittals pursuant to public advertisement

Sponsors: Russ Truell, Brian Wilcox and Eric Stuckey

10. [15-1017] FY 2017 Operating Budget Process & Calendar

Sponsors: Eric Stuckey and Michael Walters Young

Attachments: FY 2017 Budget Calendar - November 2015 b

11. 15-0873 Monthly Reports for November.

Sponsors: Russ Truell

Attachments:
Local sales tax chart - August 2015 sales
Local sales tax report - August 2015 sales
Property Tax AR Report-August 2015
Conference Center Report - September 2015
Fuel Hedging Report - September 2015
Transit Report - September 2015
Construction Activities report - September 2015
Investment Report - September 2015
Building Permits Issued Sept 2015

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.

STATE REVOLVING LOAN INTEREST RATES
As of November 2, 2015

BOND BUYER 20 INDEX:(BBI20)	3.66%

MUNICIPAL MARKET DATA GENERAL OBLIGATION (MMDGO) YIELDS:

1 YR	0.23%
5 YR	1.17%
10 YR	2.04%
15 YR	2.54%
20 YR	2.82%
25 YR	3.00%
30 YR	3.07%

Old Interest Rates based on BBI20

ABILITY TO PAY INDEX:	Int. Rate
10%	0.37%
20%	0.73%
30%	1.10%
40%	1.46%
50%	1.83%
60%	2.20%
70%	2.56%
80%	2.93%
90%	3.29%
100%	3.66%

New Interest Rates in Force:
MMDGO USED AS MODIFIER:

ATPI		Int. Rate
10%	5 YR	0.05%
	10 YR	0.15%
	15 YR	0.20%
	20 YR	0.23%
	25 YR	0.26%
	30 YR	0.27%
20%	5 YR	0.11%
	10 YR	0.30%
	15 YR	0.40%
	20 YR	0.46%
	25 YR	0.52%
	30 YR	0.55%
30%	5 YR	0.16%
	10 YR	0.45%
	15 YR	0.59%
	20 YR	0.69%
	25 YR	0.78%
	30 YR	0.82%
40%	5 YR	0.22%
	10 YR	0.60%
	15 YR	0.79%
	20 YR	0.92%
	25 YR	1.04%
	30 YR	1.10%
50%	5 YR	0.27%
	10 YR	0.75%
	15 YR	0.99%
	20 YR	1.16%
	25 YR	1.30%
	30 YR	1.37%

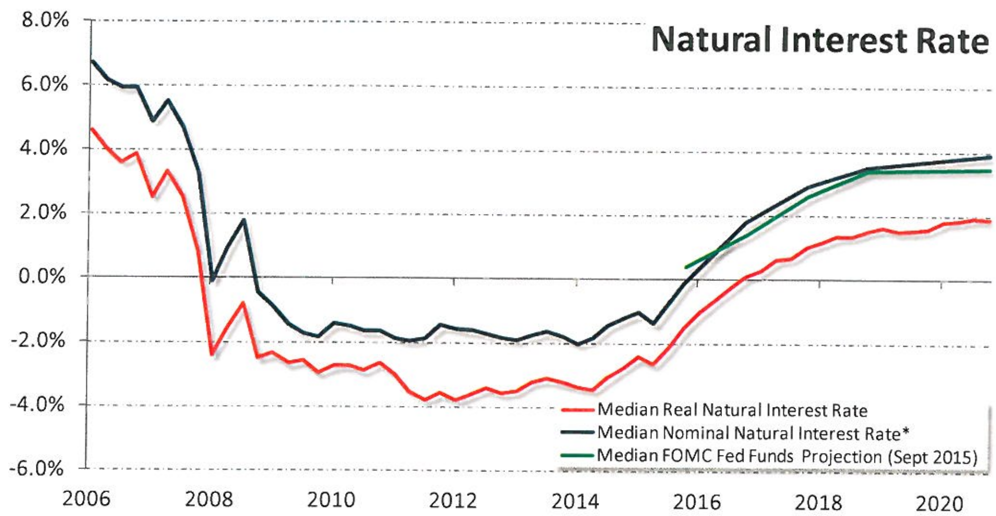
ATPI		Int. Rate	
60%	5 YR	0.32%	
	10 YR	0.90%	
	15 YR	1.19%	
	20 YR	1.39%	
	25 YR	1.55%	
	30 YR	1.64%	
70%	5 YR	0.38%	
	10 YR	1.05%	
	15 YR	1.39%	
	20 YR	1.62%	— 0.25
	25 YR	1.81%	— 0.25 —
	30 YR	1.92%	— 0.28
80%	5 YR	0.43%	
	10 YR	1.20%	
	15 YR	1.58%	
	20 YR	1.85%	
	25 YR	2.07%	
	30 YR	2.19%	
90%	5 YR	0.49%	
	10 YR	1.35%	
	15 YR	1.78%	
	20 YR	2.08%	
	25 YR	2.33%	
	30 YR	2.47%	
100%	5 YR	0.54%	
	10 YR	1.50%	
	15 YR	1.98%	
	20 YR	2.31%	
	25 YR	2.59%	
	30 YR	2.74%	

BASE RATES FOR CACULATION X ATPI

5 YR	0.54%
10 YR	1.50%
15 YR	1.98%
20 YR	2.31%
25 YR	2.59%
30 YR	2.74%

The Fed's current thinking about natural rates is laid out in a recent economic letter from the San Francisco Fed.[2] The paper concludes "the natural rate of interest is expected to remain below its long-run level for some time;" thus justifying the FOMC hiking rates gradually. The paper also acknowledges "a great deal of uncertainty" because the Fed has consistently overestimated the natural rate since 2006. (At least they haven't given up after a decade of misunderestiming.)

The real natural interest rate is the real, risk-free rate where the economy is at neutral. At the moment, the Fed estimates it is about -2.1%. That means the nominal natural rate is -1.8% when we add back 0.3% inflation. As a result, it is entirely appropriate to keep the funds rate near zero. (In fact a case can be made to drop the rate *below* zero, as Kocherlakota did at the last meeting.) The real natural rate is expected to rise to zero early next year and to 2% by 2019. We adjusted the historical rate using the core PCE and forecast rate using the FOMC's median forecast for the core PCE[3] and came up with the following:



Source: FRBSF, Federal Reserve Bank & Bureau of Economic Analysis

*Actual value calculated using actual core PCE, projection calculated using median FOMC core PCE projection from Sept 2015

Note the FOMC's median fed funds forecast lags behind the natural rate in 2016 and 2017, but catches up in 2018. This is the "gradual path" of rate hikes Yellen and others have emphasized for months.

The catch, of course, is that the FOMC funds rate forecast contains *two* variables that could throw it wildly off base.

- The first is the inflation forecast. If the core PCE is 1% in 2018 rather than the 1.9% median FOMC forecast, then the nominal natural rate will be 90bps lower than the Fed thinks.
- The second is the natural rate forecast itself. As below chart shows, the natural rate has consistently confounded the Fed since 2007. The natural rate rose in 2015, but not as fast as the Fed thinks it will rise in 2016 and '17.

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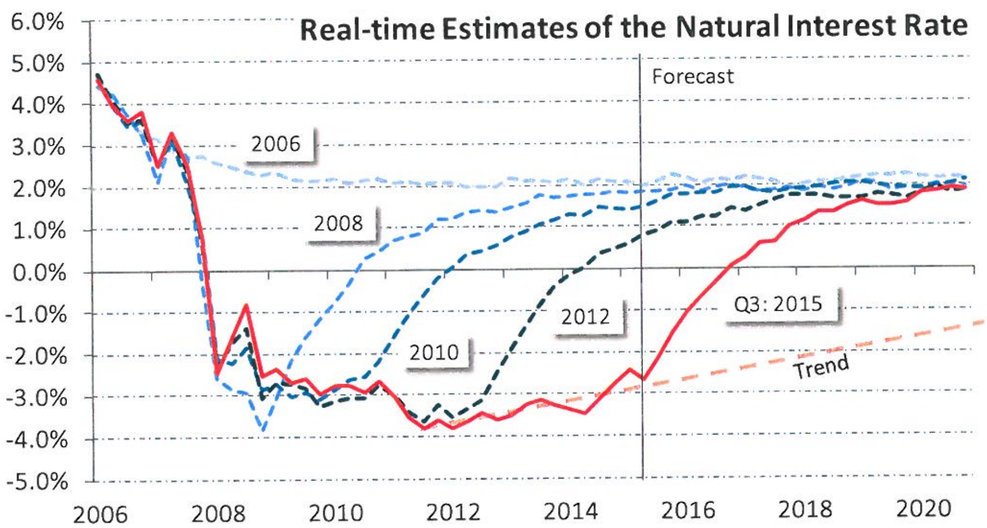
2 Why So Slow? A Gradual Return for Interest Rates, Vasco Cúrdia. FRBSF Economic Letter, October 12, 2015. Similar work was published by the New York Fed in May, Why Are Interest Rates So Low?, Marco Del Negro, Marc Giannoni, Matthew Cocci, Sara Shahanaghi, and Micah Smith , NY Federal Reserve.

3 We used the core because i.) The Fed uses the core, and ii.) The core is less volatile, resulting in a smoother curve.

The Fed isn't reexamining the way it thinks because it wants to. It is doing it because it has to.

The below chart, reproduced from the San Fran Fed paper (we added the trend line) shows the danger of assuming the natural rate will return to "normal" when normal is the prevailing rate during the unprecedented four-decade credit boom from 1960 to 2000. Each forecast since 2006 was too high, and every time the Fed pushes the expected rise in both natural rate and inflation outward, the most cautious FOMC members gained credibility. As for the current forecast, it is actually less gradual than the 2012 forecast. And like every forecast before it, it is far less gradual than the prevailing trend since the natural rate started rising in 2011.

The reason the trend is so flat is because credit demand is weaker than it used to be. A lot weaker. After all, interest rates are nothing more than the price of borrowed money and like other prices they are determined by the intersection of supply and demand. **The gradual path of tightening advocated by the Fed is actually a lot less gradual than the trend in the natural rate. It is predicated on a significant acceleration in credit market healing starting today, which is one more reason to think normalization will be a lot more gradual than the FOMC thinks.**



Source: Federal Reserve Bank of San Francisco

– Chris Low, Chief Economist

FTN FINANCIAL

Economic Forecast

Updated 10/9/2015

Quarterly percent change, unless otherwise indicated

	2015				2016				2017				
Growth indicators	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	2014	2015	2016
GDP	***0.6***	***3.9***	**1.0**	**2.2**	**1.6**	**2.4**	**2.5**	**2.3**	**2.3**	**3.1**	***2.5***	**1.9**	**2.2**
Final sales	*-0.2*	*3.9*	2.1	2.5	1.5	2.3	2.7	2.1	2.2	3.1	*2.4*	2.2	2.3
Consumer spending	*1.7*	*3.6*	3.6	3.8	2.0	2.7	3.0	3.0	2.0	2.8	*2.7*	3.3	3.0
Fixed investment	*3.3*	*5.1*	2.8	3.8	4.2	4.2	3.5	3.4	4.1	3.7	*5.3*	4.1	3.9
Nonresidential	*1.6*	*4.1*	3.2	3.9	3.9	4.0	3.8	3.6	4.5	4.2	*6.2*	3.3	3.8
Structures	*-7.4*	*6.3*	2.0	5.0	7.5	10.0	10.0	10.0	12.0	10.0	*8.1*	0.3	7.2
Equipment	*2.3*	*0.3*	1.8	2.0	1.0	0.0	-0.5	-1.0	0.0	0.0	*5.8*	2.3	0.7
Intellectual Property	*7.4*	*8.3*	6.2	6.0	6.0	6.0	6.0	6.0	6.0	6.0	*5.2*	7.0	6.2
Residential	*10.1*	*9.4*	1.5	3.0	5.0	5.0	2.0	2.5	2.0	1.5	*1.8*	7.5	3.9
Inventory investment ($bn)	*112.8*	*113.5*	70.0	60.0	65.0	70.0	60.0	70.0	75.0	80.0	*68.0*	89.1	66.3
Foreign trade ($bn)	*-541.2*	*-534.6*	-574.1	-595.9	-618.6	-642.4	-667.3	-675.5	-670.0	-671.2	*-442.5*	-561.4	-651.0
Government spending	*-0.1*	*2.6*	1.0	-1.0	0.0	2.0	4.0	-2.0	0.0	3.0	*-0.6*	0.6	0.8
Treasury budget (**fiscal yr,** $bn)	*-176.7*	*-262.8*	*126.1*	-102	-170	-270	109	-169	-190	-295	*-483*	-418	-500
Housing starts, (thousands)	*978*	*1,144*	1,140	1,150	1,130	1,115	1,100	1,080	1,050	1,000	*1,001*	1,009	1,110
Unemployment rate (qtr avg, ann avg)	***5.6***	***5.4***	***5.1***	**5.1**	**5.0**	**5.0**	**4.9**	**4.9**	**5.0**	**5.0**	***6.2***	**5.3**	**5.0**
Nonfarm payrolls (qtr avg, ann total)	***195K***	***221K***	***167k***	**190k**	**200k**	**215k**	**200k**	**190k**	**180k**	**170k**	***260k***	**200k**	**185k**
Inflation indicators *(quarter on previous year's same quarter, at an annual rate. Annual figures are Dec. change from prior Dec.)*													
PCE	*0.2*	*0.2*	0.3	0.2	1.0	1.1	1.1	1.6	1.6	1.3	*0.8*	0.5	1.6
Core PCE	***1.3***	***1.3***	**1.2**	**1.2**	**1.2**	**1.0**	**0.9**	**1.0**	**1.0**	**1.2**	***1.4***	**1.3**	**1.0**
PPI	*-0.8*	*-0.7*	-0.4	0.2	1.5	1.2	1.2	1.2	1.1	1.0	*0.9*	0.1	1.2
Core PPI	*0.9*	*0.8*	0.7	0.2	0.6	0.7	0.8	1.0	1.1	1.0	*2.0*	0.3	1.0
Interest rates, end of quarter and end of year													
Federal funds rate (top of range)	*0.25*	*0.25*	*0.25*	0.25	0.50	0.75	1.00	1.00	1.25	1.25	*0.25*	0.25	1.00
Interest paid on excess reserves	***0.25***	***0.25***	***0.25***	**0.25**	**0.50**	**0.75**	**1.00**	**1.00**	**1.25**	**1.25**	***0.25***	**0.25**	**1.00**
3-month LIBOR	*0.27*	*0.28*	*0.33*	0.29	0.58	0.83	1.08	1.08	1.33	1.55	*0.26*	0.29	1.08
3-mo Treasury bills	*0.03*	*0.01*	*0.00*	0.03	0.35	0.60	0.85	0.85	1.10	1.30	*0.04*	0.03	0.85
2-yr Treasury notes	*0.56*	*0.64*	*0.64*	0.75	1.00	1.10	1.20	1.30	1.40	1.50	*0.67*	0.75	1.30
5-yr Treasury notes	*1.37*	*1.63*	*1.37*	1.55	1.68	1.80	1.95	2.00	2.00	2.00	*1.65*	1.70	2.00
10-yr Treasury notes	*1.94*	*2.35*	*2.05*	2.25	2.35	2.40	2.35	2.30	2.25	2.20	*2.17*	2.45	2.30
30-yr Treasury bonds	*2.54*	*3.11*	*2.85*	2.90	2.95	3.00	2.90	2.85	2.80	2.75	*2.75*	3.05	2.85
Fed primary credit (discount rate)	*0.75*	*0.75*	*0.75*	0.75	1.00	1.25	1.50	1.50	1.75	2.00	*0.75*	0.75	1.50
Prime bank rate	*3.25*	*3.25*	*3.25*	3.25	3.50	3.75	4.00	4.00	4.25	4.50	*3.25*	3.25	4.00
Avg. fixed mortgage rate	*3.69*	*4.08*	*3.75*	3.95	4.05	4.10	4.05	4.00	3.95	3.90	*3.87*	4.15	4.00

Actual values in red italics.

SOURCES AND USES OF FUNDS

City of Franklin, Tennessee
Water System Revenue Bonds, Series 2015
For Discussion Purposes Only
Scenario 1 - 30 Year Debt Service

Sources:	
Bond Proceeds:	
Par Amount	8,800,000.00
Premium	1,353,226.70
	10,153,226.70

Uses:	
Project Fund Deposits:	
Project Fund	10,000,000.00
Delivery Date Expenses:	
Cost of Issuance	88,050.00
Underwriter's Discount	61,600.00
	149,650.00
Other Uses of Funds:	
Additional Proceeds	3,576.70
	10,153,226.70

Notes:
AAA MMD as of October 9, 2015
Additional Spread of 15 Basis Points
Cost of Issuance Estimated
Underwriter's Discount Estimated to be Seven Dollars per Bond

BOND SUMMARY STATISTICS

City of Franklin, Tennessee
Water System Revenue Bonds, Series 2015
For Discussion Purposes Only
Scenario 1 - 30 Year Debt Service

Dated Date	10/15/2015
Delivery Date	10/15/2015
First Coupon	03/01/2016
Last Maturity	03/01/2045
Arbitrage Yield	2.860024%
True Interest Cost (TIC)	3.768698%
Net Interest Cost (NIC)	4.157013%
All-In TIC	3.840858%
Average Coupon	4.952402%
Average Life (years)	18.453
Weighted Average Maturity (years)	18.480
Duration of Issue (years)	12.400
Par Amount	8,800,000.00
Bond Proceeds	10,153,226.70
Total Interest	8,042,177.78
Net Interest	6,750,551.08
Total Debt Service	16,842,177.78
Maximum Annual Debt Service	575,650.00
Average Annual Debt Service	573,296.52
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	7.000000
Total Underwriter's Discount	7.000000
Bid Price	114.677576

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial	8,800,000.00	115.378	4.952%	18.453	7,236.55
	8,800,000.00			18.453	7,236.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,800,000.00	8,800,000.00	8,800,000.00
+ Accrued Interest			
+ Premium (Discount)	1,353,226.70	1,353,226.70	1,353,226.70
- Underwriter's Discount	(61,600.00)	(61,600.00)	
- Cost of Issuance Expense		(88,050.00)	
- Other Amounts			
Target Value	10,091,626.70	10,003,576.70	10,153,226.70
Target Date	10/15/2015	10/15/2015	10/15/2015
Yield	3.768698%	3.840858%	2.860024%

RESOLUTION 2015-76

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 projects, and

WHEREAS, the Board of Mayor and Aldermen wishes to continue to maintain a debt management policy, and

WHEREAS, the debt management policy will need to be modified and updated from time to time to conform to state requirements, market conditions, and rating implications, and 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 April, 2016.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE**
By: ______________________	**By:** ______________________
Eric Stuckey **City Administrator**	**Ken Moore** **Mayor**

CITY OF FRANKLIN

T E N N E S S E E

Debt Management Policy

Prepared by
Public Financial Management
Submitted April 13, 2009
Adopted by Finance Committee, May 21, 2009
Adopted by Board of Mayor & Aldermen, June 23, 2009
Amended November 26, 2013

Table of Contents

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 Chief Financial Officer will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the City's debt. The Chief Financial Officer 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 Chief Financial Officer 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, the wealth and income of the community and the property tax base:

Debt Affordability Ratios — Benchmarks

(I.) Total Budget Resources: 1.Debt Service as a Percent of Operating Expenditures – *Measures debt liability relative to total budget resources*	**Total GO Debt** **< 12%** **Less Self-Supporting Debt** **<8%**
Supporting Data	S&P (04/08) cites <8% as low, 8%-15% as moderate Moody's, 2008 AAA Cities, Population 50k-100k Median @ 8.97%
Brentwood @	11.40%
Germantown @	8.00%
Franklin - Total GO Debt @	**9.78%**
Franklin - Less Self-Supporting @	**4.77%**
Chattanooga @ [AA/AA+]	9.14%
Clarksville @ [Aa3]	17.05%
Murfreesboro @ [A1]	17.31%
Alpharetta, GA @	21.00%
Dublin, OH @	11.37%
Naperville, IL @	6.69%

(II.) Wealth and Income of Community: 2. Direct Debt Per Capita – *Measures net debt to population*	**< $2,000**	
Supporting Data	S&P (4/08) cites < $1,000 as very low, $1,000-$2,000 as low and $2,000-$3,000 as moderate	
Brentwood @	$	669.70
Germantown @	$	535.30
Franklin - Total GO Debt @	**$**	**1,442.88**
Franklin - Less Self-Supporting @	**$**	**799.01**
Chattanooga @ [AA/AA+]	$	566.84
Clarksville @ [Aa3]	$	383.30
Murfreesboro @ [A1]	$	1,865.21
Alpharetta, GA @	$	941.43
Dublin, OH @	$	999.90
Naperville, IL @	$	587.40

2b. Per Capita Debt/Per Capita Income – *Measures each person's estimated ability to back their portion of debt based on personal income per capita*	**< 3.00%**
Supporting Data	
Brentwood @	1.22%
Germantown @	0.87%
Franklin - Total GO Debt @	**2.78%**
Franklin - Less Self-Supporting @	**1.54%**
Chattanooga @ [AA/AA+]	1.74%
Clarksville @ [Aa3]	0.96%
Murfreesboro @ [A1]	5.95%
Alpharetta, GA @	2.02%
Dublin, OH @	2.43%
Naperville, IL @	1.48%

(III) Property Tax Base: 3. Direct Debt as a % of Market Value – the government's jurisdiction *Overall Net Debt divided by the fiscal year or most recent Total Full Value – Measures the overall debt to all taxable property within the government's jurisdiction*	**0.4% - 0.8%**
Supporting Data	Moody's, 2008 AAA Cities, Population 50k-100k Median @ 0.5%
Brentwood @	0.3%
Germantown @	0.4%
Franklin - Total GO Debt @	**1.0%**
Franklin - Less Self-Supporting @	**0.6%**
Chattanooga @ [AA/AA+]	0.7%
Clarksville @ [Aa3]	0.8%
Murfreesboro @ [A1]	2.5%
Alpharetta, GA @	0.4%
Dublin, OH @	0.7%
Naperville, IL @	0.4%

3b. Debt Burden (Overall Net Debt as a % of Market Value) – *Measures the overall debt burden to the taxable market value of the tax base*	**3% - 6%**
Supporting Data	S&P (04/08) cites < 3% as low, 3%-6% as moderate Moody's 2008 AAA Cities, Population 50k-100k, Median @ 1.77%
Brentwood @	2.05%
Germantown @	3.32%
Franklin - Total GO Debt @	**3.47%**
Chattanooga @ [AA/AA+]	1.80%
Clarksville @ [Aa3]	4.56%
Murfreesboro @ [A1]	4.51%
Alpharetta, GA @	0.68%
Dublin, OH @	0.76%
Naperville, IL @	2.27%

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 Chief Financial Officer.

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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer. 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 Bonds**
   The City may issue general obligation bonds supported by the full faith and credit of the City. General Obligation bonds 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 to support other revenue-supported bond issues, if such support improves the economics of the other bond issue and is used in accordance with these guidelines. The City may also issue General Obligation bonds to obtain funding for certain unfunded pension liabilities, subject to TCA 9-21-105(4) and 9-21-127.

2. **Revenue Bonds**
   The City may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds 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 net 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer with assistance from the City's Financial Advisor shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer 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 Chief Financial Officer may consider maturity extension, when necessary to achieve a desired outcome, provided that such extension is legally permissible. The Chief Financial Officer 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.

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.

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.

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. If there is no financial advisor, the underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the Board of Mayor and Alderman or its designated official in advance of the pricing of the debt.

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 Chief Financial Officer 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 Chief Financial Officer will evaluate the proposed underwriter's discount against comparable issues in the market. If there are multiple underwriters in the transaction, the Chief Financial Officer 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 Chief Financial Officer. 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 Chief Financial Officer 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 Chief Financial Officer shall provide a report to the Board of Mayor and Aldermen on the results of the sale.

Syndicate Policies
For each negotiated transaction, the Chief Financial Officer will prepare syndicate policies that will describe the designation policies governing the upcoming sale. The Chief Financial Officer 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 Chief Financial Officer 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. The City will enter into a written agreement with each person and/or firm serving as financial advisor in debt management and transactions.

In a competitive sale, the financial advisor (*either*):

- shall not be permitted to bid on an issue for which they are or have been providing advisory services; **or**
- may bid on an issue for which they are providing advisory services only if (i) the governing body or designated official grants in writing specific authority on a transaction by transaction basis, (ii) such sale is properly carried out through a widely and publicly advertised sale, during normal bond sale hours, and through an industry standard, electronic bidding platform not requiring verification by the financial advisor, and (iii) the financial advisor fee is separately disclosed and billed from the underwriting fee.

In a publicly offered, negotiated sale, the financial advisor (*either*):

- shall not be permitted to resign as financial advisor in order to underwrite an issue for which they are or have been providing advisory services; **or**

- may resign as financial advisor in advance of negotiations in order to underwrite an issue for which they are or have been providing advisory services.

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.
- Significant 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.
- 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 Chief Financial Officer 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.

Professionals involved in a debt transaction hired or compensated by the City shall be required to disclose to the City existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the City to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Bond Counsel

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. The Counsel will be selected by the City and will enter into an engagement letter agreement with each lawyer and/or law firm representing the City in a debt transaction.

Disclosure by Financing Team Members
All financing team members will be required to provide full and complete disclosure, relative to agreements with other financing team members and outside parties. The disclosure of transactional fees paid to the financing team member (including interest, issuance, continuing, and one-time) shall be disclosed to the City Administrator and the Chief Financial Officer prior to the completion of a transaction. The City Administrator and the Chief Financial Officer shall disclose this information to citizens and the Board of Mayor and Alderman in a timely manner. 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 all Nationally Recognized Municipal Information Repositories (NRMSIRs) designated by the SEC and the State Information Depository (SID). The City will also notify the NRMSIRs and SID 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 Chief Financial Officer will consider any recommendations for any amendments, deletions, additions, improvements or clarification.

CITY OF FRANKLIN

T E N N E S S E E

Debt Management Policy

Prepared by
Public Financial Management
Submitted April 13, 2009
Adopted by Finance Committee, May 21, 2009
Adopted by Board of Mayor & Aldermen, June 23, 2009
Revised 2016

Table of Contents

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 ≤ 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 ≤ 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) ≤ 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 Bonds**
   The City may issue general obligation bonds supported by the full faith and credit of the City. General Obligation bonds 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 to support other revenue-supported bond issues, if such support improves the economics of the other bond issue and is used in accordance with these guidelines.

2. **Revenue Bonds**
   The City may issue revenue bonds, where repayment of the debt service obligations of the bonds will be made through revenues generated from specifically designated sources. Revenue bonds 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 net 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.
- Significant 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.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin Credit Scorecard & Debt Management Policy

Prepared for the City of Franklin, TN

March 10, 2016

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Recap and Update

Recap

- In September 2015, PFM presented to the Board of Mayor and Alderman (BOMA) the Moody's and Standard & Poor's local government criteria .
- In November 2015, PFM presented the City's indicative scorecard results to the BOMA.

Update

- PFM has updated the City's indicative scorecard results based on the City's FY 2015 CAFR.
- With this information, we have proposed modifications/modernizations to the City's Debt Management Policy.

Existing Debt Management Policy – Debt Affordability

The City's Debt Management Policy was adopted in June 2009 and addresses Debt Affordability in section V through the following ratios:

- *Debt Service as % of Operating Expenditures;*
- *Debt Per Capita; Per Capita Debt/Per Capita Income;*
- *Debt as % of Property Tax Base (Taxable or Market Value);*
- *Overall Debt as % of Property Tax Base (includes overlapping debt)*

Two of the metrics and the benchmarking used to set such metrics.

Debt Affordability Ratios	**Benchmarks**	
(I.) Total Budget Resources: 1.Debt Service as a Percent of Operating Expenditures – *Measures debt liability relative to total budget resources*	**Total GO Debt < 12%** **Less Self-Supporting Debt <8%**	
Supporting Data	S&P (04/08) cites <8% as low, 8%-15% as moderate Moody's, 2008 AAA Cities, Population 50k-100k Median @ 8.97%	
Brentwood @	11.40%	
Germantown @	8.00%	
Franklin - Total GO Debt @	**9.78%**	
Franklin - Less Self-Supporting @	**4.77%**	
Chattanooga @ [AA/AA+]	9.14%	
Clarksville @ [Aa3]	17.05%	
Murfreesboro @ [A1]	17.31%	
Alpharetta, GA @	21.00%	
Dublin, OH @	11.37%	
Naperville, IL @	6.69%	
(II.) Wealth and Income of Community: 2. Direct Debt Per Capita – *Measures net debt to population*	**< $2,000**	
Supporting Data	S&P (4/08) cites < $1,000 as very low, $1,000-$2,000 as low and $2,000-$3,000 as moderate	
Brentwood @	$	669.70
Germantown @	$	535.30
Franklin - Total GO Debt @	**$**	**1,442.88**
Franklin - Less Self-Supporting @	**$**	**799.01**
Chattanooga @ [AA/AA+]	$	566.84
Clarksville @ [Aa3]	$	383.30
Murfreesboro @ [A1]	$	1,865.21
Alpharetta, GA @	$	941.43
Dublin, OH @	$	999.90
Naperville, IL @	$	587.40

Moody's Scorecard Results (as of June 30, 2015)

- The final scores for each metric are assigned a numerical value, and averaged according to their individual weighting.
- Franklin's overall indicated current rating is **Aa1.**
- The indicated rating is one component of Moody's overall rating process, and may not always be the final rating an entity receives due to qualitative "below the line" adjustments.

Current Score Estimates

Category	Weight	Indicated Rating
Economy/Tax Base	30%	1.45
Fund Balance	15%	1.14
Cash Balance	15%	1.89
Management	20%	1.42
Direct Debt	10%	2.55
Pension Liability	10%	1.75
Indicated Rating Score	100%	1.60
Indicated Rating	-	**Aa1**

Indicated Rating	Overall Weighted Score	Indicated Rating	Overall Weighted Score
Aaa	0.5 to 1.5	Baa2	3.83 to 4.17
Aa1	1.5 to 1.83	Baa3	4.17 to 4.50
Aa2	1.83 to 2.17	Ba1	4.50 to 4.83
Aa3	2.17 to 2.5	Ba2	4.83 to 5.17
A1	2.50 to 2.83	Ba3	5.17 to 5.50
A2	2.83 to 3.17	B1	5.50 to 5.83
A3	3.17 to 3.5	B2	5.83 to 6.17
Baa1	3.50 to 3.83	B3	6.17 to 6.50

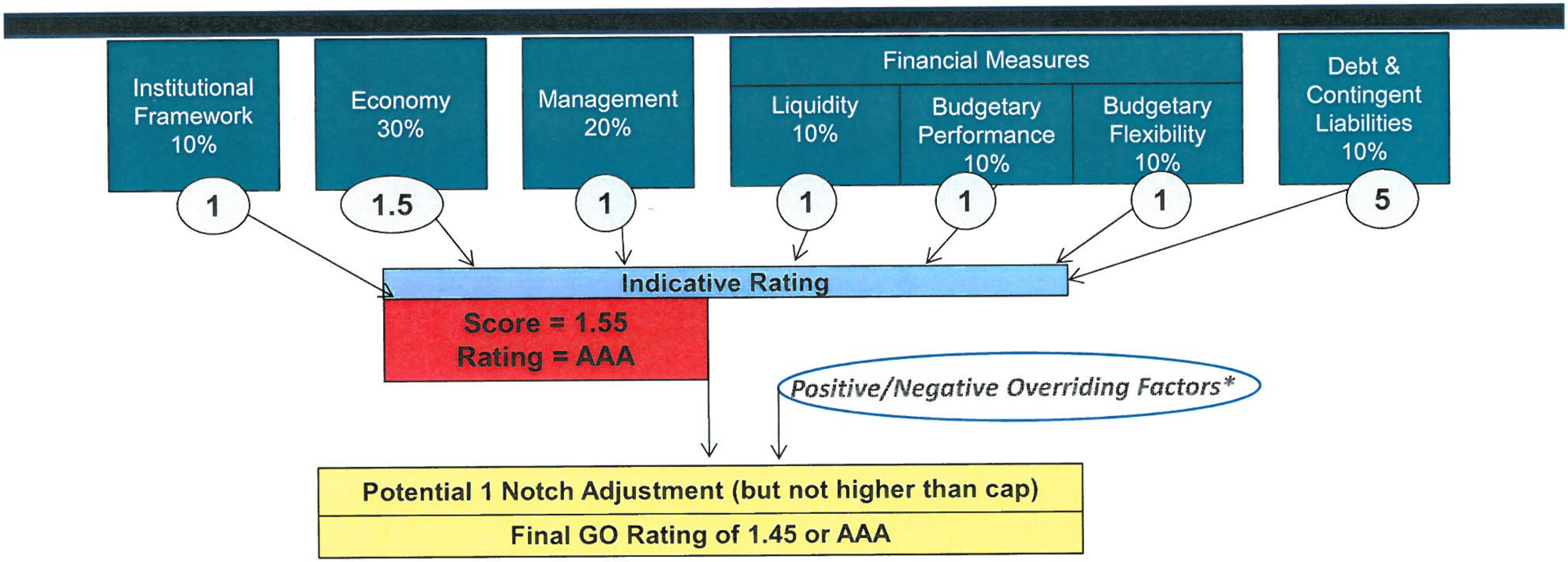
Moody's Scorecard Results - Other Considerations

- A number of other factors do not appear on the scorecard or as a below-the-line adjustment, but are considered in our ratings and are frequent topics of discussion in our analysis*.

  - Per capita income
  - Composition of workforce/employment opportunities
  - Proportion of tax base that is vacant or exempt from taxes
  - Median home value
  - Trend of real estate values
  - Population trends
  - Property tax appeals outstanding
  - Unusually significant tax base declines or growth

*Other Considerations on page 11 of Moody's Rating Methodology: US Local Government General Obligation Debt

S&P Indicative Score (as of June 30, 2015)



Indicative Rating Outcomes Resulting From The Weighted Average Of Seven Factors

Factor Score Weighted Average	Indicative Rating
1.00 – 1.64	AAA
1.65 – 1.94	AA+
1.95 – 2.34	AA
2.35 – 2.84	AA-
2.85 – 3.24	A+
3.25 – 3.64	A
3.65 – 3.94	A-
3.95 – 4.24	BBB+
4.25 – 4.54	BBB
4.55 – 4.74	BBB-

*The rating listed is approximate, and is subject to change based on incorporation of the overriding factors, qualitative considerations, and Standard and Poor's own interpretation of the methodology and its components. For more information on Positive/Negative Overriding Factors please see slide 14.

Proposed Updates to the Debt Management Policy

- The scorecard concept should be used as a tool to understand the factors and weights that impact an issuer's credit rating.
- The City's current Debt Management Policy include several affordability metrics:
  1. Debt Service as % of Operating Expenditures
  2. Debt Per Capita
  3. Per Capita Debt/Per Capita Income
  4. Debt as % of Property Tax Base (Taxable or Market Value)
  5. Overall Debt as % of Property Tax Base (includes overlapping debt)
- Proposal for modernizing the Debt Management Policy based on the rating agencies criteria:
  1. Direct debt as a % of Full Value $\leq$ 1.75%
  2. Direct debt of Operating Revenues of $\leq$ 3.00X
  3. Total Governmental Funds Debt Service as % of expenditures of $\leq$ 25%
- Proposal to annually calculate the City's indicative ratings per Moody's and S&P's local government criteria
- Proposal to bi-annually review the City's indicative ratings along with peer cities

Appendix

Moody's Scorecard and Below-the-Line Adjustments

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

Economy/Tax Base (30% of total score):

- Institutional presence (positive)
- Regional economic center (positive)
- Economic concentration (negative)
- Outsized unemployment or poverty levels (negative)

Finances (30% of total score):

- Outsized enterprise of contingent liability risk (negative)
- Unusually volatile revenue structure (negative)

Management (20% of total score):

- State oversight or support (positive or negative)
- Unusually strong or weak budget management and planning (positive or negative)

Debt/Pension (20% of total score):

- Unusually strong or weak security features (positive or negative)
- Unusual risk posed by debt structure (negative)
- History of missed debt service payments (negative)

Moody's Economy/Tax Base Score

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

- Franklin's score in the Economy/Tax Base Section is 1.45 (Aaa)
  - The tax base size of $11.4B receives a rating of **Aa**.
  - The tax base per capita of $161,642 receives a rating of **Aaa.**
  - The median family income as a percentage of the US Median of 157.31% receives a rating of **Aaa.**

Economy/Tax Base							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Tax Base Size: Full Value	>$12B	$12B≥ n > $1.4B	$1.4B ≥ n > $240M	$240M ≥ n > $120M	$120M ≥ n > $60M	≤ $60M	10%
Tax Base per Capita	>$150,000	$150,000 ≥ n > $65,000	$65,000 ≥ n > $35,000	$35,000 ≥ n > $20,000	$20,000 ≥ n > $10,000	≤ $10,000	10%
Median Family Income as a % of U.S. Median	>150% of US median	150% to 90% of US median	90% to 70% of US median	70% to 50% of US median	50% to 40% of US median	≤ 40% of US median	10%

Moody's Finances Score

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

- Franklin's score in the Finances Section is 1.52 (Aa1)
  - The fund balance as a percentage of revenues of 56.20% receives a rating of **Aaa**.
  - The 5-year dollar change in fund balance as a percentage of revenues of 14.62% receives a rating of **Aa.**
  - The cash balance as a percentage of revenues of 33.16% receives a rating of **Aaa**.
  - The 5-year dollar change in cash balance as a percentage of revenues of -2.75% receives a rating of **Baa.**

Finances							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Fund Balance as % of Revenues	>30.0%	30.0% ≥ n > 15.0%	15.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤ -2.5%	10%
5-Year Dollar Change in Fund Balance as % of Revenues	>25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤-18.0%	10%
Cash Balance as % of Revenues	>25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 5.0%	5.0% ≥ n > 0.0%	0.0% ≥ n > -2.5%	≤-2.5%	10%
5-Year Dollar Change in Cash Balance as % of Revenues	>25.0%	25.0% ≥ n > 10.0%	10.0% ≥ n > 0.0%	0.0% ≥ n > -10.0%	-10.0% ≥ n > -18.0%	≤-18.0%	5%

Moody's Management Score

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

- Franklin's score in the Management Section is 1.42 (Aaa)
  - The 5-year average of operating revenues of 1.04X of operating expenditures receives a rating of **Aa**.
  - The institutional framework score is **Aaa**.

Management							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Institutional Framework	Very strong legal ability to match resources with spending	Strong legal ability to match resources with spending	Moderate legal ability to match resources with spending	Limited legal ability to match resources with spending	Poor legal ability to match resources with spenidng	Very poor legal ability to match resources with spending	10%
Operating History: 5-Year Average of Operating Revenues/ Operating Expenditures	>1.05x	1.05x ≥ n > 1.02x	1.02x ≥ n > 0.98x	0.98x ≥ n > 0.95x	0.95x ≥ n > 0.92x	≤ 0.92x	10%

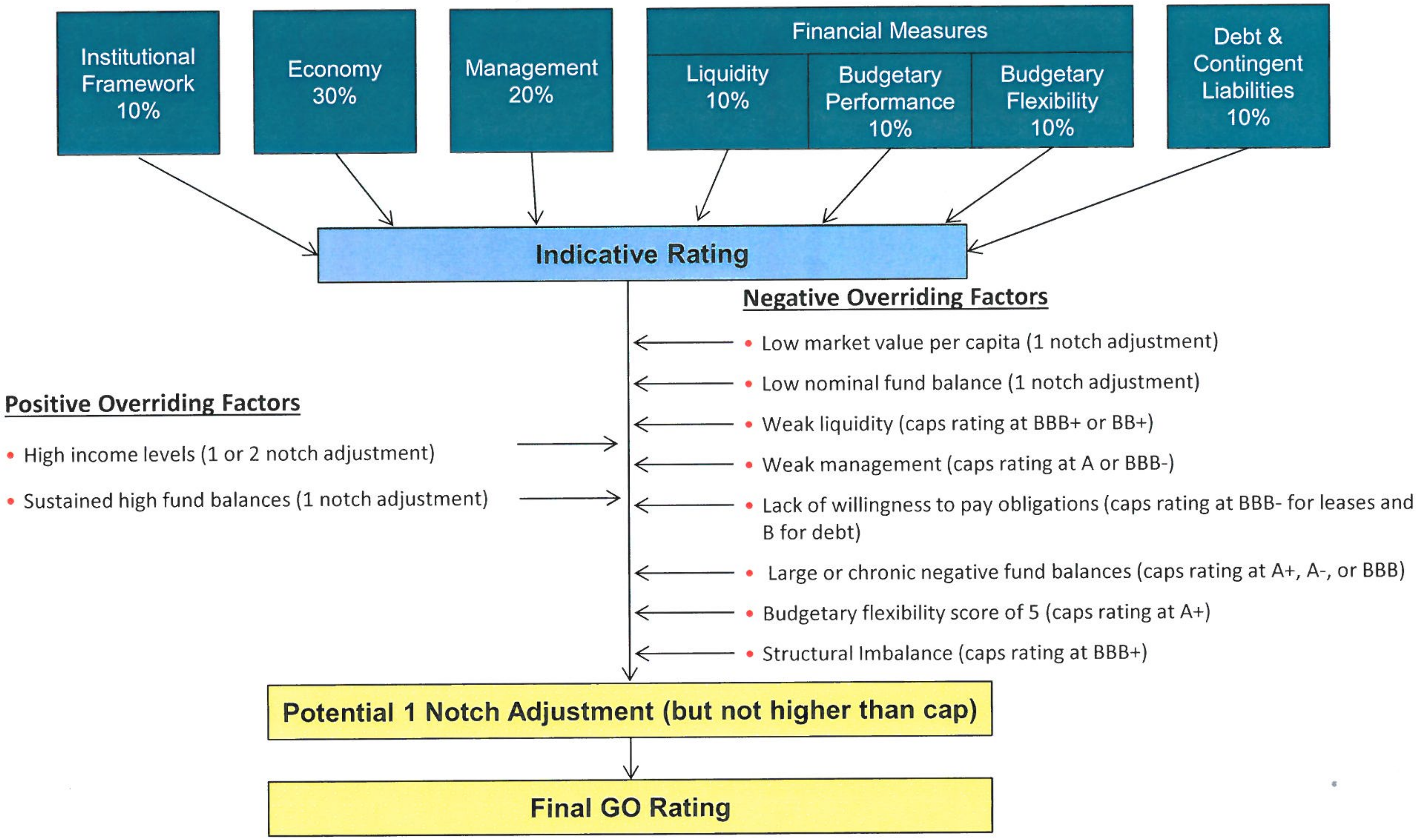
Moody's Debt/Pensions Score

- Franklin's score in the Debt/Pensions Section is 2.15 (Aa2)
  - The net direct debt as a percentage of full value of 1.24% receives a rating of **Aa**.
  - The net direct debt 2.08x of operating revenues receives a rating of **A.**
  - The 3-year average of Moody's Adjusted Net Pension Liability as a percentage of full value of 0.47% receives a rating of **Aaa**.
  - The 3-year average of Moody's Adjusted Net Pension Liability of 0.79x of operating revenues receives a rating of **Aa**.

Scorecard Category	Weight
Economy/Tax Base	30%
Finances	30%
Management	20%
Debt/Pensions	20%

Debt/Pensions							
	Aaa	Aa	A	Baa	Ba	B and Below	Weight
Net Direct Debt/Full Value	<0.75%	0.75% ≤ n < 1.75%	1.75% ≤ n < 4.00%	4.00% ≤ n < 10.00%	10.00% ≤ n < 15.00%	≥ 15.00%	5%
Net Direct Debt/ Operating Revenues	<0.33x	0.33x ≤ n < 0.67x	0.67x ≤ n < 3.00x	3.00x ≤ n < 5.00x	5.00x ≤ n < 7.00x	≥ 7.00x	5%
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value	<0.90%	0.90% ≤ n < 2.10%	2.10% ≤ n < 4.80%	4.80% ≤ n < 12.00%	12.00% ≤ n < 18.00%	≥ 18.00%	5%
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues	<0.40x	0.40x ≤ n < 0.80x	0.80x ≤ n < 3.60x	3.60x ≤ n < 6.00x	6.00x ≤ n < 8.40x	≥ 8.40x	5%

S&P Analytical Framework & Overriding Factors



Source: S&P's U.S. Local Governments General Obligations Ratings: Methodology and Assumptions, September, 2013.

S&P Institutional Framework (10%)

- Institutional Framework (Score: 1)
  - All Local Governments in Tennessee have the same score for this factor.
  - The full list of institutional framework scores for state and client type combinations was released by S&P on September 12, 2013.

Score Range	Institutional Framework Score
1 - 1.5	1 (Very Strong)
1.75 - 2.75	2 (Strong)
3 - 3.75	3 (Adequate)
4 - 4.5	4 (Weak)
4.75 - 5	5 (Very Weak)

S&P Economy (30%)

- Economic Score (Score: 1.5)
  - Current market value per capita is $161,642
  - Projected per capita effective buying income is 162.59% of the U.S.

	Market Value/ Capita				
Projected Per Capita EBI as % of US	>$195,000	$195,000-$100,000	$100,000-$80,000	$80,000-$55,000	<$55,000
> 150	1	1.5	2	2.5	3
110-150	1.5	2	2.5	3	3.5
85-110	2	2.5	3	3.5	4
70-85	2.5	3	3.5	4	4.5
<70	3	3.5	4	4.5	5

S&P Management (20%)

- Management Score (Score: 1)
  - Based on the most recent S&P report on the Franklin, TN dated March 23, 2015, S&P characterizes the financial management practices "strong" under its FMA methodology, which equates to a score of 1.

Rounded Score	Characteristics
1	FMA score of "Strong" and none of the factors in score 5 are present
2	FMA score of "Good" and none of the factors in score 5 are present
3	FMA score of "Standard" and none of the factors in score 5 are present
4	• There is a financial reporting statement that has a material negative impact • Any of the conditions in score 5 existed in the past 3 years • The structural imbalance override condition exists or has existed within the past 3 years • Very high debt, pension, or OPEB burden
5	Regardless of FMA score, any of the following is present: • A Management team that lacks relevant skills resulting in a weak capacity for planning, monitoring, and management • An auditor has delivered a going concern opinion • The government has shown an unwillingness to support a debt or capital lease obligation • The government is actively considering bankruptcy in the near term • Any of the conditions in score 5 existed in the past 3 years • The structural imbalance override condition exists or has existed within the past 3 years • Very high debt, pension, or OPEB burden

S&P Budgetary Flexibility (10%)

- Financial Measures: Budgetary Flexibility Score (Score: 1)
  - Available Fund Balance to General Fund Expenditures ratio is $38,219,753 / $57,489,269 = 75.17%

	Available Fund Balance as a % of Expenditures				
%	>15	8-15	4-8	1-4	<1
Score	**1**	2	3	4	5

S&P Budgetary Performance (10%)

- Financial Measures: Budgetary Performance Score (Score: 1)
  - Total governmental funds net result: net total governmental funds / governmental expenditures is ($12,248,781/ $79,599,702 = 15.39%
  - General Fund net result: General Fund Operating Balance / General Fund Expenditures (including transfers) is $3,182,797 / $50,843,243 = 6.26%

	Total Governmental Funds Net Result (%)				
General Fund Net Result (%)	>-1	-1 to -5	-5 to -10	-10 to -15	< -15
Limited (>5)	1	2	3	4	5
Balanced (-1 to 5)	2	2	3	4	5
Pressured (<-1)	3	2	3	4	5

S&P Liquidity (10%)

- Financial Measures: Liquidity Score (Score: 1)
  - Total government cash / total governmental funds debt service is \$37,674,481/ \$12,244,986 = 307.67%
  - Total cash / total governmental funds expenditures is \$37,674,481/ \$79,599,702 = 47.33%

	Total Governmental Cash as % of Total Governmental Funds Debt Service				
Total Cash as a % of Total Governmental Funds Expenditures	>120	120-100	100-80	80-40	<40
>15	1	2	3	4	5
8-15	2	2	3	4	5
4-8	3	2	3	4	5
1-4	4	2	3	4	5
<1	5	2	3	4	5

S&P Debt & Contingent Liability (10%)

- Debt and Contingent Liability (Score: 5)
  - Total governmental funds debt service / expenditures ➔ $12,244,986/ $79,599,702 = 15.38%
  - Net direct debt / total governmental funds revenue ➔ $141,546,047/ $91,848,483 = 154.11%

	Net Direct Debt as % of Total Governmental Funds Revenue				
Total Governmental Funds DS as % of Total Governmental Funds Expenditures	>30	30-60	60-120	120-180	>180
<8	1	2	3	4	5
8-15	2	3	4	4	5
15-25	3	4	5	5	5
25-35	4	4	5	5	5
>35	4	5	5	5	5

Approach to Analysis

DISCLAIMER FOR OVERVIEW OF MOODY'S INVESTORS SERVICE REVISED METHODOLOGY FOR LOCAL GOVERNMENT GENERAL OBLIGATION DEBT:

- The calculations included in this document are based on PFM's interpretation of Moody's revised methodology for U.S. local governments general obligation debt as detailed in the July 24th, 2014 Moody's Investors Service publication. Calculations and supporting data do not represent actual figures nor are they definitive representations of Moody's final calculations. Calculations do not include the application of Moody's qualitative considerations or below-the-line adjustments. Calculations are subject to change based on changes to the underlying data. Results are estimates only and should not be used for actual reporting or assumptions regarding Moody's calculations. Resultant figures are not confirmed by Moody's and are indicative interpretations only.

DISCLAIMER FOR OVERVIEW OF STANDARD AND POOR'S PROPOSED CHANGES TO LOCAL GOVERNMENT RATINGS METHODOLOGY:

- The calculations included in this document are based on PFM's interpretation of Standard and Poor's adjustments to U.S. local governments general obligation bond rating methodology as detailed in the September 12, 2013 Standard and Poor's publication. Calculations and supporting data do not represent actual figures nor are they definitive representations of Standard and Poor's final calculations. Calculations do not include the application of Standard and Poor's qualitative considerations or overriding factors. Calculations are subject to change based on changes to the underlying data. Results are estimates only and should not be used for actual reporting or assumptions regarding Standard and Poor's calculations. Resultant figures are not confirmed by Standard and Poor's and are indicative interpretations only.

HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

November 12, 2015

TO: Members of the Board of Mayor and Aldermen
Members of Budget and Finance Committee

FROM: Eric Stuckey, City Administrator
Russ Truell, ACA/CFO
Mike Lowe, Comptroller
Michael Walters Young, Business Process Improvement Manager

RE: Consideration of Ordinance 2015-92, 2nd Quarter 2016 Budget Amendments

Purpose
The purpose of this item is to amend the Fiscal Year 2016 Budget for compliance with State budgeting guidance regarding:

1. Ensuring authorizations in place to balance each fund's budget on a cash basis on June 30, 2015.

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

In order to stay ahead of this responsibility, staff is proposing three budget amendments.

The amendments are as follows:

1. Transfer of $695,818 from General Expenses to various departments within the General Fund. The four purposes of the transfers are:
   a. Distribution of 2% wage increases and personnel reclassifications - $601,279
   b. Pension Budget v. Actual reclassifications - $67,093
   c. Additional cost for P91X Bus Service (already approved by BOMA) - $12,870
   d. Improvements to Town Square - $18,500
2. Increase of $36,595 in revenue and expense to the Hotel/Motel Fund for the McEwen/I-65 Landscaping Improvements (previously approved by the BOMA).
3. Increase of $479,401 in expense to the Capital Projects Fund for the following projects:
   a. $99,401 for additional expenses incurred for the conversion and integration process of utility billing into Infor.
   b. $80,000 for the City's contribution for a multi-use path near the new Columbia State Community College property.
   c. $300,000 for the City's contribution for street lights near the new Columbia State Community College property.

HISTORIC FRANKLIN TENNESSEE

MEMORANDUM

This is the third budget amendment during this Fiscal Year to the budget. We will bring forward another amendment next month for several capital projects and miscellaneous expense adjustments.

Financial Impact

The amendments, as proposed, would result in:

1. General Fund: No Change.

2. Hotel/Motel Fund: No Change.

3. Capital Projects Fund: Decrease of Fund Balance of $479,401. Deficit to be made up through future revenues and/or bond proceeds.

Options

1. Approve amendment(s) as proposed and forward to BOMA.

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

Recommendation

Staff recommends approval of the amendments.

ORDINANCE NO. 2015 – 92

TO BE ENTITLED: "A ORDINANCE TO AMEND THE BUDGET OF THE CITY OF FRANKLIN FOR FISCAL YEAR 2015-2016"

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

WHEREAS, an annual budget process appropriating funds to the various departments and divisions of the City government for the fiscal year beginning July 1, 2015 has been completed in accordance with state law and local ordinances; and

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

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

SECTION I: That the annual budget for the City of Franklin for the Fiscal Year 2015-2016 shall be amended and does allocate and appropriate additional funding as follows:

GENERAL FUND [Amendment 1]
REVENUE

EXPENDITURES			
Administration	Increase	$	7,897
Revenue Management	Increase	$	18,168
Project & Facilities Management	Increase	$	7,853
Communications	Increase	$	10,087
Purchasing	Increase	$	2,943
IT	Increase	$	95,362
Legal	Decrease	($	9,368)
Finance	Increase	$	19,293
Engineering	Increase	$	20,382
TOC	Increase	$	19,444
Human Resources	Increase	$	18,217
Planning & Sustainability	Increase	$	24,918
BNS	Increase	$	43,881
Police-Admin	Increase	$	19,795
Police-CID	Increase	$	45,568
Police-Patrol	Increase	$	55,454
Fire	Increase	$	163,290
Streets-Maintenance	Increase	$	40,601
Streets-Traffic	Increase	$	13,985
Streets-Fleet	Increase	$	2,524
Parks	Increase	$	62,654
General Expenses	Decrease	($	695,818)
Appropriations	Increase	$	12,870

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

HOTEL MOTEL FUND [Amendment 2]

REVENUE

Hotel/Motel Taxes	Increase	$ 36,595

EXPENDITURES

McEwen/I-65 Interchange Improvements	Increase	$ 36,595

Net Increase (Decrease) to Hotel Motel Fund Balance		**$ -**

CAPITAL PROJECTS FUND [Amendment 3]

REVENUE

EXPENDITURES

Utility Billing Conversion Process (Infor)	Increase	$ 99,401
Mutli-Use Path near new Columbia State Comm. Coll.	Increase	$ 80,000
Streetlights near new Columbia State Comm. Coll.	Increase	$ 300,000

Net Increase (Decrease) to Capital Projects Fund Balance		**($ 479,401)**

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

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

ATTEST: **CITY OF FRANKLIN, TENNESSEE**

By: ______________________________ **By:** ___________________________

ERIC S. STUCKEY
City Administrator

DR. KEN MOORE
Mayor

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

Impact of Ordinance 2015-92 on Budgets

The following demonstrates the impact of Ordinance 2015-92 on three separate funds: the General Fund, the Hotel/Motel Tax Fund and the Capital Projects Fund. It is important to note:

a) The General Fund has no impact on the bottom line by these transfers. All expense increases are being offset by budget transfers from General Expenses.

b) The Hotel/Motel Fund has an exact amount of offsetting revenue ($36,595) to the cost of the project on McEwen/I-65 ($36,595).

c) The Capital Projects Fund will go into deficit by another $479,401 as a result of adding these amendments. The deficit will be made up by future revenues and/or bond proceeds.

Fund 110 - General Fund

	A	B	C(B-A)	D (B/A)
	2016 Budget	2016 Amended	Difference $	%
Beginning Balance*	$ 35,296,391	$ 35,296,391	$ -	0.00%
Revenues	$ 61,289,141	$ 61,289,141	$ -	0.00%
Expenses				
Personnel	$ 42,151,465	$ 42,151,465	$ -	0.00%
Operations	$ 16,763,976	$ 16,763,976	$ -	0.00%
Capital	$ 2,373,700	$ 2,373,700	$ -	0.00%
Expenses	$ 61,289,141	$ 61,289,141	$ -	0.00%
Ending Balance	$ 35,296,391	$ 35,296,391	$ -	0.00%

Fund 150 - Hotel/Motel Tax Fund

	A	B	C(B-A)	D (B/A)
	2016 Budget	2016 Amended	Difference $	%
Beginning Balance*	$ 2,740,270	$ 2,740,270	$ -	0.00%
Revenues	$ 3,246,619	$ 3,283,214	$ 36,595	1.13%
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ 2,456,765	$ 2,456,765	$ -	0.00%
Capital	$ 100,000	$ 136,595	$ 36,595	36.60%
Expenses	$ 2,556,765	$ 2,593,360	$ 36,595	1.43%
Ending Balance	$ 3,430,124	$ 3,430,124	$ -	0.00%

City of Franklin, Tennessee
FY 2016 Operating Budget

Impact of Ordinance 2015-92 on Budgets

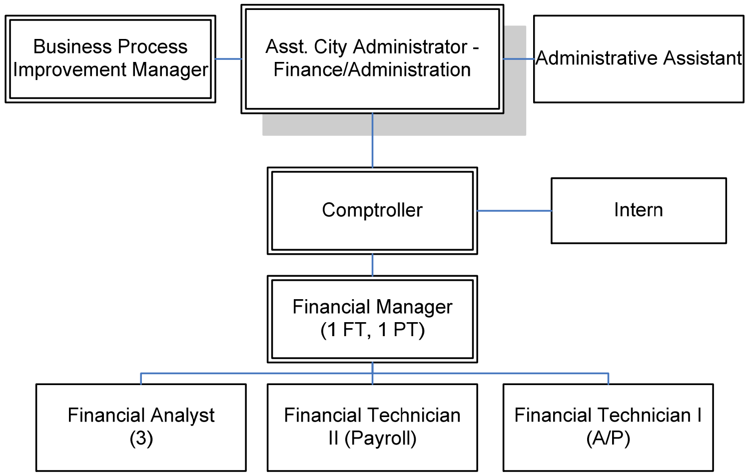
Fund 310 - Capital Projects Fund

	A	B	C(B-A)	D (B/A)
	2016 Budget	2016 Amended	Difference $	%
Beginning Balance*	$ (10,104,657)	$ (10,104,657)	$ -	0.00%
Revenues	$ -	$ -	$ -	#DIV/0!
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ -	$ 99,401	$ 99,401	100.00%
Capital	$ -	$ 380,000	$ 380,000	100.00%
Expenses	$ -	$ 479,401	$ 479,401	#DIV/0!
Ending Balance	$ (10,104,657)	$ (10,584,058)	$ (479,401)	4.74%

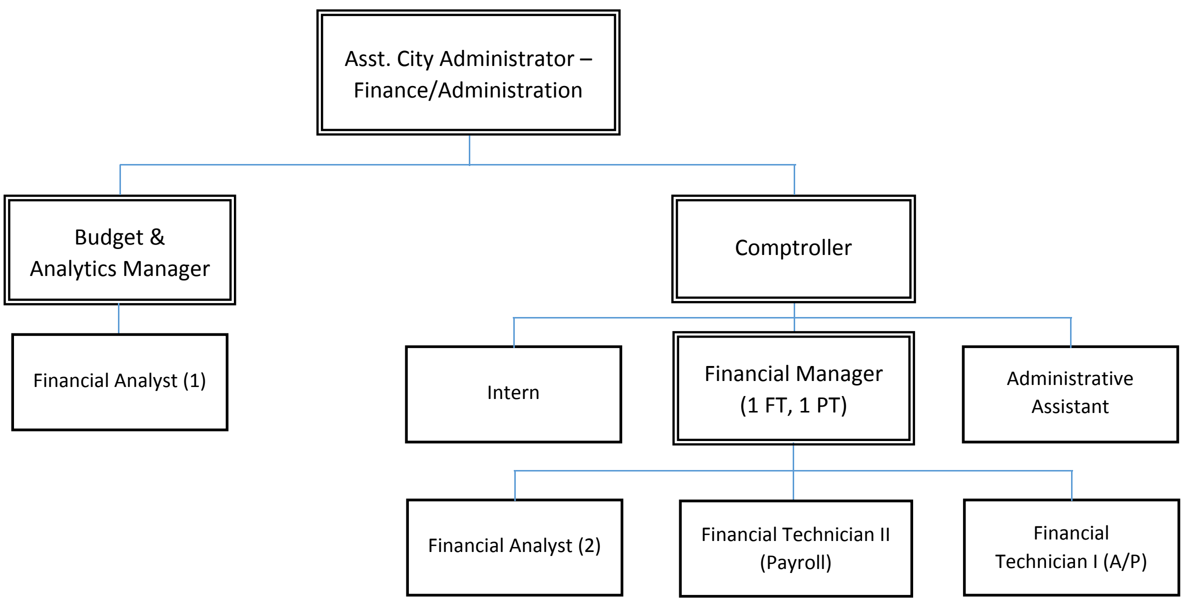
All beginning balances estimated as of June 30, 2015

Attachment A

Existing Organizational Chart



Proposed Organizational Chart*



**Proposed Organization Chart assumes current level of authorized staffing.*

ORDINANCE NUMBER 2015-66

TO BE ENTITLED: "AN ORDINANCE TO AMEND THE TABLE OF ORGANIZATION FOR THE FINANCE DEPARTMENT"

WHEREAS, the Board of Mayor and Aldermen of the City of Franklin, Tennessee, desires to modify the Finance Department organizational chart; and

WHEREAS, the modification to the Finance Department organizational chart will require additional expense for the approved FY 2015-2016 budget.

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

Section 1. The following positions shall be revised as part of the FY 2015-2016 Finance Department organizational chart, which is attached as Exhibit A, and which will replace the current organization chart found on page 150 of the FY 2015-2016 Budget document:

- Business Process Improvement Manager job title shall be revised to Budget & Analytics Manager

Section 2. Additional funding shall be included within Ordinance 2015-92 "AN ORDINANCE TO AMEND THE BUDGET OF THE CITY OF FRANKLIN FOR FISCAL YEAR 2015-2016.

Section 3. This Ordinance shall be effective upon adoption.

IT IS SO ORDAINED AND DONE on this 12th day of January, 2016.

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

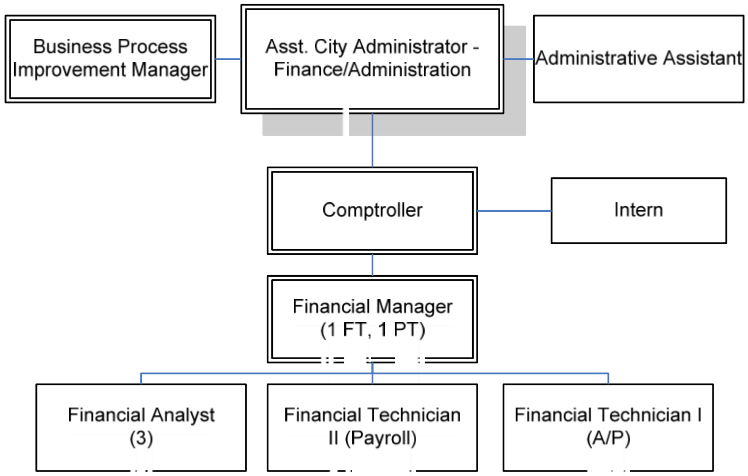
PASSED FIRST READING: **November 24, 2015**

PASSED SECOND READING: **January 12, 2016**

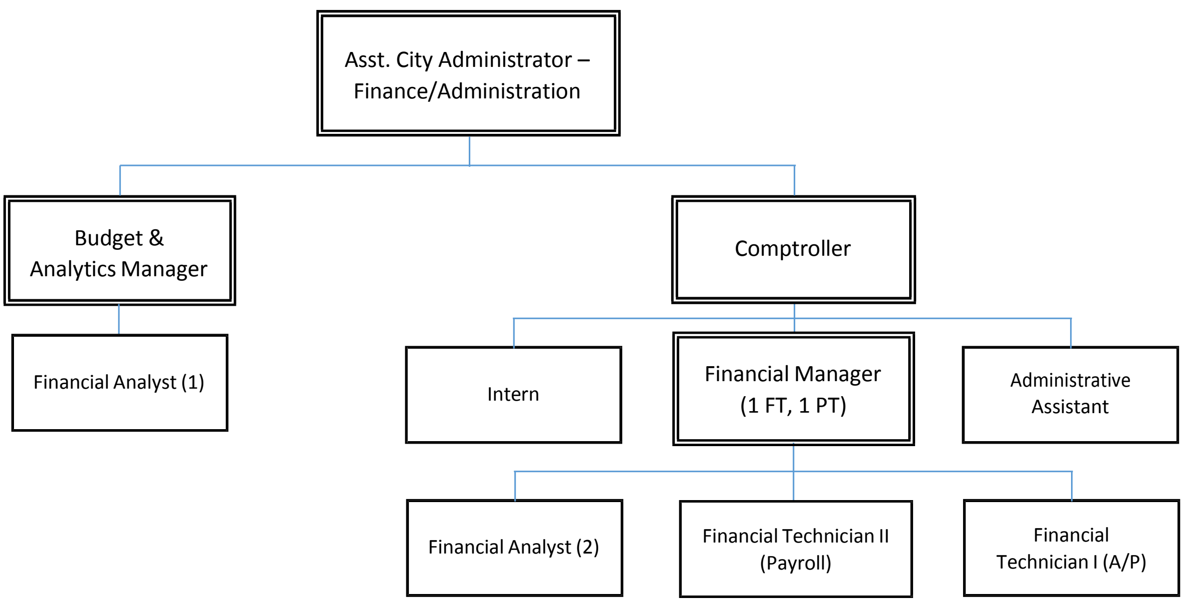
Law Dept. approved 11.25.15

Attachment A

Existing Organizational Chart



Proposed Organizational Chart*



**Proposed Organization Chart assumes current level of authorized staffing.*

AGREEMENT
BETWEEN
TENNESSEE DEPARTMENT OF HEALTH
AND
CITY OF FRANKLIN
COF Contract No. 2015-0359

This agreement is entered into this 1st day of July, 2015, between the Tennessee Department of Health, hereinafter referred to as the STATE and the City of FRANKLIN, Tennessee, hereinafter referred to as the CITY.

WHEREAS, it is the vision of the Tennessee Department of Health to be in the top ten states in the nation for health, and

WHEREAS, it is the mission of the Tennessee Department of Health to protect, promote, and improve the health and prosperity of the people in Tennessee through the prevention of conditions that may be a threat to health, individually and collectively, and through the treatment of conditions that have already affected the health of Tennesseans, and

WHEREAS, Tenn. Code Ann. § 68-2-901, provides a means for a State and County effort to accomplish these mutual goals through the delivery of health services through the local health departments.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties have agreed and do hereby enter into this agreement according to the provisions set out herein:

A. THE CITY AGREES:

1. To appropriate a total of Twenty-One Thousand One Hundred Fifty and NO/100 Dollars ($21,150.00) for support of the County Health Department in accordance with the attached budget and made a part hereof as EXHIBIT A. This amount consists of:

   (a) One Thousand Five Hundred Sixteen and NO/100 Dollars ($1,516.00) Direct-Local funds (for which the CITY shall not be billed);

(b) Zero Dollars ($0.00) of Prior Year Savings which are currently on deposit with the Tennessee Department of Health (for which the CITY shall not be billed); and,

(c) Nineteen Thousand Six Hundred Thirty-Four and NO/100 Dollars ($19,634.00) of appropriations for which the CITY shall be billed in accordance with item (3) below.

2. To use revenues generated from the provision of health services toward the support of the County Health Department.

3. To pay the STATE each quarter, one-fourth of the total county funds appropriated for the purposes of this contract as identified in Item 1 (b) above. Payments are to be received by the STATE no later than the last day of the first month of each quarter (July 31, October 31, January 31, and April 30 respectively).

4. To report all local deposits and local expenditures to the STATE quarterly on forms prescribed by the Division of Fiscal Services, Tennessee Department of Health.

5. If applicable, to submit to the STATE a duly signed and executed county agreement and financial plan (i.e., Work Program).

B. THE STATE AGREES:

1. To provide a total of One Million Four Hundred Fifty-One Thousand Three Hundred Sixty-One and NO/100 ($1,451,361.00) in support of the County Health Department.

2. To amend the financial plan (i.e., Work Program) and Agreement as required during FY 15/16 to assure accurate and current expenditure and revenue data.

3. Upon written request, to provide a reporting of all expenditures and revenues relative to the budget to the County Fiscal Officer.

C. BOTH PARTIES AGREE:

1. That the funds shall be used to pay salary, longevity, fringe benefits, travel, meals and/or lodging and other necessary expenses. The salary and travel, meals and/or lodging payments shall be paid in accordance with State regulations, policies and procedures, and subject to budget availabilities.

2. Budget revisions not requiring or involving funds exceeding the approved budgeted availability may be made by the Regional Public Health Director in accordance with the policy of the Bureau of Health Services and the Bureau of Administrative Services.

3. The term of this agreement will begin July 1, 2015, and shall extend through June 30, 2016.

4. This agreement may be amended in accordance with procedures established by the Commissioner of the Tennessee Department of Health. All amendments must be reduced to writing.

Approved:

C. A. Montgomery
County Health Director

Regional Public Health Director

City of Franklin, Tennessee

Attest:

Dr. Ken Moore Mayor
Approved as to form by:

Shauna R. Billingsley
City Attorney for the City of Franklin

Commissioner Department of Health

Assistant Commissioner
Community Health Services

AGREEMENT
BETWEEN
TENNESSEE DEPARTMENT OF HEALTH
AND
CITY OF FRANKLIN
COF Contract No. 2015-0359

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WHEREAS, it is the mission of the Tennessee Department of Health to protect, promote, and improve the health and prosperity of the people in Tennessee through the prevention of conditions that may be a threat to health, individually and collectively, and through the treatment of conditions that have already affected the health of Tennesseans, and

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Law Dept. approved 11.23.15

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2. To use revenues generated from the provision of health services toward the support of the County Health Department.

3. To pay the STATE each quarter, one-fourth of the total county funds appropriated for the purposes of this contract as identified in Item 1 (b) above. Payments are to be received by the STATE no later than the last day of the first month of each quarter (July 31, October 31, January 31, and April 30 respectively).

4. To report all local deposits and local expenditures to the STATE quarterly on forms prescribed by the Division of Fiscal Services, Tennessee Department of Health.

5. If applicable, to submit to the STATE a duly signed and executed county agreement and financial plan (i.e., Work Program).

B. THE STATE AGREES:

1. To provide a total of One Million Four Hundred Fifty-One Thousand Three Hundred Sixty-One and NO/100 ($1,451,361.00) in support of the County Health Department.

2. To amend the financial plan (i.e., Work Program) and Agreement as required during FY 15/16 to assure accurate and current expenditure and revenue data.

3. Upon written request, to provide a reporting of all expenditures and revenues relative to the budget to the County Fiscal Officer.

C. BOTH PARTIES AGREE:

1. That the funds shall be used to pay salary, longevity, fringe benefits, travel, meals and/or lodging and other necessary expenses. The salary and travel, meals and/or lodging payments shall be paid in accordance with State regulations, policies and procedures, and subject to budget availabilities.

2. Budget revisions not requiring or involving funds exceeding the approved budgeted availability may be made by the Regional Public Health Director in accordance with the policy of the Bureau of Health Services and the Bureau of Administrative Services.

3. The term of this agreement will begin July 1, 2015, and shall extend through June 30, 2016.

4. This agreement may be amended in accordance with procedures established by the Commissioner of the Tennessee Department of Health. All amendments must be reduced to writing.

Approved:

C. A. Montgomery

County Health Director

Regional Public Health Director

City of Franklin, Tennessee

Attest:

Dr. Ken Moore Mayor

Approved as to form by:

Shauna R. Billingsley

City Attorney for the City of Franklin

Commissioner Department of Health

Assistant Commissioner
Community Health Services

Law Dept. approved 11.23.15

City of Franklin

Sanitation Review

Summary

Cost of Services Analysis

The following is a service-by-service analysis of the collections offerings made by the Sanitation and Environmental Services Department. The goal of this analysis is to illustrate the cost of each type of service to the customer consuming the service. The SES fund has, historically, required a subsidy of at minimum $500,000 from the General fund to operate. Currently the City charges $16.50/month for residential collection services - inclusive of standard collection, yard waste, bulky waste and special event collections. In addition, the City charges commercial customers for door to door collection. The reason for the study was to see if a particular service was disproportionately costing more than another, and if an overall rate increase is required or targeted increases or tapering of services in order to achieve the overall financial goal of the system: self-sufficiency.

This analysis **only** examines the collection services of the City of Franklin. The cost to operate the transfer station - segregated within the budget under the Disposal Division of the SES Fund - are not included as they are already independent and self sustaining. If the costs to operate and dispose of trash at our transfer station rise, then the BOMA has the ability to increase the rate we charge independent haulers (which will be discussed on another agenda item at the November meeting of the Budget & Finance Committee). And if it becomes impractical to maintain our own transfer station, we can close it down. But regardless, residential and commercial trash collection would have to continue. The full cost to collect and dispose of residential and commercial trash, as well as the administrative oversight to operate the collection service, is included in this analysis.

We segregated the collection service into five distinct categories:

- Refuse / Automated Collection
- Recycling / Blue Bag Collection
- Ground Trash / Yard Bag Collection
- Knuckleboom Collection
- Commercial Collection

In segregating each of the five services, we examined the cost to produce each distinct service as if they we stand alone business units. Everything necessary to operate the business was captured - labor costs, vehicle/fleet costs, fuel costs, manager & dispatching costs, administrative oversight, vehicle insurance, and disposal costs. We also were able to segregate the total amount of customers for each type of service and the tonnage each service produces annually.

Findings:

The following table summarizes the costs, customers and tonnage of Collections Serves provided by the City of Franklin, Tennessee:

Collection Summary by Customer, Tonnage, Cost

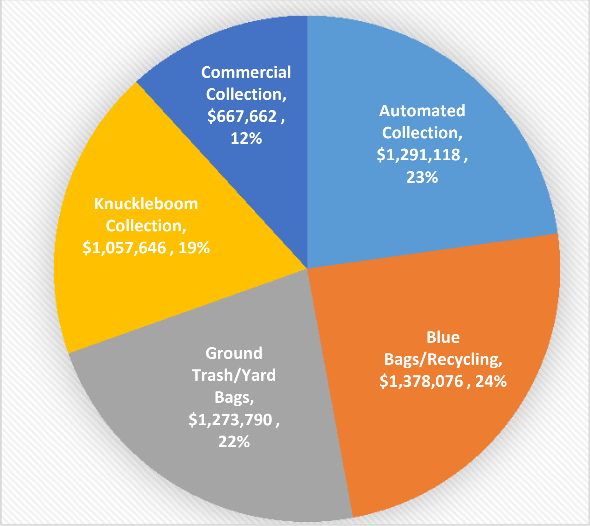
		Cost	Customers	Tonnage
Automated Collection	$	1,291,118	19,137	16,482
Blue Bags/Recycling	$	1,378,076	10,547	3,135
Ground Trash/Yard Bags	$	1,273,790	3,760	2,796
Knuckleboom Collection	$	1,057,646	536	2,611
Commercial Collection	$	667,662	1,100	8,876
Totals	**$**	**5,668,291**	**35,080**	**33,901**

Summary

The numbers provided on the previous page show that the total estimated cost of service in FY 2016 for collection services is $5,668,291 - or roughly 72% of the total budget for the fund (the remaining 28% is the cost to operate the transfer station.) The opposite is true for total tonnage - of the over 81,000 tons collected last year by the City of Franklin, only 33,901 or 42% of the total tonnage coming across the scales was generated through collection activities. The remainder came from operating the transfer station.

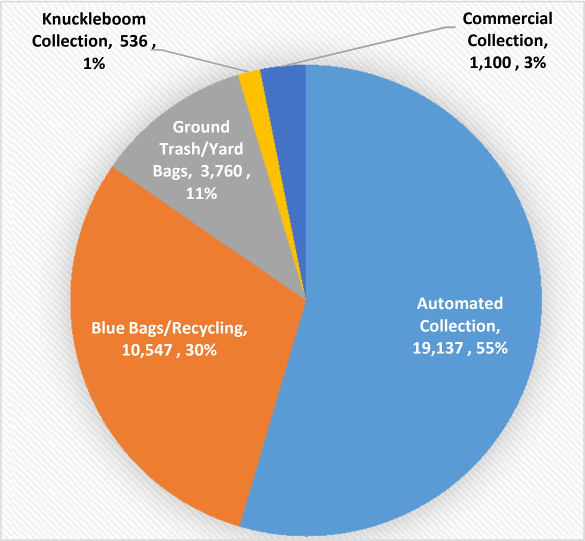
Within each of these three main categories, interesting results occur. Let's examine each one by one:

Costs



When examining the five collection service offerings through the lens of how much they cost, most of the costs are evenly distributed between the residential collection offerings. Recycling costs the most (24%), followed by automated refuse collection (23%), ground trash/yard bags (22%) and knuckleboom collections (19%). A significant drop off occurs in overall cost with the final offering, commercial collection at only 12% of the total cost. Automated collection, recycling and ground trash individually cost twice as much as does commercial collection. (It is important to remember that paricipation in commercial collection service is voluntary for businesses and not mandatory.)

Customers



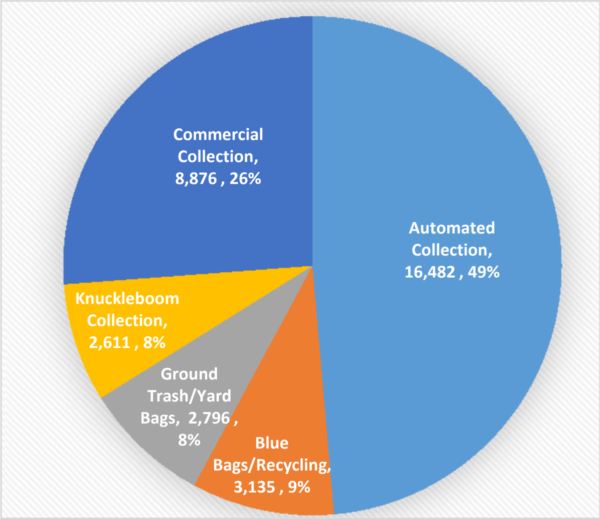
When examining the five collection service offerings through the lens of how many customers take advantage of each service, the distribution changes dramatically from the cost lens. Automated refuse collection has a clear majority of all customers - 19,137 or 55%, followed by residential recycling/blue bags customers - 10,547 or 30%. Combined, those two services have over 85% of the customers for collection service in the City of Franklin. The remaining services make up the remaining 15% of customers - ground trash/yard bags (11%), commercial collection (3%) and knuckleboom collection (1%). Combined, these three services only have approximately 5,400 customers.

This is even more striking when one compares the total customers to the total costs. Taking out commercial collection and examining only the residential collection services, the "bread and butter services" - automated refuse collection and blue bag recycling - account for $2.67 M of cost (47%) and nearly 29,700 customers (85%), whereas the additional services of ground trash/yard waste and knuckleboom account for $2.3M of cost (41%) but have only 4,300 customers (12%).

Summary

Tonnage

A final lens to compare the five collection services is the lens of how much tonnage they produce. Again automated refuse collection produces the most tonnage - nearly half of all tonnage collected by the City comes from automated collection (16,482 tons in FY 2015 or 49%). But unlike cost and customer totals, commercial collection produces the second highest amount of tonnage. Nearly 1 in every 4 tons collected by the City comes from the small base of commercial customers (8,876 tons in FY 2015 or 26%). The remaining three services collect almost equal amounts of tonnage - blue bag/recycling 3,135 tons in FY 2015 or 9%, ground trash 2,796 tons in FY 2015 or 8% and knuckleboom collection 2,611 tons in FY 2015 or 8%.



Each of these services are provided in detailed worksheets following this summary, along with a financial reconciliation of the fund budget provided at the end of the packet.

Considerations:

As detailed on the sheets which follow, a few findings become clear. First, the combined cost per customer of the "bread and butter services" - automated collection and blue bag/recycling services - comes to $16.51 ($5.62 for automated collection and $10.89 for recycling). This is remarkably close (1 penny off) from the current monthly charge of $16.50 to customers of the City's Sanitation department. Second, commercial collection services are profitable. As detailed on page 10, they are the only service which actually makes money - a forecast $410,000 surplus in FY 2016 ($1,080M in revenue less $670,000 in expenses). Third, the ancillary services (ground trash & knuckleboom) have remarkably higher per customer costs - $28.23 and $164.38 respectively.

If the collection services of the City of Franklin and the Sanitation and Environmental Services Fund is ever to become self-sufficient, changes will need to be made either in the pricing structure, services offered or some combination of both. We would like to present to you four possible changes for your consideration:

1) Require pre-registration of Ancillary services. Currently, Knuckleboom trucks follow regular collection routes and pick up large items, brush, etc. Given our advances in technology through the new route planning software, our existing databases within Infor and GIS, and some advanced planning, we could reduce the costs of the Knuckleboom service by only making planned stops. This would require all individuals who desire a larger pick-up to have to call, email, text or otherwise pre-register at least the day before the desired pick-up date. Many communities nationwide use some sort of preregistration service. This option would also open the possibility to charging a separate one-time charge for pick-up of this service.

Summary

2) Raise Commercial Rates/Increase Commercial Customers. Commercial collection services are already profitable, and a concerted effort here could generate even more revenue. Our last market study showed that we are currently charging less than private sector competitors, and we should be able to increase our fees without approaching their cost. Not having a profit margin to reach is always a strategic advantage of municipal services.

3) Implement Tiered Pricing. Residential collection customers of the City of Franklin currently get what could be described as a "Cadillac" service of collection. Recycling, Refuse, Knuckleboom and Yard Waste is picked up at home for a flat $16.50 per month so long as you set the items out by the pick-up date. But as the numbers show, the vast majority of the community does not utilize services available to them and pays for them. It could be possible to create a tiered pricing structure - say $16.50 for basic, $19.50 for enhanced and $22.50 for premium service where the level of service you receive would be dependent upon what you pay. A basic service would only have refuse and recycling collection, whereas a premium service may have all of the same service received now plus additional options. Of all of the potential options, this would require both additional cost (equipment within the trucks to distinguish what type of customer they are picking up from, RFID tags in each of the containers which are coded to tell the drivers on handheld devices the service level they are to receive and employee training) and a significant behavioral change on behalf of customers. Further study of this would be necessary prior to implementation, but we now have the technology to make this a potential option.

4) Raise all residential rates annually for three years to break-even and be self-sufficient. Of all the potential options to achieve self-sufficiency, this is the easiest to implement, but one which we try to avoid. Our calculations show that in order to make up the current $500,000 deficit funded through a General Fund transfer to the SES fund, the residential collection rate would need to be $18.50 monthly. We would propose a three year phase in of one dollar per year - so $17.50 (eff. 7/1/2016), $18.50 (eff. 7/1/2017) and $19.50 (eff.7/1/2018). Why go to $19.50 if all that is needed to break even is $18.50? We envision cost increases over the next several years in labor and general expenses which will justify the need to increase to $19.50.

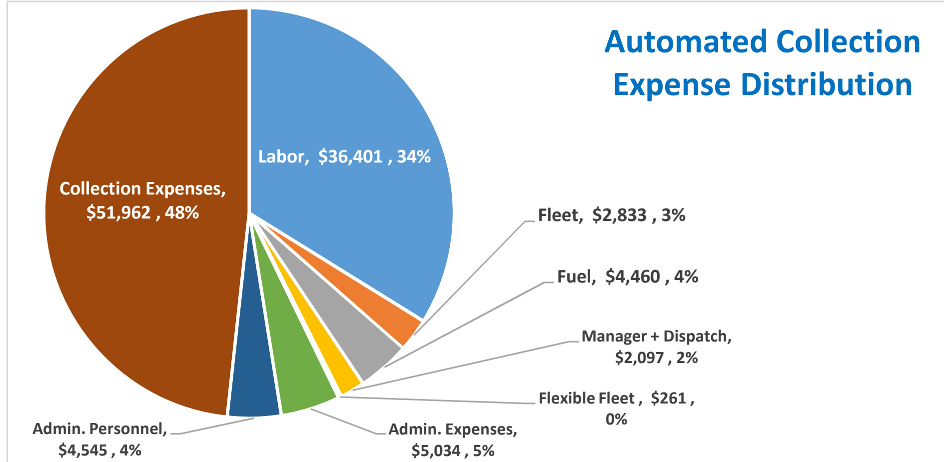
At this time, we are not making any recommendations on which option to take. It is very likely a combination of approaches will be utilized to achieve self-sufficiency. We seek input from the Budget & Finance before making recommendations as part of the FY 2017 Budget Recommendations later in February 2016.

Guide:

Please see details for each service on the following pages.

Service:	Residential: Automated Collection	Cost	23%	Customers	55%	Tonnage	49%

Automated Collection: This aspect of collection is the most basic, busiest and most important. It provides for the weekly collection of refuse to the 19,137 residential customers in the City of Franklin. The automated collection consists of planned routes using side-loading automated machines (7) 4 days a week, 10 hours per day.



AUTOMATED COLLECTION

Labor Costs:		
Total Employees: 7	**$**	**283,955**
+ Benefits	$	141,154
+ OT, Misc.	$	11,706
Total Labor Costs for Automated Collection	$	436,815
Divide by 12 months		*12*
MONTHLY Labor for Automated Collection	$	36,401
Number of trucks assigned & used by service		7

Automated Collection Expense		Per month		Annually
Labor	$	36,401	$	436,815
Fleet	$	2,833	$	33,999
Fuel	$	4,460	$	53,525
Manager + Dispatch	$	2,097	$	25,165
Flexible Fleet	$	261	$	3,128
Admin. Expenses	$	5,034	$	60,407
Admin. Personnel	$	4,545	$	54,538
Collection Expenses	$	51,962	$	623,541
Total Monthly Automated Collection Expense	**$**	**107,593**	**$**	**1,291,118**
Divide by number of customers		*19,137*		
Automated Collection per Household	**$**	**5.62**		
*total tonnage**		*1,373.52*		*16,482.23*
Cost per ton	**$**	**78.33**		

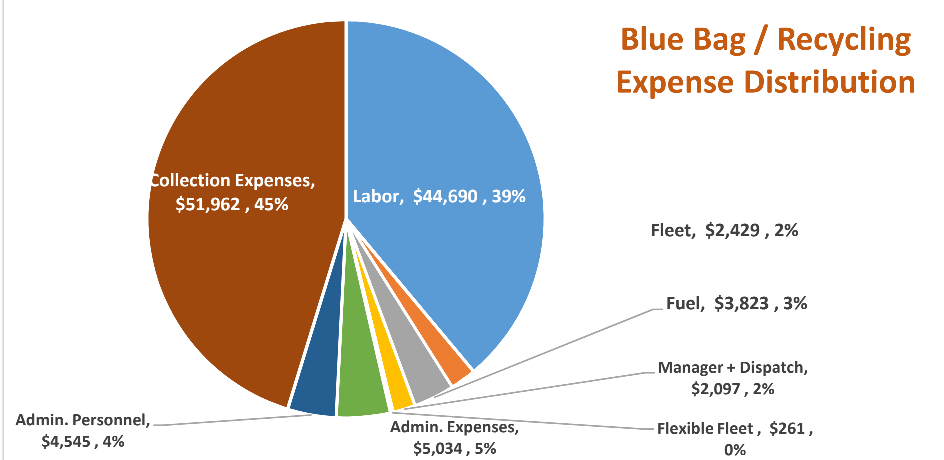
**includes all tonnage from Sideloader trucks*

City of Franklin

Sanitation Review

Service:	Residential: Blue Bags	Cost	23%	Customers	55%	Tonnage	49%

Blue Bags: Blue Bags encompass the City's recycling program. The ay are collected on the same 4 day per week, 10 hour per day schedule. The City uses a single-stream recycling method and accepts: Plastics (1-7), Aluminum/Steel, Mixed Paper, Office Paper and Cardboard, with cardboard kept separate. Large card board is kept separate.



BLUE BAGS

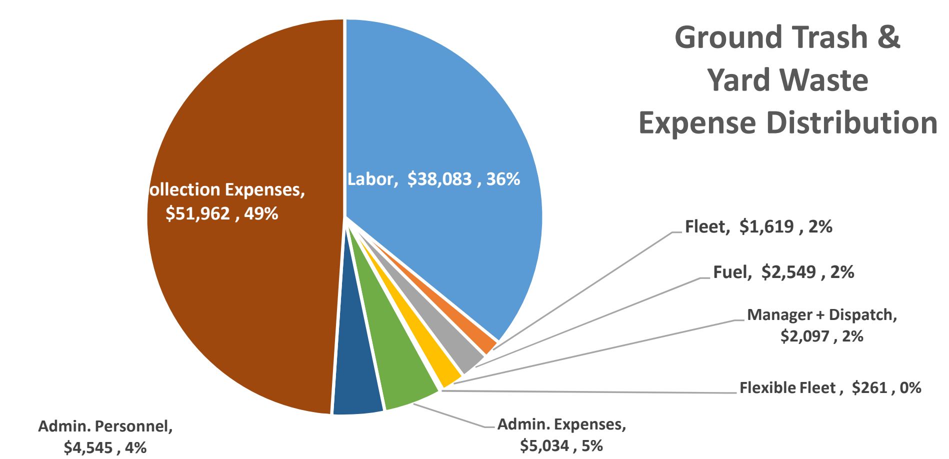
Labor Costs:		
Total Employees: 9 + 2PT = 10FT Employees	**$**	**334,628**
+ Benefits	$	201,649
+ OT, Misc.	$	16,722
Total Labor Costs for Blue Bags Collection	$	536,277
Divide by 12 months	*$*	*12*
MONTHLY Labor for Blue Bags Collection	$	44,690
Number of trucks assigned & used by service		6

Blue Bags Expense		Per month		Annually
Labor	$	44,690	$	536,277
Fleet	$	2,429	$	29,142
Fuel	$	3,823	$	45,878
Manager + Dispatch	$	2,097	$	25,165
Flexible Fleet	$	261	$	3,128
Admin. Expenses	$	5,034	$	60,407
Admin. Personnel	$	4,545	$	54,538
Collection Expenses	$	51,962	$	623,541
Total Monthly Blue Bags Collection Expense	**$**	**114,840**	**$**	**1,378,076**
Divide by number of customers		*10,547*		
Blue Bag Collection per Household	**$**	**10.89**		
*total tonnage**		*261.25*		*3,135.02*
Cost per ton	**$**	**439.57**		

** includes cardboard and blue bags.*

Service:	Residential: Ground Trash & Yard Waste Collection	Cost	22%	Customers	11%	Tonnage	8%

Ground Trash & Yard Waste Collection: Ground Trash & Yard Water Collection helps divert waste from landfills and offers a low-cost convenient way to dispose of grass, leaves, shrub trimmings and small twigs. It is only accepted in brown biodegradable bags.



GROUND TRASH/YARD BAGS

Labor Costs:		
Total Employees: 8	**$**	**282,300**
+ Benefits	$	161,319
+ OT, Misc.	$	13,378
Total Labor Costs for Ground/Yard Collection	$	456,997
Divide by 12 months		*12*
MONTHLY Labor for Ground Trash/Yard Waste Collection	$	38,083

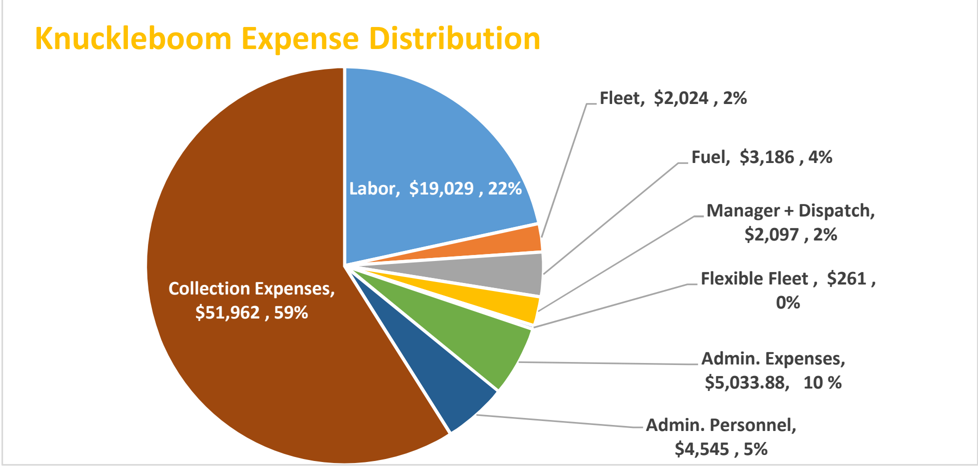
Number of trucks assigned & used by service 5

Ground Trash/Yard Waste Collection Expense		Per month		Annually
Labor	$	38,083	$	456,997
Fleet	$	1,619	$	19,428
Fuel	$	2,549	$	30,585
Manager + Dispatch	$	2,097	$	25,165
Flexible Fleet	$	261	$	3,128
Admin. Expenses	$	5,034	$	60,407
Admin. Personnel	$	4,545	$	54,538
Collection Expenses	$	51,962	$	623,541
Total Monthly Ground/Yard Collection Expense	**$**	**106,149**	**$**	**1,273,790**
Divide by number of customers		*3,760*		
Ground Trash/Yard Bag Collection per Household	**$**	**28.23**		
*total tonnage**		*233.03*		*2,796.40*
Cost per ton	**$**	**16.13**		

**includes Residential Ground Trash and Brown Bags*

Service:	Residential: Knuckleboom Collection	Cost	19%	Customers	1%	Tonnage	8%

Knuckleboom Collection: Knuckleboom collection services are provided by the City free of charge to any resident who needs a larger pick-up. Items such as Bulky Waste and Large Appliances or White Goods are picked up by this crew.



KNUCKLEBOOM COLLECTION

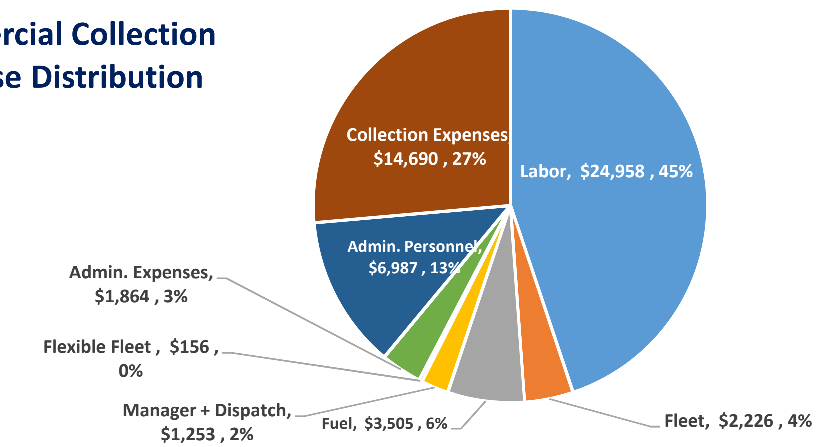
Labor Costs:		
Total Employees: 4	**$**	**141,002**
+ Benefits	$	80,660
+ OT, Misc.	$	6,689
Total Labor Costs for Knucleboom Collection	$	228,350
Divide by 12 months		*12*
MONTHLY Labor for Knuckleboom Collection	$	19,029
Number of trucks assigned & used by service		5

Knuckleboom Collection Expense		Per month		Annually
Labor	$	19,029	$	228,350
Fleet	$	2,024	$	24,285
Fuel	$	3,186	$	38,232
Manager + Dispatch	$	2,097	$	25,165
Flexible Fleet	$	261	$	3,128
Admin. Expenses	$	5,034	$	60,407
Admin. Personnel	$	4,545	$	54,538
Collection Expenses	$	51,962	$	623,541
Total Monthly Knuckleboom Collection Expense	**$**	**88,137**	**$**	**1,057,646**
Divide by number of customers		*536*		
Knuckleboom Collection per Household	**$**	**164.38**		
total tonnage		*217.60*		*2,611.22*
Cost per ton	**$**	**405.04**		

Service:	Commercial Collection	Cost	12%	Customers	3%	Tonnage	26%

Commercial Collection: The City picks up commercial refuse at 1,466 private customer locations throughout the City. Although the number of customers accounts for only 7% of regular customers, tonnage collected from commercial collection accounts for 26% of total City of Franklin collections.

Commercial Collection Expense Distribution



COMMERCIAL COLLECTION (to include backdoor services)

Total Employees: 5	$	208,594
+ Benefits	$	87,386
+ Overtime & Vacancy Adjustment	$	3,511
Total Labor Costs for Commercial Collection	$	299,491
Divide by 12 months		*12*
MONTHLY Labor for Non-Residential/Commercial Collection	**$**	**24,958**
Number of trucks assigned & used by service		7

Commercial Collection Expense per Month		Per month		Annually
Labor	$	24,958	$	299,491
Fleet	$	2,226	$	26,714
Fuel	$	3,505	$	42,055
Manager + Dispatch	$	1,253	$	15,041
Flexible Fleet	$	156	$	1,870
Admin. Expenses	$	1,864	$	22,363
Admin. Personnel	$	6,987	$	83,844
Collection Expenses	$	14,690	$	176,283
Total Monthly Commercial Collection Expense	**$**	**55,638**	**$**	**667,662**
Divide by number of customers		*1,100*		
Commercial Collection Service per Customer (to include backdoor services)	**$**	**50.58**		
**total tonnage*		*739.65*		*8,875.79*
Cost per ton	**$**	**75.22**		

**includes Front End Commercial and backdoor Commercial*

City of Franklin

Sanitation Review

Summary

Financial Summary

Revenue Proposed (FY 2016)			
Residential	*(79% of monthly fees)*	$	4,084,889
Commercial	*(21% of monthly & dumpster fees)*	$	1,078,487
Total Revenue		**$**	**5,163,376**
Expenses (FY 2016)			
Automated		$	1,291,118
Blue Bags		$	1,378,076
Ground Trash/Yard Bags		$	1,273,790
Knuckleboom		$	1,057,646
Commercial		$	667,662
Total Collection Costs		**$**	**5,668,291**
Results			
Net Revenue Surplus / (Deficit)		**$**	**(504,915)**
Net Residential Revenue Surplus / (Deficit)		**$**	**(915,741)**
Net Commercial Revenue Surplus / (Deficit)		**$**	**410,826**
Disposal Costs			
Revenues			
Revenue Proposed (FY 2016)		**$**	**2,142,317**
Expenses (FY 2016)			
Original Budget		$	3,528,730
Less COF Trash Covered within Collection		$	(1,371,244)
Net Disposal Costs		**$**	**2,157,486**
Results			
Net Revenue Surplus / (Deficit)		**$**	**(15,169)**
Total Revenue Surplus/(Deficit)		**$**	**(520,084)**
Unallocated Revenues			
Intergovernmental		$	-
Charges for Services		$	31,259
Use of Money and Property		$	163,825
Other Revenue		$	325,000
Total Unallocated Revenues		**$**	**520,084**
Forecast Balance EOY FY 2016		**$**	**0**

ORDINANCE NO. 2015-49

TO BE ENTITLED: "AN ORDINANCE TO AMEND APPENDIX A, CHAPTER 17 OF THE FRANKLIN MUNICIPAL CODE TO INCREASE THE TIPPING FEES FOR CITY TRANSFER STATION SERVICES"

WHEREAS, for the purpose of promoting the public health, safety, comfort, convenience, and general welfare of the people of Franklin, Tennessee the Board of Mayor and Aldermen is authorized to prescribe regulations and standards that encourage and advance the quality of life within the City; and

WHEREAS, in its legislative judgment, the Board of Mayor and Aldermen has found that ordinances and policies that guide the maintenance of the City's infrastructure, and delivery of essential services must be dynamic and modified from time to time to reflect changes in best practices, model codes, labor costs, and safety standards necessary to preserve and promote the private and public interest; and

WHEREAS, the Franklin Board of Mayor and Aldermen have, on behalf of the citizens of Franklin, invested in a solid waste management facility located at 411 Century Court; and

WHEREAS, the facility is used by the City of Franklin for solid waste transportation of waste collected by the City and private hauling companies; and

WHEREAS, the City's operating expenses have increased, therefore, it is necessary and proper to raise the fees to recoup such costs; and

WHEREAS, the Board of Mayor and Aldermen believe it is in the best interest of the City of Franklin to modify such fees.

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

SECTION I: That Appendix A, Comprehensive Fees and Penalties, Chapter 17 of the Franklin Municipal Code is hereby amended by deleting the text noted with a ~~strikethrough~~ and inserting the text noted in **bold** to establish a new rate structure for tipping fees:

"Appendix A, Chapter 17. Refuse and Trash Disposal
*   *   *

<table>
<tr><td>Tipping Fees at Transfer Station</td><td rowspan="2">~~$42.00 per ton - $10.00 minimum~~
$45.00 per ton - $20.00 minimum
~~plus $2.00 per ton (or portion thereof) fuel surcharge when the average price of diesel fuel is above $3.00 per gallon at retail service stations in the City of Franklin~~"</td></tr>
<tr><td>Commercial</td></tr>
</table>

Law Dept. approved 12.01.15

SECTION II. BE IT FINALLY ORDAINED by the Board of Mayor and Aldermen of the City of Franklin, Tennessee, that this Ordinance shall take effect after its passage on second and final reading of this ordinance, the health, safety and welfare of the citizens requiring it.

ATTEST: **CITY OF FRANKLIN, TENNESSEE**

BY: _____________________
ERIC S. STUCKEY
City Administrator

BY: _________________________
DR. KEN MOORE
Mayor

Approved as to form by:

____
Kristen L. Corn, Assistant City Attorney

PASSED FIRST READING: 12-08-15

PASSED SECOND AND FINAL READING: _________

BUDGET CALENDAR

Budget Presentations Budget Goals Revenue Preview	**Finance Committee, January 14, 2016 – 4:00pm**
Budget Presentations Sanitation & Environmental Services Police Drug Fund Fire Facilities Tax Fund Parks	**Finance Committee, February 11, 2016 – 3:00pm**
Budget Presentations Capital Requests Review Transit Fund Streets/Traffic/Fleet/Street Aid Fund Road Impact Fund Engineering/Traffic Operation Center Stormwater Fund Planning & Sustainability Building & Neighborhood Services Economic Development CDBG Fund	**Finance Committee, March 10, 2016 – 3:00pm**
Budget Presentations Revenue Pay Plan Elected Officials, Administration, Human Resources, Law, Communications, Capital Investment Planning, Project & Facilities Management, Revenue Management, Information Technology, Court, Finance, Purchasing General Expenses, Transfers Debt Service Fund Hotel/Motel Tax Fund Appropriations Water/Wastewater/Reclaimed	**Finance Committee, April 14, 2016 - 3:00pm**
One-on-one Meetings with Aldermen	**Friday, April 29, 2016 - Thursday, May 5, 2016**
Proposed Budget Distributed to BOMA	**Friday, May 6, 2016**
Budget Hearings (as needed)	**Finance Committee - Thursday, May 12, 2016**

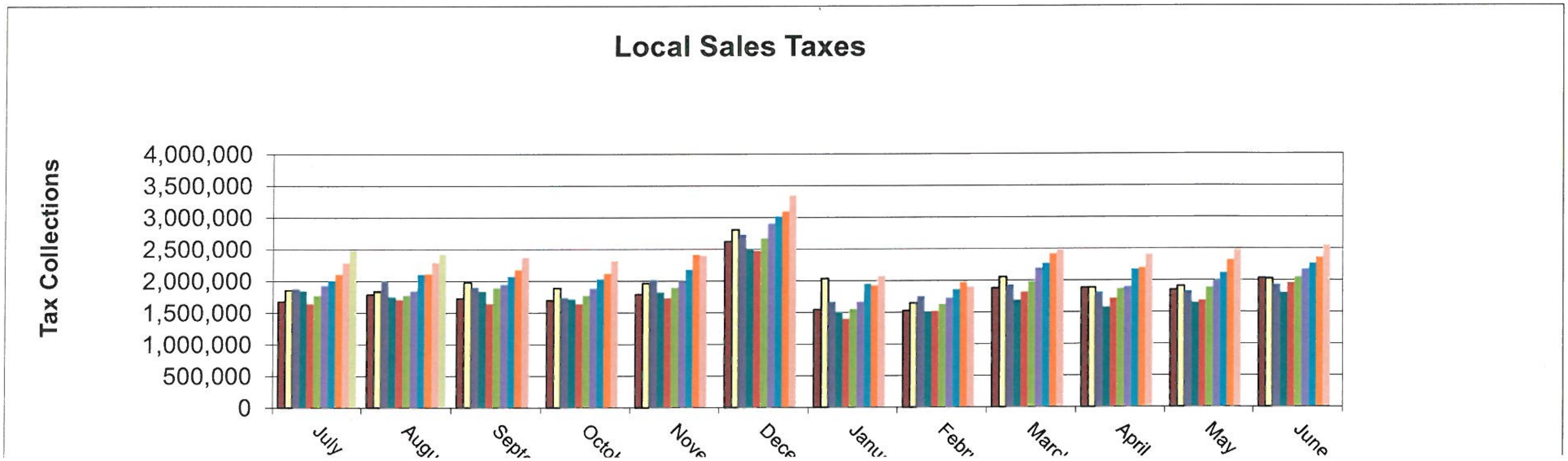
BUDGET MEETINGS CALENDAR

2016-2017 BUDGET CALENDAR
BUDGET PROCESS

Initial Meeting with B&F to discuss Calendar & Process Changes	**November 12, 2015**
Introduction of Budget Goals	**December 3, 2015**
Department Budget Information Meetings	**To begin January 2016**
Department Requests Due	**January 31, 2016**
Initial Meetings with Finance	**3 weeks before budget presentation**
Initial Meetings with City Administrator	**2 weeks before budget presentation**
Proposed Department Budgets Distributed to Committee and Board for Budget Presentations	**1 week before budget presentation**
Budget Presentations to Finance Committee	**Each Finance Committee meeting in January, February, March, and April**
Budget Notice	**Thursday, May 5, 2016**
Proposed Budget Distributed to Board of Mayor and Aldermen	**Friday, May 6, 2016**
Budget Hearings (as needed)	**Thursday, May 12, 2016**
First Reading of Budget & Tax Rate Ordinances (Solid Waste + Water Rates Ordinances, if necessary)	**Tuesday, May 24, 2016**
Second Reading (Public Hearing)	**Tuesday, June 14, 2016**
Third & Final Reading	**Tuesday, June 28, 2016**
New Fiscal Year	**Friday, July 1, 2016**

Local Sales Tax Revenue Comparison

Month	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	% over prior yr	$ over prior yr
July	1,676,862	1,857,805	1,876,318	1,842,160	1,646,449	1,769,523	1,925,395	2,003,719	2,113,374	2,288,457	2,477,647	8.3%	189,190
August	1,788,477	1,837,563	1,985,123	1,747,507	1,711,487	1,774,021	1,843,928	2,101,518	2,115,836	2,296,081	2,420,111	5.4%	124,030
September	1,724,983	1,977,557	1,900,808	1,834,296	1,645,241	1,888,809	1,946,970	2,065,402	2,178,174	2,374,572			0
October	1,695,501	1,887,613	1,734,361	1,707,123	1,639,767	1,767,404	1,881,099	2,026,865	2,117,978	2,327,025			0
November	1,787,276	1,960,370	2,018,105	1,816,125	1,736,146	1,892,149	1,998,723	2,176,371	2,419,578	2,399,941			0
December	2,617,849	2,806,905	2,730,286	2,491,017	2,479,640	2,670,491	2,902,675	3,012,759	3,097,595	3,345,841			0
January	1,544,557	2,034,121	1,664,281	1,502,087	1,401,398	1,552,324	1,664,281	1,948,752	1,926,687	2,079,073			0
February	1,526,301	1,649,397	1,752,131	1,507,868	1,521,898	1,628,745	1,729,002	1,856,748	1,973,541	1,900,629			0
March	1,880,654	2,054,793	1,925,296	1,688,794	1,819,095	1,979,080	2,191,405	2,265,006	2,421,918	2,479,918			0
April	1,883,777	1,885,024	1,812,244	1,572,824	1,719,674	1,866,180	1,897,741	2,168,372	2,201,566	2,410,499			0
May	1,846,229	1,909,074	1,824,127	1,642,271	1,686,756	1,884,275	1,989,477	2,109,923	2,323,975	2,489,724			0
June	2,033,237	2,025,044	1,926,353	1,800,044	1,961,270	2,047,664	2,168,095	2,260,297	2,364,520	2,552,236			0
Total	22,005,703	23,885,264	23,149,433	21,152,117	20,968,821	22,720,667	24,138,792	25,995,732	27,254,742	28,943,994	4,897,758	4,584,538	313,220
Budgeted													
	Up	Up	Down	*Down*	*Down*	*year to date*	*year to date*	*year to date*	*year to date*	*year to date*	*year to date*	*last yr YTD*	*YTD difference*
	11.2%	8.5%	-3.1%	-8.6%	-0.9%	8.4%	6.2%	7.7%	4.8%	6.2%	6.8%	4,584,538	



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

MEMORANDUM

October 14, 2015

TO: Eric Stuckey, City Administrator

FROM: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for October was $2,420,111 compared to $2,296,081 for the same month in 2014, an increase of $124,030, or 5.4%. [The October remittance is for sales tax collected during the month of August, representing the second month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 6.4% from the prior year.

Year-to-date, the City has received $4.89 million compared to $4.58 million in the previous year, a difference of $313,220 or 6.8%. The State of Tennessee sales tax collections, year-to-date, are $1.34 billion compared to $1.25 billion in the prior year, a difference of $92.1 million or 7.3%.

For budget comparisons, the City anticipated collections of $4.86 million through two months of the fiscal year. Through the month of August, the City is $28,078, or 0.6%, above budgeted collections. As a further comparison, the August collection of $2.42 million compares to $1.74 million in 2008, $1.71 million in 2009, $1.77 million in 2010, $1.84 million in 2011, $2.10 million in 2012 and $2.11 million in 2013.

The local sales tax collections have increased year-over-year in 63 of the last 66 months reported.

N0005001 7193595151007

TENNESSEE DEPARTMENT OF REVENUE

COUNTY EXECUTIVE/MAYOR
WILLIAMSON COUNTY
1320 W MAIN ST STE 125
FRANKLIN TN 37064-3700

October 10, 2015

Month of:	SEPTEMBER
Tot. Collections:	$8,704,523.75
Cost of Admin:	$97,925.89
Net Collections:	$8,606,597.86

The Department of Revenue has collected and allocated the above total during the month indicated from Local Option Sales Tax as follows:

COUNTY/CITY NAME	TOTAL COLLECTIONS	LESS ADMIN. COSTS	NET COLLECTIONS
WILLIAMSON COUNTY	$304,956.44	$3,430.76	$301,525.68
FRANKLIN	$4,944,740.84	$55,628.33	$4,889,112.51
FAIRVIEW	$208.939.08	$2,350.56	$206,588.52
BRENTWOOD	$2,722,953.60	$30,633.23	$2,692,320.37
SPRING HILL	$329,662.35	$3,708.70	$325,953.65
THOMPSON STATION	$127,373.21	$1,432.95	$125,940.26
NOLENSVILLE	$65,898.23	$741.36	$65,156.87

Note that we have deducted 1.125% state cost of administration leaving the net collections. The Department of Finance and Administration has been notified to issue a payment to the Trustee of your county in the amount of the net collections.

Please be aware that normal Local Option Sales Tax collections may fluctuate. This could be due to additional collections on assessments or reductions as a result of taxpayer refunds or returned checks. Should your collection amount increase significantly, it might be the result of an audit assessment.

For additional information regarding the allocation you may call the Division of Fiscal Services at (615) 532-8944 between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted.

4889112.51 ÷ 2 = 2444556.25
(-) X 1% (-) 24445.56

2,420,110.69

STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

LARRY B. MARTIN
COMMISSIONER

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 14, 2015

CONTACT: DAVID THURMAN
615-741-4806

SEPTEMBER REVENUES

NASHVILLE, Tenn. – Tennessee's revenue collections exceeded budgeted estimates for the second month of the state's fiscal year. Finance and Administration Commissioner Larry Martin today reported that overall September's revenues were $1.2 billion, which is $82.2 million more than September 2014 collections and $113.4 million more than the budgeted estimate. The growth rate for September was 7.14%.

"Sales tax collections reflecting August consumer activity show growing consumer confidence in our economy," Martin said. "While corporate tax collections posted positive double digit growth for the month we need to be cautious about the sustainability of our franchise and excise tax growth for the remainder of the year.

"We're also watching national and global economic indicators with concern about economic uncertainty surrounding the European and Asian markets. As always, we need to continue to monitor revenue collections and manage our spending."

On an accrual basis, September is the second month in the 2015-2016 fiscal year.

For September, the general fund was over collected by $106.2 million and the four other funds were over collected by $7.2 million.

Sales tax collections were $24.4 million more than the estimate for September. The September growth rate was positive 6.45%. Year-to-date collections are 7.36% above this time last year.

Franchise and excise taxes combined were $70.9 million more than the September budgeted estimate of $289.9 million. The September growth rate was positive 13.27%, and on a year-to-date basis is 5.52%.

Gasoline and motor fuel collections for September increased by 4.16% and were $4.5 million more than the budgeted estimate of $72.3 million.

Tobacco tax collections for the month were over collected by $2.4 million, and the growth rate was positive 6.38%.

Privilege tax collections were $2.8 million more than the budgeted estimate of $20.5 million.

Business Tax collections were $0.8 million above the budgeted estimate for September.

Inheritance and estate tax collections were $4.6 million more than the budgeted estimate.

All other taxes were over collected by a net of $3.0 million.

Year-to date collections for two months were $132.5 million more than the budgeted estimate. The general fund was over collected by $116.8 million and the four other funds that share in state tax revenues were over collected by $15.7 million.

The budgeted revenue estimates for 2015-2016 are based on the State Funding Board's consensus recommendation of December 16th, 2014 and adopted by the first session of the 109th General Assembly in April 2015. Also incorporated in the estimates are any changes in revenue enacted during the 2015 session of the General Assembly. These estimates are available on the state's website at http://www.tn.gov/finance/article/fa-budget-rev.

Table 1
Revenue Collections by Fund
September
2015-2016

Fund	2015 Actual	2015 Budgeted	2015 B/(W)	2015 Percent	2014 Actual	2015 B/(W)	2015 Percent
General Fund	$1,060,668,000	$954,436,000	$106,232,000	11.13%	$987,528,000	$73,140,000	7.41%
Highway Fund	60,872,000	57,766,000	3,106,000	5.38%	59,014,000	1,858,000	3.15%
Sinking Fund	34,156,000	33,931,000	225,000	0.66%	31,136,000	3,020,000	9.70%
City & County Fund	74,025,000	70,187,000	3,838,000	5.47%	69,819,000	4,206,000	6.02%
Earmarked Fund	3,584,000	3,582,000	2,000	0.06%	3,583,000	1,000	0.03%
Total	**$1,233,305,000**	**$1,119,902,000**	**$113,403,000**	**10.13%**	**$1,151,080,000**	**$82,225,000**	**7.14%**

Revenue Collections by Tax
September
2015-2016

Tax Source	2015 Actual	2015 Budgeted	2015 B/(W)	2015 Percent	2014 Actual	2015 B/(W)	2015 Percent
Franchise & Excise	$360,754,000	$289,900,000	$70,854,000	24.44%	$318,497,000	$42,257,000	13.27%
Income	2,627,000	1,651,000	976,000	59.12%	1,796,000	831,000	46.27%
Inheritance & Estate	9,539,000	4,931,000	4,608,000	93.45%	8,678,000	861,000	9.92%
Gasoline	56,502,000	53,356,000	3,146,000	5.90%	53,852,000	2,650,000	4.92%
Petroleum Special	5,747,000	5,637,000	110,000	1.95%	5,583,000	164,000	2.94%
Tobacco	22,641,000	20,199,000	2,442,000	12.09%	21,283,000	1,358,000	6.38%
Beer	1,531,000	1,580,000	(49,000)	-3.10%	1,548,000	(17,000)	-1.10%
Motor Vehicle Registration	20,104,000	19,645,000	459,000	2.34%	19,983,000	121,000	0.61%
Motor Vehicle Title	1,778,000	1,431,000	347,000	24.25%	969,000	809,000	83.49%
Mixed Drink	7,830,000	7,132,000	698,000	9.79%	7,033,000	797,000	11.33%
Business	3,476,000	2,725,000	751,000	27.56%	8,956,000	(5,480,000)	-61.19%
Privilege	23,287,000	20,482,000	2,805,000	13.69%	27,268,000	(3,981,000)	-14.60%
Gross Receipts	187,000	203,000	(16,000)	-7.88%	802,000	(615,000)	-76.68%
TVA - In Lieu of Tax Payments	35,750,000	34,761,000	989,000	2.85%	33,749,000	2,001,000	5.93%
Alcoholic Beverage	4,524,000	4,805,000	(281,000)	-5.85%	4,404,000	120,000	2.72%
Sales and Use	662,239,000	637,862,000	24,377,000	3.82%	622,114,000	40,125,000	6.45%
Motor Vehicle Fuel	14,616,000	13,358,000	1,258,000	9.42%	14,361,000	255,000	1.78%
Severance	160,000	233,000	(73,000)	-31.33%	191,000	(31,000)	-16.23%
Coin-operated Amusement	13,000	11,000	2,000	18.18%	13,000	0	0.00%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	**$1,233,305,000**	**$1,119,902,000**	**$113,403,000**	**10.13%**	**$1,151,080,000**	**$82,225,000**	**7.14%**

Table 2
Revenue Collections by Fund
Year-to-Date
August - September
2015-2016

Fund	2015 - 2016 Actual	2015 - 2016 Budgeted	2015 - 2016 B/(W)	2015 - 2016 Percent	2014-2015 Actual	2015-2016 B/(W)	2015-2016 Percent
General Fund	$1,751,654,000	$1,634,834,000	$116,820,000	7.15%	$1,675,381,000	$76,273,000	4.55%
Highway Fund	122,157,000	114,922,000	7,235,000	6.30%	116,624,000	5,533,000	4.74%
Sinking Fund	68,376,000	67,923,000	453,000	0.67%	62,349,000	6,027,000	9.67%
City & County Fund	182,379,000	174,353,000	8,026,000	4.60%	159,518,000	22,861,000	14.33%
Earmarked Fund	7,166,000	7,167,000	(1,000)	-0.01%	7,167,000	(1,000)	-0.01%
Total	$2,131,732,000	$1,999,199,000	$132,533,000	6.63%	$2,021,039,000	$110,693,000	5.48%

Revenue Collections by Tax
Year-to-Date
August - September
2015-2016

Tax Source	2015 - 2016 Actual	2015 - 2016 Budgeted	2015 - 2016 B/(W)	2015 - 2016 Percent	2014-2015 Actual	2015-2016 B/(W)	2015-2016 Percent
Franchise & Excise	$372,589,000	$328,300,000	$44,289,000	13.49%	$353,083,000	$19,506,000	5.52%
Income	4,577,000	2,905,000	1,672,000	57.56%	3,180,000	1,397,000	43.93%
Inheritance & Estate	13,551,000	9,095,000	4,456,000	48.99%	17,789,000	(4,238,000)	-23.82%
Gasoline	113,010,000	106,260,000	6,750,000	6.35%	107,226,000	5,784,000	5.39%
Petroleum Special	11,439,000	11,141,000	298,000	2.67%	11,031,000	408,000	3.70%
Tobacco	44,183,000	41,848,000	2,335,000	5.58%	44,401,000	(218,000)	-0.49%
Beer	3,191,000	3,082,000	109,000	3.54%	3,154,000	37,000	1.17%
Motor Vehicle Registration	42,675,000	40,213,000	2,462,000	6.12%	40,969,000	1,706,000	4.16%
Motor Vehicle Title	3,051,000	3,076,000	(25,000)	-0.81%	2,038,000	1,013,000	49.71%
Mixed Drink	15,446,000	13,926,000	1,520,000	10.91%	13,587,000	1,859,000	13.68%
Business	6,291,000	6,527,000	(236,000)	-3.62%	12,800,000	(6,509,000)	-50.85%
Privilege	48,516,000	41,545,000	6,971,000	16.78%	50,439,000	(1,923,000)	-3.81%
Gross Receipts	8,487,000	13,168,000	(4,681,000)	-35.55%	13,656,000	(5,169,000)	-37.85%
TVA - In Lieu of Tax Payments	64,373,000	63,384,000	989,000	1.56%	60,824,000	3,549,000	5.83%
Alcoholic Beverage	8,978,000	9,018,000	(40,000)	-0.44%	8,569,000	409,000	4.77%
Sales and Use	1,343,981,000	1,279,938,000	64,043,000	5.00%	1,251,848,000	92,133,000	7.36%
Motor Vehicle Fuel	27,062,000	25,249,000	1,813,000	7.18%	25,989,000	1,073,000	4.13%
Severance	299,000	482,000	(183,000)	-37.97%	414,000	(115,000)	-27.78%
Coin-operated Amusement	33,000	42,000	(9,000)	-21.43%	42,000	(9,000)	-21.43%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	$2,131,732,000	$1,999,199,000	$132,533,000	6.63%	$2,021,039,000	$110,693,000	5.48%

CITY of FRANKLIN
2014 PROPERTY TAX COLLECTIONS
As of August 31, 2015

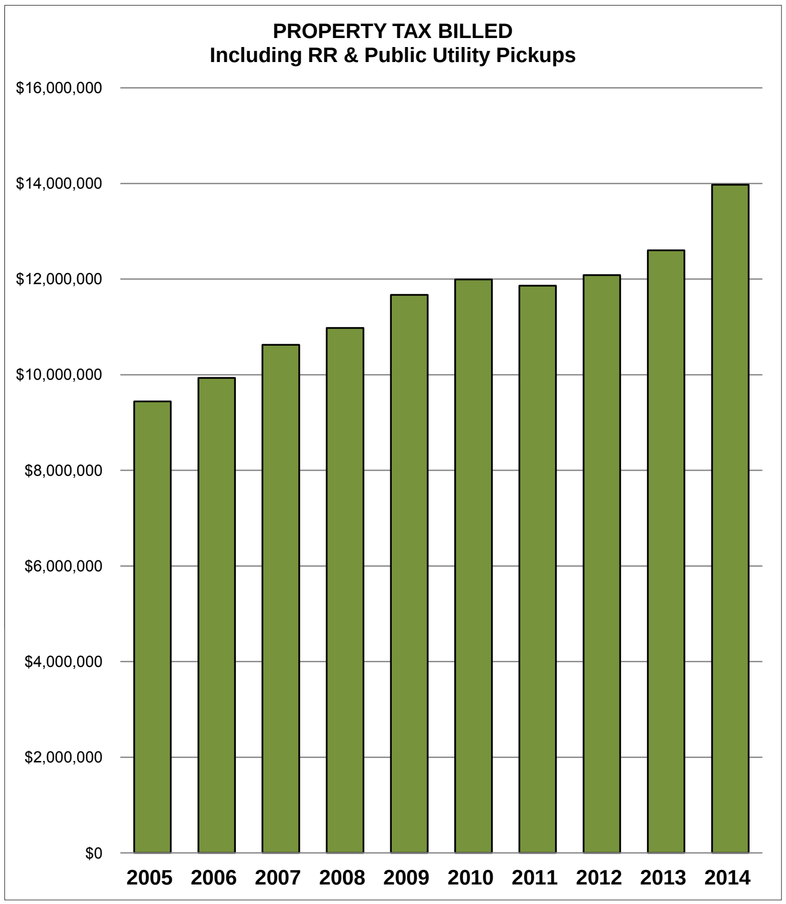
YEAR	Beginning Balance	150 Corrections	600 Refunds	400 Adjustments	100 Pickups	210 Cleanup	700 Returned Checks	200 Receipts	AR Balance
2014	$13,742,347	($425,334)	$0	$0	$656,159	$256,113	($256,113)	($13,839,508)	$133,664
2013	$12,342,702	$11,759	$0	$8	$245,827	$310,928	($310,928)	($12,579,985)	$20,311
2012	$11,902,186	($37,189)	$132,011	($167)	$219,733	$0	$154	($12,202,111)	$14,618
Prior Years (2005 - 2010)	$74,656,547	($173,423)	$837,477	($17,310)	$1,724,372	($600)	$22,114	($76,993,010)	$56,167

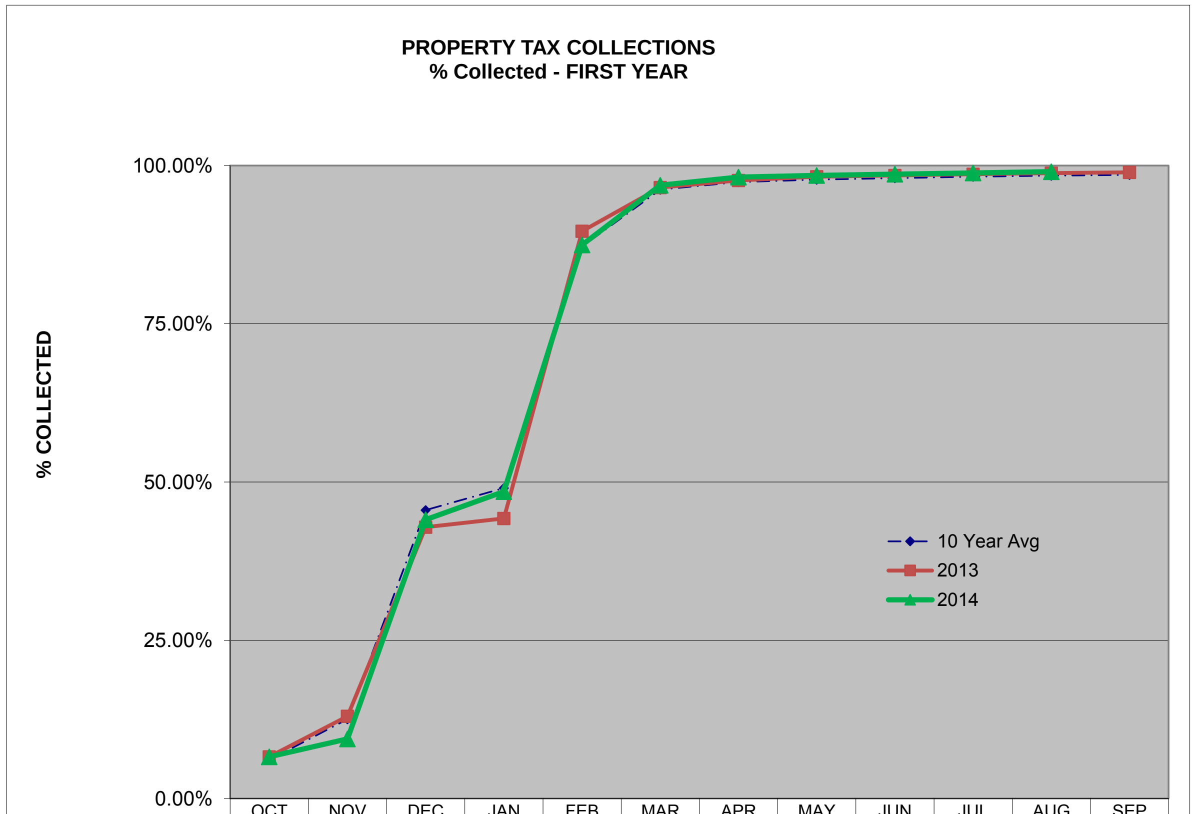
Beginning Balance does not include RR & Public Utilities added later, rollbacks & other adjustments

RR and Public Utilities typically added in January (reflected in 100 PICKUPS); typically about $200k annually

2011 and earlier have been turned over to Clerk & Master to initiate legal action for collection

Receipts include penalty & interest (bills are issued in October and Penalty/interest apply starting the following March)





	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
10 Year Avg	6.09%	12.54%	45.55%	49.04%	87.19%	96.20%	97.38%	97.77%	98.03%	98.23%	98.40%	98.53%
2013	6.58%	12.99%	42.86%	44.24%	89.63%	96.53%	97.65%	98.24%	98.44%	98.65%	98.82%	98.93%
2014	6.58%	9.41%	44.06%	48.50%	87.45%	96.89%	98.16%	98.43%	98.64%	98.85%	99.04%	

Marriott HOTELS & RESORTS

Franklin Marriott Cool Springs
700 Cool Springs Boulevard
Franklin, TN 37067
t: 615.261.6100 f: 615.261.6161
Marriott.com/BNACS

October 14, 2015

Mr. Russ Truell, CFO
City of Franklin, Tennessee
109 Third Avenue South
Franklin, TN 37064

Dear Mr. Truell:

Please find enclosed the Consolidated Profit and Loss Statement for the Cool Springs Conference Center for period end September 2015.

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

COOL SPRINGS CONFERENCE CENTER
September, 2015

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENE	480,919	449,378	516,042	1,159,232	968,455	1,400,776
HOUSE PROFIT	27,654	(41,629)	(45,493)	(102,622)	(196,260)	(37,782)
Less: FIXED EXPENSES	18,573	19,196	19,174	57,524	57,588	55,464
NET INCOME	9,081	(60,825)	(64,667)	(160,146)	(253,848)	(93,246)
Less: FF&E RESERVE 5% (PY 4%)	24,046	22,469	25,802	57,962	48,423	70,039
NET CASH FLOW	(14,965)	(83,294)	(90,469)	(218,108)	(302,271)	(163,285)

TOTAL CURRENT BALANCE DUE TO OWNERS	(14,965.00)
TOTAL DUE TO CITY OF FRANKLIN	(7,482.50)
TOTAL DUE TO WILLIAMSON COUNTY	(7,482.50)

Marriott
HOTELS & RESORTS

Franklin Marriott Cool Springs
700 Cool Springs Boulevard
Franklin, TN 37067
t: 615.261.6100 f: 615.261.6161
Marriott.com/BNACS

The Conference Center was closed from August 16 through September 4 for renovation, impacting revenue. Also, in the 2014/2015 fiscal year, the FF&E reserve was trued up later in the year. For comparison purposes, it is showing above as if it had been recorded in the month last year.

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

Results of Fuel Hedging Program, FY2015-2016, through month of September

Gas Price	Gas Contract	Spread	Diesel Price	Diesel Contract	Spread	Month	Gas Contracts	Diesel Contracts	Total
							7.14%	*3.30%*	
							12,000 gallons	*9,700 gallons*	
$1.9111	$2.6883	($0.777)	$1.6184	$1.7275	($0.109)	July	($9,326.40)	($1,058.16)	($10,384.56)
1.6036	2.6883	-1.085	1.4614	1.7275	-0.266	August	($13,016.40)	($2,580.90)	(15,597.30)
1.3817	2.6883	-1.307	1.4423	1.7275	-0.285	September	($15,679.20)	($2,766.15)	(18,445.35)
0.0000	0.0000	0.000	0.0000	0.0000	0.000	October	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	November	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	December	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	January	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	February	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	March	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	April	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	May	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	June	$0.00	$0.00	0.00
1.7574	2.6883	-0.931	1.5399	1.7275	-0.188	**Fiscal Yr Total**	**-38,022.00**	**-6,405.22**	**-44,427.22**
	Average			Average					

Contract schedule:

Contract	Trade Date	Effective Date	Termination Date	Price	Gallons
Diesel	2/1/15	7/1/15	6/30/16	1.728	294,000
Gasoline	6/5/14	7/1/14	6/30/16	2.690	84,000
Gasoline	8/7/14	9/1/14	6/30/16	2.687	84,000

The TMA Group
Statement of Activities
Grant 20, Franklin Transit Service
For the Three Months Ending September 30, 2015

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Revenues					
Revenue - Contracts	$ 300.00	$ 833.33	$ 5,200.00	$ 2,499.99	10,000.00
COF Transit Operating	132,984.16	132,984.16	398,952.48	398,952.48	1,595,809.92
Reimbursed to COF Transit Oper	(12,343.83)	(15,000.00)	(29,026.57)	(31,650.00)	(1,079,115.92)
Revenue - Fares Fixed Route	894.00	2,125.00	3,809.56	6,375.00	25,500.00
Revenue - Fares TODD	4,411.00	4,958.33	12,884.00	14,874.99	59,500.00
Revenue - Transit Fares; HT	0.00	0.00	0.00	0.00	16,000.00
Revenue - Building & EquipRent	800.00	800.00	2,400.00	2,400.00	9,700.00
Revenue - Transit-Interest	276.78	266.67	914.06	800.01	3,200.00
Revenue - Operating Assistance	0.00	0.00	0.00	0.00	250,000.00
State New Freedoms	0.00	0.00	0.00	0.00	13,500.00
State 5307 IT	0.00	0.00	0.00	0.00	2,800.00
State 5307 Cap. Cost. Contract	0.00	0.00	0.00	0.00	50,288.00
State 5309 Rent Assistance	0.00	0.00	0.00	0.00	4,050.00
Federal New Freedoms	0.00	0.00	0.00	0.00	27,000.00
Federal 5307 IT	0.00	0.00	0.00	0.00	22,400.00
Feder 5307 Preventative Mainte	0.00	0.00	0.00	0.00	85,008.00
Feder 5307 Cap. Cost. Contract	0.00	0.00	0.00	0.00	411,520.00
Federal 5309 Rent Assistance	0.00	0.00	0.00	0.00	32,400.00
Total Revenues	**127,322.11**	**126,967.49**	**395,133.53**	**394,252.47**	**1,539,560.00**
Direct Cost of Program					
Salaries	68,215.26	42,499.99	150,488.09	127,499.97	531,500.00
Employer Taxes and Benefits	20,852.55	16,796.67	51,147.99	50,390.01	202,860.00
Professional Services	3,037.75	2,375.00	9,279.25	7,125.00	28,500.00
Transit Bldg/Oper. Maintenance	272.00	833.33	2,300.93	2,499.99	10,000.00
Transit Maintenance	7,556.10	6,750.00	22,880.23	20,250.00	81,000.00
Transit Center Cleaning	422.00	416.67	1,266.00	1,250.01	5,000.00
Transit Security	175.00	0.00	175.00	0.00	0.00
Education/Community Outreach	0.00	83.33	0.00	249.99	1,000.00
Promotional Products	0.00	333.33	0.00	999.99	4,000.00
Print Advertising	1,050.00	666.67	2,455.00	2,000.01	8,000.00
Radio Advertising/Web	350.00	500.00	1,050.00	1,500.00	6,000.00
Printed Brochures & Pieces	0.00	500.00	0.00	1,500.00	6,000.00
Legal Fees	0.00	208.33	100.00	624.99	2,500.00
Transit-DAM Compliance	200.00	166.67	756.00	500.01	2,000.00
Transit Fuel	6,189.68	10,833.34	21,641.88	32,500.02	130,500.00
Supplies	469.22	0.00	1,494.73	0.00	0.00
Transit Maint. Fac - Utilities	1,611.64	1,875.00	5,228.65	5,625.00	22,500.00
Radio Communications	386.92	0.00	1,146.90	0.00	0.00
Trolley Insurance	6,335.69	5,583.33	18,948.95	16,749.99	67,000.00
Transit General Liability	391.59	500.00	1,153.02	1,500.00	6,000.00
Errors & Omissions Liability	572.38	541.67	1,717.14	1,625.01	6,500.00
Vehicle Licensing & Registrati	0.00	0.00	17.50	0.00	0.00
Dues, Subs, Tuition	585.67	583.33	2,230.38	1,749.99	7,000.00
Meetings	0.00	41.67	90.00	125.01	500.00
Travel and Training	524.01	833.33	1,011.91	2,499.99	10,000.00
Trolley Cleaning Supplies	91.00	708.33	673.95	2,124.99	8,500.00
Equipment - Other	0.00	0.00	400.00	0.00	0.00
Bank Credit Card Charges	1.95	33.33	13.65	99.99	500.00
Transit Maint. Facility-Rent	3,354.67	3,375.00	10,064.01	10,125.00	40,500.00
Depreciation - Transit Off Equ	152.22	8.33	398.72	24.99	100.00

The TMA Group
Statement of Activities
Grant 20, Franklin Transit Service
For the Three Months Ending September 30, 2015

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Total Direct Cost of Program	**122,797.30**	**97,046.65**	**308,129.88**	**291,139.95**	**1,187,960.00**
Indirect Expenditures	38,814.96	29,300.00	102,043.10	87,900.00	351,600.00
Net Difference - Operations	**$ (34,290.15)**	**$ 620.84**	**$ (15,039.45)**	**$ 15,212.52**	**0.00**
Planning					
Federal 5307 Planning	$ 4,771.20	$ 4,775.00	$ 7,226.08	$ 7,691.67	35,000.00
State 5307 Planning	596.40	600.00	903.26	964.58	4,375.00
COF Planning Cost Share	596.40	600.00	903.26	964.58	4,375.00
Total Planning Revenues	**5,964.00**	**5,975.00**	**9,032.60**	**9,620.83**	**43,750.00**
Planning Costs					
Planning/Transit	5,964.00	5,975.00	9,032.60	9,620.83	43,750.00
Net Difference - Planning	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**0.00**
Equipment					
Federal 5307 Capital Expenditu	$ 46,980.00	$ 47,640.00	$ 46,980.00	$ 47,640.00	180,000.00
State 5307 Capital Expenditure	5,873.00	5,955.00	5,873.00	5,955.00	22,500.00
COF Capital Cost Share	5,872.00	5,955.00	5,872.00	5,955.00	22,500.00
Total Equipment Revenues	**58,725.00**	**59,550.00**	**58,725.00**	**59,550.00**	**225,000.00**
Equipment Costs					
Equipment - Transit	58,725.00	59,550.00	58,725.00	59,550.00	225,000.00
Net Difference - Equipment	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**0.00**

Building Permits

Month	FY2016	FY2015	BUDGET	Variance from Last Year	Variance from Budget
July	219,601	82,353	79,337	137,248	140,264
August	107,814	69,863	67,304	37,951	40,510
September	186,497	127,700	123,023	58,797	63,474
October	0	123,191	118,679	0	0
November	0	94,573	91,109	0	0
December	0	74,673	71,938	0	0
January	0	117,569	113,263	0	0
February	0	81,060	78,091	0	0
March	0	138,911	133,823	0	0
April	0	171,524	165,242	0	0
May	0	153,798	148,165	0	0
June	0	190,972	183,978	0	0
Total (year-to-date)	513,912	1,426,187	1,373,951	233,996	244,248
% of Prior Year YTD/ % of Budget YTD >>>>>				183.6%	190.6%

* seasonality based on last year's results

110-32120

Road Impact fees

Month	FY2016	FY2015	BUDGET	Variance from Last Year	Variance from Budget
July	733,816	229,572	369,312	504,244	364,504
August	215,478	139,840	224,960	75,638	(9,482)
September	500,364	217,394	349,721	282,970	150,643
October	0	200,301	322,224	0	0
November	0	254,561	409,511	0	0
December	0	168,587	271,205	0	0
January	0	186,851	300,587	0	0
February	0	183,500	295,196	0	0
March	0	255,892	411,653	0	0
April	0	925,840	1,489,396	0	0
May	0	432,960	696,501	0	0
June	0	391,681	630,096	0	0
Total (year-to-date)	1,449,658	3,586,979	5,770,361	862,852	505,665
% of Prior Year YTD/ % of Budget YTD >>>>>				247.0%	153.6%

* seasonality not assigned; divided evenly by month

128-32800

Facilities Tax

Month	FY2016	FY2015	BUDGET	Variance from Last Year	Variance from Budget
July	460,763	174,169	149,610	286,594	311,153
August	138,739	128,599	110,466	10,140	28,273
September	392,050	155,707	133,752	236,343	258,298
October	0	211,229	181,445	0	0
November	0	160,556	137,917	0	0
December	0	168,587	144,815	0	0
January	0	186,851	160,504	0	0
February	0	130,798	112,355	0	0
March	0	227,269	195,223	0	0
April	0	383,594	329,506	0	0
May	0	256,477	220,313	0	0
June	0	284,637	244,502	0	0
Total (year-to-date)	991,552	2,468,473	2,120,407	533,077	597,724
% of Prior Year YTD/ % of Budget YTD >>>>>				216.3%	251.8%

* seasonality not assigned; divided evenly by month

130-31600

Williamson County Facilities Tax

Month	FY2016	FY2015	BUDGET	Variance from Last Year	Variance from Budget
July	143,941	83,121	83,121	60,820	60,820
August	101,030	77,682	29,478	23,348	71,552
September	89,284	66,808	66,808	22,476	22,476
October	0	75,521	142,478	0	0
November	0	80,039	80,039	0	0
December	0	77,729	77,729	0	0
January	0	67,795	67,795	0	0
February	0	83,183	83,183	0	0
March	0	79,939	79,939	0	0
April	0	96,468	96,468	0	0
May	0	100,933	100,933	0	0
June	0	93,387	93,387	0	0
Total (year-to-date)	334,255	982,605	982,605	106,644	154,848
% of Prior Year YTD/ % of Budget YTD >>>>>				146.9%	186.3%

* seasonality based on last year's results
budgeted in Capital Projects Fund beginning with FY11
310-31600

GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account

City of Franklin - Core Investment Fund

9/30/2015

GOVERNMENT PORTFOLIO ADVISORS

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GOVERNMENT PORTFOLIO ADVISORS

MONTH END COMMENTARY SEPTEMBER 2015

Yields dropped to their lowest levels in more than a month, largely due to concerns about the worldwide economy and shaky global equity markets. In addition to the fears of a global slow down, the FOMC did not deliver a rate hike in September, therefore continuing the "flight to quality" to U.S. Treasuries. In a much anticipated report from the Fed, they defended not increasing the Fed Funds target by saying, "Recent global economic and financial developments may restrain economic activity somewhat and are likely to put further downward pressure on inflation in the near term." "The committee continues to see the risks to the outlook for economic activity and the labor market as nearly balanced but is monitoring developments abroad." The last 2 FOMC meetings of 2015 are October 28 and December 16.

Summary of September 17, 2015 meeting:

- The Fed Funds target rate remains at 0.0% to .25%.
- GDP forecast was reduced to 1.8-2.2% from 2.0- 2.3% in June.
- Forecast 2015 year end fed funds rate is .375%, down from .625% in June.
- Forecast 2016 year end fed funds rate is 1.375%, down from 1.625% in June.

Non-farm Payrolls/Unemployment: The employment report was mixed: total nonfarm payroll employment increased by 173,000 new jobs in August, fewer than the 217,000 median forecast. However, the unemployment rate fell to 5.1%, the lowest since April 2008, and average hourly earnings climbed more than forecast. Two-year treasuries rose from .69% to .73% on the news.

Other Economic Data: A revised GDP report showed that the GDP expanded at a better than expected 3.9%. That percentage is up .2% from the last revision and exceeds the 2.3% growth originally reported in July. Personal consumption expenditures increased 3.6%.

Asset Class Performance: The Dow posted a slight gain of 1.51% after rebounding from August's historic decline. The biggest losers were foreign equities in developed markets which declined 5.1%. The commodity Index dropped 4%. Crude oil declined 8.2% in September.

Treasury Yield Curve Total Returns over the last 12 months:*

3month bill	.025
1 year note	.355
2 year note	1.06
3 year note	2.02
5 year note	4.09

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.23%	1.45
BAML 0-5 Year Treasury	.43%	2.20
BAML 1-3 Year Treasury	.30%	1.78

*Source: Bloomberg

Changes in the Treasury Market (absolute yield levels):*

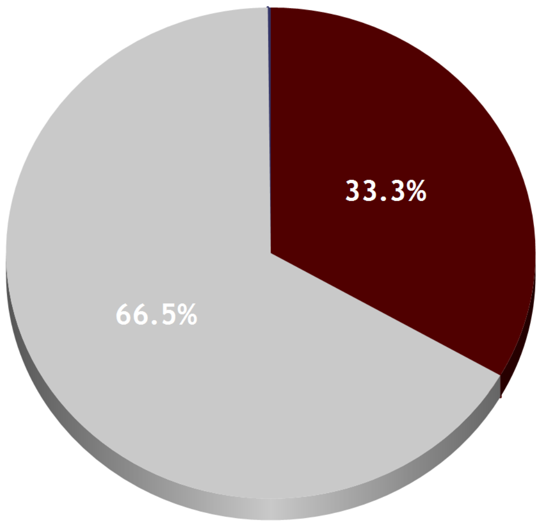
	09/30/14	8/31/15	9/30/15	Change in August	Change from Prior Year
3month bill	.02	.005	.00	-.005	-.02
6month bill	.03	.23	.07	-.16	+.04
2 year note	.57	.74	.63	-.11	+.06
3 year note	1.04	1.05	.90	-.15	-.14
5 year note	1.76	1.55	1.36	-.19	-.40
10 year	2.49	2.22	2.04	-.18	-.45

*Source: Bloomberg

Weighted Averages

Book Yield	0.77
Maturity	1.46
Coupon	0.78
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	22,540,418
Market Value	22,618,100.97
Amortized Book Value	22,549,363.87
Unrealized Gain/Loss	68,737.10
Estimated Annual Cash Flow	175,004.04

Security Type	Market Value	% Fixed Income	% Assets
US Agency (USD)	7,531,360.00	33.3	33.3
US Treasury (USD)	15,046,322.50	66.5	66.5
Money Market Bank Deposits (USD)	40,418.47	0.2	0.2
Fixed Income Total	**22,618,100.97**	**100.0**	**100.0**

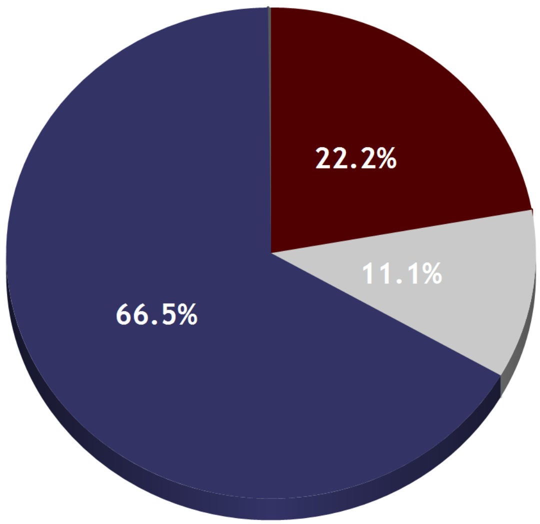
Total Return Report

Net of Accrued Fees | US Dollar 8/31/2015 - 9/30/2015

Total Return For Period

	Since 8/31/2015
Beginning Principal Value	**22,562,998.96**
Beginning Accrued Interest	34,579.23
Net Contributions/Withdrawals	0.00
Market Value Change	40,722.50
Interest Earnings	14,239.43
Ending Principal Value	**22,618,100.97**
Accrued Interest	34,439.15
Total Return	**54,961.93**
Advisory Fees for Period	-2,083.34
Net Total Return	**52,878.59**

Portfolio Allocation as of 9/30/2015



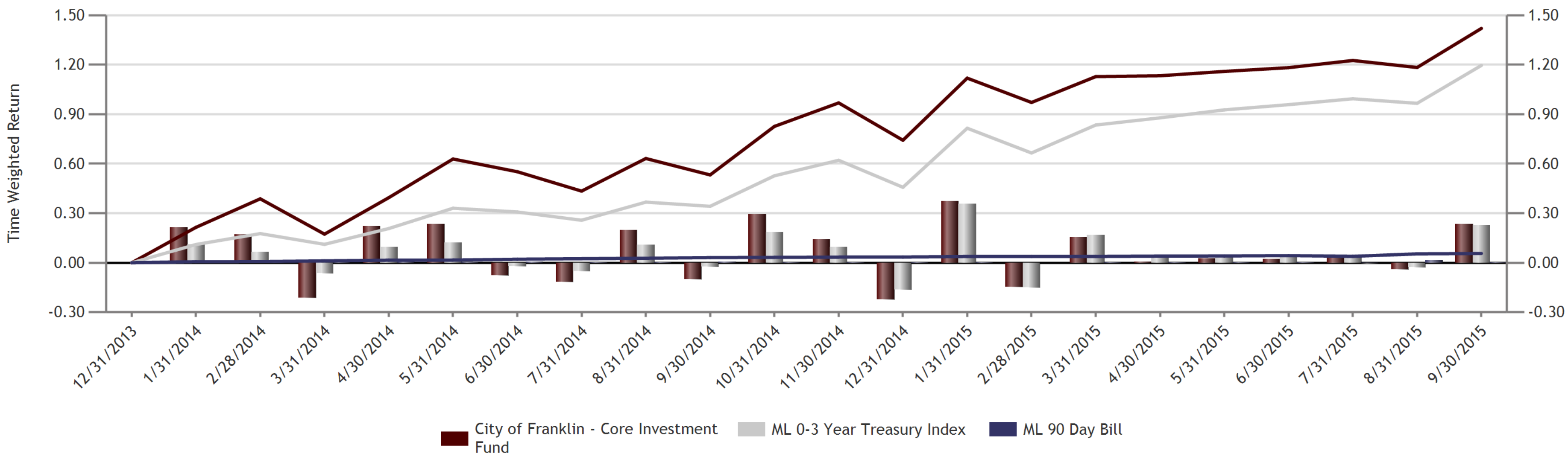
Issuer	Market Value	% Assets	Yield
FEDERAL HOME LOAN BANKS	5,014,450.00	22.2	0.8
FEDERAL HOME LN MTG CORP	2,516,910.00	11.1	1.0
UNITED STATES TREAS NTS	15,046,322.50	66.5	0.7
FIFTH THIRD BK CINCINNATI STN	40,418.47	0.2	0.0
Total	**22,618,100.97**	**100.0**	**0.8**

Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Latest 1 Year	Inception To Date
Account	**0.23**	**0.23**	**0.23**	**0.88**	**1.42**

Index					
ML 0-3 Year Treasury Index	0.23	0.24	0.24	0.85	1.20
ML 90 Day Bill	0.00	0.01	0.01	0.02	0.06

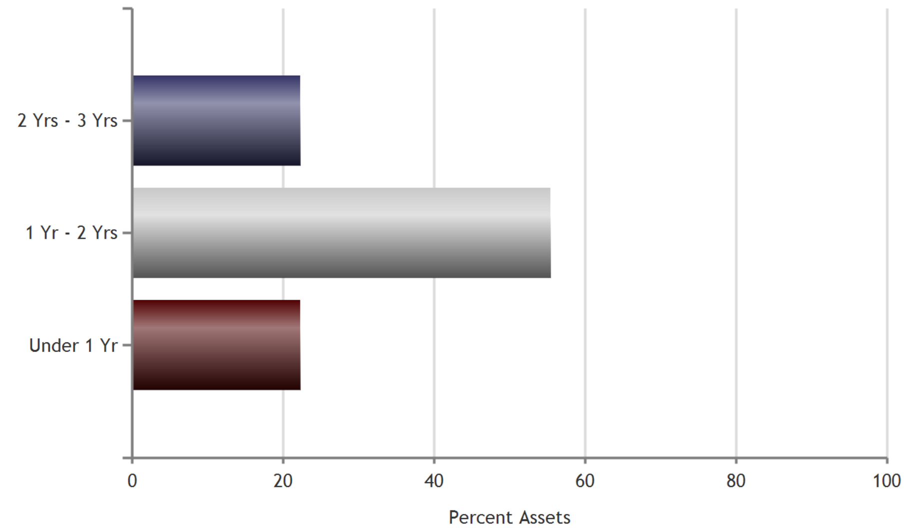
Time Weighted Return Inception (12/31/2013) to Date



Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	3	5,047,265.97	22.3	0.6	0.558%	0.5
1 Yr - 2 Yrs	5	12,540,412.50	55.4	0.7	0.725%	1.4
2 Yrs - 3 Yrs	2	5,030,422.50	22.2	1.1	1.125%	2.6

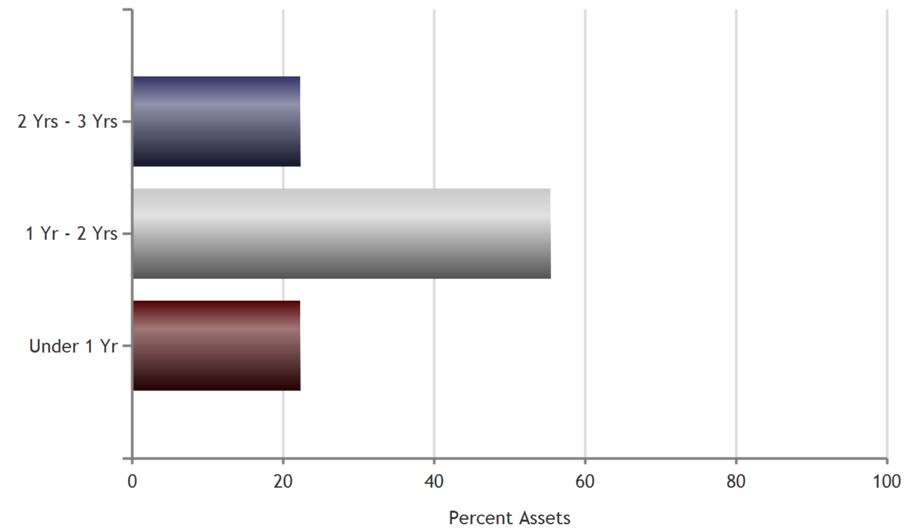
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	3	5,047,265.97	22.3	0.6	0.558%	0.5
1 Yr - 2 Yrs	5	12,540,412.50	55.4	0.7	0.725%	1.4
2 Yrs - 3 Yrs	2	5,030,422.50	22.2	1.1	1.125%	2.6

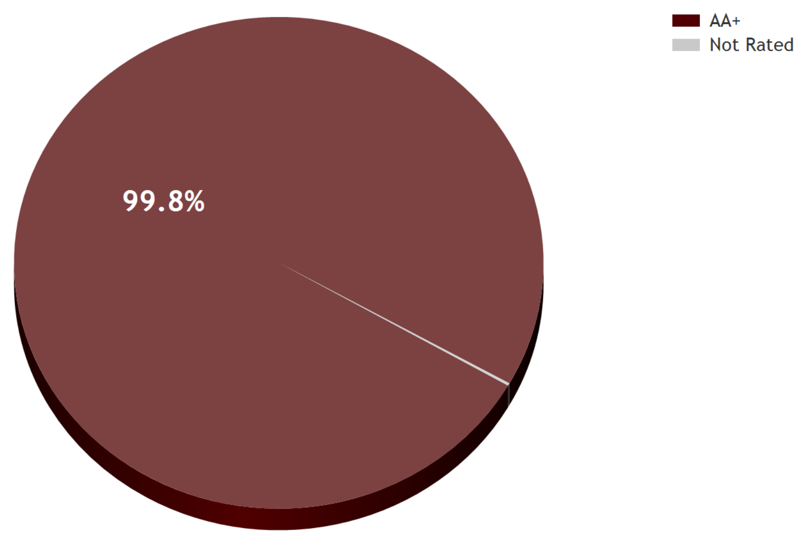
Distribution by Duration



Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	9	22,577,682.50	99.8	0.8	0.778%	2.6
Not Rated	1	40,418.47	0.2	0.0	0.010%	0.8

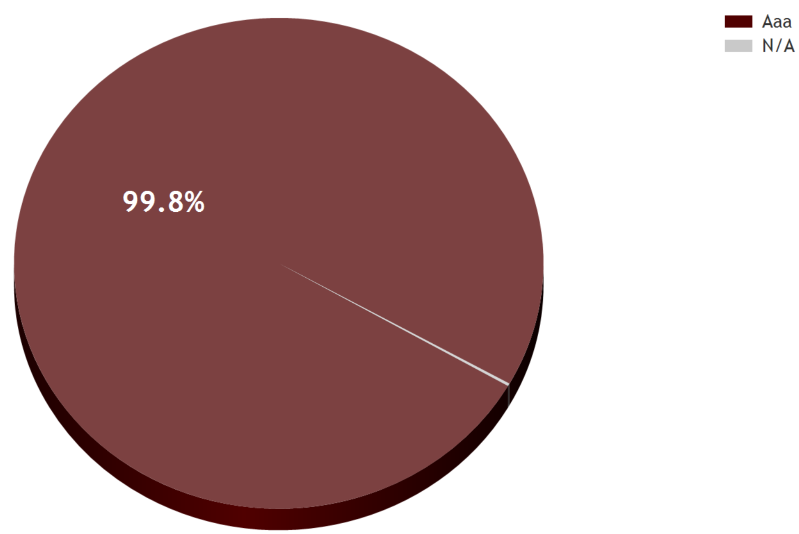
Distribution by S&P Rating



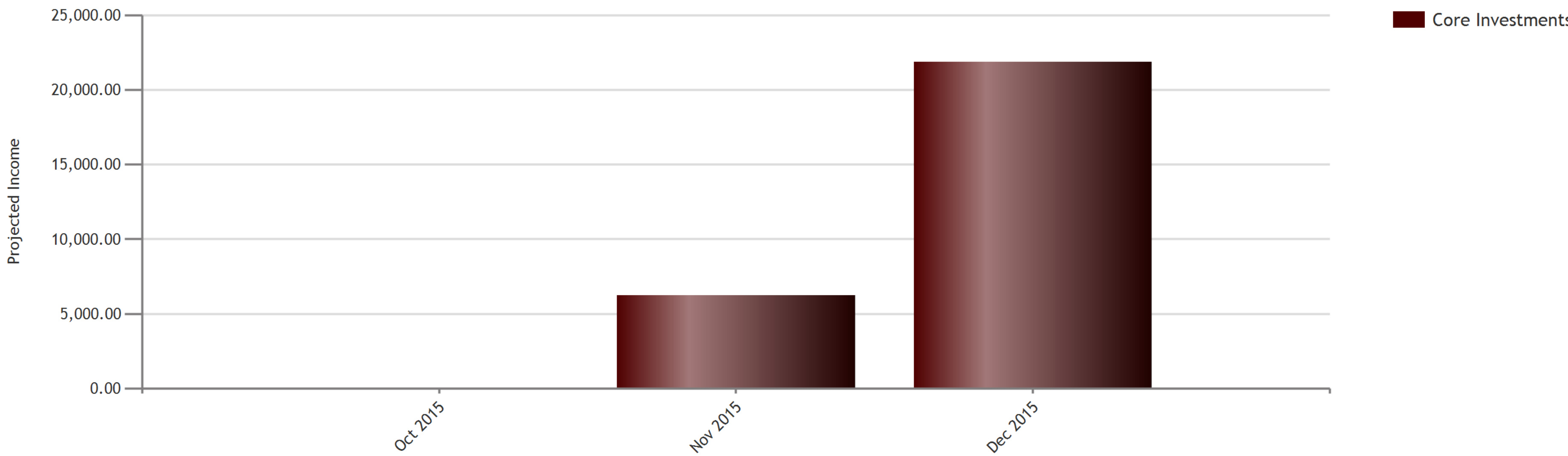
Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	9	22,577,682.50	99.8	0.8	0.778%	2.6
N/A	1	40,418.47	0.2	0.0	0.010%	0.8

Distribution by Moody Rating



Coupon Cash Flow Projection



		Oct 2015	Nov 2015	Dec 2015
Core Investments		0.00	6,250.00	21,875.00
US Agency (USD)		0.00	6,250.00	0.00
US Treasury (USD)		0.00	0.00	21,875.00
Total		**0.00**	**6,250.00**	**21,875.00**
Grand Total	**28,125.00**			

Interest

Trade Date	Settle Date	Symbol	Security	Amount
9/3/2015	9/3/2015	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 10-27-15	4.51
9/29/2015	9/29/2015	3130A5PE3	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18	8,125.00
9/30/2015	9/30/2015	912828J92	UNITED STATES TREAS NTS 0.500% Due 03-31-17	6,250.00
Total Interest				**14,379.51**

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
9/30/2015	9/30/2015	manfee	Management Fee	2,083.34
Total Expenses				**2,083.34**

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
9/3/2015	9/3/2015	5	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 10-27-15	100.00	4.51
9/29/2015	9/29/2015	8,125	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 10-27-15	100.00	8,125.00
9/30/2015	9/30/2015	6,250	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 10-27-15	100.00	6,250.00
Total Contributions						**14,379.51**

Portfolio Summary

September 30, 2015

Portfolio Name	Par Amount	Total Original Cost	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Mod Dur	Eff Dur	Bench Dur	Benchmark
City of Franklin - Core Investment Fund	22,540,418	22,547,442.70	22,549,363.87	22,618,100.97	68,737.10	0.77	1.44	1.44	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	**22,540,418**	**22,547,442.70**	**22,549,363.87**	**22,618,100.97**	**68,737.10**	**0.77**	**1.44**	**1.44**	**1.45**	

Portfolio Holdings

City of Franklin - Core Investment Fund

September 30, 2015

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
US Treasury															
912828VR8	2,500,000	UNITED STATES TREAS NTS 0.625% Due 08-15-16		03-27-14	100.00	0.62	100.2292	0.36	2,505,730.00	1,953.12	2,507,683.12	5,694.17	11.1	0.87	0.87
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.92	0.70	100.2279	0.41	2,505,697.50	7,172.13	2,512,869.63	7,691.88	11.1	1.03	1.03
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.99	0.64	100.2109	0.45	2,505,272.50	4,567.96	2,509,840.46	5,627.33	11.1	1.20	1.20
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.04	0.84	100.5182	0.48	2,512,955.00	3,626.02	2,516,581.02	11,946.04	11.1	1.32	1.33
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.85	0.60	99.9831	0.51	2,499,577.50	0.00	2,499,577.50	3,418.71	11.1	1.49	1.49
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.28	1.02	100.6836	0.87	2,517,090.00	8,222.34	2,525,312.34	10,063.84	11.1	2.65	2.66
	15,000,000					0.74		0.51	15,046,322.50	25,541.58	15,071,864.08	44,441.97	66.5	1.43	1.43
US Agency Bullet															
313380L96	2,500,000	FEDERAL HOME LOAN BANKS 0.500% Due 11-20-15		07-11-13	100.00	0.51	100.0447	0.18	2,501,117.50	4,513.89	2,505,631.39	1,151.97	11.1	0.14	0.14
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.02	0.99	100.6764	0.63	2,516,910.00	4,305.56	2,521,215.56	16,349.61	11.1	1.81	1.81
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.26	1.02	100.5333	0.91	2,513,332.50	78.12	2,513,410.62	6,793.55	11.1	2.46	2.46
	7,500,000					0.84		0.57	7,531,360.00	8,897.57	7,540,257.57	24,295.13	33.3	1.47	1.47
Money Market Fund															
0000FIFTH	40,418	FIFTH THIRD BANK MMF 0.010% Due 10-27-15		12-31-14	100.00	0.01	100.0000	0.01	40,418.47	0.00	40,418.47	0.00	0.2	0.07	0.01
TOTAL	**22,540,418**					**0.77**		**0.53**	**22,618,100.97**	**34,439.15**	**22,652,540.12**	**68,737.10**	**100.0**	**1.44**	**1.44**

MASTER EARNED INCOME REPORT

From 08-31-15 To 09-30-15

Name	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
City of Franklin - Core Investment Fund	34,579.23	0.00	0.00	-14,379.51	34,439.15	14,239.43	-106.05	14,133.38
TOTAL	**34,579.23**	**0.00**	**0.00**	**-14,379.51**	**34,439.15**	**14,239.43**	**-106.05**	**14,133.38**

Disclaimer & Terms

9/30/2015

This report is for general informational purposes only and is not intended to provide specific advice or recommendations. Government Portfolio Advisors (GPA) is an investment advisor registered with the Securities and Exchange Commission and is required to maintain a written disclosure statement of our background and business experience.

Questions About an Account: GPA's monthly & quarterly reports are intended to detail the investment advisory activity managed by GPA. In addition, at the request of the account, the report may include bank balances, LGIP balances and other funds that are held but not invested at the direction of GPA. The custodian bank maintains the control of assets and executes (ie. Settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. GPA recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the GPA report should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control:
GPA does not have the authority to withdraw funds from or deposit funds to the custodian. Our clients retain responsibility for their deposit funds to the custodian. Our clients retain responsibility for their internal accounting policies, implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value:
Generally, market prices in GPA's reports are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC –insured bank certificates of deposit are priced at par. Although GPA believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.

Amortized Cost:
The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premiums with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Financial Situation:
In order to better serve you, GPA should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities:
Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented. Certain call dates may not show up on the report if the call date has passed and it is continuously callable.

Duration:
The duration listed on the reports is duration to maturity and duration to call. Effective duration is calculated on Bloomberg and imported into these reports and reflects the OAS duration which incorporates the probability of the bond being called. Effective duration is what GPA compares to the benchmark to reflect current market risk.

Benchmark Duration:
The benchmark duration is the historical weighted average of the benchmark duration over monthly periods. GPA is reporting this number as a static amount period over period.

Portfolio:
The securities in this portfolio are not guaranteed or otherwise protected by GPA, the FDIC (except for non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested.

Rating:
Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

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HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
100499 Issue Date: 09/15/2015	**6100 TOWER CIR STE 200 ACADIA 2ND FLOOR**	Nonresidential	Tenant Buildout	5551 / 5551	$351,000.00	Flow Construction Company 3628 Trousdale Drive Suite E Nashville,TN 37204 (615)832-0707 bellis@flowconstruction.com	Contractor
100520 Issue Date: 09/17/2015	**316 STEWART ST HENDERSON RESIDENCE-STEWART STREET**	Residential	New	8844 / 5260	$920,000.00	WALLACE CUSTOM BUILDERS 1529 HUNT CLUB BLVD. SUITE 500 GALLATIN,TN 37066 (615)330-9201 james@wallacecustombuilders.com	Contractor
100565 Issue Date: 09/14/2015	**890 MARKET ST AMELIA PARK LOT 127**	Residential	New	3617 / 2781	$350,000.00	Pulte Group 370 Mallory Station Rd Ste 500 Franklin,TN 37067 (615)445-5659 derek.marcoccia@pultegroup.com	Contractor
100572 Issue Date: 09/03/2015	**908 MARKET ST AMELIA PARK LOT 130**	Residential	New	3442 / 2573	$320,000.00	PULTE HOMES P.O. BOX 3660 PORTLAND,OR 97208 (615)330-5483 derer.marcoccia@pultegroup.com	Contractor
100585 Issue Date: 09/28/2015	**128 HOLIDAY CT STE 105 Instock Bathroom remodel**	Nonresidential	Tenant Buildout	238 / 238	$22,000.00	MARVIN BLAIN% 128 Holiday Ct. Suite 105` Franklin,TN 37067 (615)790-2934 marvink.blain@instockrs.com	Other
100610 Issue Date: 09/22/2015	**331 HENRY RUSSELL ST BERRY FARMS LOT 138, NEW**	Residential	New	3905 / 2679	$254,505.00	Mike Ford Custom Classic (Berr 390 MALLORY STATION ROAD STE 100 FRANKLIN, 37067- (615)503-9727 amanda.groves@mikeford.com	Contractor
100645 Issue Date: 09/29/2015	**2218 GEORGIAN CIR Breezeway Lot 54**	Residential	New	6016 / 4984	$594,200.00	Drees Premier Homes INC 1604 WESTGATE CIRCLE BRENTWOOD,TN 37027 (615)771-2191 lmealer@dreeshomes.com	Contractor

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100657 Issue Date: 09/14/2015	**418 MEALER ST Hurstbourne Park, Lot 107**	Residential	New	5802 / 4259	$484,265.00	Drees Premier Homes INC 1604 WESTGATE CIRCLE BRENTWOOD,TN 37027 (615)771-2191 lmealer@dreeshomes.com	Contractor
100669 Issue Date: 09/29/2015	**8024 BROOKPARK AVE Stream Valley Lot 245**	Residential	New	3522 / 3058	$288,953.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
100684 Issue Date: 09/29/2015	**148 WORTHY DR LADD PARK RENOVATION FOR ELEVATOR INSTALLATION**	Residential	Revovation	200 / 200	$23,713.00	JERED TEIGE 322 COTTON LANE FRANKLIN,TN 37069 (615)430-1460x	Contractor
100691 Issue Date: 09/10/2015	**121 IRVINE LN Ladd Park, Lot 241, 121 Irvine Ln**	Residential	Addition	198 / 0	$7,200.00	Prestige Remodeling Solutions P.O. BOX 308 MURFREESBORO,TN 37133- (615)772-1616x	Contractor
100697 Issue Date: 09/17/2015	**9159 KEATS ST WESTHAVEN LOT 1571, NEW**	Residential	New	3152 / 2363	$343,008.00	Slc Homebuilding Llc (Westha) 1550 WEST MCEWEN DRIVE SUITE 200 FRANKLIN, 37067- (615)778-3814 dan.gilbert@southernland.com	Contractor
100701 Issue Date: 09/16/2015	**9153 KEATS ST WESTHAVEN LOT 1572, NEW**	Residential	New	3013 / 2262	$311,527.00	Slc Homebuilding Llc (Westha) 1550 WEST MCEWEN DRIVE SUITE 200 FRANKLIN, 37067- (615)778-3814 dan.gilbert@southernland.com	Contractor
100705 Issue Date: 09/17/2015	**9165 KEATS ST WESTHAVEN LOT 1570, NEW**	Residential	New	3003 / 2264	$345,692.00	Slc Homebuilding Llc (Westha) 1550 WEST MCEWEN DRIVE SUITE 200 FRANKLIN, 37067- (615)778-3814 dan.gilbert@southernland.com	Contractor
100711 Issue Date: 09/17/2015	**318 LIONHEART WAY Retaining Wall - 125 Avalon**	Residential	Miscellaneous	1000 / 0	$44,000.00	Gp Luxury Llc P.O. BOX 2966 BRENTWOOD, 37024- (615)678-7963 caldwell@groveparkconstruction.com	Contractor

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100712 Issue Date: 09/17/2015	**322 LIONHEART WAY Retaining Wall - 124 Avalon**	Residential	Miscellaneous	1000 / 0	$44,800.00	Gp Luxury Llc P.O. BOX 2966 BRENTWOOD, 37024- (615)678-7963 caldwell@groveparkconstruction.com	Contractor
100713 Issue Date: 09/23/2015	**2011 GLASTONBURY DR FIELDSTONE SCREENED PORCH**	Residential	Addition	224 / 0	$12,000.00	RUSSELL NELSON 545 OAKLEY HOLLOW RD ALEXANDRIA,TN 37012 (615)318-8122	Other
100727 Issue Date: 09/23/2015	**84 MOLLY BRIGHT LN LADD PARK LOT 223, NEW**	Residential	New	4183 / 3251	$344,060.00	GOODALL HOMES 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 wellison@goodallhomes.com	Contractor
100735 Issue Date: 09/14/2015	**812 CHARMING CT TYWATER CROSSING LOT 67, NEW**	Residential	New	2565 / 2368	$260,000.00	PATTERSON COMPANY LLC 321 BILLINGSLY CT SUITE 19 FRANKLIN,TN 37067 (615)472-1317	Contractor
100739 Issue Date: 09/24/2015	**812 CHARMING CT TYWATER CROSSING LOT 67, NEW GARAGE**	Residential	Accessory Building	528 / 0	$20,000.00	Steve PATTERSON COMPANY 321 BILLINGSLY CT. SUITE 19 FRANKLIN,TN 37067 (615)472-1317 efridley@buypatterson.com	Contractor
100745 Issue Date: 09/15/2015	**161 BROADWELL CIR COOL SPRINGS EAST LOT 252, DECK**	Residential	Miscellaneous	280 / 0	$10,000.00	Lawson Construction 1781 Seavy Hight Rd Columbia,TN 38401 (708)220-4524 lawsonconstruction83@gmail.com	Contractor
100751 Issue Date: 09/02/2015	**219 SNOWDEN ST W Ladd Park Lot 643**	Residential	New	4155 / 3322	$280,000.00	Burnswick Construction Co PO BOX 680187 FRANKLIN, 37068- (615)791-1576 lrayarnold@gmail.com	Contractor
100765 Issue Date: 09/30/2015	**509 HILLSBORO RD Mickey Roos Renovation**	Nonresidential	Revovation	3768 / 3768	$35,000.00	Heithcock Construction LLC 1210 Longstreet Circle Brentwood,TN 37027 (615)480-9791 troyheithcock@comcast.net	Contractor

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100778 Issue Date: 09/15/2015	**1967 GRIFFEN DR AMELIA PARK LOT 84**	Residential	New	3602 / 2781	$260,000.00	Pulte Group 370 Mallory Station Rd Ste 500 Franklin,TN 37067 (615)445-5659 derek.marcoccia@pultegroup.com	Contractor
100782 Issue Date: 09/22/2015	**1427 CASNER LN AMELIA PARK LOT 104**	Residential	New	3618 / 2781	$275,000.00	PULTE HOMES P.O. BOX 3660 PORTLAND,OR 97208 (615)330-5483 derer.marcoccia@pultegroup.com	Contractor
100814 Issue Date: 09/29/2015	**2021 CANYON ECHO DR STREAM VALLEY LOT 192**	Residential	New	3115 / 2589	$341,070.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
100818 Issue Date: 09/14/2015	**814 CHARMING CT TYWATER CROSSING LOT 66, NEW**	Residential	New	3995 / 2966	$280,000.00	Steve PATTERSON COMPANY 321 BILLINGSLEY CT STE 19 FRANKLIN,TN 37067 (615)472-1317	Contractor
100822 Issue Date: 09/23/2015	**818 CHARMING CT TYWATER CROSSING LOT 64, NEW**	Residential	New	3450 / 2333	$250,000.00	Steve PATTERSON COMPANY 321 BILLINGSLEY CT STE 19 FRANKLIN,TN 37067 (615)472-1317	Contractor
100837 Issue Date: 09/23/2015	**4008 GENERAL MARTIN LN Berry Farms Lot 118**	Residential	New	4058 / 3136	$297,920.00	Mike Ford Custom Classic (Berr 390 MALLORY STATION ROAD STE 100 FRANKLIN, 37067- (615)503-9727 amanda.groves@mikeford.com	Contractor
100850 Issue Date: 09/16/2015	**93 POPLAR ST Berry Farms Lot 4**	Residential	New	3977 / 3121	$296,495.00	Mike Ford Custom Classic (Berr 390 MALLORY STATION ROAD STE 100 FRANKLIN, 37067- (615)503-9727 amanda.groves@mikeford.com	Contractor
100876 Issue Date: 09/23/2015	**824 CHARMING CT TYWATER CROSSING LOT 61, NEW**	Residential	New	3386 / 2263	$250,000.00	Steve PATTERSON COMPANY 321 BILLINGSLY CT. SUITE 19 FRANKLIN,TN 37067 (615)472-1317 efridley@buypatterson.com	Contractor

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100887 Issue Date: 09/24/2015	**117 SEABOARD LN STE F115 DTZ MANAGEMENT OFFICE**	Nonresidential	Revovation	2165 / 2165	$35,000.00	CIC 101 SPACE PARK SOUTH NASHVILLE,TN 37211 (615)781-9550 KENNY@CICTN.COM	Contractor
100890 Issue Date: 09/23/2015	**9184 KEATS ST WESTHAVEN LOT 1563, NEW**	Residential	New	4142 / 3093	$355,695.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
100894 Issue Date: 09/24/2015	**816 CHARMING CT TYWATER CROSSING LOT 65, NEW**	Residential	New	3266 / 2506	$260,000.00	Steve PATTERSON COMPANY 321 BILLINGSLY CT. SUITE 19 FRANKLIN,TN 37067 (615)472-1317 efridley@buypatterson.com	Contractor
100917 Issue Date: 09/09/2015	**236 PEBBLE GLEN DR 236 PEBBLE GLEN**	Residential	Addition	1203 / 765	$125,000.00	Echo Construction 1308 Gallatin Ave Nashville,TN 37206 (615)750-2441 jleggo@echoconstruction.com	Contractor
100918 Issue Date: 09/09/2015	**3101 ANNFIELD WAY Spencer Hall, Lot 295**	Residential	Miscellaneous	448 / 0	$14,950.00	EDD SMITH 51 LOWRY ST SMYRNA,TN (615)351-3237x	Contractor
100922 Issue Date: 09/09/2015	**709 HARROW LN Chestnut Bend covered screened in deck**	Residential	Addition	384 / 384	$20,000.00	Nutt Construction 107 Shapiro Trail Columbia,TN 38401 (615)516-5745 nuttconstruction@hotmail.com	Contractor
100927 Issue Date: 09/10/2015	**509 RIVERVIEW DR detach garage-remove existing access. structure**	Residential	Accessory Building	720 / 0	$20,000.00	Outback Builder 481 Old Nashville Hwy LaVergne,TN 37086 (615)333-5882 bigdave396@gmail.com	Contractor
100928 Issue Date: 09/23/2015	**1001 WESTHAVEN BLVD STE 150 Woof Gang Bakery - Tenant Improvement**	Nonresidential	Miscellaneous	1809 / 1809	$20,000.00	Woof Gang Bakery, Pet Store 7703 Kingspointe Parkway 700 Orlando,FL 32819 (407)355-9210 mthomas@woofgangbakery.com	Tenant

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100929 Issue Date: 09/09/2015	**701 RIVERVIEW DR RIVERVIEW STORAGE SHED addition**	Residential	Addition	140 / 0	$5,700.00	MARY HOOD 701 RIVERVIEW DR FRANKLIN,TN 37064 (615)794-4328	Owner
100932 Issue Date: 09/09/2015	**419 AUTUMN LAKE TRL Cool Springs East - 419 Autumn Lake Trail Renovati**	Residential	Revovation	608 / 608	$25,000.00	Crowder Construction 220 Fieldstone Lane Westmoreland,TN 37186 (615)513-9801 na@na.com	Contractor
100933 Issue Date: 09/09/2015	**1886 GEN GEORGE PATTON DR LET IT SHINE GYMNASTICS - 4'3" REQUIRED CLEARANCE**	Nonresidential	Revovation	0 / 0	$1.00	LET IT SHINE GYMNASTICS INC 1895 GEN GEORGE PATTON DR FRANKLIN,TN 37067 (615)369-3547	Other
100941 Issue Date: 09/24/2015	**113 SEABOARD LN STE A130 REPUBLIC BANK EXPANSION**	Nonresidential	Revovation	35014 / 35014	$33,000.00	CIC 101 SPACE PARK SOUTH NASHVILLE,TN 37211 (615)781-9550 KENNY@CICTN.COM	Contractor
100961 Issue Date: 09/28/2015	**3012 RYECROFT LN HIGHLANDS OF LADD PARK LOT 498, NEW**	Residential	New	3848 / 3159	$173,178.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
100971 Issue Date: 09/24/2015	**3048 RYECROFT LN HIGHLANDS OF LADD PARK LOT 504, NEW**	Residential	New	2778 / 2063	$146,633.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
100975 Issue Date: 09/24/2015	**3049 RYECROFT LN HIGHLANDS OF LADD PARK LOT 558, NEW**	Residential	New	3030 / 2473	$169,110.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
101049 Issue Date: 09/23/2015	**308 EVERBRIGHT AVE 308 Everbright Ave.**	Residential	Revovation	500 / 500	$20,000.00	Access & Mobility INC p.o. box 203 Hermitage,TN 37076 (615)533-1933	Contractor

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101057 Issue Date: 09/29/2015	**1428 CASNER LN AMELIA PARK LOT 117**	Residential	New	3602 / 2781	$270,000.00	Pulte Group 370 Mallory Station Rd Ste 500 Franklin,TN 37067 (615)445-5659 derek.marcoccia@pultegroup.com	Contractor
101106 Issue Date: 09/16/2015	**4323 CAROTHERS PKWY STE 505 PRIMARY CARE EXPANSION**	Nonresidential	Tenant Buildout	1397 / 1397	$137,106.00	TENANT BUILDING GROUP 2414 CRUZEN STREET NASHVILLE,TN 37211 (615)254-1837 bobo@tenantbuildinggroup.com	Contractor
101107 Issue Date: 09/30/2015	**1151 CARTER ST HABITAT .. RENOVATION & DECK ADDITION**	Residential	Revovation	927 / 816	$40,000.00	Habitat Of Williamson County PO BOX 681013 FRANKLIN, 37068-1013 (615)591-7077	Contractor
101109 Issue Date: 09/24/2015	**807 HILLSBORO RD renovation addition**	Residential	Addition	706 / 706	$95,000.00	Capstone Homes 315 Astor Way Franklin,TN 37064 (615)390-3524 zach@capstonetn.com	Contractor
101128 Issue Date: 09/28/2015	**560 WATSON BRANCH DR 560 Watson Branch**	Residential	Addition	224 / 0	$17,500.00	Macias Jose Inosenico 700 W. MEADE BLVD #35 FRANKLIN, 37064- (615)481-7993	Contractor
101140 Issue Date: 09/29/2015	**6011 PENBROOK DR Fieldstone Farms, Lot 1120**	Residential	Addition	255 / 255	$25,000.00	Mr. Enclosure Sunrooms & Spas Inc. 9514 Elmbrooke Blvd Brentwood,TN 37027 (615)533-3900 lindesue@aol.com	Contractor
101147 Issue Date: 09/23/2015	**527 SYDENHAM DR LOCKWOOD LOT 138**	Residential	New	3493 / 2730	$270,000.00	MALLARD HOMES 205 POWELL PLACE BRENTWOOD,TN 37027 (615)312-8249 chris.edwards@mallardhomes.us	Contractor
101154 Issue Date: 09/24/2015	**5043 DONOVAN ST WESTHAVEN LOT 1621**	Other Residential	New	3215 / 2585	$371,198.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor

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101160 Issue Date: 09/24/2015	**5037 DONOVAN ST WESTHAVEN LOT 1622**	Other Residential	New	3283 / 2645	$382,133.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
101165 Issue Date: 09/24/2015	**5031 DONOVAN ST WESTHAVEN LOT 1623**	Other Residential	New	3222 / 2588	$371,744.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
101174 Issue Date: 09/23/2015	**607 PEARRE SPRINGS WAY Westhaven, Lot 550**	Residential	Revovation	750 / 750	$16,200.00	Edward Thompson 607 Pearre Springs Way Franklin,TN 37064 (773)809-4020	Owner
101269 Issue Date: 09/29/2015	**404 PARISH PL 404 PARISH PL.. DECK ADDITION**	Residential	Miscellaneous	490 / 0	$2,000.00	BRIAN JONES dba COLIGOS 4117 HILLSBORO RD STE 103-211 NASHVILLE,TN 37215 (615)545-4659 brian@coligos.com	Other
101270 Issue Date: 09/23/2015	**320 SHEFFIELD PL 320 SHEFFIELD PL .. ADDITION**	Residential	Addition	726 / 726	$100,000.00	COMFORT HOME LLC 1443 NEELYS BEND RD MADISON,TN 37115 (615)405-4671 llccomforthomes@comcast.net	Contractor
101322 Issue Date: 09/29/2015	**2012 CANYON ECHO DR STREAM VALLEY LOT 217**	Residential	New	3341 / 2900	$344,381.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
101406 Issue Date: 09/30/2015	**538 ROCHESTER CL Westhaven, Lot 1266**	Residential	New	8096 / 5699	$700,000.00	Montgomery Classic Construciton, LLC 5123 Virginia Way Ste. A-13 Brentwood,TN 37027 (615)593-8310 john@montgomeryccllc.com	Contractor
101414 Issue Date: 09/30/2015	**1155 OLDE CAMERON LN MCKAYS MILL DECK ADDITION**	Residential	Addition	396 / 0	$5,300.00	MATTHEW/MICHELLE MCGUIRE 1155 OLDE CAMERON LN FRANKLIN,TN 37067 (615)347-0898 mmmbox@comcast.net	Other

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101418 Issue Date: 09/30/2015	**7026 SUNRISE CIR 7026 SUNRISE CIR .. RENOVATION**	Residential	Revovation	1700 / 1700	$51,000.00	COMPLETE BUILDERS 3521 LANAWOOD DR NASHVILLE,TN 37217 (615)974-1812 perryleonard@comcast.net	Contractor
101420 Issue Date: 09/30/2015	**138 EWINGVILLE DR 138 Ewingville Dr.**	Residential	Addition	440 / 0	$7,600.00	CHARLES BRUSH 138 EWINGVILLE DR FRANKLIN,TN 37064 (205)516-6689 cabrush@bellsouth.net	Owner
87947 Issue Date: 09/24/2015	**1445 MURFREESBORO RD O'Reilly Auto Parts - Quail Hollow Subdivision**	Nonresidential	New	7564 / 7564	$531,720.00	Qualified Builders Inc. 8801 Fast Park Drive Suite 215 Raleigh,NC 27617 (919)784-9280 philip.crosby@qualifiedbuildersinc.com	Contractor
88200 Issue Date: 09/01/2015	**479 CANTERBURY RISE Avalon Lot 119**	Residential	New	11427 / 8427	$1,800,000.00	BRENTWOOD BUILDERS LLC 1094 Wilmington Way Brentwood,TN 37027 (615)778-4143	Contractor
94910 Issue Date: 09/28/2015	**394 LADY OF THE LAKE LN AVALON LOT 169-retaining wall**	Residential	Miscellaneous	68 / 0	$10,000.00	CUTTING EDGE CONSTRUCTION 109 HOLIDAY COURT C-3 FRANKLIN,TN 37067 (615)405-7423 dkamunen@loebsackhomes.com	Contractor
95215 Issue Date: 09/04/2015	**870 OAK MEADOW DR SOMERBY OF FRANKLIN ASSISTED LIVING**	Other Residential	New	246679 / 246679	$35,300,000.00	DPR CONSTRUCTION PO BOX 5614 REDWOOD CITY,CA 94063-0614 (404)264-0404 jeremyp@dpr.com	Contractor
95863 Issue Date: 09/23/2015	**459 DUKE DR 459 Duke Dr. - Verizon Cell Tower Reno**	Nonresidential	Miscellaneous	10000 / 0	$25,000.00	Zirkelbach Construciton 7 South Lawrens St. Ste. 300 Greenville,SC 29601 (407)451-0474 veronica.carmean@ascendwierelessnetwork.com	Contractor

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96536 Issue Date: 09/01/2015	**1431 PERRONE WAY 1431 PERRONE WAY. - Touchstone Office Building**	Nonresidential	New	20690 / 20690	$3,087,100.00	Solomon Builders 4539 TROUSDALE DR NASHVILLE, 37220- (615)333-9369 mshumate@solomonbuilders.com	Contractor
96596 Issue Date: 09/28/2015	**1312 MURFREESBORO RD Waffle House #483**	Nonresidential	Revovation	1829 / 1829	$70,000.00	Waffle House, Inc 5986 Financial Dr. Corcross,GA 30071 (770)729-5700 jeffadams@wafflehouse.com	Contractor
96745 Issue Date: 09/10/2015	**1010 MURFREESBORO RD Sprouts Farmers Market #580**	Nonresidential	Tenant Buildout	29673 / 29673	$2,229,157.00	JOE N GUY CO INC 2028 POWERS FERRY ROAD SUITE 280 ATLANTA,GA 30339 (770)955-4224 srichardson@joenguyco.com	Contractor
96854 Issue Date: 09/21/2015	**158 STURBRIDGE DR STURBRIDGE POINTE ADDITION**	Residential	Addition	419 / 264	$24,000.00	DECKS UNLIMITED 796 Harpeth Bend Drive Nashville,TN 37221 (615)673-9499 decks.unlimited@comcast.net	Contractor
97061 Issue Date: 09/11/2015	**811 CHARMING CT TYWATER LOT 50**	Residential	New	3283 / 2297	$250,000.00	Steve PATTERSON COMPANY 321 BILLINGSLY CT. SUITE 19 FRANKLIN,TN 37067 (615)472-1317 efridley@buypatterson.com	Contractor
97117 Issue Date: 09/18/2015	**2000 MALLORY LN STE 400 Cool Springs Market - BuyBuyBaby**	Nonresidential	Tenant Buildout	23988 / 23988	$800,000.00	R E CRAWFORD CONSTRUCTION 6771 PROFESSIONAL PKWY WEST SUITE 100 SARASOTA,FL 34240 (941)587-0450 jeff@recrawford.com	Contractor
97281 Issue Date: 09/10/2015	**467 CANTERBURY RISE Avalon Lot 117**	Residential	New	10402 / 7766	$2,290,067.00	Mossy Ridge Contruction 6024 Sherwwod Dr. Nashville,TN 37215 (615)238-1270 na@na.com	Contractor

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98705 **Issue Date: 09/17/2015**	**318 LIONHEART WAY** **125 Avalon**	Residential	New	6499 / 4978	$800,000.00	Gp Luxury Llc P.O. BOX 2966 BRENTWOOD, 37024- (615)678-7963 caldwell@groveparkconstruction.com	Contractor
98771 **Issue Date: 09/02/2015**	**128 HOLIDAY CT STE 110** **Franklin Entertainment Suite - 128 Holiday Ct.**	Nonresidential	Tenant Buildout	1900 / 1900	$54,000.00	Exodus Industries INC 308 Seaboard Lane, Ste #104 Franklin,TN 37067 (615)468-2139 Cary.Powers@exoduxindustries.com	Contractor
98816 **Issue Date: 09/09/2015**	**319 MEALER ST** **HURSTBOURNE LOT 96, NEW**	Residential	New	6633 / 5036	$634,000.00	Drees Premier Homes INC 1604 WESTGATE CIRCLE BRENTWOOD,TN 37027 (615)771-2191 lmealer@dreeshomes.com	Contractor
98954 **Issue Date: 09/02/2015**	**147 RICHARDS GLEN DR** **RICHARDS GLEN**	Residential	Addition	256 / 0	$15,000.00	CHAMPION WINDOW & PATIO 5780 CROSSINGS BLVD ANTIOCH,TN 37013- (615)841-7411x CCLARK@CHAMPIONWINDOW.COM	Contractor
99051 **Issue Date: 09/09/2015**	**415 DUKE DR STE 370** **Franklin School of Performing Arts**	Nonresidential	Revovation	3532 / 3532	$182,600.00	Commercial Industrial Constr 101 SPACE PARK SOUTH DR NASHVILLE, 37211- (615)781-9550 www.jon@cictn.com	Contractor
99052 **Issue Date: 09/17/2015**	**108 BRADFORD DR** **ROLLING MEADOWS LOT 13, NEW**	Residential	New	1237 / 1111	$85,000.00	Habitat Of Williamson County PO BOX 681013 FRANKLIN, 37068-1013 (615)591-7077	Contractor
99060 **Issue Date: 09/21/2015**	**302 S ROYAL OAKS BLVD** **VANDERBILT BONE & JOINT RENOVATION**	Nonresidential	Revovation	11761 / 11761	$1,200,000.00	Batten & Shaw INC 107 Musci City Circle Ste 300 Nashville,TN 37214 (615)292-2400 stevebongiovanni@bsinet.us	Contractor
99069 **Issue Date: 09/17/2015**	**1800 GALLERIA BLVD** **Cool Springs Galleria Ste 19 - Landlord Supply**	Nonresidential	Revovation	495 / 495	$10,000.00	Conrad Constr Co Inc 2610 WINFORD AVE NASHVILLE,TN 37211- (615)244-9661 bill@conradconst.com	Contractor

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99076 **Issue Date: 09/01/2015**	**5004 ROCKPORT AVE** **Stream Valley Lot 303**	Residential	New	4764 / 4015	$377,440.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
99166 **Issue Date: 09/23/2015**	**234 FOWLER CIR** **LADD PARK LOT 215, NEW**	Residential	New	4794 / 3992	$367,180.00	GOODALL HOMES 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 wellison@goodallhomes.com	Contractor
99170 **Issue Date: 09/09/2015**	**1179 ECHO LN** **THE PRESERVE @ ECHO ESTATES LOT 1, NEW**	Residential	New	6560 / 5244	$830,000.00	Bernie Bloemer Custom Homes P.O. BOX 2011 BRENTWOOD,TN 37027- (615)406-2201x	Contractor
99174 **Issue Date: 09/01/2015**	**88 MOLLY BRIGHT LN** **LADD PARK LOT 225, NEW**	Residential	New	3525 / 2816	$322,440.00	GOODALL HOMES 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 wellison@goodallhomes.com	Contractor
99201 **Issue Date: 09/10/2015**	**230 FRANKLIN RD STE 11K** **Five Daughters Bakery**	Nonresidential	Tenant Buildout	900 / 900	$600.00	Five Daughters Bakery 230 Franklin Rd Franklin,TN 37064 (615)394-8444 w22bb22@gmail.com	Owner
99220 **Issue Date: 09/16/2015**	**356 MEALER ST** **HURSTBOURNE PARK LOT 108, NEW**	Residential	New	5794 / 4570	$460,000.00	Drees Premier Homes INC 1604 WESTGATE CIRCLE BRENTWOOD,TN 37027 (615)771-2191 lmealer@dreeshomes.com	Contractor
99233 **Issue Date: 09/09/2015**	**401 AVON RIVER RD** **LADD PARK LOT 441, NEW**	Residential	New	3383 / 2561	$243,295.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
99285 **Issue Date: 09/16/2015**	**308 MEALER ST** **HURSTBOURNE PARK LOT 116, NEW**	Residential	New	6348 / 5038	$550,000.00	Drees Premier Homes INC 1604 WESTGATE CIRCLE BRENTWOOD,TN 37027 (615)771-2191 lmealer@dreeshomes.com	Contractor

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99289 Issue Date: 09/02/2015	**117 TREEMONT LN TREEMONT LOT 8, POOL**	Residential	Miscellaneous	0 / 0	$70,000.00	BRENTWOOD BUILDERS LLC 1094 Wilmington Way Brentwood,TN 37027 (615)778-4143	Contractor
99350 Issue Date: 09/04/2015	**443 COOL SPRINGS BLVD STE 105 ORIGINA SALON SPA**	Nonresidential	Revovation	2583 / 2583	$25,500.00	JAY BROWN CONSTRUCTION 5120 JOE PEAY ROAD SPRING HILL,TN 37174 (615)512-0063	Contractor
99351 Issue Date: 09/17/2015	**117 GIST ST GIST STREET SUBDIVISION, LOT 1**	Residential	New	5102 / 3889	$420,000.00	GARDEN GATE HOMES 109 BATTLEFIELD DR FRANKLIN,TN 37064- (615)456-5515x matt.christensen@comcast.net	Contractor
99405 Issue Date: 09/28/2015	**1550 W MCEWEN DR STE 700 Verizon Cell Site**	Nonresidential	Miscellaneous	1 / 1	$239,630.63	C E Hutson Elec Co Inc 132 INDUSTRIAL DR WHITE HOUSE,TN 37188- (615)672-2759 chutson@cehutson.com	Contractor
99407 Issue Date: 09/10/2015	**812 SHADE TREE LN Stream Valley Lot 66 Deck**	Residential	Miscellaneous	192 / 0	$1,600.00	Rick Robertson 241 Pleasant Run Rd. Amyrna,TN 37167 (615)482-3884 na@na.com	Other
99457 Issue Date: 09/24/2015	**113 SEABOARD LN Dover Center Pedestrian Bridges Concrete - Phase 2**	Nonresidential	Revovation	800 / 0	$80,000.00	Mr Concrete 3008 McCampbell Ave Nashville,Tn 37214 (615)440-7339	Contractor
99458 Issue Date: 09/24/2015	**912 LINDEN ISLE DR STREAM VALLEY LOT 107**	Residential	New	3344 / 2664	$285,745.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
99462 Issue Date: 09/02/2015	**9045 KEATS ST Westhaven - Lot 1629**	Residential	New	5337 / 3932	$500,000.00	p.o box 682461 franklin,tn 37067 (615)405-4401 PHUFF@STONEGATEHOMES.US	Contractor

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99470 Issue Date: 09/02/2015	**8037 KEATS ST Westhaven - Lot 1637**	Residential	New	5818 / 4299	$600,000.00	p.o box 682461 franklin,tn 37067 (615)405-4401 PHUFF@STONEGATEHOMES.US	Contractor
99474 Issue Date: 09/01/2015	**9178 KEATS ST WESTHAVEN LOT 1562, NEW**	Residential	New	4320 / 3340	$384,100.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
99495 Issue Date: 09/11/2015	**326 MAIN ST 326 Main St.**	Nonresidential	Tenant Buildout	1350 / 1350	$15,000.00	Rock City Constr Inc PO BOX 607 FRANKLIN,TN 37064- (615)794-6691 freynolds@rockcityconstruciton.com	Contractor

Total Number of Permits: 104 **Total Valuation: $67,716,011.63**