HISTORIC FRANKLIN TENNESSEE

City of Franklin

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

Meeting Agenda

Budget & Finance Committee

Thursday, September 13, 2018 **2:00 PM** **Board Room**

Call To Order

1. 18-0943 Approval of Minutes from the August 9, 2018 Finance Committee meeting.

2. 18-0944 Consideration of Ordinance 2018-48 - An Ordinance to Amend the FY 2019 Budget. (09/13/18 Finance 4-0, 09/25/18 BOMA 1st Reading 8-0, 10/3/18 Public Hearing and BOMA 2nd Reading 8-0) THIRD AND FINAL READING

Sponsors: Kristine Brock and Michael Walters Young

Attachments: FY 2019 Budget Amendment #2 Memo
Ord 2018-48 FY 2019 Budget Amendment_with attachment
Impact of 2018-48 - FY 2019 Budget Amendment

3. 18-0945 Consideration of Resolution 2018-78 - A Resolution to Revise the Organizational Charts within the Police Department and City Court. (09/13/18 Finance 4-0)

Sponsors: Kristine Brock, Deb Faulkner and Lawrence Sullivan

Attachments: 18-0945 Res 2018-78 Police and City Court Reorg_with exhibits.Law Approved.

4. 18-0946 Consideration of Resolution 2018-79 - A Resolution to Revise the Organizational Chart within the Fire Department (09/13/18 Finance 4-0)

Sponsors: Kristine Brock and Rocky Garzarek

Attachments: Res 2018-79 Fire Reorg_with Exhibit.Law Approved

5. 18-0947 Consideration of Resolution 2018-80 - A Resolution to Enable the City Administrator Certain Latitude in Hiring and Recruitment (09/13/18 Finance 4-0)

Sponsors: Eric Stuckey

Attachments: Res 2018-80 City Admin Recruitment Latitude.Law Approved 2

6. 18-0889 Consideration of Resolution 2018-71, a Resolution for Reimbursement of Certain Project Expenditures to be Funded from General Obligation Bond Proceeds. (09/13/18 Finance 4-0)

Sponsors: Eric Stuckey and Kristine Brock

Attachments: Res 2018-71_ Reimbursement Resolution.Law Approved (002)

7. 18-0890 Update on City's Non-Pension related Investments

Sponsors: Kristine Brock

Attachments: 9-13-18 Franklin Meeting GPA (002)

8. 18-0888 Report of Account Balance from 2017 General Obligation Bond Issue

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

Attachments: $23.12m Bond Issue (from Jun 2017).pdf

9. 18-0893 Report on City's Other Post Employment Benefit (OPEB) Liability

Sponsors: Kristine Brock and Mike Lowe

Attachments: OPEB Valuation - July 1, 2018.pdf

10. 18-0887 Fiscal Year 2018 Fourth Quarter Financial Report (unaudited)

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

Attachments: City of Franklin - 4th Quarter Report 2018.pdf

11. 18-0886 Monthly Reports for September 2018

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

Attachments: Monthly Reports - September 2018.pdf

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.

HISTORIC FRANKLIN TENNESSEE

MEMORANDUM

September 7, 2018

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

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

RE: Consideration of Ordinance 2018-48, 1st Quarter 2019 Budget Amendments

Purpose

The purpose of this item is to amend the Fiscal Year 2019 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, 2019.

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 four budget amendments.

The amendments are as follows:

1. Pavement Sealing: Increase expenses in the State Street Aid Fund by $92,411 for the "re-appropriation" of pavement sealing from FY 2018. Now that the books are closed, we are able to state with certainty that money is available within the State Street Aid Fund to "re-appropriate" in FY 2019 from the prior year. These funds were generated as a result of not fully expending the amount budgeted for pavement sealing. This successful program is budgeted again in FY 2019, and the Streets Department is seeking this carry over of funds to do even more.
2. Hillsboro Road Phase II: Increase Transfers to the Multi-Purpose Capital Projects Fund by $50,000 from the Stormwater Fund and $195,000 from the Hotel/Motel Fund. This amendment is a clean-up of an item which should have been part of the last budget amendment of FY 2018. The planned funding of the Hillsboro Road Phase II project included two distinct transfers of $50,000 from Stormwater (for a total contribution of $100,000) and of $195,000 from Hotel/Motel (for a total contribution $390,000). Though these transfers were part of the final FY 2017 budget amendment, this was not the case in FY 2018. This transfer will correct that oversight and further serve to reduce the deficit in the Multi-Purpose Capital Projects Fund.
3. Officer Safety Gear: Increase expenses in the Drug Fund by $80,000 for the purpose of purchasing 75 sets of officer safety gear for the Franklin Police Department. The additional

safety gear will ensure officer safety in the event of patrolling various public events and responding to emergencies.

4. Accounting Correction: Increase Grant Programs allocation in the Community Development Block Grant Fund by $60,786. This is a request to correct an accounting entry made in FY 2016 necessary to ensure the fund had sufficient cash balance at year end. This has inflated year-end fund balance for several years now in the CDBG Fund, and with this correction will return it to historic levels of between $25,000-$30,000.

This is the second budget amendment during this Fiscal Year to the budget. We envision more during the Fiscal Year.

Financial Impact

The amendments, as proposed, would result in:

1. State Street Aid Fund: Decrease of Fund Balance of $92,411.
2. Stormwater Fund: Decrease of Fund Balance of $50,000.
3. Drug Fund: Decrease of Fund Balance of $80,000.
4. Hotel/Motel Tax Fund: Decrease of Fund Balance of $195,000.
5. CDBG Fund: Decrease of Fund Balance of $60,786.
6. Multi-Purpose Capital Projects Fund: Increase of Fund Balance of $245,000.

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. 2018-48

AN ORDINANCE TO AMEND THE BUDGET OF THE CITY OF FRANKLIN FOR FISCAL YEAR 2018-2019

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, 2018, 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 2018-2019 shall be amended and does allocate and appropriate additional funding as follows:

STATE STREET AID FUND	[Amendment 1]		
REVENUE			
EXPENDITURES			
Paving & Repair Services		Increase	$ 92,411

Net Increase (Decrease) to State Street Aid Fund Balance			**($ 92,411)**
STORMWATER FUND	[Amendment 2]		
REVENUE			
EXPENDITURES			
Transfer to Capital Projects Fund		Increase	$ 50,000

Net Increase (Decrease) to Stormwater Fund Balance			**($ 50,000)**
DRUG FUND	[Amendment 3]		
REVENUE			
EXPENDITURES			
Machinery & Equipment		Increase	$ 80,000

Net Increase (Decrease) to Drug Fund Balance			**($ 80,000)**

Law Dept. approved 09.12.18

HOTEL/MOTEL FUND	[Amendment 2]		
REVENUE			
EXPENDITURES			
Transfer to Capital Projects Fund		Increase	$ 195,000

Net Increase (Decrease) to Hotel/Motel Fund Balance			**($ 195,000)**
CDBG FUND	[Amendment 4]		
REVENUE			
EXPENDITURES			
Grant Programs		Increase	$ 60,786

Net Increase (Decrease) to CDBG Fund Balance			**($ 60,786)**
CAPITAL PROJECTS FUND	[Amendment 2]		
REVENUE			
Transfer from Stormwater Fund		Increase	$ 50,000
Transfer from Hotel/Motel Fund		Increase	$ 195,000
EXPENDITURES			

Net Increase (Decrease) to Capital Projects Fund Balance			**$ 245,000**

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:

By: ________________________________

ERIC S. STUCKEY
City Administrator

CITY OF FRANKLIN, TENNESSEE:

By: ____________________________

DR. KEN MOORE
Mayor

Approved as to form:

____
Shauna R. Billingsley, City Attorney

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

Law Dept. approved 09.12.18

Impact of Ordinance 2018-48 on Budgets

The following demonstrates the impact of Ordinance 2018-48 on six separate funds: the State Street Aid, the Stormwater Fund, the Drug Fund, the Hotel/Motel Tax Fund, the Community Development Block Grant (CDBG) Fund, and the Multi-Purpose Capital Projects Fund. It is important to note:

a) The State Street Aid Fund will decrease by $92,411 as a result of this amendment.
b) The Stormwater Fund will decrease by $50,000 as a result of this amendment.
c) The Drug Fund will decrease by $80,000 as a result of this amendment.
d) The Hotel/Motel Tax Fund will decrease by $195,000 as a result of this amendment.
e) The CDBG Fund will decrease by $60,786 as a result of this amendment.
f) The Multi-Purpose Capital Projects Fund will increase by $245,000 as a result of this amendment.

Fund 121 - State Street Aid Fund

	A	B	C(B-A)	D (B/A)
	2018 Budget	2018 Amended	Difference $	%
Beginning Estimated Fund Balance*	**$ 645,345**	**$ 645,345**	**$ -**	**0.00%**
Revenues	**$ 3,711,985**	**$ 3,711,985**	**$ -**	**0.00%**
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ 4,194,600	$ 4,287,011	$ 92,411	2.20%
Capital	$ -	$ -	$ -	0.00%
Expenses	**$ 4,194,600**	**$ 4,287,011**	**$ 92,411**	**2.20%**
Ending Balance	**$ 162,730**	**$ 70,319**	**$ (92,411)**	**-56.79%**

Fund 135 - Stormwater Fund

	A	B	C(B-A)	D (B/A)
	2018 Budget	2018 Amended	Difference $	%
Beginning Estimated Fund Balance*	**$ 4,171,436**	**$ 4,171,436**	**$ -**	**0.00%**
Revenues	**$ 2,722,281**	**$ 2,722,281**	**$ -**	**0.00%**
Expenses				
Personnel	$ 1,668,527	$ 1,668,527	$ -	0.00%
Operations	$ 913,586	$ 963,586	$ 50,000	5.47%
Capital	$ 3,506,000	$ 3,506,000	$ -	0.00%
Expenses	**$ 6,088,113**	**$ 6,138,113**	**$ 50,000**	**0.82%**
Ending Balance	**$ 805,604**	**$ 755,604**	**$ (50,000)**	**-6.21%**

**Unaudited starting fund balances. May be updated once FY 2018 Audit is completed.*

Fund 140 - Drug Fund

Impact of Ordinance 2018-48 on Budgets

	A	B	C(B-A)	D (B/A)
	2018 Budget	2018 Amended	Difference $	%
Beginning Estimated Fund Balance*	$ 508,522	$ 508,522	$ -	0.00%
Revenues	$ 224,586	$ 224,586	$ -	0.00%
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ 72,500	$ 152,500	$ 80,000	110.34%
Capital	$ -	$ -	$ -	0.00%
Expenses	$ 72,500	$ 152,500	$ 80,000	110.34%
Ending Balance	$ 660,608	$ 580,608	$ (80,000)	-12.11%

Fund 150 - Hotel/Motel Fund

	A	B	C(B-A)	D (B/A)
	2018 Budget	2018 Amended	Difference $	%
Beginning Estimated Fund Balance*	$ 5,722,085	$ 5,722,085	$ -	0.00%
Revenues	$ 3,744,327	$ 3,744,327	$ -	0.00%
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ 2,117,773	$ 2,312,773	$ 195,000	9.21%
Capital	$ 439,286	$ 439,286	$ -	0.00%
Expenses	$ 2,557,059	$ 2,752,059	$ 195,000	7.63%
Ending Balance	$ 6,909,353	$ 6,714,353	$ (195,000)	-2.82%

Fund 170 - Community Development Block Grant (CDBG) Fund

	A	B	C(B-A)	D (B/A)
	2018 Budget	2018 Amended	Difference $	%
Beginning Estimated Fund Balance*	$ 89,690	$ 89,690	$ -	0.00%
Revenues	$ 255,306	$ 255,306	$ -	0.00%
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ 250,500	$ 311,286	$ 60,786	24.27%
Capital	$ -	$ -	$ -	0.00%
Expenses	$ 250,500	$ 311,286	$ 60,786	24.27%
Ending Balance	$ 94,496	$ 33,710	$ (60,786)	-64.33%

**Unaudited starting fund balances. May be updated once FY 2018 Audit is completed.*

Funds 310 & 311 - Multi Purpose Capital Projects Fund

A	B	C(B-A)	D (B/A)

City of Franklin, Tennessee
FY 2019 Operating Budget

Impact of Ordinance 2018-48 on Budgets

	2018 Budget	2018 Amended	Difference $	Difference %
Beginning Estimated Fund Balance*	**$ 8,217,532**	**$ 8,217,532**	**$ -**	**0.00%**
Revenues	**$ -**	**$ 245,000**	**$ 245,000**	**100.00%**
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ -	$ -	$ -	0.00%
Capital	$ -	$ -	$ -	0.00%
Expenses	**$ -**	**$ -**	**$ -**	**0.00%**
Ending Balance	**$ 8,217,532**	**$ 8,462,532**	**$ 245,000**	**2.98%**

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Funds 310 & 311 - Multi Purpose Capital Projects Fund

A	B	C(B-A)	D (B/A)

City of Franklin, Tennessee
FY 2019 Operating Budget

Impact of Ordinance 2018-48 on Budgets

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Capital	$ -	$ -	$ -	0.00%
Expenses	**$ -**	**$ -**	**$ -**	**0.00%**
Ending Balance	**$ 8,217,532**	**$ 8,462,532**	**$ 245,000**	**2.98%**

**Unaudited starting fund balances. May be updated once FY 2018 Audit is completed.*

RESOLUTION 2018-78

A RESOLUTION TO REVISE THE ORGANIZATIONAL CHARTS WITHIN THE POLICE DEPARTMENT AND CITY COURT

WHEREAS, the Board of Mayor and Aldermen established the annual budget for the City of Franklin for the Fiscal Year 2018-2019, by Ordinance 2018-10, effective July 1, 2018; and

WHEREAS, the Chief of Police and the Revenue & Licensing Manager and City Court Clerk desire to adjust the Organizational Chart in both the Revenue Management Department and City Court; and

WHEREAS, with respect to both the Police Department and the City Court, the reorganization will provide for more appropriate division of duties to maximize operational effectiveness, court security, and customer service; and

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

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

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

Section 1. The City of Franklin hereby adopts the amended Organization and Personnel Charts for the Police Department, to be incorporated within the FY 2018-19 Budget, as shown in Exhibit A, attached, with one Parking Enforcement Officer position eliminated.

Section 2. The City of Franklin hereby adopts the amended Organization and Personnel Charts for the City Court, to be incorporated within the FY 2018-19 Budget, as shown in Exhibit B, attached, to show the addition of a new full-time Court Security and Parking Enforcement Officer position.

Section 3. That the funds necessary to accommodate this modification of staffing have been provided for through Ordinance 2018-44, "AN ORDINANCE TO AMEND THE BUDGET OF THE CITY OF FRANKLIN FOR FISCAL YEAR 2018-2019."

Section 4. That the Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this _________day of _______________________2018.

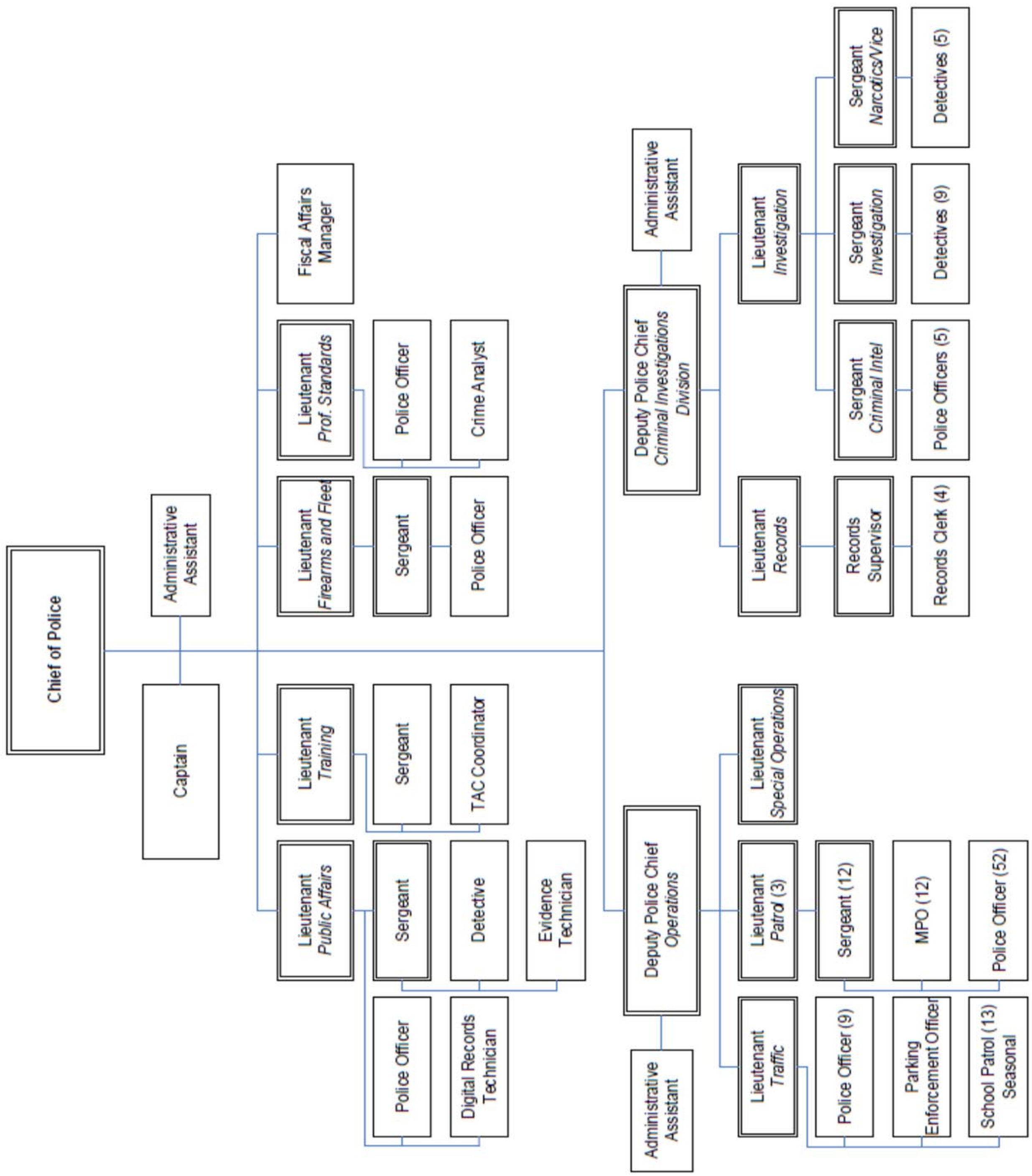
ATTEST	CITY OF FRANKLIN, TENNESSEE
By: __________________________	By: __________________________
ERIC S. STUCKEY City Administrator	DR. KEN MOORE Mayor

Approved as to Form:

By: __________________________
Shauna R. Billingsley
City Attorney

City of Franklin, Tennessee
FY 2019 Operating Budget

Organizational Chart (Current)



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

City of Franklin, Tennessee
FY 2019 Operating Budget

Staffing by Position (Current)

Position	Pay Grade	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Sworn Officers											
Police Chief	Grade M	1	0	1	0	1	0	1	0	1	0
Police Deputy Chief	Grade K	2	0	2	0	2	0	2	0	2	0
Field Operations Captain	Grade J	0	0	1	0	1	0	1	0	1	0
Police Lieutenants	Grade I	9	0	10	0	10	0	10	0	10	0
Police Sergeant	Grade G	20	0	18	0	18	0	18	0	18	0
Detective/Master Patrol	Grade F	27	0	27	0	27	0	27	0	27	0
Police Officers	Grade E	68	0	68	0	70	0	70	0	70	0
Police Officer (R&D)	Grade E	1	0	1	0	0	0	0	0	0	0
Non-Sworn Personnel											
Fiscal Affairs Manager	Grade H	1	0	1	0	1	0	1	0	1	0
Crime Analyst	Grade F	0	0	0	0	1	0	1	0	1	0
Digital Records Technician	Grade F	0	0	1	0	1	0	1	0	1	0
Asst. Comm. Super.*	Grade E	1	0	1	0	0	0	0	0	0	0
Records Supervisor	Grade E	1	0	1	0	1	0	1	0	1	0
Sr. Communications Officer*	Grade E	3	0	3	0	0	0	0	0	0	0
Admin. Asst.	Grade D	4	0	4	0	3	0	3	0	3	0
Comm. Center Support Coord.	Grade D	1	0	1	0	1	0	1	0	1	0
Evidence Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Communications Officer*	Grade D	12	0	12	0	0	0	0	0	0	0
Administrative Secretary	Grade B	0	2	0	2	0	2	0	0	0	0
Records Clerk	Grade B	3	0	3	0	3	0	4	0	4	0
Parking Enforcement Officer	Grade B	1	0	1	0	1	0	1	0	1	0
School Patrol (Part-time)	Grade A	0	11	0	11	0	11	0	11	0	11
Total Authorized Staffing		**156**	**13**	**157**	**13**	**142**	**13**	**143**	**11**	**143**	**11**

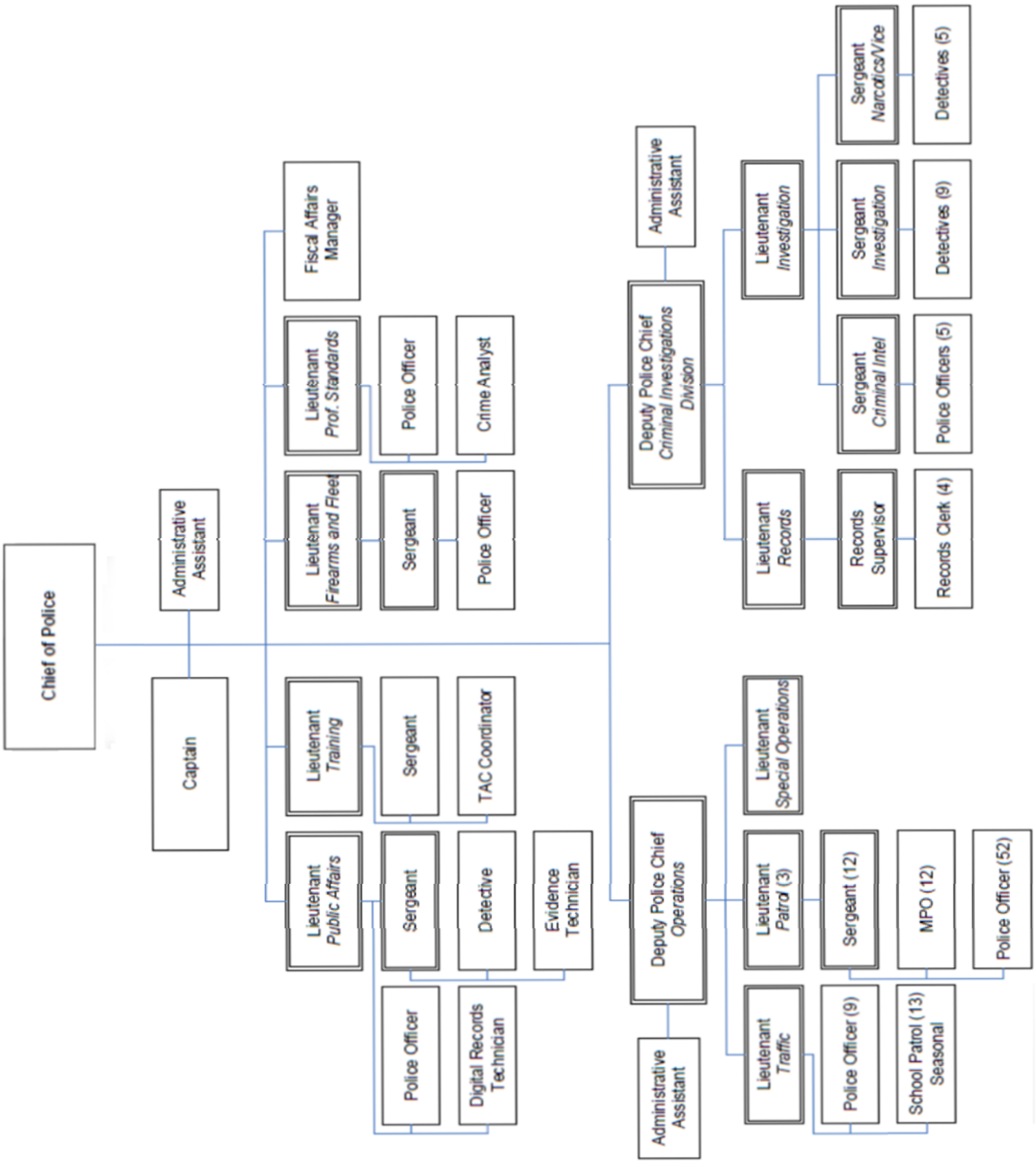
Positions by Division

Administration	8	0	9	0	15	0	17	0	17	0
Patrol	88	11	88	11	97	11	96	11	96	11
CID	60	2	60	2	30	2	30	0	30	0
Total Authorized Staffing	**156**	**13**	**157**	**13**	**142**	**13**	**143**	**11**	**143**	**11**

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

City of Franklin, Tennessee
FY 2019 Operating Budget

Organizational Chart (New)



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

City of Franklin, Tennessee
FY 2019 Operating Budget

Staffing by Position (New)

Position	Pay Grade	FY 2015 F-T	FY 2015 P-T	FY 2016 F-T	FY 2016 P-T	FY 2017 F-T	FY 2017 P-T	FY 2018 F-T	FY 2018 P-T	FY 2019 F-T	FY 2019 P-T
Sworn Officers											
Police Chief	Grade M	1	0	1	0	1	0	1	0	1	0
Police Deputy Chief	Grade K	2	0	2	0	2	0	2	0	2	0
Field Operations Captain	Grade J	0	0	1	0	1	0	1	0	1	0
Police Lieutenants	Grade I	9	0	10	0	10	0	10	0	10	0
Police Sergeant	Grade G	20	0	18	0	18	0	18	0	18	0
Detective/Master Patrol	Grade F	27	0	27	0	27	0	27	0	27	0
Police Officers	Grade E	68	0	68	0	70	0	70	0	70	0
Police Officer (R&D)	Grade E	1	0	1	0	0	0	0	0	0	0
Non-Sworn Personnel											
Fiscal Affairs Manager	Grade H	1	0	1	0	1	0	1	0	1	0
Crime Analyst	Grade F	0	0	0	0	1	0	1	0	1	0
Digital Records Technician	Grade F	0	0	1	0	1	0	1	0	1	0
Asst. Comm. Super.*	Grade E	1	0	1	0	0	0	0	0	0	0
Records Supervisor	Grade E	1	0	1	0	1	0	1	0	1	0
Sr. Communications Officer*	Grade E	3	0	3	0	0	0	0	0	0	0
Admin. Asst.	Grade D	4	0	4	0	3	0	3	0	3	0
Comm. Center Support Coord.	Grade D	1	0	1	0	1	0	1	0	1	0
Evidence Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Communications Officer*	Grade D	12	0	12	0	0	0	0	0	0	0
Administrative Secretary	Grade B	0	2	0	2	0	2	0	0	0	0
Records Clerk	Grade B	3	0	3	0	3	0	4	0	4	0
Parking Enforcement Officer	Grade B	1	0	1	0	1	0	1	0	0	0
School Patrol (Part-time)	Grade A	0	11	0	11	0	11	0	11	0	11
Total Authorized Staffing		**156**	**13**	**157**	**13**	**142**	**13**	**143**	**11**	**142**	**11**

Positions by Division

Division	FY 2015 F-T	FY 2015 P-T	FY 2016 F-T	FY 2016 P-T	FY 2017 F-T	FY 2017 P-T	FY 2018 F-T	FY 2018 P-T	FY 2019 F-T	FY 2019 P-T
Administration	8	0	9	0	15	0	17	0	17	0
Patrol	88	11	88	11	97	11	96	11	95	11
CID	60	2	60	2	30	2	30	0	30	0
Total Authorized Staffing	**156**	**13**	**157**	**13**	**142**	**13**	**143**	**11**	**142**	**11**

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

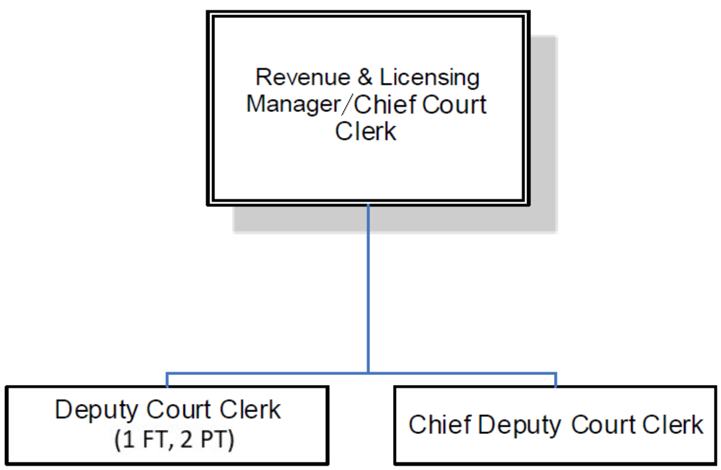
City of Franklin, Tennessee
FY 2019 Operating Budget

Performance Measures

	Goal: Deliver customer oriented quality service					
	Deploy tool for online payments	YES	YES	YES	YES	YES
	Customer feedback tool deployed and responding within 2 business days 100% of the time to those needing responses	100.0%	100.0%	100.0%	100.0%	100.0%
	Goal: Collect the monies owed the City of Franklin by taking actions to pursue obligations in accordance with State and City requirements.					
	Actions taken due to citations not satisfied (% that meet follow up criteria)	95.0%	95.0%	95.0%	95.0%	95.0%

** 2018 and 2019 Data Estimated*

Organizational Chart (Current)



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

Staffing by Position (Current)

Position	Pay Grade	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Chief Deputy Court Clerk	Grade F	1	0	1	0	1	0	1	0	1	0
Deputy Court Clerk	Grade C	1	2	2	0	2	0	1	2	1	2
Totals		**2**	**2**	**3**	**0**	**3**	**0**	**2**	**2**	**2**	**2**

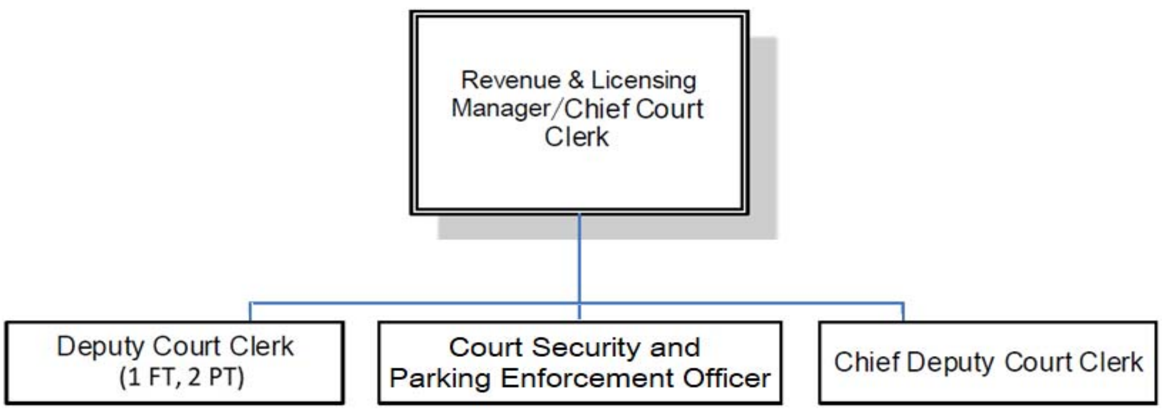
City of Franklin, Tennessee
FY 2019 Operating Budget

Performance Measures

	Goal: Deliver customer oriented quality service					
	Deploy tool for online payments	YES	YES	YES	YES	YES
	Customer feedback tool deployed and responding within 2 business days 100% of the time to those needing responses	100.0%	100.0%	100.0%	100.0%	100.0%
	Goal: Collect the monies owed the City of Franklin by taking actions to pursue obligations in accordance with State and City requirements.					
	Actions taken due to citations not satisfied (% that meet follow up criteria)	95.0%	95.0%	95.0%	95.0%	95.0%

** 2018 and 2019 Data Estimated*

Organizational Chart (New)



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

Staffing by Position (New)

Position	Pay Grade	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Chief Deputy Court Clerk	Grade F	1	0	1	0	1	0	1	0	1	0
Deputy Court Clerk	Grade C	1	2	2	0	2	0	1	2	1	2
Court Security and Parking Enforcement Officer	Grade C	0	0	0	0	0	0	0	0	1	0
Totals		**2**	**2**	**3**	**0**	**3**	**0**	**2**	**2**	**3**	**2**

RESOLUTION 2018-79

A RESOLUTION TO REVISE THE ORGANIZATIONAL CHART WITHIN THE FIRE DEPARTMENT

WHEREAS, the Board of Mayor and Aldermen established the annual budget for the City of Franklin for the Fiscal Year 2018-2019, by Ordinance 2018-10, effective July 1, 2018; and

WHEREAS, the Fire Chief desires to adjust the Organizational Chart of the Fire Department; and

WHEREAS, with respect to the Fire Department the reorganization will provide for greater qualified staff to assist the Fire Marshall in the execution of his duties to protect the health, safety, and property of the community; and

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

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

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

Section 1. The City of Franklin hereby adopts the amended Organization and Personnel Charts for the Fire Department, to be incorporated within the FY 2018-19 Budget, as shown in Exhibit A, attached, with the elimination of the Fire Inspector Supervisor and the addition of one additional full-time Assistant Fire Marshall, without amending the expenditures currently adopted in the FY 2018-19 Budget.

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

IT IS SO RESOLVED AND DONE on this _________day of ______________________2018.

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

Approved as to Form

By: __________________________
Shauna R. Billingsley
City Attorney

Law Dept. approved 09.12.18

City of Franklin, Tennessee
FY 2019 Operating Budget

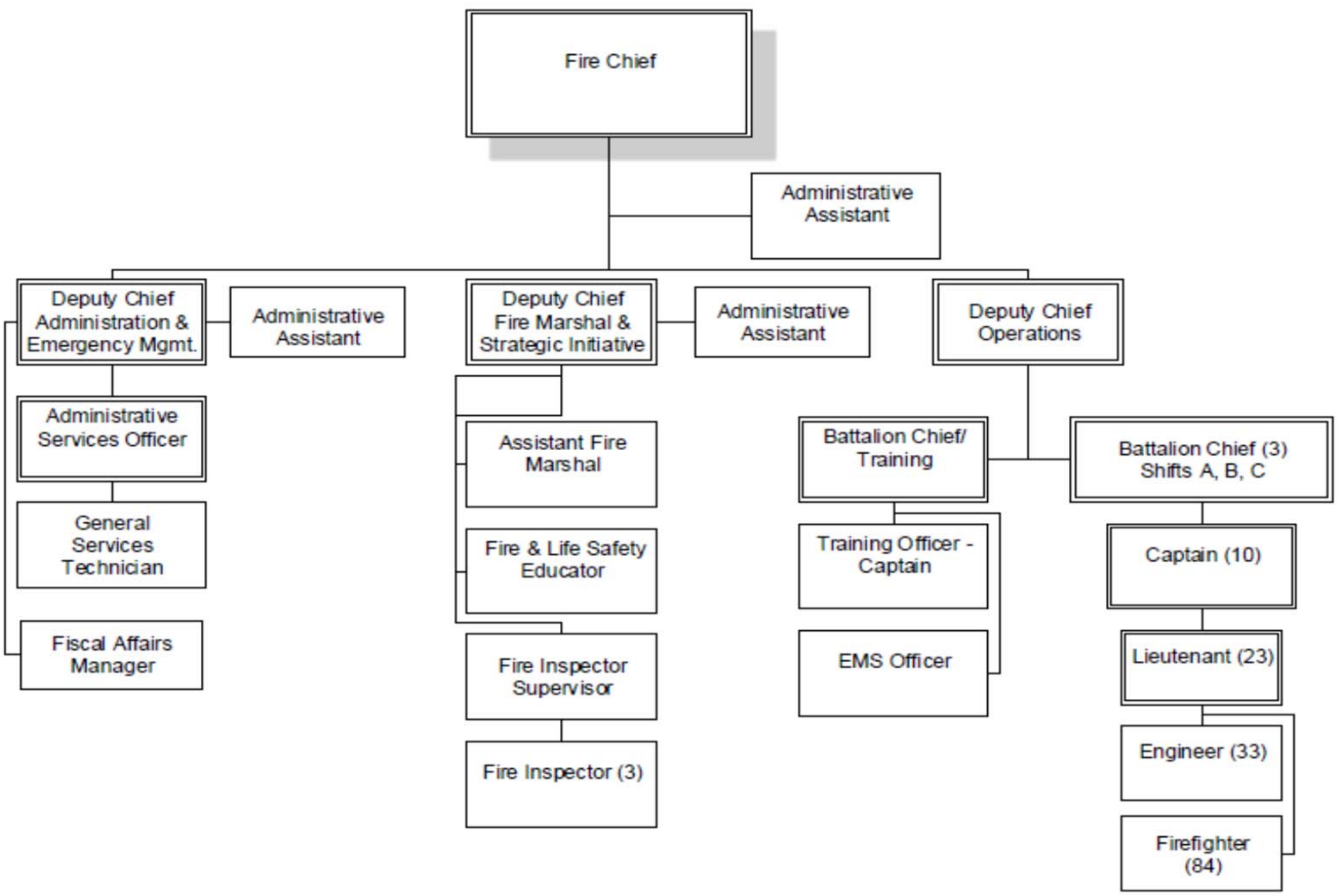
Performance Measures

**** 2018 and 2019 measures estimated.*

Franklin Citizens Survey ***(Fall 2016)***

		Excellent	Good	Fair	Poor
☑	% rating the quality of Fire services	64%	35%	1%	0%
☑	% rating the quality of Fire prevention and education	45%	46%	8%	1%
☑	% rating the quality of Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	24%	53%	19%	4%

Organizational Chart



City of Franklin, Tennessee
FY 2019 Operating Budget

Staffing by Position (Current)

Position	Pay Grade	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Fire Chief	Grade L	1	0	1	0	1	0	1	0	1	0
Fire Deputy Chief - Administration	Grade K	1	0	1	0	1	0	1	0	1	0
Fire Deputy Chief - Operations	Grade K	1	0	1	0	1	0	1	0	1	0
Fire Deputy Chief - Fire Marshal	Grade K	1	0	1	0	1	0	1	0	1	0
Battalion Chief	Grade J	3	0	3	0	3	0	3	0	3	0
Battalion Chief - Training	Grade J	1	0	1	0	1	0	1	0	1	0
EMS Officer	Grade I	1	0	1	0	1	0	1	0	1	0
Fire Captain	Grade I	14	0	14	0	11	0	10	0	10	0
Training Officer (Captain)	Grade I	1	0	1	0	1	0	1	0	1	0
Administrative Services Officer	Grade I	1	0	1	0	1	0	1	0	1	0
Assistant Fire Marshal	Grade H	1	0	1	0	1	0	1	0	1	0
Fiscal Affairs Manager	Grade H	0	0	0	0	1	0	1	0	1	0
Fire Inspector Supervisor*	Grade H	0	0	0	0	0	0	1	0	1	0
Fire & Life Safety Educator	Grade G	1	0	1	0	1	0	1	0	1	0
Fire Lieutenant	Grade G	16	0	16	0	22	0	23	0	23	0
Fire Inspector	Grade G	3	0	3	0	3	0	3	0	3	0
Fire Engineer	Grade F	30	0	30	0	33	0	33	0	33	0
Firefighter	Grade E	91	0	91	0	84	0	84	0	84	0
Administrative Assistant	Grade D	3	0	3	0	3	0	3	0	3	0
General Services Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Intern	--	0	0	0	0	0	0	0	0	0	0
Accreditation Manager	--	0	0	0	0	0	0	0	0	0	0
Totals		**171**	**0**	**171**	**0**	**171**	**0**	**172**	**0**	**172**	**0**

**Funded for 10 months for FY 2018.*

City of Franklin, Tennessee
FY 2019 Operating Budget

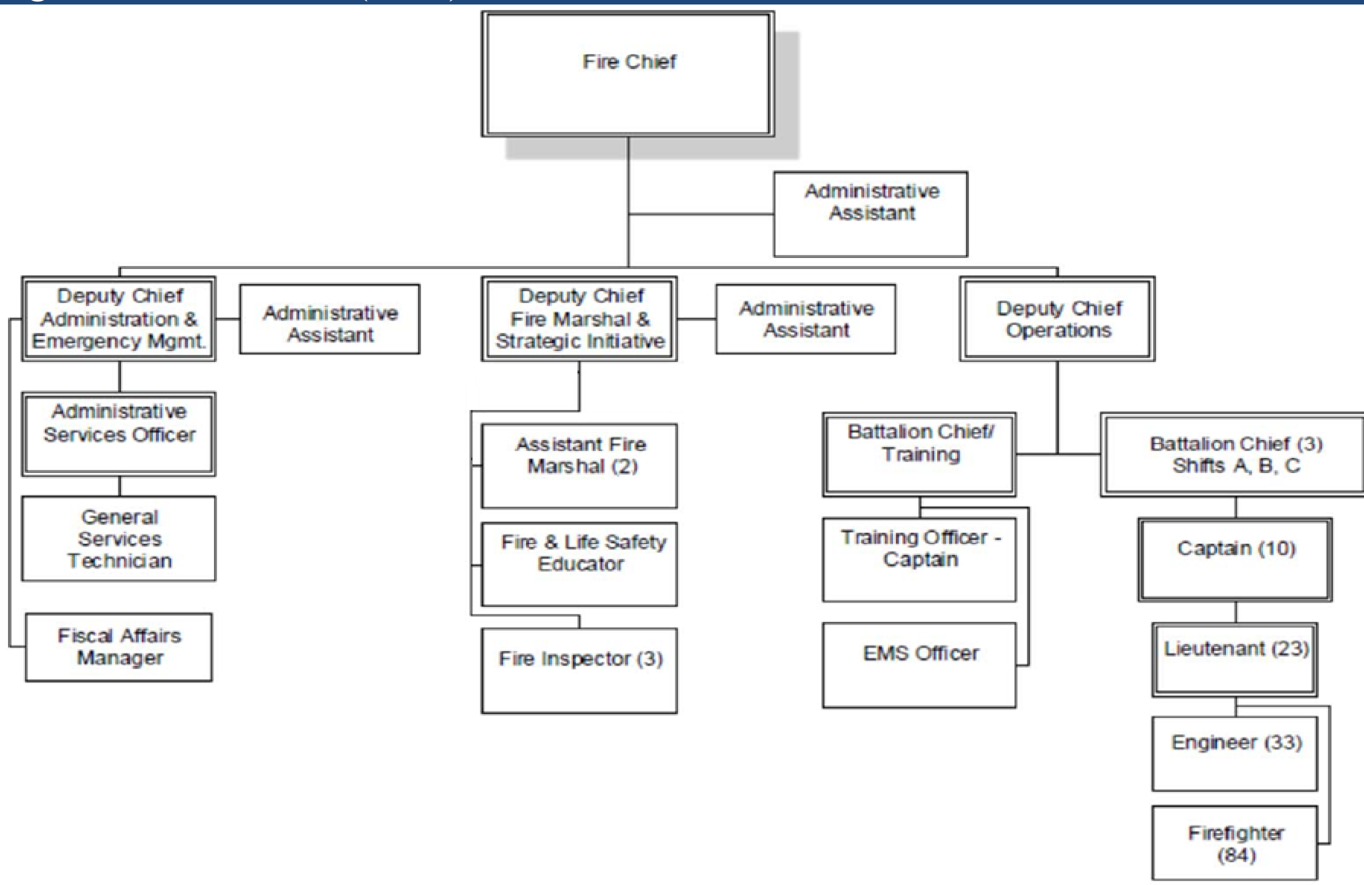
Performance Measures

**** 2018 and 2019 measures estimated.*

Franklin Citizens Survey *(Fall 2016)*

		Excellent	Good	Fair	Poor
☑	% rating the quality of Fire services	64%	35%	1%	0%
☑	% rating the quality of Fire prevention and education	45%	46%	8%	1%
☑	% rating the quality of Emergency preparedness (services that prepare the community for natural disasters or other emergency situations)	24%	53%	19%	4%

Organizational Chart (New)



City of Franklin, Tennessee
FY 2019 Operating Budget

Staffing by Position (New)

Position	Pay Grade	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
		F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T	F-T	P-T
Fire Chief	Grade L	1	0	1	0	1	0	1	0	1	0
Fire Deputy Chief - Administration	Grade K	1	0	1	0	1	0	1	0	1	0
Fire Deputy Chief - Operations	Grade K	1	0	1	0	1	0	1	0	1	0
Fire Deputy Chief - Fire Marshal	Grade K	1	0	1	0	1	0	1	0	1	0
Battalion Chief	Grade J	3	0	3	0	3	0	3	0	3	0
Battalion Chief - Training	Grade J	1	0	1	0	1	0	1	0	1	0
EMS Officer	Grade I	1	0	1	0	1	0	1	0	1	0
Fire Captain	Grade I	14	0	14	0	11	0	10	0	10	0
Training Officer (Captain)	Grade I	1	0	1	0	1	0	1	0	1	0
Administrative Services Officer	Grade I	1	0	1	0	1	0	1	0	1	0
Assistant Fire Marshal	Grade H	1	0	1	0	1	0	1	0	2	0
Fiscal Affairs Manager	Grade H	0	0	0	0	1	0	1	0	1	0
Fire Inspector Supervisor	Grade H	0	0	0	0	0	0	1	0	0	0
Fire & Life Safety Educator	Grade G	1	0	1	0	1	0	1	0	1	0
Fire Lieutenant	Grade G	16	0	16	0	22	0	23	0	23	0
Fire Inspector	Grade G	3	0	3	0	3	0	3	0	3	0
Fire Engineer	Grade F	30	0	30	0	33	0	33	0	33	0
Firefighter	Grade E	91	0	91	0	84	0	84	0	84	0
Administrative Assistant	Grade D	3	0	3	0	3	0	3	0	3	0
General Services Technician	Grade D	1	0	1	0	1	0	1	0	1	0
Intern	--	0	0	0	0	0	0	0	0	0	0
Accreditation Manager	--	0	0	0	0	0	0	0	0	0	0
Totals		**171**	**0**	**171**	**0**	**171**	**0**	**172**	**0**	**172**	**0**

RESOLUTION 2018-80

A RESOLUTION TO ENABLE THE CITY ADMINISTRATOR CERTAIN LATITUDE IN HIRING AND RECRUITMENT

WHEREAS, the Board of Mayor and Aldermen established the annual budget for the City of Franklin for the Fiscal Year 2018-2019, by Ordinance 2018-10, effective July 1, 2018; and

WHEREAS, the annual budget specifies the numbers and descriptions of each department's authorized level of staffing; and

WHEREAS, the labor market in the country, Middle Tennessee, Williamson County, and Franklin especially is tight, and the opportunity to recruit and retain qualified employees is increasingly difficult; and

WHEREAS, with respect to key personnel and public safety employees, the ability to recruit in advance of retirement is important for the seamless maintenance and provision of excellent City services; and

WHEREAS, the ability to maintain a pool of qualified employees for City positions is essential to achieving successful departmental transitions; and

WHEREAS, the Board of Mayor and Aldermen desires to support the City Administrator's responsibility to oversee the day-to-day affairs of the entire City; and

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

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

Section 1. The City Administrator hereby has the authority to permit transitional hires that result in the overfilling of not more than 5 authorized positions per department during a given Fiscal Year.

Section 2. Such transitional hires must be deemed important and necessary by the City Administrator to take advantage of market conditions, departmental needs, or other organizational demands.

Section 3. Such transitional hires will be conducted according to all established recruitment processes and organizational policies.

Section 4. Such transitional hires will be accommodated within the existing budget as approved effective July 1 of each Fiscal Year. Should they not, the City Administrator will bring forward necessary amendments to the budget prior to the end of the fiscal year.

Section 5. Such transitional hires will be made only for accommodation of anticipated or forthcoming vacancies of authorized positions. No transitional hires will become permanent without formal change to departmental organization charts by the Board of Mayor and Aldermen.

Section 6. Whenever a transitional hire is made, the City Administrator will report to the Board of Mayor and Aldermen at their next regular or special voting meeting.

Section 7. That the Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this _________day of ______________________2018.

ATTEST

By: _________________________
ERIC S. STUCKEY
City Administrator

CITY OF FRANKLIN, TENNESSEE:

By: _________________________
DR. KEN MOORE
Mayor

Approved as to Form

By: _________________________
Shauna R. Billingsley
City Attorney

The Board of Mayor and Aldermen of the City of Franklin, Tennessee, met in regular session on September 25, 2018, at 7:00 p.m. at the City Hall, Franklin, Tennessee, with the Honorable Ken Moore, Mayor, presiding.

The following Aldermen were present:

The following Aldermen were absent:

There were also present Eric Stuckey, City Administrator/Recorder, and Kristine Tallent, Assistant City Administrator/Chief Financial Officer.

After the meeting was duly called to order, the following resolution was introduced by ________________, seconded by _____________ and after due deliberation, was adopted by the following vote:

AYE:

NAY:

RESOLUTION 2018-71

A RESOLUTION DECLARING THE INTENT OF THE CITY OF FRANKLIN, TENNESSEE, TO REIMBURSE ITSELF IN A NOT-TO-EXCEED AMOUNT OF $41,300,000 FOR CERTAIN PROJECT EXPENDITURES WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS, NOTES, OR OTHER DEBT OBLIGATIONS TO BE ISSUED BY THE CITY

WHEREAS, it is the intention of the Board of Mayor and Aldermen of the City of Franklin, Tennessee (the "City") to provide funds for the (i) acquisition of land for and/or acquisition, construction, improvement, repair, renovation, maintenance, and/or equipping of (a) public buildings and facilities, (b) parks, recreational facilities, and community centers, (c) streets, roads, and bridges, including but not limited to sidewalks, signage, signalization, related facilities, lighting, and drainage improvements, (d) public safety equipment and vehicles, including but not limited to fire apparatus and police vehicles and (e) improvements to the sanitation facility; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; and (iii) payment of architectural, engineering, legal, fiscal, and administrative costs incident to the foregoing; and

WHEREAS, it is the intention of the Board of Mayor and Aldermen of the City to pay all or a portion of the costs associated with the aforementioned projects by the sale of general obligation bonds or notes, in one or more emissions, or other debt obligations of the City; and

WHEREAS, it is anticipated that it will be necessary to make expenditures in payment of said project costs prior to the issuance of said bonds, notes, or other debt obligations; and

WHEREAS, the Board of Mayor and Aldermen of the City wishes to state its intentions with respect to reimbursements for said expenditures, in a not-to-exceed amount of $41,300,000, in accordance with the requirements of final regulations applicable thereto promulgated by the United States Department of the Treasury.

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

SECTION 1. It is reasonably expected that the City will reimburse itself for certain expenditures, in a not-to-exceed amount of $41,300,000, made by the City in connection with the projects hereinabove described. The City further reasonably expects to reimburse all such expenditures from the proceeds of its general obligation bonds, notes, or other debt obligations. The expenditures made prior to the issuance of said bonds, notes, or other debt obligations are expected to be paid from the General Fund of the City, and reimbursement shall be made to the General Fund. Debt service on the bonds, notes, or other debt obligations is expected to be paid from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the City.

SECTION 2. This resolution shall be placed in the minutes of the Board of Mayor and Aldermen and shall be made available for inspection by the general public at the office of the City Administrator/Recorder.

SECTION 3. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

SECTION 4. All other resolutions and orders, or parts thereof in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed, and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 25th day of September 2018.

By: ____
Dr. Ken Moore
MAYOR

ATTEST:

____
Eric S. Stuckey
CITY ADMINISTRATOR/RECORDER

Approved as to form by:

____
Shauna R. Billingsley
City Attorney

STATE OF TENNESSEE)

COUNTY OF WILLIAMSON)

I, Eric S. Stuckey, hereby certify that I am the duly qualified and acting City Administrator/Recorder of the City of Franklin, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City held on September 25, 2018, that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct, and complete transcript from said original minute record insofar as said original record relates to the approval of a resolution declaring the intent of the City of Franklin to reimburse itself in an amount not to exceed $41,300,000.

WITNESS my official signature and seal of said City this _____ day of _________, 2018.

____
City Administrator/Recorder

25237954.1

City of Franklin Budget and Finance Committee Meeting

September 13, 2018

Presented by:
Government Portfolio Advisors
Deanne Woodring, CFA
President
Government Portfolio Advisors

AGENDA

Investment Market Environment

Portfolio Performance

Strategic Plan for Next Year

Policy Updates

GPA UPDATE

Firm Background: GPA is an *independent* registered investment advisory firm dedicated to acting as a fiduciary in the best interest of every client. We empower local governments with the tools and expertise needed to achieve excellence in cash and investment management strategies.

Strategic Approach: Setting objectives and assessing cash needs *first* is the foundation for optimizing duration, benchmarks and sector allocation.

Personnel: Seven proficient fixed income professionals combine diverse backgrounds to meet and exceed our client's goals.

Investment Philosophy and Process: Invest with a disciplined approach that provides for sufficient liquidity requirements while optimizing returns.

Reporting: Deliver customized reporting to meet the unique requirements of each client to allow for clear articulation of the investment strategy and benefits to various stakeholder groups.

YOUR GPA Team

Susan Munson, Managing Director – Senior Portfolio Advisor

Deanne Woodring, CFA - President, Senior Portfolio Advisor

Chris Bates, Portfolio Advisor - Investment Transactions

Andy VanLaningham - Assistant Portfolio Advisor

Whitney Maher - Client Service Manager

Michael Smith - Operations Manager

MARKET UPDATE

FIXED INCOME MARKET OUTLOOK AND STRATEGIC SUMMARY
AUGUST 2018

Portfolio Duration

Due to the significant increase in yields and relative value GPA is recommending investors continue to weight their portfolio durations in a range of 90% to 100% of benchmark durations. The market has discounted the next fed tightening and 70% of the following expected fed funds increase in December. The front end of the yield curve should trade around current levels until we get through the September FOMC meeting.

Agency Spreads

Agency spreads have been extremely tight for maturities under one year with little or no spread advantages. Maturities longer than one year to five years have spreads that range in the three to nine basis point range.

Corporate Yields

Corporate offerings have been on the historical tight side for AA or better bonds. Household names such as Microsoft and Apple have traded anywhere from 10 to 25 basis points over treasuries for maturities in the one to five year range. We believe that we are close to the end of this credit cycle and that spreads should start to widen in 2019. We are being cautious buying credits longer than 2 to 3 years and are staying with higher quality issues.

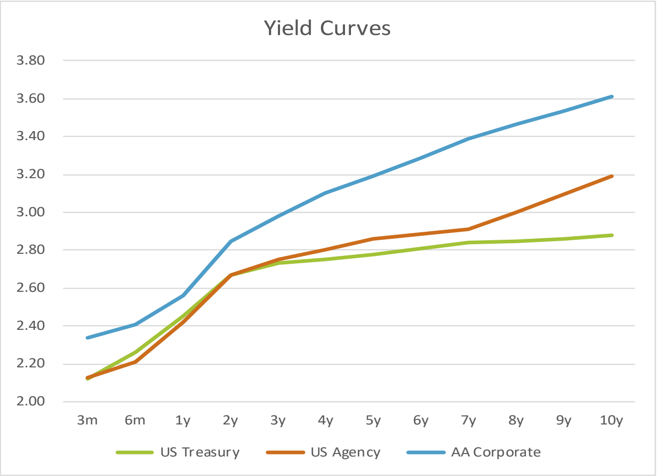
Taxable Municipal Yields

Taxable municipal bonds have been difficult to find in any kind of size over one million. Larger high quality issues have traded between 5 and 15 basis points over treasuries in the one to five year maturity range.

Yield Curve Weighting

The yield curve should continue to flatten with the fed raising rates into strong, but moderating, economic growth. If the current pace of fed fund increases follows the fed's expectations the curve could invert as early as Q2 2019.

US Treasury – US Agency – AA Corporate



GPA GOVERNMENT PORTFOLIO ADVISORS

Interest Rate Data

	9/30/17	12/31/17	3/31/18	6/30/18
3-month bill	1.05	1.38	1.61	1.92
2- year note	1.49	1.88	2.27	2.53
5 -year note	1.94	2.20	2.56	2.74
10- year note	2.33	2.41	2.74	2.86

Economic Survey For Rate Direction

	Q3-18	Q4-18	Q1-19	Q2-19
Fed Funds	2.20	2.40	2.65	2.85
2 Year	2.67	2.79	2.91	2.99
10 year	3.09	3.16	3.26	3.31

Economic Survey Projections

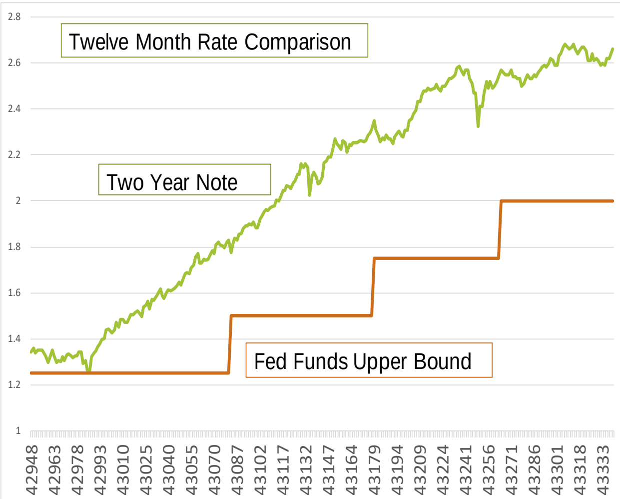
	Q3-18	Q4-18	Q1-19	Q2-19
Real GDP	2.90	2.90	2.90	2.60
CPI (YOY%)	2.80	2.50	2.30	2.30
Unemployment	3.80	3.70	3.70	3.70

Source: Bloomberg 6-30-18

Rates Commentary

- Two-year treasury rates peaked out on July 26 at a yield of 2.68 and tested the 2.60 support level during the middle of August as trade issues became more of a concern.
- During the last few days of August the U.S. reached a trade agreement with Mexico that will rewrite NAFTA leaving Canada in a much weaker negotiating position.
- Equities rallied on this news while fixed income resumed their trends to higher yields.
- The trend upward in interest rates has moderated since the middle of May but could possibly resume the movement higher with positive shifts in trade negotiations.

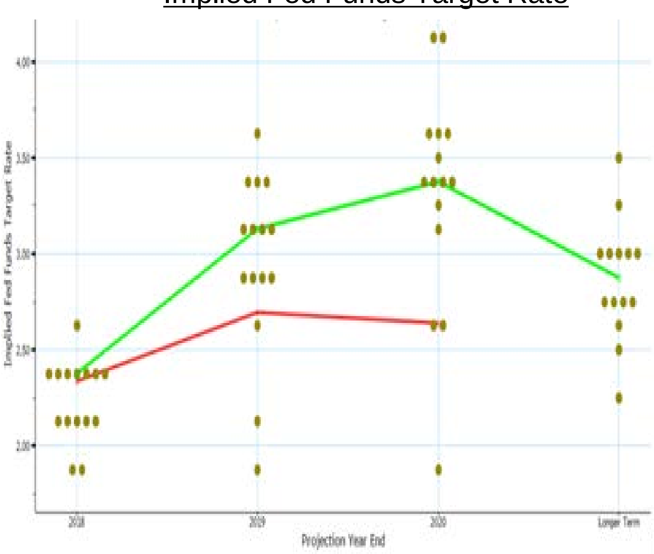
US 2 YR TRSY vs. Fed Funds Rate – Upper Bound



Federal Reserve/Dot Plot Commentary

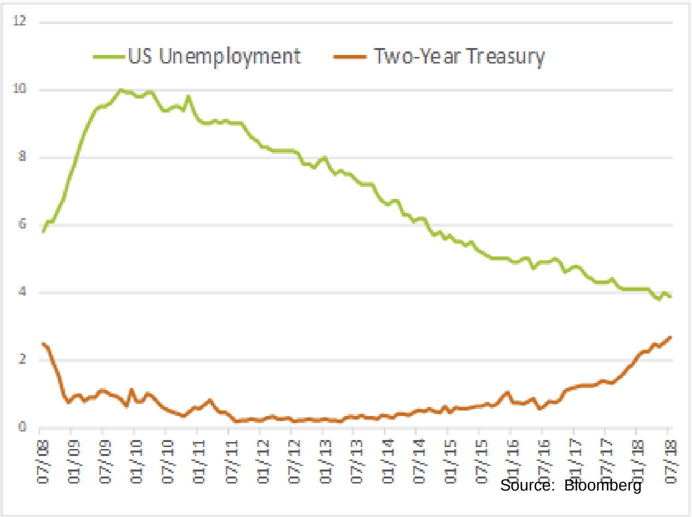
- The Federal Open Market Committee (FOMC), consists of 12 voting members. Each member provides a forecast of where fed funds should trade over the next few years.
- The forecasted rates by each member are then plotted on a chart which demonstrates where the FOMC collectively predicts future fed funds rates.
- The FOMC predictions are then compared to the current fed funds futures market which has a very high correlation to treasury rates.
- Today the fed funds futures market is predicting a much lower level of fed funds than what is being predicted by the FOMC. In other words, the market is expensive to the expectations of the FOMC.
- The market is expecting fed funds to trade at 2.62 at the end of 2019 while the FOMC is forecasting a fed funds rate of just over 3%.

Implied Fed Funds Target Rate



GOVERNMENT PORTFOLIO ADVISORS

US Unemployment vs. US 2 YR TRSY

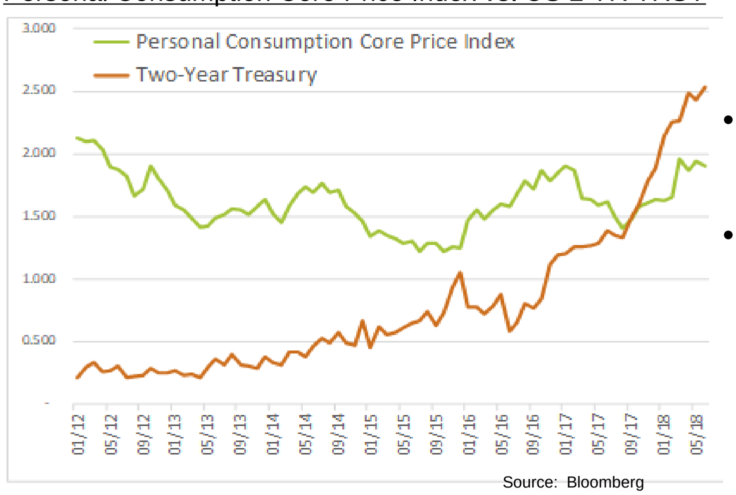


Source: Bloomberg

Relationship Between US Unemployment and Two Year Treasury Note

- During the January 25, 2012 FOMC meeting the committee declared a 2% target using the Personal Consumption Expenditures (PCE), as the preferred measurement of inflation.
- Since 2012, this measurement of inflation has consistently traded below the 2% target and is just now approaching their target level. Future PCE levels above the target line could push the FOMC to accelerate their well communicated timeline of future fed fund increases.

Personal Consumption Core Price Index vs. US 2 YR TRSY



Source: Bloomberg

Relationship between Personal Consumption Core Price Index and Two Year Treasury Note

- The unemployment index has reached a multi-decade low with announced job openings now exceeding job applicants.
- The relationship of more jobs than workers is expected to eventually increase wages which would argue for more spending power, stronger consumptions, and possibly higher inflation.

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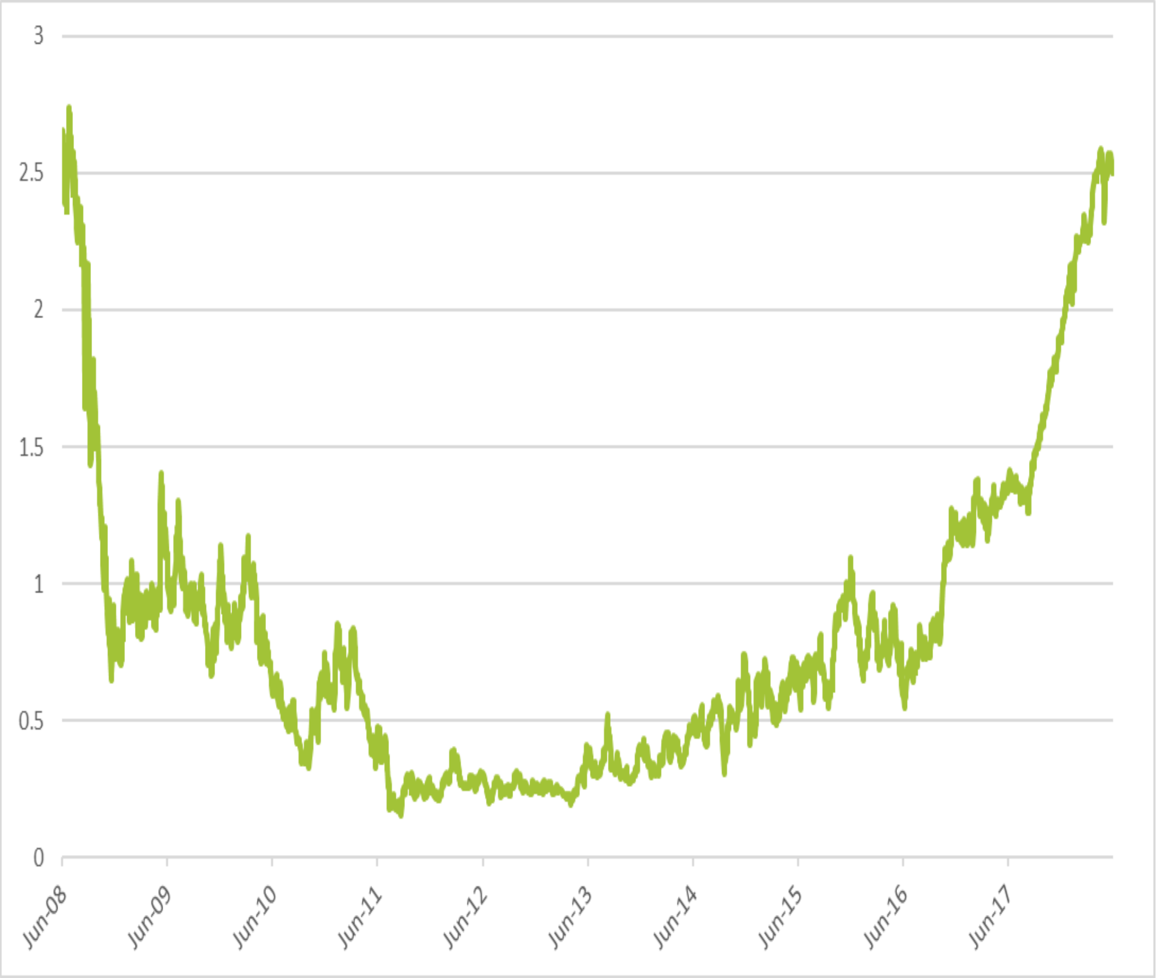
Two Year Treasury Yields Over The Past 10 Years
High 2.60% Low .25%



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INVESTMENT PROCESS

Comprehensive and Disciplined Approach

GOVERNMENT PORTFOLIO ADVISORS

Historical Balances

	Historical Total Balances		
	FY 2017	FY2018	FY 2019
July	$77,962,337	$119,296,780	
Aug	$77,312,954	$119,370,049	
Sep	$77,312,954	$115,694,554	
Oct	$74,561,119	$119,296,510	
Nov	$76,571,417	$117,026,339	
Dec	$78,992,568	$118,883,597	
Jan	$82,811,081	$115,884,518	
Feb	$93,684,214	$123,168,730	
Mar	$98,794,015	$124,215,093	
Apr	$96,835,976	$126,189,782	
May	$96,802,495	$128,615,401	
Jun	$124,266,154	$132,177,613	

ANNUAL HISTORICAL SUMMARY

	FY 2017	FY2018	FY 2019
Average Balance:	$87,992,274	$121,651,581	
Maximum Balance:	$124,266,154	$132,177,613	
Minimum Balance:	$74,561,119	$115,694,554	
Variance in period Maximum/Minimum	$49,705,035	$16,483,059	

	Historical Review
Recommended Core Fund Size:	$95,000,000
Minimum Liquidity Balance :	$20,694,554
Average Total Fund Balance (LFY):	$121,651,581

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The Portfolio
As of August 27, 2018

INVESTMENT CORE FUND

Par (000)	Identifier	Issuer Name	Quality	Coupon	Maturity	Mkt Val (000)	% Held (MV)	Eff Dur	Yield at Cost	Gain/Loss (000)
102	0000FIFT	FIFTH THIRD BANK DEPOSIT	N/A	1.70	8/29/2018	102	0.11	0.005	1.703	0.00
3,000	313375K4	FEDERAL HOME LOAN BANKS	AA+	2.00	9/14/2018	3,027	3.18	0.048	1.335	-1.13
2,500	3134GAMV	FEDERAL HOME LN MTG CORP	AA+	1.00	9/28/2018	2,508	2.64	0.086	0.984	-2.08
2,500	3135G0E5	FEDERAL NATL MTG ASSN	AA+	1.13	10/19/2018	2,506	2.63	0.142	0.973	-4.19
5,000	3135G0YT	FEDERAL NATL MTG ASSN	AA+	1.63	11/27/2018	5,013	5.27	0.246	1.154	-12.72
4,000	912828N2	UNITED STATES TREAS NTS	AA+	1.25	12/15/2018	3,999	4.20	0.294	1.200	-11.29
3,000	912796QP	UNITED STATES TREAS BILL	AA+	0.00	12/20/2018	2,980	3.13	0.308	2.098	-0.01
3,000	912828RY	UNITED STATES TREAS NTS	AA+	1.38	12/31/2018	2,998	3.15	0.337	1.342	-8.49
2,500	3134GAK7	FEDERAL HOME LN MTG CORP	AA+	1.35	1/25/2019	2,494	2.62	0.388	1.378	-8.72
5,000	912828P5	UNITED STATES TREAS NTS	AA+	0.75	2/15/2019	4,966	5.22	0.460	1.176	-24.84
5,000	912828P5	UNITED STATES TREAS NTS	AA+	0.75	2/15/2019	4,966	5.22	0.460	2.066	-4.28
3,000	3133EDTU	FEDERAL FARM CR BKS	AA+	1.70	3/4/2019	3,015	3.17	0.501	1.392	-14.57
2,500	912828SN	UNITED STATES TREAS NTS	AA+	1.50	3/31/2019	2,504	2.63	0.575	1.300	-14.56
5,000	3137EADZ	FEDERAL HOME LN MTG CORP	AA+	1.13	4/15/2019	4,984	5.24	0.617	1.366	-28.97
3,000	912828XS	UNITED STATES TREAS NTS	AA+	1.25	5/31/2019	2,984	3.14	0.742	2.325	-1.14
2,500	912828TH	UNITED STATES TREAS NTS	AA+	0.88	7/31/2019	2,466	2.59	0.911	1.194	-27.83
4,000	912828D8	UNITED STATES TREAS NTS	AA+	1.63	8/31/2019	3,998	4.2	0.986	2.223	-9.66
2,500	313380FB	FEDERAL HOME LOAN BANKS	AA+	1.38	9/13/2019	2,487	2.61	1.023	2.438	-1.53
2,500	3137EADM	FEDERAL HOME LN MTG CORP	AA+	1.25	10/2/2019	2,475	2.6	1.074	1.329	-35.02
5,000	3130A0JR	FEDERAL HOME LOAN BANKS	AA+	2.38	12/13/2019	5,010	5.27	1.261	1.904	-44.51
2,500	3133EH6L	FEDERAL FARM CR BKS	AA+	1.95	1/10/2020	2,484	2.61	1.34	2.283	-11.03
2,500	3130ADN3	FEDERAL HOME LOAN BANKS	AA+	2.13	2/11/2020	2,484	2.61	1.425	2.529	-3.72
2,500	912828UV	UNITED STATES TREAS NTS	AA+	1.13	3/31/2020	2,454	2.58	1.556	2.288	-12.17
2,500	3130ADXM	FEDERAL HOME LOAN BANKS	AA+	2.38	4/6/2020	2,513	2.64	1.554	2.406	-8.97
2,500	912828X9	UNITED STATES TREAS NTS	AA+	1.50	5/15/2020	2,463	2.59	1.672	2.31	-13.35
2,500	3136G3SK	FEDERAL NATL MTG ASSN	AA+	1.58	6/15/2020	2,462	2.59	1.721	1.587	-45.35
2,500	3133EGLF	FEDERAL FARM CR BKS	AA+	1.29	7/13/2020	2,439	2.56	1.83	2.493	-10.22
2,500	3133EJUM	FEDERAL FARM CR BKS	AA+	2.60	7/16/2020	2,502	2.63	1.823	2.676	-2.22
2,500	9128282Q	UNITED STATES TREAS NTS	AA+	1.50	8/15/2020	2,447	2.57	1.921	2.611	-1.65
2,500	313370US	FEDERAL HOME LOAN BANKS	AA+	2.88	9/11/2020	2,541	2.67	1.946	2.669	-2.61
2,500	9128282V	UNITED STATES TREAS NTS	AA+	1.38	9/15/2020	2,452	2.58	1.993	2.35	-14.71
2,500	912828N8	UNITED STATES TREAS NTS	AA+	1.38	1/31/2021	2,426	2.55	2.367	2.421	-14.91
95,602			**AA+**	**1.46**	**1/0/1900**	**95,152**	**100**	**0.933**	**1.809**	**-396.46**

LIQUIDITY FUND

$34,239,921	Pinnacle Bank
$2,545,526	Reliant Bank
$923,379	Certificates of Deposit
$37,711,827	Total Liquidity

Portfolio Discipline Using a Benchmark
As of June 30, 2018

TOTAL RETURN PERFORMANCE	Duration	Quarter to Date	Fiscal Year to Date	Since 12/31/13
Core Portfolio	.93	.35%	.61%	.75%
Benchmark 0-3 ICE BAML TREASURY	1.40	.30%	.47%	.56%

Earnings Yield of Portfolio

Book Yield	6/30/16	6/30/17	6/30/18	7/31/18
Core Portfolio	.93%	1.10%	1.70%	1.74%

Every 10 Basis points worth another $100,000 in earnings

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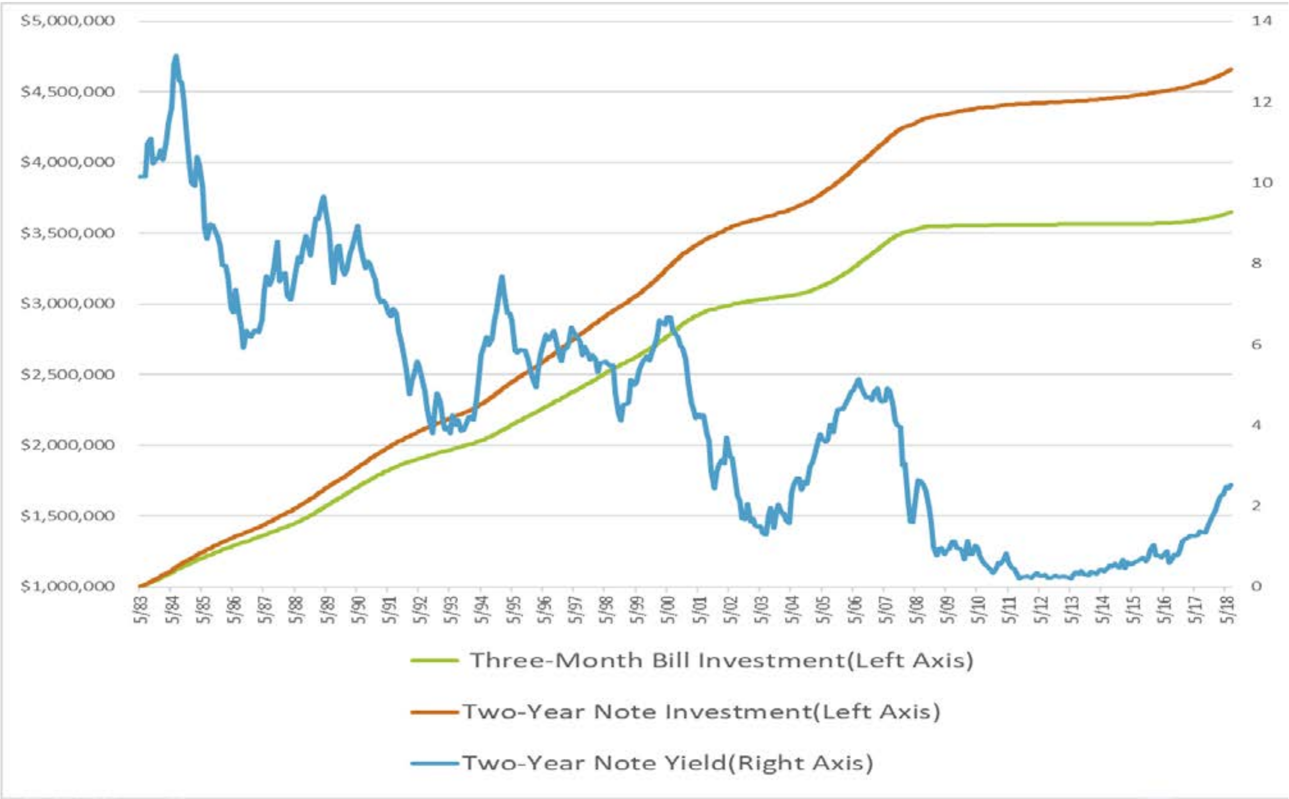
WHY MANAGE WITH INTENTION

Long term perspective of the investment program

POWER OF THE DOLLAR – Comparing the growth of $1,000,000 invested in 3 month bills versus the 2 year note over time.

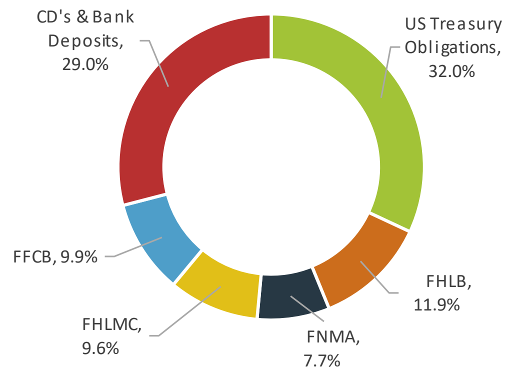


GPA GOVERNMENT PORTFOLIO ADVISORS

Investment Report
7/31/18

Portfolio Allocation

Issuer	Market Value	% Assets	Policy
US Treasury Obligations	$ 41,494,036	31.95%	100%
FHLB	$ 15,418,160	11.87%	100%
FNMA	$ 9,936,700	7.65%	50%
FHLMC	$ 12,406,053	9.55%	20%
FFCB	$ 12,886,662	9.92%	10%
CD's & Bank Deposits	$ 37,711,827	29.04%	10%
Total Portfolio	**$ 129,853,438**	**100.00%**	



Maturity Distribution

Maturities from 07/31/2018	Market Value	% Assets
Under 1 Mth	$ 37,665,086	29%
1 Mth - 2 Yrs	$ 87,337,862	67%
2 Yrs - 4 Yrs	$ 4,850,490	4%
Total Portfolio	**$ 129,853,438**	**100.00%**

Total Portfolio yield at cost on 07/31/2018	#NAME?
Market Value on 07/31/2018	$ 129,853,438

Activity & Performance Summary

Activity Summary	This Month	Fiscal YTD
Beginning Amortized Cost	$ 132,601,318	$ 132,601,318
Investment purchases	$ 2,500,696	$ 2,500,696
Investment maturities and sales	$ (2,500,000)	$ (2,500,000)
Amortization	$ 26,592	$ 26,592
Net cash deposit (withdrawals)	$ (2,322,235)	$ (2,322,235)
Realized Gain/Loss	$ -	$ -
Ending Amortized Costs	$ 130,306,371	$ 130,306,371

Performance Summary	This Month	Fiscal YTD
Amortization	$ 26,592	$ 26,592
Interest income	$ 173,853	$ 173,853
Realized gain (loss)	$ -	$ -
Total Income	$ 200,444	$ 200,444
Average portfolio balance	$ 132,501,603	$ 132,501,603

GOVERNMENT PORTFOLIO ADVISORS

Strategic Plan for the Next Year

1. Continue to manage to the expected cash flows.
2. Earnings Yield will increase as new securities are purchased at yields at rates between 2.5% and 2.8%.
3. Continue to maintain a shorter duration to the benchmark but stay invested.
4. Watch liquidity needs closely to ensure dollars are available for payments.

We appreciate the opportunity to be your partner.

CITY OF FRANKLIN
$23,120,000 LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS
CLOSED JUNE 15, 2017

AS OF JUNE 30, 2018

Description		Budgeted	Actual	Difference
Available Construction Proceeds				
Bond proceeds		$23,120,000	$23,120,000	$0
Plus: bond premium		$3,540,166	$3,540,166	$0
Less: bond issue costs		($207,608)	($201,923)	$5,685
Net Available		**$26,452,558**	**$26,458,243**	**$5,685**
Interest Earnings		**$0**	**$158,529**	**$158,529**
Expenditures	**Project #**			
3rd Ave Trail	06ST00004	$1,067,373	$1,067,373	$0
Carothers GAP	07ST00006	$975	$975	$0
South Carothers	2012-010	$133,971	$133,971	$0
McEwen Phase 4	2015-002/2017-001/2017-010	$1,719,008	$982,745	($736,263)
I-65 GAP	2015-001	$1,978,634	$1,978,634	$0
Hillsboro Phase 2	05ST00006	$6,925,357	$7,834,904	$909,547
Sidewalk 96E	2014-015	$1,289,744	$1,528,613	$238,869
Sidewalk 96W	2014-014	$579,496	$579,496	$0
Franklin Road Streetscape	07ST00015	$1,500,000	$78,283	($1,421,717)
Major Road Paving/Sidewalks/Curbs/Sensors		$4,100,000	$1,884,888	($2,215,112)
Sanitation Facility Improvements		$1,500,000	$0	($1,500,000)
Public Safety Communications System		$4,600,000	$2,746,821	($1,853,179)
Fire Apparatus (Replacement)		$1,058,000	$0	($1,058,000)
Total Expenditures		**$26,452,558**	**$18,816,703**	**($7,635,855)**
Remaining Amount		**$0**	**$7,800,069**	**$7,800,069**
Remaining Percent			**29%**	

ACUFF & ASSOCIATES
The Retirement Plan Authority

A BETTER PLAN. A BETTER PARTNER. A BETTER RETIREMENT.

GASB 75 Disclosure
for the Year Ending June 30, 2018

Prepared for

CITY OF FRANKLIN
POST-RETIREMENT MEDICAL PLAN

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Contents of Report

Introduction/Certification

This Report has been prepared for the City of Franklin (the "City") by Acuff & Associates, Inc. to present disclosure under Government Accounting Standards Board Statement No. 75 (GASB 75) for the City's Post-Retirement Medical Plan.

The actuarial information is based on July 1, 2017 Actuarial Valuation Study report and is used in this disclosure. July 1, 2017 is the Measurement Date.

The information and valuation results shown in this Report are, to the best of our knowledge, complete and accurate. The information presented in this Report is based upon the following:

- Active employee census data as of January 1, 2017 submitted by the City, which appears to be reasonable and sufficient for the purpose of this Report
- Retiree census data as of July 1, 2017, submitted by the City, which appears to be reasonable and sufficient for the purpose of this Report
- Amount of premiums paid by each retiree and the City for the period ending June 30, 2018
- Paid claims for retirees as reported by Blue Cross/Blue Shield for the period ending June 30, 2018
- Actuarial assumptions and methods, which, individually and in combination, represent our best estimate of anticipated experience under the plan
- Interpretation of plan provisions as summarized in this Report

The amounts presented in the exhibits of this Report were determined in accordance with generally accepted actuarial methods and practices and fully disclose the actuarial position of the plan. Reliance was placed on participant data as described above.

The undersigned are available to answer any questions with respect to this report.

Respectfully submitted,

Acuff & Associates, Inc.

August 21, 2018
Date Signed

David F. Kays, A.S.A., M.A.A.A.

August 21, 2018
Date Signed

John R. Rath, FCA, MAAA, EA

Section 1 – Summary of Valuation Results

This Section sets forth the exhibits for GASB 75 disclosure.

Section 1.1 – Actuarial Result as of July 1, 2017.

Section 1.2 – Reconciliation of Net OPEB Liability.

Section 1.3 – OPEB Expense for the Year Ending June 30, 2018.

Section 1.4 – Sensitivity of OPEB Liabilities.

Section 1.1 – Actuarial Results

			as of July 1, 2017
1.	Present Value of Benefits		
	a.	Actives Eligible to Retire	$ 240,300
	b.	Actives not Eligible to Retire	5,585,700
	c.	Retirees	1,452,100
	d.	Total	$ 7,278,100
2.	Total OPEB Liability (TOL)		
	a.	Actives Eligible to Retire	$ 240,300
	b.	Actives not Eligible to Retire	4,140,500
	c.	Retirees	1,452,100
	d.	Total	$ 5,832,900
3.	Plan Fiduciary Net Position		0
4.	Net OPEB Liability (2d. - 3.)		$ 5,832,900
5.	Service Cost		$ 142,900

Section 1.2 – Reconciliation of Net OPEB Liability

Reconciliation for the Year Ending June 30, 2018

	GASB 75 Increase (Decrease)		
	(a) Total OPEB Liability (TOL)	**(b) Plan Fiduciary Net Position**	**(a) - (b) Net OPEB Liability**
Balances as 7/1/2017	$ 5,832,900	$ 0	$ 5,832,900
Changes for the Year:			
Service Cost	$ 142,900	N/A	$ 142,900
Interest	158,282	N/A	158,282
Difference Between Actual and Expected	0	N/A	0
Net Investment Income	N/A	N/A	N/A
Net City Payments	(645,902)	N/A	(645,902)
Administrative Expense	0	N/A	0
Net Changes	$ (344,720)	$ 0	$ (344,720)
Balances as 6/30/2018	$ 5,488,180	$ 0	$ 5,488,180

Section 1.3 – OPEB Expense for the Year Ending June 30, 2018

Components of OPEB Expense GASB 75

	2017/2018
Service Cost	$ 142,900
Interest on Total OPEB Liability	158,282
Difference Between Expected and Actual Experience	0
Plan Amendment	0
Change of Assumptions	0
Employee Contributions	0
Projected Earnings on Assets	0
Difference Between Expected and Actual Earnings	0
Pension Plan Administrative Expense	0
Total Expense	$ 301,182

Section 1.4 –Sensitivity of OPEB Liabilities

Sensitivity of OPEB Liability to Changes in the Discount Rate

	1.00% Decrease	Current Rate	1.00% Increase
Interest Rate	2.00%	3.00%	4.00%
Total OPEB Liability	$ 6,075,188	$ 5,488,180	$ 4,985,118
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	$ 6,075,188	$ 5,488,180	$ 4,985,118

Sensitivity of OPEB Liability to Changes in the Trend Rate

	1.00% Decrease	Current Rate	1.00% Increase
Total OPEB Liability	$ 5,117,857	$ 5,488,180	$ 5,941,359
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	$ 5,117,857	$ 5,488,180	$ 5,941,359

Sensitivity of OPEB Liability to Changes in the Combined Discount and Trend Rates

	1.00% Decrease	Current Rate	1.00% Increase
Total OPEB Liability	$ 5,649,508	$ 5,488,180	$ 5,377,390
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	$ 5,649,508	$ 5,488,180	$ 5,377,390

Section 2 – Basis of Valuation

In this Section, the basis of the Valuation is presented and described. This information (the provisions of the plan and the census of participants) is the foundation of the Valuation, since these are the present facts upon which benefit payments will depend.

The Valuation is based upon the premise that the plan will continue in existence, therefore future events must also be considered. These future events are assumed to occur in accordance with the actuarial assumptions and concern such events as the earnings of the assets, the number of participants who will remain until retirement as well as their ages at retirement and their expected benefits.

The actuarial assumptions and the actuarial cost method which have been adopted to guide the sponsor in funding the Plan in a reasonable and acceptable manner are described in this Section.

Section 2.1 – Plan Provisions.

Section 2.2 – Actuarial Valuation Method and the Actuarial Assumptions.

Section 2.1 – Plan Provisions

The City offers Post-employment medical benefits payable to Medicare eligible or age 65 employees. The benefits vary depending upon eligibility requirements and retirement age.

There are two insurance options:

- Option I is the standard deductible policy with an annual deductible In-Network of $500 for individual coverage and $1,000 for family coverage.
- Option II is the high deductible policy with an annual deductible In-Network of $1,000 for individual coverage and $3,000 for family coverage.

See the City's benefit's manual for a more complete description of the benefit.

Plan A – Normal Early Retirement

Medical insurance under Option I is provided upon retirement at age 62 with 20 years of service. Effective January 2014, the normal early retirement plan was changed to a premium-sharing formula. The retiree pays 20% of the COBRA rate less 2% for family coverage and 15% of the COBRA rate less 2% for individual coverage. As the COBRA rates increase, the retiree pays the increase.

Plan B – Special Retirement

Medical insurance is provided upon retirement at age 55 with 30 years of service. Medical benefits are provided until age 65. This plan sunsets for all future retirees after September 30, 2011.

Plan C – Alternative Retirement-hired before July 1, 2006

For employees hired before July 1, 2006, Medical insurance is provided upon retirement with at least 25 years of service. The retiree is provided coverage under Option II. The retiree pays the COBRA rate less 2.00% less $500.00 per month for family coverage or less $200.00 per month for single coverage for Option II. As the COBRA rates increase, the retiree pays the increase.

Plan D – Alternative Retirement-hired July 1, 2006 or after

For employees hired after June 30, 2006, Medical insurance is provided upon retirement after age 55 and 25 years of service. The retiree is provided coverage under Option II. The retiree pays the COBRA rate less 2.00% less $500.00 per month for family coverage or less $200.00 per month for single coverage for Option II. As the COBRA rates increase, the retiree pays the increase.

Section 2.1 – (Continued)

Once a retiree has medical benefits coverage, the coverage does not change except for changing from family to single coverage when the spouse dies.

A retiree who cancels insurance after retiring cannot have the insurance reinstated later.

If the spouse reaches age 65 before the retiree, the coverage for the spouse stops at age 65.

The medical benefits of the City are self-funded. This means that the City is responsible for the payment of claims up to the stop-loss and aggregate claims. All retiree claims in each year are assumed to be less than the stop-loss limit.

Retirees who retire and are not eligible for one of the plans listed above can have COBRA as any other employee who terminates employment. These potential retirees are not valued because it is not considered a post-employment benefit.

Section 2.2 – Actuarial Basis

Actuarial Method

The actuarial obligations and expenses under GASB 75 results are determined under the Entry Age Normal Method as level percent of compensation as described in GASB 75.

The following are detailed definitions of terms used in these methods:

Present Value of Projected Benefits

The value, as of a specified date, of a payment or stream of payments payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through discounts for interest) and the probability of payment.

Annual Service Cost

The annual service cost is the annual amount that would have to be paid for each member from his original date of entry (employment) to his assumed retirement (termination, disability, or death) date in order to fund his projected benefits, over the whole of his working life (membership in the plan). This computation is made in such a way that each year's annual payment is a level percent of compensation.

Total OPEB Liability (TOL)

The employer's obligation on a specified date (i.e., the measurement date) for post-retirement benefits to be paid in future years is determined by calculating the present value of projected benefits at that date, and subtracting the present value of future service costs.

Section 2.2 – (Continued)

Economic Actuarial Assumptions

Interest

3.00% per year, compounded annually, net of expenses.

Salary Scale

2.00% per year, compounded annually (used for GASB 75)

Health Trend

The Health Trend rate is 7.25% for the Year beginning July 1, 2016 reduced by 0.25% for each year until 3.00% is reached. The trend rate is applied to both expected claims and COBRA rates.

Demographic Actuarial Assumptions

Healthy Mortality

Male: SOA - RP 2000 Mortality Table for males with blue collar adjustment

Female: SOA - RP 2000 Mortality Table for females with blue collar adjustment

Post Disablement Mortality

Male: PBGC for Unhealthy Lives Table for males

Female: PBGC for Unhealthy Lives Table for females

See the Table at the end of this Section for selected rates.

Section 2.2 – (Continued)

Termination or Withdrawal from Service

Administrative Employees: Twice the T-3 Table less 1951 Group Annuity Table for males

Police and Fire Employees: Four times the T-3 Table less 1951 Group Annuity Table for males

See the Table at the end of this section for sample values.

Age at Retirement

Retirement decrements start at 25 years of service or age 55 and 25 years if hired after June 30, 2006.

See the valuation report for the pension plan.

Possibility of Disability

Male: 100% of UAW Table for males

Female: 100% of UAW Table for females

See the Table at the end of this section for selected rates.

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Disability Males	Disability Females	Withdrawal Twice T-3
20	.0300	.0400	13.1550
25	.0300	.0500	10.5408
30	.0400	.0600	9.6624
35	.0500	.0800	8.9472
40	.0700	.1000	7.6824
45	.1000	.1500	6.4298
50	.1800	.2600	3.0490
55	.3600	.4900	.6688
60	.9000	1.2100	.0000
65	.0000	.0000	

Section 2.2 – (Continued)

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Healthy Mortality Males	Healthy Mortality Females	Post-Disability Mortality Males	Post-Disability Mortality Females
20	.0345	.0191	4.83	2.63
25	.0376	.0207	4.83	2.63
30	.0726	.0293	3.62	2.37
35	.1087	.0519	2.78	2.14
40	.1371	.0878	2.82	2.09
45	.1793	.1387	3.22	2.24
50	.2412	.1963	3.83	2.57
55	.4196	.2795	4.82	2.95
60	.8270	.4949	6.03	3.31
65	1.5539	1.0398	6.78	3.70
70	2.6758	1.8634	7.39	4.11
75	4.3131	3.0887	8.42	4.92
80	7.0547	4.8953	11.28	7.46
85	11.5077	8.3100	16.82	11.28
90	18.1757	13.6686	25.25	16.82
95	25.9466	19.2564	37.89	25.25
100	34.4556	23.7467	56.84	37.89
105	39.7886	29.3116	85.77	56.84
110	40.0000	36.4617	100.00	100.00
115	40.0000	40.0000		
120	100.0000	100.0000		

Section 2.2 – (Continued)

Claims

The follow age factors are applied to the COBRA rate less 2.00% to estimate the amount of claims for each retiree at each projected age:

Age	Male	Female
41	1.00866	1.00726
42	1.01739	1.01457
43	1.02619	1.02193
44	1.03507	1.02935
45	1.04403	1.03682
46	1.05307	1.04435
47	1.06218	1.05193
48	1.07137	1.05956
49	1.08065	1.06725
50	1.09000	1.07500
51	1.09701	1.07794
52	1.10406	1.08089
53	1.11116	1.08385
54	1.11831	1.08682
55	1.12550	1.08980
56	1.13274	1.09278
57	1.14002	1.09577
58	1.14735	1.09877
59	1.15473	1.10178
60	1.16215	1.10479
61	1.16963	1.10782
62	1.17715	1.11085
63	1.18472	1.11389
64	1.19233	1.11694

Section 2.2 – (Continued)

Current COBRA Rates less 2%, Retiree's Portion and City's Portion

	Option II- Plan D			Plan A		
	COBRA Rate	Retiree's Portion	Fixed City's Portion*	COBRA Rate	Retiree's Portion	City's Portion
Single	537.77	337.77	200.00	656.43	98.47	557.96
Spouse	537.77	696.99	300.00	656.43	456.37	1,527.84

*As the COBRA rate increases, the retiree portion increases by the difference between the COBRA rate and the Fixed City's Portion.

Spouse's claims are expected to be single premiums increased by the age factor but the amount paid by retiree is family rate minus the City's portion.

The current retiree premiums and amounts paid by the retirees are provided by the City. Expected claims for retirees are based on the 98% of COBRA premium provided by the City times the age factor.

Percent of Family Coverage

64% of the new retirees will choose family coverage. All remaining retirees will choose single coverage.

Spouse Age

Female Spouse age is assumed to be 3 years younger than the male spouse, and spouse's coverage will stop at the same time as retiree coverage or age 65 if earlier.

Expenses

No expenses are assumed.

CITY OF FRANKLIN

4TH QUARTER REPORT

FY 2018

(UNAUDITED)

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

TABLE OF CONTENTS

Executive Summary

Quarter and Year Ended June 30, 2018 (unaudited)

- The General Fund shows a current year surplus of almost $6.2 million, the largest experienced by the City's General Fund.

  Whereas local sales tax was slightly lower than budget (1.6% less), increases in property tax, state shared taxes, and franchise fees helped revenue to be very close to budget for the year.

  On the expenditure side, the fund was over 10% under budget. This was primarily from lower than expected costs for employee insurance claims. Other savings were from $1.8 million of budgeted project costs in Traffic Operations Center not undertaken, and less than maximum transfers needed to other funds.

- Street Aid's increase was due to stronger fuel tax collections resulting from a July 2017 increase in the fuel tax as well as an additional State allocation from the special census results.

- Facilities Tax and Road Impact benefited from current development activity.

- The Hotel/Motel tax fund fared well from tourism and a net profit at the Conference Center.

- The two governmental funds with decreases, Stormwater and Drug, were the result of planned spending.

- In the Water and Wastewater Fund, service revenue was up 6.5% from last year. The fund experienced significant capital expenditures including cash funding of the replacement of a 54-inch collection system line.

All Funds Summary

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Change	Fund Summary on Page
General	$43,283,142	$69,100,055	$62,923,227	$49,459,970	$6,176,828	3
Street Aid	$502,481	$3,250,164	$3,107,210	$645,435	$142,954	4
Sanitation & Envir. Services.	$687,099	$8,861,405	$8,388,030	$1,160,474	$473,375	5
Road Impact	$5,889,789	$11,706,534	$6,256,477	$11,339,846	$5,450,057	6
Facilities Tax	$10,441,436	$4,885,177	$916,395	$14,410,218	$3,968,782	7
County Facilities Tax	$3,488,072	$1,616,445	$300,000	$4,804,517	$1,316,445	8
Stormwater	$4,687,695	$2,559,488	$3,075,747	$4,171,436	($516,259)	9
Drug	$541,205	$226,100	$258,783	$508,522	($32,683)	10
Hotel/Motel	$3,827,284	$4,136,321	$2,241,520	$5,722,085	$1,894,801	11
In Lieu of Parkland	$4,584,138	$2,062,394	$505,402	$6,141,130	$1,556,992	12
Transit	$374,758	$2,528,989	$2,086,099	$817,648	$442,890	13
CDBG	$86,263	$261,235	$257,808	$89,690	$3,427	14
Debt Service	$90,197	$13,657,071	$13,640,681	$106,587	$16,390	15
Capital Projects	$15,508,919	$7,393,384	$16,689,688	$6,212,615	($9,296,304)	16
Water & Wastewater Operations	*	$36,398,285	$27,388,994	*	$9,009,291	17
Water & Wastewater Dev. Fees	*	$5,976,339	$881,537	*	$5,094,802	18

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

General Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Local Sales Tax	$34,151,972	$32,694,269	104.5%	$34,722,480	98.4%
State Shared Taxes	13,947,483	12,976,405	107.5%	12,162,320	114.7%
Property Taxes	9,115,446	9,724,009	93.7%	6,809,727	133.9%
Alcohol Taxes	4,200,284	4,021,090	104.5%	4,147,689	101.3%
Grants	464,318	263,231	176.4%	1,949,098	23.8%
Franchise Fees	2,586,092	2,230,782	115.9%	2,323,232	111.3%
Building Permits & Fees	3,085,808	2,933,744	105.2%	3,393,893	90.9%
Court Fines & Fees	371,300	518,823	71.6%	602,909	61.6%
In Lieu of Tax (Local)	260,607	298,347	87.4%	211,630	123.1%
Interest Income	198,954	108,152	184.0%	321,877	61.8%
Other Revenues	717,791	771,497	93.0%	3,732,805	19.2%
Total Revenues	***69,100,055***	***66,540,349***	***103.8%***	***70,377,660***	***98.2%***
Expenditures:					
Salaries & Wages	33,478,190	31,861,854	105.1%	33,681,301	99.4%
Employee Benefits	12,046,373	12,121,710	99.4%	14,626,258	82.4%
Utilities	2,039,515	2,109,903	96.7%	2,222,806	91.8%
Contractual Services	3,071,587	2,946,977	104.2%	3,604,450	85.2%
Repair & Maintenance Services	2,321,466	2,136,356	108.7%	2,140,905	108.4%
Debt Service & Lease Payments	1,686,959	2,266,273	74.4%	2,034,906	82.9%
Reimbursement from Other Funds	(2,787,800)	(2,707,185)	103.0%	(2,787,800)	100.0%
Transfers To Other Funds	1,644,399	4,000,580	41.1%	2,392,993	68.7%
Capital (>$25,000)	2,138,550	188,787	1,132.8%	3,939,744	54.3%
Other Expenditures	7,283,988	7,581,539	96.1%	8,522,097	85.5%
Total Expenditures	***62,923,227***	***62,506,794***	***100.7%***	***70,377,660***	***89.4%***
Total Unallocated Funds	***6,176,828***	***4,033,555***	***153.1%***	***0***	***0.0%***

FUND SUMMARY

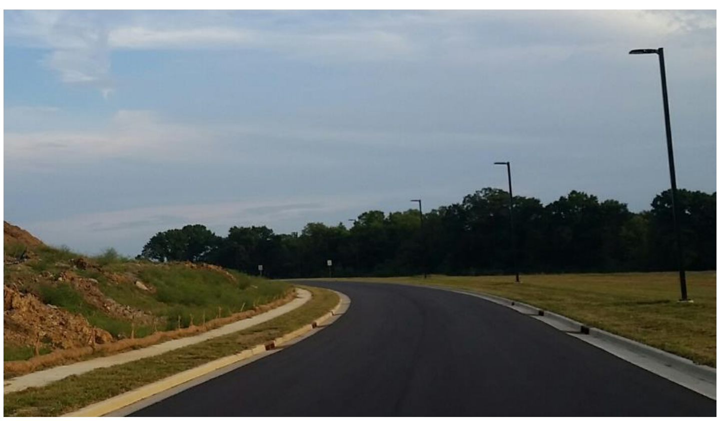
- The General Fund shows a current year surplus of $6,176,828. At the end of the year, revenues are at 98% of budget with expenditures at 89%.
- Local sales taxes are 4.5% higher over last year.
- Property taxes are almost 34% higher than budget as the portion needed for the debt service fund was less than anticipated.
- State shared taxes are 7.5% higher. Although state sales tax was anticipated to be lower due to the change in State Law, the City's special census increased the City's portion of taxes based on population.
- Interest earnings are inclusive of unrealized mark to market valuations of investment securities. Actual interest earnings are higher since the City holds securities to maturity.
- Building permit revenue is up 5.2% over last year.
- Franchise fee revenue is up 15.9% over last year.

Street Aid Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$502,481	$373,415	134.6%	$502,481	100.0%
State Shared Taxes	2,520,503	1,971,070	127.9%	2,395,855	105.2%
Property Taxes	722,941	623,685	115.9%	946,516	76.4%
Interest Income	6,720	1,201	559.5%	204	3,294.2%
Transfer From General Fund	0	332,840	0.0%	0	0.0%
Total Revenues	***3,752,645***	***3,302,211***	***113.6%***	***3,845,056***	***97.6%***
Expenditures:					
Repair & Maintenance Services	3,106,227	2,799,093	111.0%	3,290,852	94.4%
Other Expenditures	983	638	154.2%	600	163.9%
Total Expenditures	***3,107,210***	***2,799,731***	***111.0%***	***3,291,452***	***94.4%***
Total Unallocated Funds	***645,435***	***502,480***	***128.4%***	***553,604***	***116.6%***

FUND SUMMARY

- Gasoline taxes are 27.9% higher over last year. A higher amount was anticipated with the beginning of the new State Law for fuel tax. (A gasoline tax report is included in monthly reports.)
- Expenditures are primarily for paving activity.



Sanitation Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$687,099	$767,350	89.5%	$687,099	100.0%
Interest Income	2,215	113	1,960.0%	196	1,130.0%
Sanitation Collection Services	5,578,066	5,294,333	105.4%	5,759,661	96.8%
Tipping Fees	2,681,623	2,300,739	116.6%	2,342,768	114.5%
Transfer From General Fund	500,000	750,000	66.7%	500,000	100.0%
Other Revenues	99,501	192,053	51.8%	191,715	51.9%
Total Revenues	***9,548,504***	***9,304,588***	***102.6%***	***9,481,439***	***100.7%***
Expenditures:					
Salaries & Wages	2,054,610	2,034,834	101.0%	2,090,745	98.3%
Employee Benefits	1,182,583	983,002	120.3%	1,068,860	110.6%
Utilities	78,067	81,603	95.7%	92,125	84.7%
Contractual Services	35,344	11,473	308.1%	39,644	89.2%
Repair & Maintenance Services	435,483	594,501	73.3%	658,215	66.2%
Debt Service & Lease Payments	303,808	708,822	42.9%	295,484	102.8%
Transfers To Other Funds	273,390	618,054	44.2%	305,802	89.4%
Capital (>$25,000)	156,305	164,899	94.8%	266,590	58.6%
Other Expenditures	3,868,440	3,420,302	113.1%	3,715,405	104.1%
Total Expenditures	***8,388,030***	***8,617,490***	***97.3%***	***8,532,870***	***98.3%***
Total Unallocated Funds	***1,160,474***	***687,098***	***168.9%***	***948,569***	***122.3%***

FUND SUMMARY

- The monthly residential rate increased by $1 effective July 2017.
- Collection services revenue is 5.4% higher than last year. Tipping fees are 16.6% higher.
- The $500,000 transfer was needed to ensure there was neither a fund balance or cash balance deficit at year-end.

Road Impact Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$5,889,789	$5,019,848	117.3%	$5,889,789	100.0%
Interest Income	121,034	27,363	442.3%	10,000	1,210.3%
Road Impact Fees	11,585,500	7,180,150	161.4%	8,800,000	131.7%
Road Impact Credits	0	0	0.0%	(301,440)	0.0%
Other Revenues	0	10,100	0.0%	0	0.0%
Total Revenues	***17,596,323***	***12,237,461***	***143.8%***	***14,398,349***	***122.2%***
Expenditures:					
Contractual Services	556,831	1,631,179	34.1%	3,583,528	15.5%
Transfers To Other Funds	5,699,646	4,689,493	121.5%	5,709,552	99.8%
Capital (>$25,000)	0	27,000	0.0%	0	0.0%
Total Expenditures	***6,256,477***	***6,347,672***	***98.6%***	***9,293,080***	***67.3%***
Total Unallocated Funds	***11,339,846***	***5,889,789***	***192.5%***	***5,105,269***	***222.1%***

FUND SUMMARY

- Dependent on timing and type of development, road impact fees are 61.4% over last year.
- Higher interest rates are resulting in additional interest income.

Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$10,441,436	$6,976,276	149.7%	$10,441,436	100.0%
Interest Income	97,135	(13,900)	(698.8%)	18,821	516.1%
Facilities Taxes	4,788,042	3,864,453	123.9%	3,833,871	124.9%
Total Revenues	***15,326,613***	***10,826,829***	***141.6%***	***14,294,128***	***107.2%***
Expenditures:					
Utilities	0	3,066	0.0%	0	0.0%
Contractual Services	474,711	1,865	25,453.7%	0	0.0%
Repair & Maintenance Services	250	35,140	0.7%	20,000	1.3%
Capital (>$25,000)	441,205	218,261	202.1%	5,030,500	8.8%
Other Expenditures	229	127,061	0.2%	188,600	0.1%
Total Expenditures	***916,395***	***385,393***	***237.8%***	***5,239,100***	***17.5%***
Total Unallocated Funds	***14,410,218***	***10,441,436***	***138.0%***	***9,055,028***	***159.1%***

FUND SUMMARY

- Dependent on timing and type of development, facilities taxes are 23.9% over last year.
- Higher interest rates are resulting in additional interest income.
- Most of the capital budgeted in 2018 is for fire station 7 construction that has not yet occurred.

County Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$3,488,072	$0	0.0%	$3,488,072	100.0%
Interest Income	9,557	1,016	940.5%	0	0.0%
Facilities Taxes	971,814	0	0.0%	1,250,000	77.7%
Transfer from Capital Projects Fund	635,074	3,487,056	18.2%	635,074	100.0%
Total Revenues	***5,104,517***	***3,488,072***	***146.3%***	***5,373,146***	***95.0%***
Expenditures:					
Transfers To Other Funds	300,000	0	0.0%	300,000	100.0%
Capital (>$25,000)	0	0	0.0%	600,000	0.0%
Total Expenditures	***300,000***	***0***	***0.0%***	***900,000***	***33.3%***
Total Unallocated Funds	***4,804,517***	***3,488,072***	***137.7%***	***4,473,146***	***107.4%***

FUND SUMMARY

- This fund was created to account for facilities taxes received from the County.
- $300,000 was transferred to the water and sewer fund for partial funding of the Henpeck Lane sanitary sewer extension. Other expenditures budgeted for this fund are costs attributable to signalization and pedestrian enhancements next to Franklin High School as part of the Phase I CIP project of Hillsboro Road - Phase II.

Stormwater Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$4,687,695	$4,873,735	96.2%	$4,687,695	100.0%
Building Permits & Fees	65,176	128,919	50.6%	86,700	75.2%
Interest Income	28,288	(8,864)	(319.1%)	10,200	277.3%
Stormwater Fees	2,379,597	2,402,680	99.0%	2,598,344	91.6%
Other Revenues	86,427	67,452	128.1%	82,595	104.6%
Total Revenues	***7,247,183***	***7,463,922***	***97.1%***	***7,465,534***	***97.1%***
Expenditures:					
Salaries & Wages	1,053,129	927,968	113.5%	1,038,796	101.4%
Employee Benefits	483,739	417,244	115.9%	513,549	94.2%
Utilities	35,041	41,759	83.9%	61,978	56.5%
Contractual Services	257,040	199,330	129.0%	168,104	152.9%
Repair & Maintenance Services	146,567	143,396	102.2%	126,235	116.1%
Debt Service & Lease Payments	159,497	150,826	105.7%	170,366	93.6%
Transfers To Other Funds	0	50,000	0.0%	0	0.0%
Capital (>$25,000)	521,670	411,480	126.8%	3,605,000	14.5%
Other Expenditures	419,064	434,224	96.5%	535,637	78.2%
Total Expenditures	***3,075,747***	***2,776,227***	***110.8%***	***6,219,665***	***49.5%***
Total Unallocated Funds	***4,171,436***	***4,687,695***	***89.0%***	***1,245,869***	***334.8%***

FUND SUMMARY

- Stormwater fees are almost equivalent to last year.
- Higher interest rates are resulting in additional interest income.

Drug Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$541,205	$515,642	105.0%	$541,205	100.0%
Interest Income	8,318	3,407	244.1%	2,265	367.3%
Drug Fines Received	67,571	62,808	107.6%	77,373	87.3%
Other Revenues	150,211	81,525	184.3%	145,530	103.2%
Total Revenues	***767,305***	***663,382***	***115.7%***	***766,373***	***100.1%***
Expenditures:					
Capital (>$25,000)	159,123	0	0.0%	151,146	105.3%
Other Expenditures	99,660	122,177	81.6%	108,500	91.9%
Total Expenditures	***258,783***	***122,177***	***211.8%***	***259,646***	***99.7%***
Total Unallocated Funds	***508,522***	***541,205***	***94.0%***	***506,727***	***100.4%***

FUND SUMMARY

- Drug fine collections are 7.6% higher than last year. This revenue is dependent on court actions.

Hotel/Motel Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$3,827,284	$2,634,109	145.3%	$3,827,284	100.0%
Interest Income	38,626	10,466	369.1%	4,000	965.7%
Hotel/Motel Taxes	4,097,695	3,710,589	110.4%	3,594,227	114.0%
Total Revenues	***7,963,605***	***6,355,164***	***125.3%***	***7,425,511***	***107.2%***
Expenditures:					
Contractual Services	29,292	40,994	71.5%	140,000	20.9%
Repair & Maintenance Services	7,920	1,551	510.6%	0	0.0%
Transfers To Other Funds	1,118,668	1,314,916	85.1%	1,112,812	100.5%
Capital (>$25,000)	325,538	320,925	101.4%	559,286	58.2%
Other Expenditures	760,102	849,494	89.5%	895,557	84.9%
Total Expenditures	***2,241,520***	***2,527,880***	***88.7%***	***2,707,655***	***82.8%***
Total Unallocated Funds	***5,722,085***	***3,827,284***	***149.5%***	***4,717,856***	***121.3%***

FUND SUMMARY

- In FY 2018, the City of Franklin along with the City of Brentwood and Williamson County are jointly performing audits of taxes due from hotels/motels located within its jurisdictions. Most collections have been received.
- Hotel/Motel tax collections are 10.4% higher than last year.

In Lieu of Parkland Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$4,584,138	$4,425,966	103.6%	$4,584,138	100.0%
Interest Income	52,338	20,718	252.6%	20,000	261.7%
In Lieu of Parkland Fees	2,010,056	137,454	1,462.3%	2,387,178	84.2%
Total Revenues	***6,646,532***	***4,584,138***	***145.0%***	***6,991,316***	***95.1%***
Expenditures:					
Capital (>$25,000)	505,402	0	0.0%	505,402	100.0%
Total Expenditures	***505,402***	***0***	***0.0%***	***505,402***	***100.0%***
Total Unallocated Funds	***6,141,130***	***4,584,138***	***134.0%***	***6,485,914***	***94.7%***

FUND SUMMARY

- $505,402 was used for the first of three payments for the acquisition of 80 acres of parkland along Carothers South Road in southeast Franklin.

Transit Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$374,758	$374,758	100.0%	$374,758	100.0%
Grants	1,255,107	1,544,039	81.3%	1,640,436	76.5%
Interest Income	7,465	8,095	92.2%	3,200	233.3%
Transit Fares	112,418	104,649	107.4%	144,500	77.8%
Transfer From General Fund	1,144,399	458,755	249.5%	1,892,993	60.5%
Other Revenues	9,600	20,690	46.4%	9,700	99.0%
Total Revenues	***2,903,747***	***2,510,986***	***115.6%***	***4,065,587***	***71.4%***
Expenditures:					
Capital (>$25,000)	0	245,861	0.0%	330,000	0.0%
Other Expenditures	2,086,099	1,890,367	110.4%	3,360,829	62.1%
Total Expenditures	***2,086,099***	***2,136,228***	***97.7%***	***3,690,829***	***56.5%***
Total Unallocated Funds	***817,648***	***374,758***	***218.2%***	***374,758***	***218.2%***

FUND SUMMARY

- The City transferred $1,144,399, or 60.5% of the total budgeted, to the Transit Fund as grant revenues were lower than budgeted. Transit worked during the quarter to submit grant reimbursements to minimize the transfer amount.

CDBG Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$86,263	$85,185	101.3%	$86,263	100.0%
Grants	257,808	230,374	111.9%	250,000	103.1%
Interest Income	3,427	1,078	318.0%	300	1,142.4%
Total Revenues	***347,498***	***316,637***	***109.7%***	***336,563***	***103.2%***
Expenditures:					
Contractual Services	87,808	65,304	134.5%	152,500	57.6%
Repair & Maintenance Services	170,000	115,000	147.8%	120,000	141.7%
Other Expenditures	0	50,070	0.0%	1,500	0.0%
Total Expenditures	***257,808***	***230,374***	***111.9%***	***274,000***	***94.1%***
Total Unallocated Funds	***89,690***	***86,263***	***104.0%***	***62,563***	***143.4%***

FUND SUMMARY

- 94% of budgeted expenditures were incurred. Grant revenues offset the expenditures incurred.

Debt Service Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$90,197	$5,000	1,804.0%	$90,197	100.0%
Property Taxes	8,505,949	6,710,855	126.7%	8,733,490	97.4%
Interest Income	16,390	4,355	376.4%	5,000	327.8%
Rebate on BAB/RZEDB Bonds	843,028	846,359	99.6%	904,051	93.3%
Transfer From General Fund	0	792,914	0.0%	0	0.0%
Transfer from Sanitation Fund	273,390	618,054	44.2%	305,802	89.4%
Transfer from Road Impact Fund	2,699,646	2,689,493	100.4%	2,709,552	99.6%
Transfer from Hotel/Motel Tax Fund	1,118,668	1,119,916	99.9%	1,113,103	100.5%
Transfer from Water & Sewer Fund	200,000	200,000	100.0%	200,000	100.0%
Total Revenues	***13,747,268***	***12,986,946***	***105.9%***	***14,061,195***	***97.8%***
Expenditures:					
Debt Service & Lease Payments	13,640,681	12,896,748	105.8%	13,965,998	97.7%
Total Expenditures	***13,640,681***	***12,896,748***	***105.8%***	***13,965,998***	***97.7%***
Total Unallocated Funds	***106,587***	***90,198***	***118.2%***	***95,197***	***112.0%***

FUND SUMMARY

- The Debt Service Fund shows a current year surplus of $106,587. Less property tax was needed for debt service than anticipated.

Capital Projects Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$15,508,919	($7,887,886)	(196.6%)	$0	0.0%
Property Taxes	0	623,685	0.0%	0	0.0%
Grants	2,436,243	1,795,154	135.7%	0	0.0%
Interest Income	154,516	5,596	2,761.3%	0	0.0%
Facilities Taxes	0	1,068,030	0.0%	0	0.0%
Transfer From General Fund	0	1,666,071	0.0%	0	0.0%
Transfer from Road Impact Fund	3,000,000	2,000,000	150.0%	0	0.0%
Transfer from Hotel/Motel Tax Fund	0	195,000	0.0%	0	0.0%
Transfer from Stormwater Fund	0	50,000	0.0%	0	0.0%
Transfer from Water & Sewer Fund	0	925,000	0.0%	0	0.0%
Other Revenues	1,802,625	29,667,105	6.1%	0	0.0%
Total Revenues	***22,902,303***	***30,107,755***	***76.1%***	***0***	***0.0%***
Expenditures:					
Contractual Services	174,989	232,693	75.2%	0	0.0%
Repair & Maintenance Services	1,769,693	0	0.0%	0	0.0%
Debt Service & Lease Payments	1,250	200,673	0.6%	0	0.0%
Transfers To Other Funds	635,074	3,487,056	18.2%	0	0.0%
Capital (>$25,000)	7,479,485	4,113,216	181.8%	0	0.0%
Other Expenditures	6,629,197	6,565,199	101.0%	0	0.0%
Total Expenditures	***16,689,688***	***14,598,837***	***114.3%***	***0***	***0.0%***
Total Unallocated Funds	***6,212,615***	***15,508,918***	***40.1%***	***0***	***0.0%***

FUND SUMMARY

- The FY 2018 ending fund balance includes the proceeds remaining from the $23 million bond issued in June 2017.

Water and Sewer Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$251,107	$106,035	236.8%	$92,600	271.2%
Customer Service	30,279,812	28,439,380	106.5%	29,750,930	101.8%
Other Revenues	5,867,366	5,338,953	109.9%	326,800	1,795.4%
Total Revenues	***36,398,285***	***33,884,368***	***107.4%***	***30,170,330***	***120.6%***
Expenditures:					
Salaries & Wages	4,298,696	3,995,028	107.6%	4,450,128	96.6%
Employee Benefits	2,037,299	1,855,867	109.8%	2,007,807	101.5%
Utilities	1,650,381	1,507,305	109.5%	1,508,321	109.4%
Contractual Services	1,768,511	561,488	315.0%	2,055,625	86.0%
Repair & Maintenance Services	624,940	465,431	134.3%	349,500	178.8%
Debt Service & Lease Payments	724,194	548,600	132.0%	2,123,443	34.1%
Transfers To Other Funds	1,125,000	200,000	562.5%	200,000	562.5%
Capital (>$25,000)	0	0	0.0%	12,291,406	0.0%
Other Expenditures	15,159,973	16,194,369	93.6%	10,188,341	148.8%
Total Expenditures	***27,388,994***	***25,328,088***	***108.1%***	***35,174,571***	***77.9%***
Total Unallocated Funds	***9,009,291***	***8,556,280***	***105.3%***	***(5,004,241)***	***(180.0%)***

FUND SUMMARY

- Customer service revenue is 6.5% higher than last year.
- The Water and Sewer Fund incurred costs for water plant improvements budgeted to come from prior year surplus funds and costs for the Southeast Interceptor emergency sewer repair.

Water and Sewer Impact Fees

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$132,060	$122,255	108.0%	$0	0.0%
Customer Service	38,000	20,617	184.3%	0	0.0%
Impact Fees	5,806,279	4,468,223	129.9%	0	0.0%
Total Revenues	***5,976,339***	***4,611,095***	***129.6%***	***0***	***0.0%***
Expenditures:					
Contractual Services	0	21,000	0.0%	0	0.0%
Debt Service & Lease Payments	881,419	879,134	100.3%	0	0.0%
Transfers To Other Funds	0	925,000	0.0%	0	0.0%
Other Expenditures	118	0	0.0%	0	0.0%
Total Expenditures	***881,537***	***1,825,134***	***48.3%***	***0***	***0.0%***
Total Unallocated Funds	***5,094,802***	***2,785,961***	***182.9%***	***0***	***0.0%***

FUND SUMMARY

- Dependent on timing and type of development, water/sewer impact fees are 29.9% higher than last year.

On the Horizon

October

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

November

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

December

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

October 18, 2018	Budget & Finance Committee Meeting (moved from October 11 due to TGFOA Fall Conference)
November 29, 2018	Budget & Finance Committee Meeting (Presentation of 2018 Audited Financials.)

Finance Department

109 3rd Avenue South

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City of Franklin

Monthly Reports for September 2018

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax

The local sales tax remittance from the State of Tennessee for June 2018 sales (received by the City in August 2018) was $2,964,094 compared to $2,840,361 for the same month in 2017, an increase of $123,733 or 4.4%. In comparison, sales tax collections for the State of Tennessee were up 6.9%. August receipts (June sales) are the final month of the FY 2018 fiscal year for both the City of Franklin and the State of Tennessee.

For the same twelve-month period, the City has shown an increase of 4.5%, of $1,457,703, year over year. This growth rate is consistent with our budget projections for FY18 and the base used for projecting FY19. Comparatively, the State of Tennessee is up 4.6% year over year.

Schedule 2: Building Permits

2019 year-to-date is less than 2018 by 30.0%, and compared to 2019 budget is less by 27.4%.

Schedule 3: Road Impact Fees *

2019 year-to-date compared to 2018 is 11.9% less, and compared to 2019 budget is more by 27.9%.

Schedule 4: Facilities Tax (City) *

2019 year-to-date compared to 2018 is 30.8% less, and compared to 2019 budget is less by 13.4%.

Schedule 5: Facilities Tax (County) *

2019 year-to-date compared to 2018 is 56.1% less, and compared to 2019 budget is 65.9% less.

Schedule 6: Gasoline Taxes (State Street Aid Fund)

The gasoline tax remittance from the State of Tennessee for June 2018 sales (received by the City in August 2018) was $215,037 compared to $176,496 for the same month in 2017, an increase of $38,541 or 21.8%.
For budget comparisons, the City anticipated collections of $199,655 for June 2018, a difference of $15,383 more, or 7.7%.

Schedule 7: Conference Center

The City's ½ share of the loss for July 2018 was ($49,914). In July 2017, the City's ½ share of the loss was ($29,761).

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

City of Franklin

Finance Department - Monthly Reports

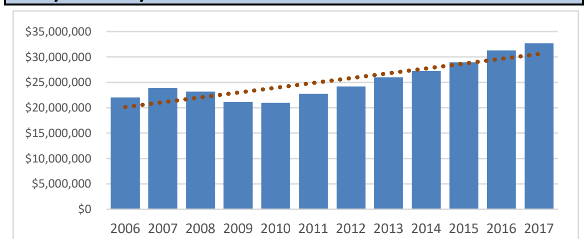
Schedule 1:	Local Sales Tax	Fund	General	Account:	110-31300-00000

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

Monthly Report for September 2018: The local sales tax remittance from the State of Tennessee for June 2018 sales (received by the City in August 2018) was $2,964,094 compared to $2,840,361 for the same month in 2017, a monthly year over year increase $123,733, or 4.4%. In comparison, sales tax collections for the State of Tennessee were up 6.9%. August receipts (June sales) are the final month of the FY 2018 fiscal year for both the City of Franklin and the State of Tennessee. For the same twelve month period, the City has shown an increase of 4.5%, or $1,457,703, year over year. The growth rate is consistent with our budget projections for FY18 and the based used for projecting FY19. Comparatively, the State of Tennessee is up 4.6% year over year.

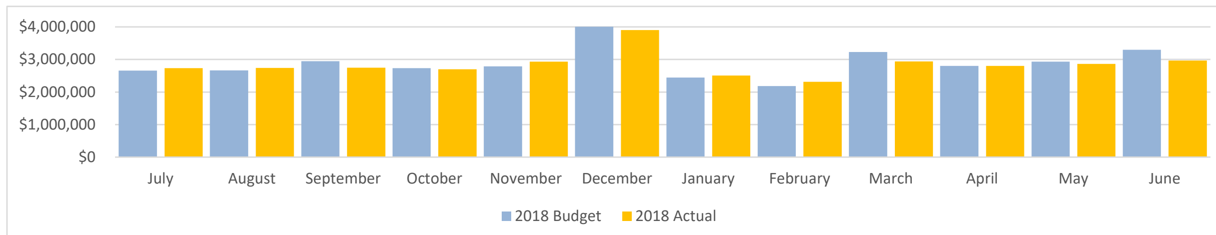
The additional local option sales tax rate of 0.50%, for a total local rate of 2.75%, became effective April 1, 2018. The City of Franklin has pledged its 2nd half share of this additional tax to School Debt Service for a period of 3 years. For June 2018, the funds foregone by the City and contributed to Schools is $589,274. Total contribution to date to Schools from the City's portion is $1,692,308.

Yearly Summary



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

FY18 Month by Month Summary



Month	2017 Actual	2018 Budget	2018 Actual	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2017 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget	Contribution to County School Debt .5% Apr 2018-Mar 2021
July	$2,546,087	$2,660,661	$2,735,435	$189,348	7.4%	$74,774	2.8%	
August	$2,547,776	$2,662,426	$2,739,864	$192,088	7.5%	$77,438	2.9%	
September	$2,817,429	$2,944,109	$2,748,694	($68,735)	-2.4%	($195,415)	-6.6%	
October	$2,616,784	$2,734,539	$2,699,862	$83,078	3.2%	($34,677)	-1.3%	
November	$2,666,949	$2,786,962	$2,934,718	$267,769	10.0%	$147,756	5.3%	
December	$3,870,492	$4,044,664	$3,902,304	$31,812	0.8%	($142,360)	-3.5%	
January	$2,338,925	$2,444,176	$2,503,594	$164,669	7.0%	$59,418	2.4%	
February	$2,186,682	$2,180,041	$2,315,764	$129,082	5.9%	$135,723	6.2%	
March	$2,812,649	$3,232,309	$2,938,636	$125,987	4.5%	($293,673)	-9.1%	
April	$2,798,951	$2,799,152	$2,804,120	$5,169	0.2%	$4,968	0.2%	$527,013
May	$2,651,184	$2,934,465	$2,864,887	$213,703	8.1%	($69,578)	-2.4%	$576,021
June	$2,840,361	$3,298,976	$2,964,094	$123,733	4.4%	($334,882)	-10.2%	$589,274
	$32,694,269	**$34,722,480**	**$34,151,972**	**$121,475**	**4.5%**	**($47,542)**	**-1.6%**	**$1,692,308**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*	*Total*
				$1,457,703		**($570,508)**		
				Total		*Total*		

City of Franklin

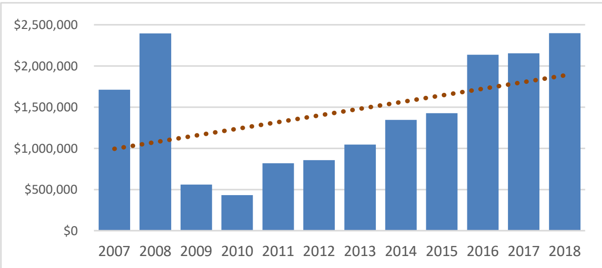
Finance Department - Monthly Reports

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

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

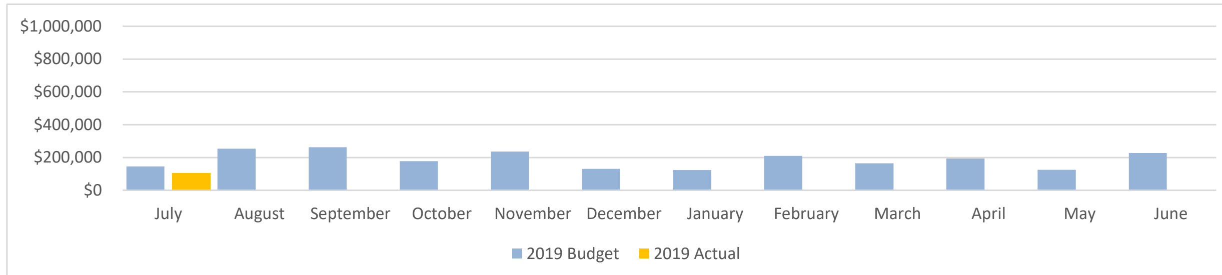
Monthly Report for September 2018: 2019 year-to-date is less than 2018 by 30.0%, and compared to 2019 budget is less by 27.4%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	$1,710,865	$482,656	39.3%
2008	$2,395,129	$684,264	40.0%
2009	$559,112	($1,836,017)	-76.7%
2010	$430,901	($128,211)	-22.9%
2011	$820,111	$389,210	90.3%
2012	$855,409	$35,298	4.3%
2013	$1,046,947	$191,538	22.4%
2014	$1,343,978	$297,031	28.4%
2015	$1,426,188	$82,210	6.1%
2016	$2,136,322	$710,134	49.8%
2017	$2,153,262	$16,940	0.8%
2018	$2,399,364	$246,102	11.4%
Average Increase (Decrease)		**$ 97,596**	**16.1%**

FY18 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$151,308	$145,855	$105,936	($45,372)	-30.0%	($39,919)	-27.4%
August	$263,053	$253,572					
September	$272,790	$262,958					
October	$184,369	$177,724					
November	$245,485	$236,637					
December	$135,762	$130,869					
January	$127,933	$123,322					
February	$217,391	$209,556					
March	$170,457	$164,314					
April	$200,312	$193,093					
May	$130,209	$125,516					
June	$240,295	$227,972					
	$2,339,364	**$2,251,388**	**$105,936**	**($45,372)**	**-30.0%**	**($39,919)**	**-27.4%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($45,372)		**($39,919)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

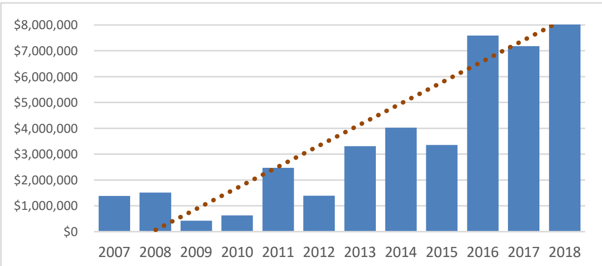
Schedule 3:	Road Impact Fees	Fund	Road Impact	Account:	128-(32800-32804)-00000

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

Monthly Report for September 2018: 2019 year-to-date compared to 2018 is 11.9% less, and compared to 2019 budget is more by 27.9%.

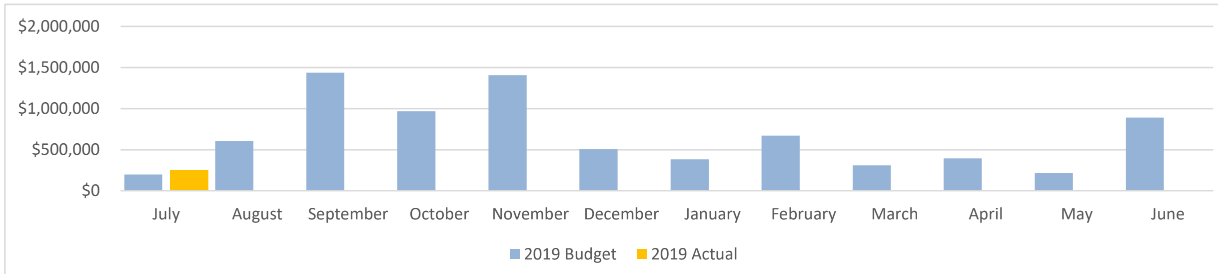
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	$1,381,660	$72,116	5.5%
2008	$1,509,963	$128,303	9.3%
2009	$426,916	($1,083,047)	-71.7%
2010	$629,194	$202,278	47.4%
2011	$2,466,846	$1,837,652	292.1%
2012	$1,391,645	($1,075,201)	-43.6%
2013	$3,306,075	$1,914,430	137.6%
2014	$4,021,752	$715,677	21.6%
2015	$3,358,431	($663,321)	-16.5%
2016	$7,586,724	$4,228,293	125.9%
2017	$7,180,150	($406,574)	-5.4%
2018	$11,585,500	$4,405,350	61.4%
Average Increase (Decrease)		**$ 856,330**	**47.0%**

FY18 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$286,769	$197,630	$252,701	($34,068)	-11.9%	$55,071	27.9%
August	$875,735	$603,523					
September	$2,088,489	$1,439,305					
October	$1,402,083	$966,261					
November	$2,038,926	$1,405,148					
December	$733,067	$505,201					
January	$554,671	$382,258					
February	$975,568	$672,324					
March	$448,969	$309,412					
April	$571,231	$393,670					
May	$315,984	$217,764					
June	$1,294,008	$891,780					
	$11,585,500	**$7,984,276**	**$252,701**	**($34,068)**	**-11.9%**	**$55,071**	**27.9%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($34,068)		**$55,071**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

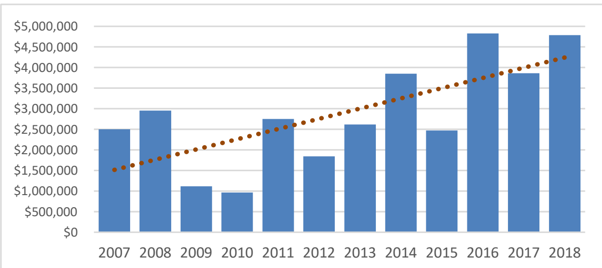
Schedule 4:	Facilities Tax (City)	Fund	Facilities Tax	Account:	130-31600-00000

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

Monthly Report for September 2018: 2019 year-to-date compared to 2018 is 30.8% less, and compared to 2019 budget is less by 13.4%.

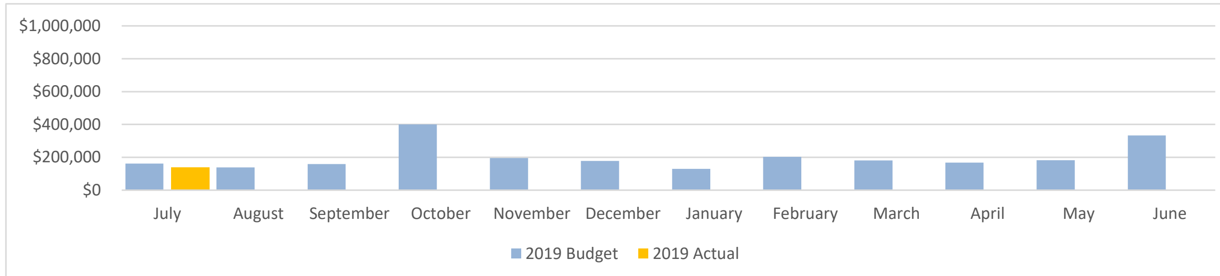
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	$2,500,000	$500,000	25.0%
2008	$2,956,284	$456,284	18.3%
2009	$1,115,914	($1,840,370)	-62.3%
2010	$963,748	($152,166)	-13.6%
2011	$2,748,927	$1,785,179	185.2%
2012	$1,845,690	($903,237)	-32.9%
2013	$2,617,339	$771,649	41.8%
2014	$3,848,783	$1,231,444	47.0%
2015	$2,468,473	($1,380,310)	-35.9%
2016	$4,827,968	$2,359,495	95.6%
2017	$3,864,453	($963,515)	-20.0%
2018	$4,788,042	$923,589	23.9%
Average Increase (Decrease)		**$232,337**	**22.7%**

FY18 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$202,536	$161,854	$140,095	($62,441)	-30.8%	($21,759)	-13.4%
August	$649,402	$138,733					
September	$635,277	$158,463					
October	$437,274	$401,233					
November	$516,609	$195,071					
December	$321,669	$177,773					
January	$222,051	$129,410					
February	$470,643	$203,546					
March	$211,194	$180,848					
April	$282,850	$167,370					
May	$163,847	$182,572					
June	$674,690	$333,611					
	$4,788,042 *Total*	**$2,430,484** *Total*	**$140,095** *Total*	**($62,441)** *Average* **($62,441)** *Total*	**-30.8%** *Average*	**($21,759)** *Average* **($21,759)** *Total*	**-13.4%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

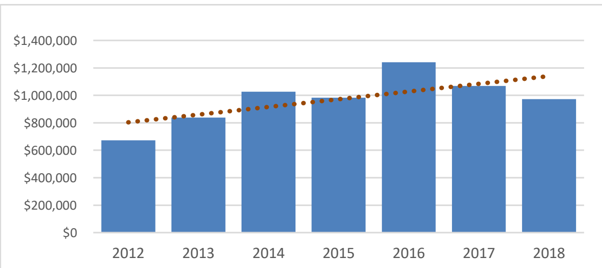
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used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

Monthly Report for September 2018: 2019 year-to-date compared to 2018 is 56.1% less, and compared to 2019 budget is 65.9% less.

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

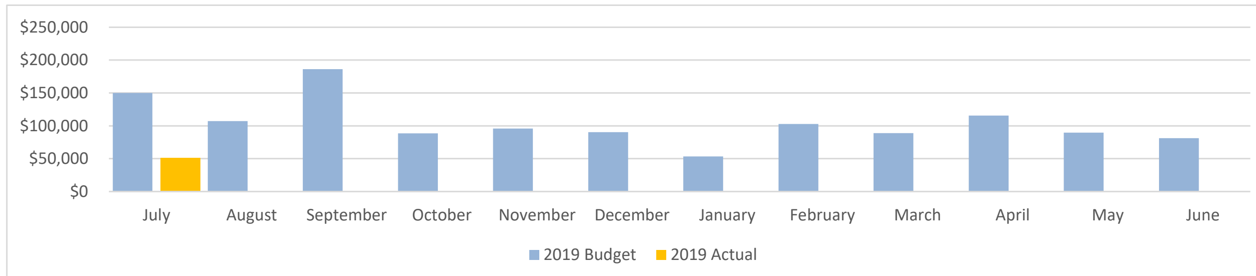
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	County Facilities Tax receipts began in FY 2012.		
2008			
2009			
2010			
2011			
2012	$672,961	$672,961	100.0%
2013	$838,523	$165,562	24.6%
2014	$1,026,933	$188,410	22.5%
2015	$982,605	($44,328)	-4.3%
2016	$1,241,241	$258,636	26.3%
2017	$1,068,030	($173,211)	-14.0%
2018	$971,814	($96,216)	-9.0%
Average Increase (Decrease)		$ 138,831	20.9%

FY18 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$116,590	$149,964	$51,187	($65,403)	-56.1%	($98,777)	-65.9%
August	$83,476	$107,371					
September	$144,825	$186,282					
October	$68,704	$88,371					
November	$74,568	$95,913					
December	$70,293	$90,415					
January	$41,526	$53,413					
February	$80,051	$102,966					
March	$69,078	$88,852					
April	$89,893	$115,625					
May	$69,604	$89,528					
June	$63,206	$81,300					
	$971,814	**$1,250,000**	**$51,187**	**($65,403)**	**-56.1%**	**($98,777)**	**-65.9%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($65,403)		**($98,777)**	
				Total		*Total*	

City of Franklin

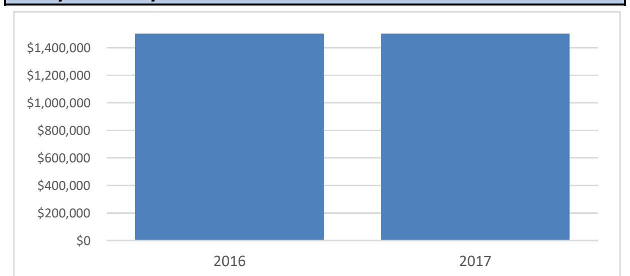
Finance Department - Monthly Reports

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

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

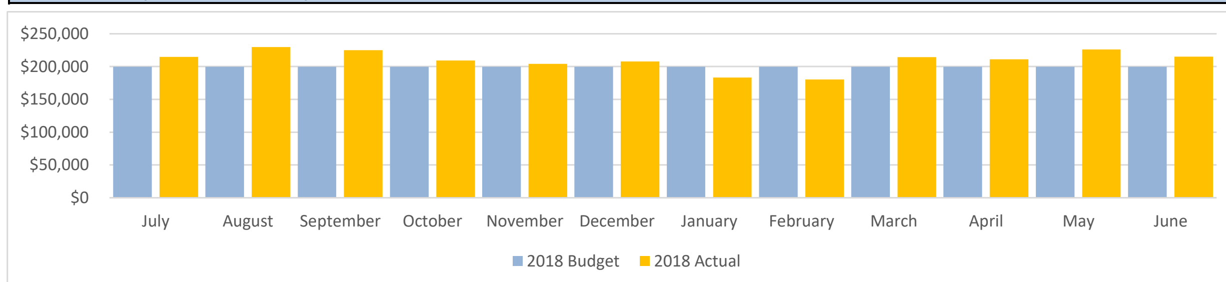
Monthly Report for September 2018: The gasoline tax remittance from the State of Tennessee for June 2018 sales (received by the City in August 2018) was $215,037 compared to $176,496 for the same month in 2017, an increase of $38,541 or 21.8%.
For budget comparisons, the City anticipated collections of $199,655 for June 2018, a difference of $15,383 more, or 7.7%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
	Increase in Gas Tax began July 2017.		
2016	$1,959,796		
2017	$1,971,070	$11,274	0.6%

FY18 Month by Month Summary



Month	2017 Actual	2018 Budget	2018 Actual	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2017 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget
July	$163,558	$199,655	$214,667	$51,109	31.2%	$15,012	7.5%
August	$172,793	$199,655	$229,773	$56,980	33.0%	$30,118	15.1%
September	$153,463	$199,655	$224,891	$71,428	46.5%	$25,236	12.6%
October	$181,330	$199,655	$209,165	$27,835	15.4%	$9,510	4.8%
November	$155,662	$199,655	$204,013	$48,351	31.1%	$4,358	2.2%
December	$173,742	$199,655	$207,853	$34,111	19.6%	$8,198	4.1%
January	$146,529	$199,655	$183,474	$36,945	25.2%	($16,181)	-8.1%
February	$143,550	$199,655	$180,219	$36,669	25.5%	($19,436)	-9.7%
March	$165,657	$199,655	$214,223	$48,566	29.3%	$14,568	7.3%
April	$173,105	$199,655	$210,942	$37,837	21.9%	$11,287	5.7%
May	$165,185	$199,655	$226,246	$61,061	37.0%	$26,591	13.3%
June	$176,496	$199,655	$215,037	$38,541	21.8%	$15,383	7.7%
	$1,971,070 *Total*	**$2,395,855** *Total*	**$2,520,503** *Total*	**$45,786** *Average*	**27.9%** *Average*	**$10,387** *Average*	**5.2%** *Average*

MARRIOTT

August 17, 2018

Schedule 7

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

Dear Ms. Tallent:

Please find enclosed the Consolidated Profit and Loss Statement for the Cool Springs Conference Center for period end July 31, 2018.

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

COOL SPRINGS CONFERENCE CENTER
July, 2018

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENE	492,195	550,916	465,875	492,195	550,916	465,875
HOUSE PROFIT	(55,739)	(9,867)	(17,108)	(55,739)	(9,867)	(17,108)
Less: FIXED EXPENSES	19,479	20,269	19,121	19,479	20,269	19,121
NET INCOME	(75,218)	(30,136)	(36,229)	(75,218)	(30,136)	(36,229)
Less: FF&E RESERVE 5%	24,610	27,545	23,294	24,610	27,545	23,294
NET CASH FLOW	(99,828)	(57,682)	(59,523)	(99,827)	(57,681)	(59,523)

TOTAL CURRENT BALANCE DUE TO OWNERS	($99,828)
TOTAL DUE TO/(FROM) CITY OF FRANKLIN	($49,914)
TOTAL DUE TO/(FROM) WILLIAMSON COUNTY	($49,914)

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,

Marlen Collins

Marlen Collins
Controller

Michael Bennett
General Manager

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