City of Franklin

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

Meeting Agenda

Budget & Finance Committee

Thursday, July 9, 2015 | **4:00 PM** | **Board Room**

Approval of Minutes

1. 15-0623 Approval of Committee Minutes from May 14, 2015

2. 15-0552 Consideration of Resolution 2015-37, a Resolution to Adopt the Estimate of Revenues and Expenditures for the Water and Sanitary Sewer Utility Fund for Fiscal Year 2015-2016 & Fiscal Year 2016-2017 (07/14/15 WS)

Sponsors: Mark Hilty

Attachments: Resolution adopting Water Budget for FY16
FY2016 Water Management Budget proposed 7.9.15
WMD Budget Presentation2 - Amended 08112015

3. 15-0594 Consideration of Resolution 2015-36, a Resolution to Fund Improvements to the Emergency Radio System (07/09/15 Finance 3-0)

Sponsors: Eric Stuckey and Russ Truell

Attachments: Resolution 2015-36 Joint Networking Authority funding resolution

4. 15-0591 Consideration of Resolution 2015-38, Authorizing a Leased Equipment Schedule for FY2016 as an Amendment to COF Contract No. 2014-0171 with JPMorgan Chase (07/09/15 Budget & Finance).

Sponsors: Russ Truell

Attachments: Res 2015-38.Chase.pdf
Lease Schedule documents

5. 15-0551 Presentation of Actuarial Valuation Report

Sponsors: Russ Truell

Attachments: COFDB1 2015 GASB Valuation

6. 15-0597 Consideration of COF Contract No. 2015-0176, an Agreement to Increase the Pension Investment with Westwood Global Advisors (07/09/15 Budget & Finance)

Sponsors: Russ Truell

Attachments: Instrument of Accession 2015

7. 15-0595 Fiscal Year 2015 - 3rd Quarter Report / Fiscal Year End Status

Sponsors: Mike Lowe

Attachments: Quarterly Report March 2015

8. 15-0420 Monthly Reports for June and July

Sponsors: Russ Truell

Attachments: 2014 Property Tax Report at April 2015 - BOMA
Monthly Permit Summary - April 2015
Transit Monthly Statement April 2015
Investment Report - April 2015
sales tax chart - June 2015
sales tax report - June 2015
Development Activity Summary - May 2015
Construction Activities Report - May 2015
Transit Monthly Statement May 2015
Conference Center report - May 2015
Fuel Hedging report May 2015

9. 15-0178 State Comptroller's Approval of City's 2014 Audit

Sponsors: Russ Truell

Attachments: Comptroller letter-2014-City of Franklin-EL-CPA-284

Other Business

Adjournment

ANYONE REQUESTING ACCOMMODATIONS DUE TO DISABILITIES SHOULD CONTACT A.D.A. COORDINATOR, AT 550-5721 AT LEAST 10 DAYS PRIOR TO THE MEETING, IF POSSIBLE.

RESOLUTION 2015-37

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN FOR THE CITY OF FRANKLIN ADOPTING THE ESTIMATE OF REVENUES AND EXPENDITURES FOR THE WATER AND SEWER UTILITY FUND, FISCAL YEAR 2015 – 2016 AND FISCAL YEAR 2016-2017; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Franklin owns and operates a water and sanitary sewer utility system under authorization of the Municipal Charter, and

WHEREAS, this Utility Fund is an enterprise fund of the City in accordance with generally accepted accounting principles, and

WHEREAS, it is now deemed in the public interest to provide for authorization of an estimate of revenues and expenditures for such fund for Fiscal Year 2015-2016 and Fiscal Year 2016-2017.

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

Section 1. That the Statement of Estimated Revenues and Expenditures for the Water and Sewer Utility Fund, for Fiscal Year 2015-2016 and for Fiscal Year 2016-2017, as set forth more fully in **Attachment A**, is herewith approved and adopted.

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

IT IS SO RESOLVED AND DONE on this 11th day of August, 2015.

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

City of Franklin, Tennessee

FY 2016-2017

Water Management
Biennial Operating Budget

Water - Wastewater - Reclaimed

Excellence Innovation Teamwork Integrity Action Oriented

Water Management

Mark Hilty, Water Management Director

Table of Contents

Water Management

Mark Hilty, Water Management Director

	2013 Actual	2014 Actual	2015 Budget	2015 Estimated	2016 Budget	2017 Budget	2015 v. 2016 $	2015 v. 2016 %
Beginning Balance	**7,268,534**	**15,043,450**	**18,318,852**	**18,318,852**	**21,265,147**	**22,771,594**		
Revenues	**25,471,938**	**23,187,312**	**22,351,089**	**24,938,329**	**24,708,803**	**26,150,977**	**2,357,714**	**10.5%**
Expenses								
Personnel	4,669,801	4,765,815	5,298,339	4,995,360	5,485,617	5,612,024	187,278	3.5%
Operations	11,421,311	11,847,191	12,119,000	12,353,807	12,545,632	12,811,200	426,632	3.5%
Capital	1,605,910	3,298,904	4,925,325	4,642,866	5,171,107	5,390,098	245,782	5.0%
Expenses	**17,697,022**	**19,911,910**	**22,342,664**	**21,992,034**	**23,202,356**	**23,813,322**	**859,692**	**3.8%**
Ending Balance	**15,043,450**	**18,318,852**	**18,327,277**	**21,265,147**	**22,771,594**	**25,109,249**		

Budget Summary - By Division

	2013 Actual	2014 Actual	2015 Budget	2015 Estimated	2016 Budget	2017 Budget	2015 v. 2016 $	2015 v. 2016 %
Beginning Balance	**7,268,534**	**15,043,450**	**18,318,852**	**18,318,852**	**21,265,147**	**22,771,594**		
Revenues	**25,471,938**	**23,187,312**	**22,351,089**	**24,938,329**	**24,708,803**	**26,150,977**	**2,357,714**	**10.5%**
Expenses								
Water	8,836,662	8,863,912	9,712,628	9,554,357	10,109,710	10,263,634	397,082	4.1%
Wastewater	8,738,856	10,904,872	12,433,961	12,252,625	12,889,816	13,345,613	455,855	3.7%
Reclaimed	121,504	143,126	196,075	185,051	202,831	204,075	6,756	3.4%
Expenses	**17,697,022**	**19,911,910**	**22,342,664**	**21,992,034**	**23,202,356**	**23,813,322**	**859,692**	**3.8%**
Ending Balance	**15,043,450**	**18,318,852**	**18,327,277**	**21,265,147**	**22,771,594**	**25,109,249**		

Departmental Summary

The Water Management Department's vision, in support of the City's vision statement, is to continually strive to enhance quality of life through exceptional, responsive, and cost effective water resources services. These services include drinking water treatment and distribution, wastewater collection and treatment, and reclaimed water distribution for customers located primarily in the City of Franklin.

To achieve this vision it is necessary to safely and efficiently deliver drinking water, sanitary sewer and reclaimed water services to our customers. The Water Management Department continues to evolve through formalization and refinement of practices and through the implementation of the Integrated Water Resources Plan.

Water Management

Mark Hilty, Water Management Director

Departmental Summary (con't)

This fiscal year 2016 and 2017 biennial budget was developed to further refine operations to achieve the department's vision, in support of the City of Franklin's goals and objectives. Revenues and expenditures for each division are presented in consolidated Sections as follows:

Division	Section
Water Distribution	Water
Water Treatment	Water
Utility Billing	Water
Wastewater Collection	Wastewater
Wastewater Treatment	Wastewater
Utility Administration	Wastewater
Reclaimed Water	Reclaimed Water

Water and wastewater are independent business units of the City of Franklin and are required to be self-sufficient entities. These utilities are not subsidized by local taxes, reimbursing the General Fund monies to cover the costs of administrative oversight and support services such as payroll, human resources, finance and engineering. Reclaimed water, while presented as its own section, is an alternative disposal method of treated sanitary sewer. This disposal method in effect, increases the discharge capacity of the wastewater treatment plant (primarily during summer months) and provides a cost effective source of irrigation water within the reclaimed water distribution system while providing revenue to support its operation.

Performance Measures

How a community utilizes its resources must be governed in accordance with its citizens wishes and its plans for the future. Therefore, beginning in FY 2015, The City of Franklin has established **Franklin*Forward* : A Vision for 2033**. This Strategic Plan has specific and demonstrable objectives for each department which, when achieved individually, will cohesively move Franklin forward to meet the challenges and demands of the future.

Each budget has a series of performance measures and benchmarks attached to it which demonstrate the workload, effectiveness and outcome of taxpayer support for the annual operations of the City of Franklin and its pursuit of the goals of the Strategic Plan. Together, these measures demonstrate a proper and diligent use of taxpayer dollars in the pursuit of a greater community.

Franklin*Forward* : A Vision for 2033 | Objectives for Developing a Strategic Plan

Theme: A Safe Clean and Livable City

Franklin will provide high-quality water and wastewater treatment services that will meet the needs of our growing community.

Franklin will establish standards for the quality of its infrastructure (i.e., water lines, sewer services)

Goal: To have a reliable, efficient, and scalable infrastructure

Baseline: Baseline energy costs for water and sewage delivery is $1,595,352 (FY2012 sum actual expenditures from water fund and wastewater fund)

Baseline: Baseline of unaccounted water within the system is 20.8% (FY2012)

Baseline: Baseline of sanitary score is 97 (2012)

Franklin will continue to meet or exceed regulatory requirements for water quality.

Goal: To have no violations of regulatory requirements for water quality.

Baseline: Zero water quality violations in 2012. (TN Dept. of Environment & Conservation monitoring requirements and regulatory standards.)

Franklin will pursue completion of the recently approved Integrated Water Resource Plan (IWRP) by 2042.

Goal: To fully complete the Franklin Integrated Water Resource Plan by 2042 in five year increments as set in the plan.

Baseline: 5% completed (2012). (Franklin Integrated Water Resource Plan.)

Baseline: Adopted Strategic Schedule for each of the 5-year increments. (2013).

Franklin will be a model for environmental quality and a sustainable city.

Goal: Franklin will achieve platinum status within the TVA sustainable Communities Program.

[Baseline: Achieved Goal status, 2013]

Key:	**Strategic Plan: Franklin*Forward***	
	Sustainable Franklin	
	Tennessee Municipal Benchmarking Project	

Workload (Output) Measures

		2012	2013	2014	2015	2016
	TBD					

Efficiency Measures

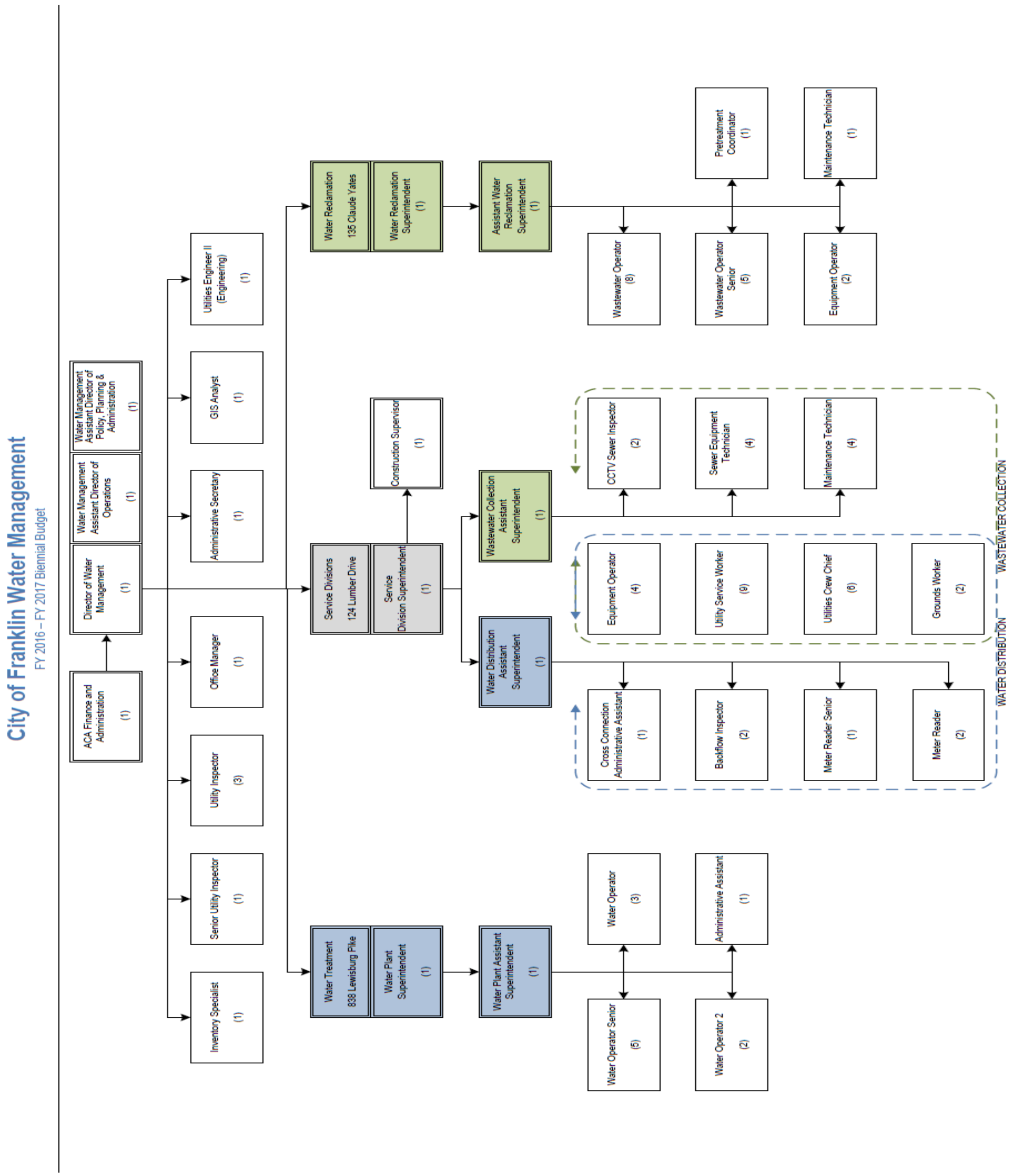
		2012	2013	2014	2015	2016
	TBD					

Performance Measures

Outcome (Effectiveness) Measures

	2012	2013	2014	2015	2016
Franklin will establish standards for the quality of its infrastructure (i.e., water lines, sewer services)					
Goal: To have a reliable, efficient, and scalable infrastructure					
Declining or steady energy costs for water and sewage delivery	$ 1,595,352	TBD	TBD	TBD	TBD
Target *(FY2012 sum actual expenditures from water fund and wastewater fund)*	**$ 1,595,352**	**$ 1,595,352**	**$ 1,595,352**	**$ 1,595,352**	**$ 1,595,352**
Meets Target?	**Yes**	**TBD**	**TBD**	**TBD**	**TBD**
Unaccounted water within the system decreases	20.8%	TBD	16%	TBD	TBD
Target *(20.8% unaccounted for in FY 2012)*	20.8%	**20.8%**	**20.8%**	**20.8%**	**20.8%**
Meets Target?	**Yes**	**TBD**	**Yes**	**TBD**	**TBD**
Sanitary score remains or improves	97	TBD	Yes	TBD	TBD
Target *(97 from FY 2012)*	**97**	**97**	**97**	**97**	**97**
Meets Target?	**Yes**	**TBD**	**Yes**	**TBD**	**TBD**
Franklin will continue to meet or exceed regulatory requirements for water quality.					
Goal: To have no violations of regulatory requirements for water quality.					
Franklin Water Quality Violations	0	0	0	0	0
Target *(TN Dept. of Environment & Conservation monitoring requirements and regulatory standards.)*	**0**	**0**	**0**	**0**	**0**
Meets Target?	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**
Franklin will pursue completion of the recently approved Integrated Water Resource Plan (IWRP) by 2042.					
Goal: To fully complete the Franklin Integrated Water Resource Plan by 2042 in five year increments as set in the plan.					
5% completed (2012). (Franklin Integrated Water Resource Plan.)	5%	TBD	TBD	TBD	TBD
Target	5%	**8.17%**	**11.34%**	**14.51%**	**17.68%**
Meets Target?	**Yes**	**TBD**	**TBD**	**TBD**	**TBD**
Baseline: Adopted Strategic Schedule for each of the 5-year increments. (2013).					
Franklin Status	N/A	Adopted	Adopted	Adopted	Adopted
Target (Adopted?)	**N/A**	**Adopted**	**Adopted**	**Adopted**	**Adopted**
Meets Target?	**N/A**	**Yes**	**Yes**	**Yes**	**Yes**
Franklin will achieve platinum status within the TVA sustainable Communities Program.					
Franklin status	N/A	Platinum	Gold	TBD	TBD
Target (Platinum)	**N/A**	**Platinum**	**Platinum**	**Platinum**	**Platinum**
Meets Target?	**N/A**	**Yes**	**No**	**TBD**	**TBD**

Organizational Chart



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

Staffing by Position

Position	Pay Grade	FY 2013 F-T	FY 2014 F-T	FY 2015 F-T	FY 2016 F-T	FY 2017 F-T
Water Section						
Utility Billing						
Meter Reader Sr	C	1	1	1	1	1
Meter Reader	B	2	2	2	2	2
TOTALS		**3**	**3**	**3**	**3**	**3**
Water Distribution						
Service Division Superintendent	I	1	1	1	1	1
Water Distribution Assistant Superintendent	G	1	1	1	1	1
Utilities Crew Chief	E	3	3	3	3	3
Backflow Inspector	E	2	2	2	2	2
Administrative Assistant	D	1	1	1	1	1
Inventory Specialist	D	1	1	1	1	1
Equipment Operator	D	2	2	2	2	2
Utility Service Worker	C	4	4	4	4	4
TOTALS		**15**	**15**	**15**	**15**	**15**
Water Treatment Plant						
Water Treatment Superintendent	H	1	1	1	1	1
Water Treatment Assistant Superintendent	G	1	1	1	1	1
Water Operator Sr	E	5	5	5	5	5
Water Operator 2	TBD	2	2	2	2	2
Administrative Assistant	D	1	1	1	1	1
Water Operator	D	3	3	3	3	3
TOTALS		**13**	**13**	**13**	**13**	**13**
Water Section Totals		**31**	**31**	**31**	**31**	**31**
Wastewater Section						
Utility Administration						
Director	L	1	1	1	1	1
Assistant Director of Operations	J	1	1	1	1	1
Assistant Director of Administration and Policy	J	1	1	1	1	1
GIS Analyst	E	1	1	1	1	1
Administrative Assistant	D	1	1	0	0	0
Administrative Secretary	B	0	0	1	1	1
Utility Inspector	F	3	3	3	3	3
Senior Utility Inspector	G	0	0	1	1	1
Office Manager	F	0	1	1	1	1
Utilities Engineer II	H	1	1	1	1	2
Grounds Worker	B	0	2	2	2	2
TOTALS		**9**	**12**	**13**	**13**	**14**
Wastewater Collection						
Wastewater Collection Assistant Superintendent	G	1	1	1	1	1
Construction Supervisor	TBD	1	1	1	1	1
TV Truck Sewer Inspector	D	2	2	2	2	2
Maintenance Technician	E	0	0	4	4	4
Utilities Crew Chief	E	4	3	3	3	4
Equipment Operator	D	2	2	2	3	3

Staffing by Position

Position	Pay Grade	FY 2013 F-T	FY 2014 F-T	FY 2015 F-T	FY 2016 F-T	FY 2017 F-T
Sewer Equipment Technician	D	4	4	4	4	4
Utility Service Worker	C	5	5	5	4	6
TOTALS		**19**	**18**	**22**	**22**	**25**
Water Reclamation						
Water Reclamation Superintendent	I	1	1	1	1	1
Assistant Water Reclamation Superintendent	G	1	1	1	1	1
Pretreatment Coordinator	F	1	1	1	1	1
Wastewater Operator Sr	E	3	5	5	5	5
Maintenance Technician	E	0	0	1	1	1
Equipment Operator	D	2	2	2	2	2
Wastewater Operator	D	10	8	8	8	8
TOTALS		**18**	**18**	**19**	**19**	**19**
Maintenance						
Maintenance Supervisor	G - EST	1	1	0	0	0
Maintenance Technician	E	4	4	0	0	0
TOTALS		**5**	**5**	**0**	**0**	**0**
WASTEWATER SECTION TOTALS		**51**	**53**	**54**	**54**	**58**
Total All Employees, Water & Wastewater		**82**	**84**	**85**	**85**	**89**

Budget - All Divisions

The following table presents the Water, Wastewater and Reclaimed Water divisions of the Water & Wastewater Fund in a composite presentation.

	A	B	C	D	E	F	G (E-C)	H (E/C)
	Actual 2013	Actual 2014	Budget 2015	Estd 2015	Budget 2016	Budget 2017	Difference $	%
Personnel								
Salaries & Wages	3,128,549	3,252,872	3,820,257	3,591,292	3,891,978	4,021,496	71,721	1.9%
Employee Benefits	1,541,252	1,512,943	1,478,082	1,404,068	1,593,639	1,590,528	115,557	7.8%
Total Personnel	**4,669,801**	**4,765,815**	**5,298,339**	**4,995,360**	**5,485,617**	**5,612,024**	**187,278**	**3.5%**
Operations								
Transportation Services	3,936	5,755	5,350	7,753	5,365	5,350	15	0.3%
Operating Services	323,472	416,462	387,260	375,866	405,360	424,261	18,100	4.7%
Notices, Subscriptions, etc.	14,962	17,987	26,600	21,624	26,456	26,450	(144)	-0.5%
Utilities	1,596,686	1,543,096	1,640,280	1,524,641	1,689,572	1,740,424	49,292	3.0%
Contractual Services	243,556	231,778	524,375	630,995	529,500	459,875	5,125	1.0%
Repair & Maintenance Services	480,682	460,808	376,000	343,890	346,732	346,000	(29,268)	-7.8%
Employee programs	2,713	1,223	12,150	2,897	12,150	12,150	-	0.0%
Professional Development/Travel	32,722	31,203	28,400	26,042	28,400	28,400	-	0.0%
Office Supplies	10,758	11,696	11,650	13,265	11,650	11,650	-	0.0%
Operating Supplies	654,172	749,945	677,650	702,856	699,050	716,501	21,400	3.2%
Fuel & Mileage	166,283	158,461	162,700	126,782	147,589	158,569	(15,111)	-9.3%
Supplies for Resale	3,799,487	3,466,520	3,600,000	3,500,000	3,744,000	3,893,760	144,000	4.0%
Machinery & Equipment (<$25,000)	45,972	80,467	167,582	124,975	174,892	182,565	7,310	4.4%
Repair & Maintenance Supplies	543,983	757,210	395,800	651,031	410,800	410,800	15,000	3.8%
Operational Units	1,953,079	2,000,000	2,187,240	2,187,240	2,205,728	2,316,014	18,488	0.8%
Property & Liability Costs	146,181	222,967	201,372	235,109	201,364	211,432	(8)	0.0%
Rentals	27,085	4,652	5,500	2,358	5,500	5,500	-	0.0%
Financial Fees	46,010	25,266	61,800	26,626	86,800	61,800	25,000	40.5%
Permits	45,180	48,662	55,100	54,641	55,100	55,100	-	0.0%
Debt Service and Lease Payments	1,284,392	1,613,033	1,592,191	1,795,216	1,759,624	1,744,599	167,433	10.5%
Total Operations	**11,421,311**	**11,847,191**	**12,119,000**	**12,353,807**	**12,545,632**	**12,811,200**	**426,632**	**3.5%**
Buildings	-	(33,269)	3,675	89	3,859	4,051	184	5.0%
Improvements	1,541,955	2,968,778	3,800,000	4,524,037	3,987,500	4,189,063	187,500	4.9%
Machinery & Equipment (>$25,000)	63,955	363,395	1,121,650	118,740	1,179,748	1,196,984	58,098	5.2%
Capital	**1,605,910**	**3,298,904**	**4,925,325**	**4,642,866**	**5,171,107**	**5,390,098**	**245,782**	**5.0%**
Total Water & Wastewater Fund	**17,697,022**	**19,911,910**	**22,342,664**	**21,992,034**	**23,202,356**	**23,813,322**	**859,692**	**3.8%**

Note: Definitions of each category can be found in the appendices.

Water Budget

Section Summary

The Water Section comprises the Water Treatment and Distribution Divisions and the Utility Billing Division. The activities of these divisions are summarized below.

The Water Treatment facility is located on Lewisburg Pike. Staff at the plant perform numerous functions including water treatment, compliance sampling, and assisting Water Distribution service crews with system maintenance and operation.

The Water Distribution service crews maintain approximately 275 miles of distribution lines, six (6) booster stations, and seven (7) finished water reservoirs with a capacity of 11.5 million gallons.

The Utility Billing Division is the interface between the Water Management Department and Revenue Management. The division is responsible for collecting metering data and working with the Water Distribution Division to perform meter repairs, replacements, and to restore or terminate water service.

Section Goals & Strategic Initiatives

The primary goal for the Water Section is to continue to provide safe, reliable drinking water to customers. The Water Section has been working to refine practices and policies to better serve customers including the drafting of revisions to municipal code, review of internal work flow related to customer service requests and work orders and training and educating staff.

A key strategic initiative is the Water Treatment Plant Upgrade project. Bids for the project are to be received on July 22, 2015 to upgrade the facility with advanced treatment technologies to better serve the community. The upgrade to the facility includes installation of membrane filtration, ultraviolet (UV) disinfection and advanced oxidation processes and carbon contactors to address current and future regulatory requirements, taste and odor, lifecycle costs and operational considerations. A construction contract will be presented to the Board of Mayor and Aldermen for consideration in the Fall of 2015 and is scheduled for completion in early 2017.

Coupled with the upgrade project is the reapplication for an aquatic resources alteration permit (ARAP). City staff has been working through this process for over two years and on July 2, 2015 received a new permit. The main permit conditions are similar to the previous permit which includes provisions for withdrawal of up to 20% of flow with a 10 ft3/s cutoff. Additional protective measures in the new permit includes a withdrawal cutoff when the river is below 5 mg/L of dissolved oxygen (DO) as suggested by the City during permit development collaboration with TDEC.

An ongoing project that the Water Section has been working through is leak detection surveys. The department contracted this spring to perform leak detection surveys and has evaluated approximately miles of the distribution system as of June 23, 2015. The surveys to date have identified 128 leaks found in various parts of the system from service lines to water mains and had an estimated daily loss of approximately 93,800 gallons per day. This equates to an annual avoided cost of approximately $87,300. The department expects to compete the surveys within several weeks.

Water Budget

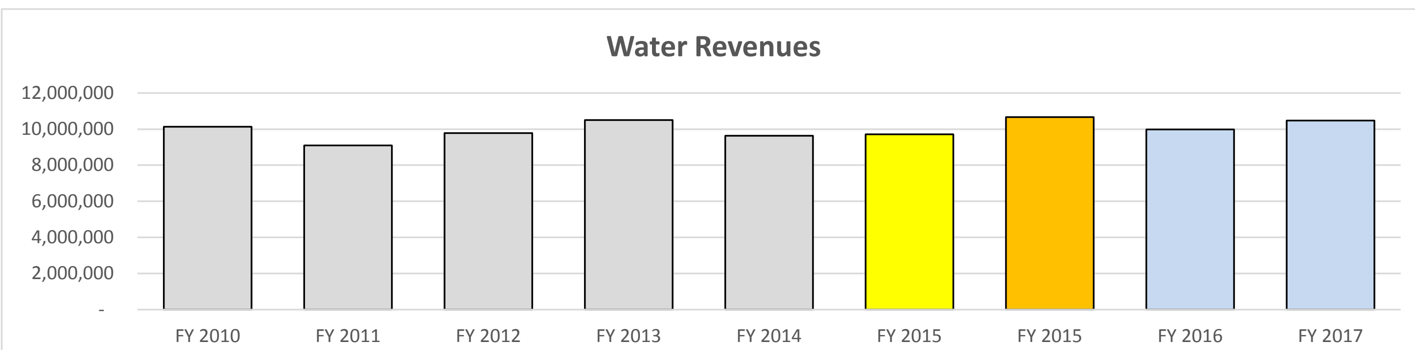
Consumption

The water customer base has witnessed steady growth since FY 2011. The average consumption for both residential and commercial customers has declined significantly over the last decade, with FY 2015 the second lowest total since FY 2007. The table below presents the account information and consumption values (residential and commercial totals) from FY 2007 through FY 2015.

Year	Customer Accounts	Annual Total (Million Gallons)	Monthly Average - Residential and Commercial (Gallons)
FY 07	16,194	1,662	8,553
FY 08	16,360	1,628	8,293
FY 09	16,444	1,576	7,987
FY 10	16,426	1,443	7,321
FY 11	16,454	1,489	7,541
FY 12	16,530	1,508	7,602
FY 13	16,711	1,499	7,475
FY 14	16,918	1,404	6,916
FY 15	17,094	1,436	7,002

Revenues

Rate based revenues for FY 2016-2017 are projected to be at approximately 96% of the budget. The tables below present historic revenue by category FY 2010-FY 2014, estimated for the budgeted and projected revenues for FY 2015 and the projected revenues for FY 2016 & 2017.



	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Est.	FY 2016 Forecast	FY 2017 Forecast
Intergovernmental	2,348,557	179,082	-	(484)	-	-	-	-	-
Interest Income	9,253	16,089	18,726	16,193	7,002	26,431	3,500	5,000	7,500
Rental Income	10,633	26,100	23,273	21,800	24,000	24,000	24,000	24,000	24,000
Sale of Surplus Assets	5,995	11,775	(26,066)	1,660	33,277	-	-	-	-
Customer Service (Rates)	7,302,046	8,691,274	9,252,143	9,182,126	9,293,143	9,396,197	9,387,523	9,721,988	10,213,128
Inspection Fees	55,374	38,738	60,877	73,444	72,422	71,000	71,000	60,000	60,000
Other Service Revenue	38,834	61,640	68,766	105,329	109,136	95,000	95,000	95,000	95,000
Capital Contributions	361,440	71,660	383,203	1,102,508	94,021	100,000	1,084,845	75,000	75,000
Total Water Revenues	**10,132,132**	**9,096,358**	**9,780,922**	**10,502,576**	**9,633,001**	**9,712,628**	**10,665,868**	**9,980,988**	**10,474,628**

Water Budget

Budget Summary

Personnel – There are no proposed staffing changes in the Water Section for FY 2016 or FY 2017. The department does anticipate the need to hire an additional equipment operator in FY 2018. This position will be re-evaluated during the FY 2018 and FY 2019 biennial budget process.

Operations – The largest operations expense in the Water Section continues to be the purchase of finished water. Expenditures on purchased water can fluctuate depending on a number of factors. Some of these factors include Franklin Water Treatment capacities, weather, financial considerations, and water resource conservation efforts. The expenditure for FY 2016 is approximately $3,744,000.

Indirect expenses also is a large expense item in the Water Section. These expenses include the interfund reimbursement the General Fund for administrative support functions (customer service, utility billing, and other support functions such as Engineering and Human Resources).

Utilities are estimated to be approximately $235,000 for FY 2016. Electricity is the primary cost, and is necessary for booster pump stations in the distribution system, high service and raw water pumps at the Water Treatment Plant, and other day to day needs. Raw water pumping expenditures has decreased since the rehabilitation work to the reservoir. The Water Section continues to evaluate energy needs and practices to reduce electrical consumption.

Operations Capital – Operations Capital expenditures are related to equipment and vehicles directly related to operations versus system replacement or expansion. The Water Management Department has evaluated the annual cost of replacement of operations capital items based on present day replacement value, anticipated lifecycle, and a projected annual increase in replacement cost of five percent. The department hopes to achieve the following goals by using this approach:

- Provide for adequate funding of operations capital,
- Avoid significant swings in required funding from one budget to another, and
- Provide more stable data in performing cost of service analyses.

This process was applied to operations capital expenditures on machinery and equipment, vehicles, information technology expenditures, and buildings.

In terms of capital projects, the City has been working through the IWRP priority projects established by the BOMA. The key projects in the Water Section include the Water Treatment Plant Upgrade and several distribution projects. The City will be receiving bids for the Water Treatment Plant Upgrade project on July 22, 2015. Upon review and evaluation of the bids, they will be presented to the BOMA for consideration at which time specific funding sources will be established. City staff will start moving forward on the distribution projects in FY 2017.

Budget

	A	B	C	D	E	F	G (E-C)	H (E/C)
	Actual 2013	Actual 2014	Budget 2015	Estd 2015	Budget 2016	Budget 2017	Difference '15 v. '16 $	%
Divisions								
Water Distribution	1,481,779	1,807,883	1,647,410	1,716,750	1,739,136	1,763,555	91,726	5.6%
Water Treatment/Plant	5,246,815	5,164,279	5,096,475	4,976,063	5,266,371	5,444,769	169,896	3.3%
Utility Billing	128,913	161,988	174,411	155,307	167,173	184,076	(7,238)	-4.1%
Water General	1,979,155	1,729,762	2,794,332	2,706,238	2,937,030	2,871,235	142,698	5.1%
Total Water	**8,836,662**	**8,863,912**	**9,712,628**	**9,554,357**	**10,109,710**	**10,263,634**	**397,082**	**4.1%**
Expense by Category								
Personnel								
Salaries & Wages	1,159,690	1,296,318	1,340,547	1,324,828	1,371,479	1,407,118	30,932	2.3%
Employee Benefits	519,928	571,838	541,008	503,439	607,859	585,043	66,851	12.4%
Total Personnel	**1,679,618**	**1,868,156**	**1,881,555**	**1,828,267**	**1,979,338**	**1,992,161**	**97,783**	**5.2%**
Operations								
Transportation Services	968	2,806	1,600	4,080	1,600	1,600	-	0.0%
Operating Services	11,921	24,648	21,500	19,674	21,600	21,600	100	0.5%
Notices, Subscriptions, etc.	5,307	8,150	9,750	14,254	9,750	9,750	-	0.0%
Utilities	257,522	225,727	228,880	219,967	235,528	242,463	6,648	2.9%
Contractual Services	86,708	104,116	202,125	56,366	214,000	144,125	11,875	5.9%
Repair & Maintenance Services	176,013	158,834	126,000	148,744	96,000	96,000	(30,000)	-23.8%
Employee programs	1,604	472	7,400	1,290	7,400	7,400	-	0.0%
Professional Development/Travel	12,244	17,601	8,900	7,817	8,900	8,900	-	0.0%
Office Supplies	4,906	5,351	4,500	3,550	4,500	4,500	-	0.0%
Operating Supplies	300,441	393,906	305,350	322,475	314,000	322,498	8,650	2.8%
Fuel & Mileage	44,529	40,037	37,700	43,282	34,606	36,230	(3,094)	-8.2%
Supplies for Resale	3,799,487	3,466,520	3,600,000	3,500,000	3,744,000	3,893,760	144,000	4.0%
Machinery & Equipment (<$25,000)	8,819	66,214	61,325	56,798	63,451	65,684	2,126	3.5%
Repair & Maintenance Supplies	398,898	503,830	229,300	465,047	244,300	244,300	15,000	6.5%
Operational Units	1,033,983	1,058,823	1,157,951	1,157,951	1,167,738	1,226,125	9,787	0.8%
Property & Liability Costs	42,983	76,833	70,721	85,266	75,330	79,097	4,609	6.5%
Rentals	23,526	641	2,000	500	2,000	2,000	-	0.0%
Financial Fees	24,042	12,164	16,800	11,608	41,800	16,800	25,000	148.8%
Permits	31,351	33,222	38,100	7,347	38,100	38,100	-	0.0%
Debt Service and Lease Payments	190,666	209,933	209,821	307,936	309,851	309,828	100,030	47.7%
Total Operations	**6,455,918**	**6,409,828**	**6,339,723**	**6,433,952**	**6,634,454**	**6,770,759**	**294,731**	**4.6%**
Buildings	-	(33,269)	2,100	89	2,205	2,315	105	5.0%
Improvements	637,171	575,002	1,300,000	1,261,482	1,300,000	1,300,000	-	0.0%
Machinery & Equipment (>$25,000)	63,955	44,195	189,250	30,567	193,713	198,398	4,463	2.4%
Capital	**701,126**	**585,928**	**1,491,350**	**1,292,138**	**1,495,918**	**1,500,713**	**4,568**	**0.3%**
Total Water Summary	**8,836,662**	**8,863,912**	**9,712,628**	**9,554,357**	**10,109,710**	**10,263,634**	**397,082**	**4.1%**

Note: Definitions of each category can be found in the appendices.

Wastewater Budget

Section Summary

The Wastewater Section includes the Wastewater Collection, Water Reclamation, Maintenance, and Utility Administration Divisions.

The City of Franklin operates an activated sludge treatment facility located at 135 Claude Yates Drive. The City of Franklin presently has a National Pollutant Discharge Elimination System Permit (NPDES) for treatment and discharge of twelve (12) million gallons of treated effluent per day. Limits and procedures were incorporated into the NPDES Permit that allows the City of Franklin to operate a reclaimed water network. This Division is facing increasing regulatory constraints from EPA and TDEC in the area of Local Limit Loading Reductions to the Harpeth River and additional Capacity Management Operation Maintenance (CMOM) Initiative requirements. The City is currently operating under an expired NPDES permit, awaiting issuance of new permit from the Tennessee Department of Environment and Conservation (TDEC).

The Wastewater Collection Division is responsible for the operation and maintenance of the wastewater collection system including gravity sewer lines, force main lines and sewage lift stations located throughout the service area. Under this division, there are crews that are assigned to the replacement and extension of the wastewater collection system which collects and transports wastewater to the treatment plant.

Section Goals & Strategic Initiatives

The primary goal for the Wastewater Section is to effectively operate the collection system with no sanitary sewer overflows and to produce high quality effluent water for distribution in the reclaimed water system and discharge to the Harpeth River that meets or exceeds permit requirements. As with the Water Section, the Wastewater Section is enhancing and implementing various programs to improve customer service, regulatory compliance, and overall operations.

The Water Management Department continues to refine operations efforts consistent with components of the EPA's Capacity Management, Operations and Maintenance (CMOM) program. In part, these activities include refinements to documentation and operations, development of a capacity management tool, and design and installation of permanent flow monitors within the collection system. These activities are intended to help monitor the system, reduce sanitary sewer overflows and provide better management tools for the system.

The wastewater collection division continues to perform inspections of the sanitary sewer system to evaluate condition, risk and maintenance needs. This year the division worked with the IT Department to develop a manhole inspection tool and process to help manage the data from ongoing manhole inspections.

Wastewater Budget

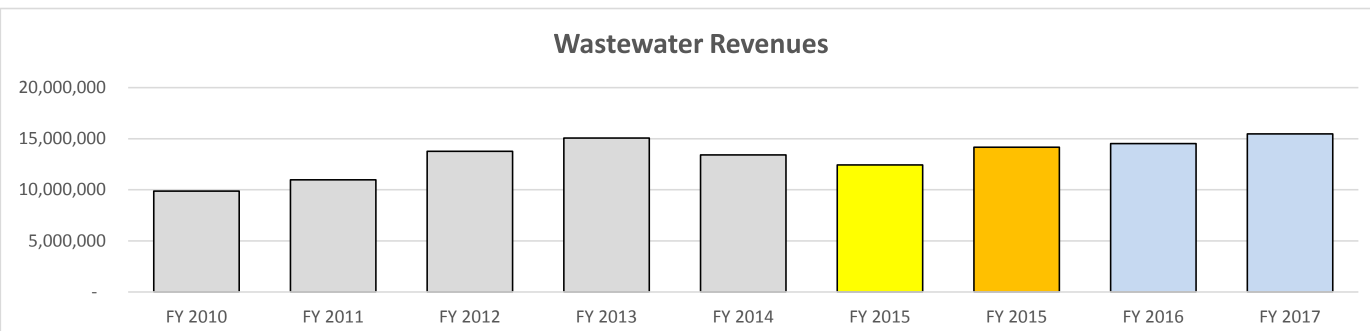
Consumption & Revenues

The sanitary sewer customer base has shown greater signs of growth primarily due to areas within the Mallory Valley and HB&TS Utility Districts.

Year	Customer Accounts	Annual Total (Million Gallons)	Monthly Average - Residential and Commercial (Gallons)
FY 07	16,708	1,582	7,889
FY 08	16,215	1,619	8,323
FY 09	18,617	1,900	8,504
FY 10	19,923	2,068	8,649
FY 11	20,201	2,334	9,627
FY 12	20,646	2,204	8,898
FY 13	21,221	2,332	9,157
FY 14	21,735	2,224	8,528
FY 15	22,601	2,147	7,917

Revenues

Rate based revenues for FY 2016-2017 are projected to be at approximately 98% of the budget. The tables below present historic revenue by category FY 2010-FY 2014, estimated for the budgeted and projected revenues for FY 2015 and the projected revenues for FY 2016 & 2017.



	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Est.	FY 2016 Forecast	FY 2017 Forecast
Intergovernmental	310,677	258,890	42,219	-	-	-	-	-	-
Interest Income	10,058	17,918	46,064	39,658	20,277	82,843	77,000	80,000	70,000
Rental Income	2,800	2,480	-	1,800	2,700	1,800	2,800	2,800	2,800
Sale of Surplus Assets	8,111	22	(152,425)	6,133	-	-	13,714	-	-
Customer Service (Rates)	8,692,758	10,410,071	11,500,187	12,241,583	13,072,915	12,047,735	13,720,304	14,200,515	15,159,049
Inspection Fees	13,028	33,228	32,290	75,298	90,563	75,298	135,000	75,000	75,000
Other Service Revenue	24,400	23,992	31,745	60,610	44,146	66,115	25,000	40,000	40,000
Capital Contributions	810,575	230,628	2,267,716	2,641,148	184,209	160,170	194,000	125,000	125,000
Total Wastewater Reven	**9,872,407**	**10,977,229**	**13,767,796**	**15,066,230**	**13,414,810**	**12,433,961**	**14,167,818**	**14,523,315**	**15,471,849**

Wastewater Budget

Budget Summary

Personnel – The Water Management Department is requesting the following personnel changes within the Wastewater Section:

- Add one Utility Service Worker – FY 2017,
- Add one Equipment Operator – FY 2017,
- Add one Utility Crew Chief – FY 2017,
- Add one Utilities Engineer (this position would be managed through the Engineering Department and Funded through the Water Management Department) – FY 2017,
- Reconsider the formation of a Maintenance Division and the hiring of a Maintenance Division Supervisor. This concept will be evaluated depending on operational needs during preparation of the FY 2018 budget.

Operations and Maintenance – Operations and maintenance accounts for the largest costs in the Wastewater Section. Utility costs are a large expense item in Wastewater, exceeding $1,000,000 annually. These costs are associated with aeration of the wastewater for biological processes, pumping, odor control and various other processes and operations.

Indirect Expenses also is a large expense item in the Wastewater Section. As with the Water Section, these expenses include reimbursement to the General Fund for customer service, utility billing, and other support functions such as Engineering and Human Resources.

The FOG (Fats, Oils & Grease) program is an ongoing effort to remove fats, oils and grease from the collection system in order to improve the conveyance and treatment of wastewater. This program has improved the collection system significantly by working with the food service industry to ensure there is adequate FOG removal. This year the department conducted 363 food service industry inspections issuing 43 noncompliance notifications. 37 of these noncompliance issues have been resolved. The department is currently working through resolution of the remaining 6 issues.

The Wastewater Collection Division responded to 14 overflows this fiscal year (less than 4 overflows per 100 miles of collection system per year). The largest overflow volume was 13,500 gallons during the February ice and snow storms. The overflow duration was approximately nine hours due to access issues associated with flooding by the Harpeth River. During that same period as the active overflow, the volume of river flow at the 96E bridge was approximately 124 million gallons which equates to the overflow being 0.01% of the river flow.

Operations Capital – Operations Capital expenditures are related to equipment and vehicles directly related to operations versus system replacement or expansion. The Water Management Department has evaluated the annual cost of replacement of operations capital items based on present day replacement value, anticipated lifecycle, and a projected annual increase in replacement cost of five percent. The department hopes to achieve the following goals by using this approach:

- Provide for adequate funding of operations capital,
- Avoid significant swings in required funding from one budget to another, and
- Provide more stable data in performing cost of service analyses.

This process was applied to operations capital expenditures on machinery and equipment, vehicles, information technology expenditures, and buildings.

Similar to the Water Section, the City has been working through the IWRP priority projects established by the BOMA. The key project in the Wastewater Section is the Water Reclamation Facility Upgrade and Expansion. This project is also proposed to be funded through State Revolving Fund loans through the TDEC. Staff expect to bid this project with bid opening in the fall of 2015. Upon review and evaluation of the bids, staff will present the information to the BOMA for consideration at which time specific funding sources will be established.

Budget

	A	B	C	D	E	F	G (E-C)	H (E/C)
	Actual 2013	Actual 2014	Budget 2015	Estd 2015	Budget 2016	Budget 2017	Difference '15 v. '16 $	%
Divisions								
Wastewater Collection	1,889,878	2,236,032	2,235,533	1,949,949	2,184,709	2,354,820	(50,824)	-2.3%
Wastewater Plant	3,203,225	3,235,158	4,021,131	3,238,469	4,191,527	4,292,736	170,396	4.2%
Utility Administration	633,522	662,152	977,216	922,159	1,007,930	1,012,808	30,714	3.1%
Wastewater General	3,012,231	4,771,530	5,200,081	6,142,049	5,505,650	5,685,251	305,569	5.9%
Total Water	**8,738,856**	**10,904,872**	**12,433,961**	**12,252,625**	**12,889,816**	**13,345,613**	**455,855**	**3.7%**
Expense by Category								
Personnel								
Salaries & Wages	1,968,859	1,956,554	2,479,710	2,266,464	2,520,500	2,614,378	40,790	1.6%
Employee Benefits	1,021,324	941,105	937,074	900,629	985,780	1,005,485	48,706	5.2%
Total Personnel	**2,990,183**	**2,897,659**	**3,416,784**	**3,167,093**	**3,506,280**	**3,619,863**	**89,496**	**2.6%**
Operations								
Transportation Services	2,968	2,949	3,500	3,673	3,500	3,500	-	0.0%
Operating Services	311,551	391,814	365,760	356,192	383,760	402,661	18,000	4.9%
Notices, Subscriptions, etc.	9,655	9,837	16,750	7,370	16,600	16,600	(150)	-0.9%
Utilities	1,339,152	1,317,357	1,411,350	1,304,666	1,453,991	1,497,911	42,641	3.0%
Contractual Services*	147,125	127,662	322,250	574,629	315,500	315,750	(6,750)	-2.1%
Repair & Maintenance Services	304,669	301,974	238,000	195,146	238,000	238,000	-	0.0%
Employee programs	1,109	751	4,750	1,607	4,750	4,750	-	0.0%
Professional Development/Travel	20,478	13,602	19,500	18,225	19,500	19,500	-	0.0%
Office Supplies	5,852	6,345	7,150	7,831	7,150	7,150	-	0.0%
Operating Supplies	268,361	278,656	272,100	280,258	278,850	285,803	6,750	2.5%
Fuel & Mileage	121,754	118,424	125,000	83,500	112,983	122,339	(12,017)	-9.6%
Supplies for Resale	-	-	-	-	-	-	-	0.0%
Machinery & Equipment (<$25,000)	37,153	14,253	104,257	68,177	109,441	114,881	5,184	5.0%
Repair & Maintenance Supplies	142,266	248,737	151,000	168,924	151,000	151,000	-	0.0%
Operational Units	919,096	941,177	1,029,289	1,029,289	1,037,990	1,089,890	8,701	0.8%
Property & Liability Costs	103,198	146,134	130,651	149,843	126,034	132,335	(4,617)	-3.5%
Rentals	3,559	4,011	3,500	1,858	3,500	3,500	-	0.0%
Financial Fees	21,968	13,102	45,000	15,018	45,000	45,000	-	0.0%
Permits	13,829	15,440	17,000	47,294	17,000	17,000	-	0.0%
Debt Service and Lease Payments	1,070,146	1,342,012	1,316,395	1,421,305	1,383,798	1,368,796	67,403	5.1%
Total Operations	**4,843,889**	**5,294,237**	**5,583,202**	**5,734,804**	**5,708,347**	**5,836,366**	**125,145**	**2.2%**
Buildings	-	-	1,575	-	1,654	1,736	79	5.0%
Improvements	904,784	2,393,776	2,500,000	3,262,555	2,687,500	2,889,063	187,500	7.5%
Machinery & Equipment (>$25,000)	-	319,200	932,400	88,173	986,035	998,586	53,635	5.8%
Capital	**904,784**	**2,712,976**	**3,433,975**	**3,350,728**	**3,675,189**	**3,889,385**	**241,214**	**7.0%**
Total Wastewater	**8,738,856**	**10,904,872**	**12,433,961**	**12,252,625**	**12,889,816**	**13,345,613**	**455,855**	**3.7%**

Note: Definitions of each category can be found in the appendices.
*Note 2: *Estimated Overage in FY 2015 Contractual Services attributable to legal expenses.*

Reclaimed Water

Section Summary

On February 10, 2004, the City of Franklin Board of Mayor and Aldermen officially created the Reclaimed Division through adoption of Title 18, Chapter 4, of the Franklin Municipal Code. With the adoption of Chapter 4, the Water Management Department instituted the enforcement of the State Approved Construction Standards, Regulation and Fee Structures as set forth in the Ordinance. The Reclaimed Water Section produces and distributes water for commercial and residential irrigation use within the City's water service area.

There are no dedicated personnel assigned to this division. Personnel from the Wastewater Collection Division and Water Distribution Division currently maintain the reclaimed water lines and personnel from the Water Reclamation Plant operate and maintain the pumps and sampling stations.

Section Goals & Strategic Initiatives

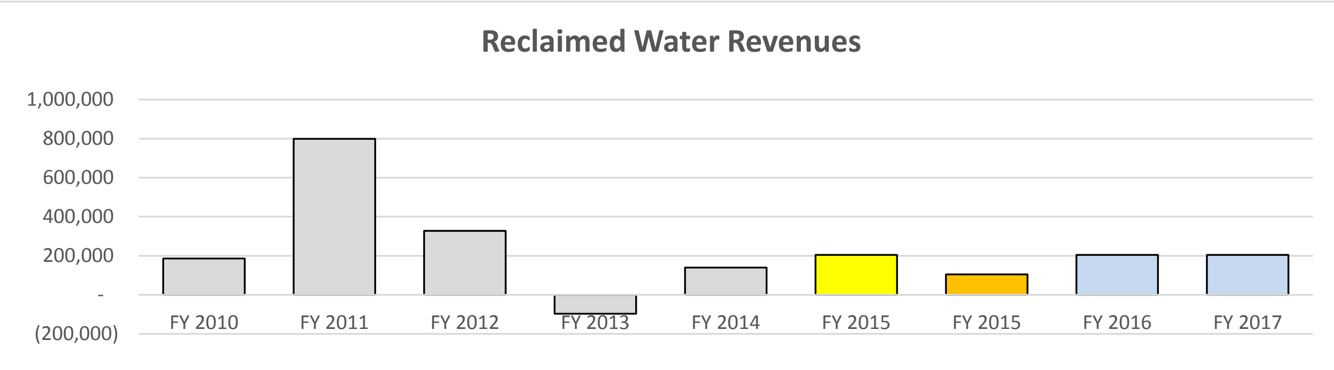
The primary goal for the Reclaimed Water Section is to distribute high quality effluent water for irrigation needs of customers. In FY 2014 and 2015, the department will focus particularly on metering of reclaimed water. In general, reclaimed water consumption occurs at relatively high volumes as compared to domestic water. In recent years, there have been a number of meters that have been replaced well before the expected lifecycle. Staff will evaluate meter effectiveness in the reclaimed water application to determine if alternative types of meters are more appropriate to ensure meter accuracy and ultimately accurate revenues.

Though reclaimed water is not an essential service, it is imperative that the Department be able to serve the demands for the system. Depending on growth and technical issues, it is anticipated that the existing Long Lane Water Tank (500,000 gallons) will be converted to a reclaimed storage facility in the coming years. Additional storage facilities are being considered using existing Department property.

Reclaimed Water

Revenues

Rate based revenues for FY 2016-2017 are projected to be at approximately 96% of the budget. The tables below present historic revenue by category FY 2010-FY 2014, estimated for the budgeted and projected revenues for FY 2015 and the projected revenues for FY 2016 & 2017.



	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Est.	FY 2016 Forecast	FY 2017 Forecast
Intergovernmental	44,580	648,132	178,887	(240,183)	-	-	-	-	-
Interest Income	520	872	1,840	839	170	500	14	500	500
Sale of Surplus Assets	-	-	-	-	-	-	-	-	-
Customer Service (Rates)	140,842	146,237	147,006	135,305	130,570	200,500	87,242	200,500	200,500
Inspection Fees	-	-	-	2,337	-	1,000	-	1,000	1,000
Other Service Revenue	-	-	-	600	333	500	2,387	500	500
Capital Contributions	-	3,780	-	4,234	8,428	2,000	15,000	2,000	2,000
Total Reclaimed Revenues	**185,942**	**799,021**	**327,733**	**(96,868)**	**139,501**	**204,500**	**104,643**	**204,500**	**204,500**

Budget

	A	B	C	D	E	F	G (E-C)	H (E/C)
	Actual 2013	Actual 2014	Budget 2015	Estd 2015	Budget 2016	Budget 2017	Difference '15 vs. '16 $	%
Personnel								
Salaries & Wages	-	-	-	-	-	-	-	0.0%
Employee Benefits	-	-	-	-	-	-	-	0.0%
Total Personnel	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.0%**
Operations								
Transportation Services	-	-	250	-	265	250	15	6.0%
Operating Services	-	-	-	-	-	-	-	0.0%
Notices, Subscriptions, etc.	-	-	100	-	106	100	6	6.0%
Utilities	12	12	50	9	53	50	3	6.0%
Contractual Services	9,723	-	-	-	-	-	-	0.0%
Repair & Maintenance Services	-	-	12,000	-	12,732	12,000	732	6.1%
Employee programs	-	-	-	-	-	-	-	0.0%
Professional Development/Travel	-	-	-	-	-	-	-	0.0%
Office Supplies	-	-	-	1,884	-	-	-	0.0%
Operating Supplies	85,370	77,383	100,200	100,123	106,200	108,200	6,000	6.0%
Fuel & Mileage	-	-	-	-	-	-	-	0.0%
Supplies for Resale	-	-	-	-	-	-	-	0.0%
Machinery & Equipment (<$25,000)	-	-	2,000	-	2,000	2,000	-	0.0%
Repair & Maintenance Supplies	2,819	4,643	15,500	17,060	15,500	15,500	-	0.0%
Operational Units	-	-	-	-	-	-	-	0.0%
Property & Liability Costs	-	-	-	-	-	-	-	0.0%
Rentals	-	-	-	-	-	-	-	0.0%
Financial Fees	-	-	-	-	-	-	-	0.0%
Permits	-	-	-	-	-	-	-	0.0%
Debt Service and Lease Payments	23,580	61,088	65,975	65,975	65,975	65,975	-	0.0%
Total Operations	**121,504**	**143,126**	**196,075**	**185,051**	**202,831**	**204,075**	**6,756**	**3.4%**
Capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.0%**
Total Reclaimed Water	**121,504**	**143,126**	**196,075**	**185,051**	**202,831**	**204,075**	**6,756**	**3.4%**

Note: Definitions of each category can be found in the appendices.

Reclaimed Water

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Forecast

Section Summary

The Water & Wastewater Fund provides for a five-year forecast of future revenues and planned personnel, operating and capital expenses. This is done to ensure:

- The operations are able to keep up with ever-growing demand within and outside of the City of Franklin;

- Sufficient revenues are raised to ensure that the Water & Wastewater enterprise remains revenue neutral to taxpayers; and,

- Proper capital planning can be achieved.

The City of Franklin regularly has contracted out to industry experts to assist in the evaluation and planning of short-term and long-term rate structures and impact fees for the Water & Wastewater Fund. The last rate study was presented in July 2014 to the Board of Mayor and Aldermen. Through those cost of service studies, the BOMA has adopted a second five-year plan to annually raise rates for both water & wastewater services, 3.5% and 6.75%, respectively. This annual rate increase is designed to achieve two things:

- Ensure sufficient revenue is earned to handle all operations and capital needs (including all planned rate-funded capital, plant process improvements, and distribution and collection systems renewal); and,

- Provide for predictability for ratepayers

Section Goals & Strategic Initiatives

The Water & Wastewater Fund for the City of Franklin, Tennessee has two major new projects which it must plan, build and pay for in the planning horizon of this document; namely, process improvements for both the Water Treatment Plant and the Wastewater Treatment Plant. Guided by the City's new Integrated Water Resource Plan (IWRP), capital needs and resource management are carefully and thoughtfully proposed not just over the planning horizon of this document, but for future generations of Franklin residents.

While it is important to plan for the future, it is always important to remember that forecasts cannot calculate or anticipate all potential changes and needs of future residents. What is know is clear; as Franklin continues to grow and the demands of the community change, costs will not be stagnant. Costs will also gravitate upwards due to inflation pressures and fixed cost increases which are inevitable over time. The challenge is, and will be, to balance the Water and Wastewater needs of the citizens of Franklin with the ratepayers ability to pay.

The ensuing pages provide staffing forecasts, budget requests and anticipated revenue collections from FY 2018-FY 2022.

Staffing by Position

Position	Pay Grade	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		F-T	F-T	F-T	F-T	F-T

Future needs for staffing of the Water and Wastewater Services for the City of Franklin are forecast to remain essentially unchanged, except for the addition of one Equipment Operator in Water Distribution, beginning in FY 2018.

Water Section - Projected Personnel

Utility Billing						
Meter Reader Sr	C	1	1	1	1	1
Meter Reader	B	2	2	2	2	2
TOTALS		**3**	**3**	**3**	**3**	**3**

Water Distribution						
Service Division Superintendent	I	1	1	1	1	1
Water Distribution Assistant Superintendent	G	1	1	1	1	1
Utilities Crew Chief	E	3	3	3	3	3
Backflow Inspector	E	2	2	2	2	2
Administrative Assistant	D	1	1	1	1	1
Inventory Specialist	D	1	1	1	1	1
Equipment Operator	D	3	3	3	3	3
Utility Service Worker	C	4	4	4	4	4
TOTALS		**16**	**16**	**16**	**16**	**16**

Water Treatment Plant						
Water Treatment Superintendent	H	1	1	1	1	1
Water Treatment Assistant Superintendent	G	1	1	1	1	1
Water Operator Sr	E	5	5	5	5	5
Water Operator 2	TBD	2	2	2	2	2
Administrative Assistant	D	1	1	1	1	1
Water Operator	D	3	3	3	3	3
TOTALS		**13**	**13**	**13**	**13**	**13**

Water Section Totals		**32**	**32**	**32**	**32**	**32**

WASTEWATER SECTION - Projected Personnel

Utility Administration						
Director	L	1	1	1	1	1
Assistant Director of Operations	J	1	1	1	1	1
Assistant Director of Administration and Policy	J	1	1	1	1	1
GIS Specialist	E	1	1	1	1	1
Administrative Assistant	D	0	0	0	0	0
Administrative Secretary	B	1	1	1	1	1
Utility Inspector	F	3	3	3	3	3
Senior Utility Inspector	G	1	1	1	1	1
Office Manager	F	1	1	1	1	1
Utilities Engineer II	H	2	2	2	2	2
Grounds Worker (Seasonal)	B	2	2	2	2	2
TOTALS		**14**	**14**	**14**	**14**	**14**

Wastewater Collection						
Wastewater Collection Assistant Superintendent	G	1	1	1	1	1
Construction Supervisor	TBD	1	1	1	1	1

Staffing by Position

Position	Pay Grade	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		F-T	F-T	F-T	F-T	F-T

Future needs for staffing of the Water and Wastewater Services for the City of Franklin are forecast to remain essentially unchanged, except for the addition of one Equipment Operator in Water Distribution, beginning in FY 2018.

Position	Pay Grade	FY 2018 F-T	FY 2019 F-T	FY 2020 F-T	FY 2021 F-T	FY 2022 F-T
TV Truck Sewer Inspector	D	2	2	2	2	2
Maintenance Technician	E	0	0	0	0	0
Utilities Crew Chief	E	4	4	4	4	4
Equipment Operator	D	3	3	3	3	3
Sewer Equipment Technician	D	4	4	4	4	4
Utility Service Worker	C	6	6	6	6	6
TOTALS		**21**	**21**	**21**	**21**	**21**
Water Reclamation						
Water Reclamation Superintendent	I	1	1	1	1	1
Assistant Water Reclamation Superintendent	G	1	1	1	1	1
Pretreatment Coordinator	F	1	1	1	1	1
Wastewater Operator Sr	E	5	5	5	5	5
Maintenance Technician	E	0	0	0	0	0
Equipment Operator	D	2	2	2	2	2
Wastewater Operator	D	8	8	8	8	8
TOTALS		**18**	**18**	**18**	**18**	**18**
Maintenance						
Maintenance Supervisor	G - EST	1	1	1	1	1
Maintenance Technician	E	4	4	4	4	4
TOTALS		**5**	**5**	**5**	**5**	**5**
WASTEWATER SECTION TOTALS		**58**	**58**	**58**	**58**	**58**
Total All Employees, Water & Wastewater		**90**	**90**	**90**	**90**	**90**

Forecasts

	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Water					
Revenues					
Interest Income	$ 10,000	$ 12,500	$ 15,000	$ 17,500	$ 20,000
Rental Income	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000
Sale of Surplus Assets	$ -	$ -	$ -	$ -	$ -
Use of Money & Property	**$ 34,000**	**$ 36,500**	**$ 39,000**	**$ 41,500**	**$ 44,000**
Customer Service	$ 10,157,310	$ 10,612,816	$ 10,925,072	$ 11,243,573	$ 11,468,445
Penalties	$ 266,000	$ 266,000	$ 266,000	$ 266,000	$ 266,000
Service Charges	$ 170,000	$ 170,000	$ 170,000	$ 170,000	$ 170,000
Inspection Fees	$ 71,000	$ 71,000	$ 71,000	$ 71,000	$ 71,000
Other Service Revenue	$ 95,000	$ 95,000	$ 95,000	$ 95,000	$ 95,000
Customer Service	**$ 10,759,310**	**$ 11,214,816**	**$ 11,527,072**	**$ 11,845,573**	**$ 12,070,445**
Contributions from Developer					
Installation Fee	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
Capital Contributions	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**
Available Funds	**$ 10,893,310**	**$ 11,351,316**	**$ 11,666,072**	**$ 11,987,073**	**$ 12,214,445**
Expenses					
Personnel	$ 2,054,493	$ 2,139,188	$ 2,232,110	$ 2,327,090	$ 2,440,982
Operations	$ 7,031,632	$ 7,151,948	$ 7,382,558	$ 7,679,344	$ 7,962,983
Capital	$ 1,505,749	$ 1,711,037	$ 1,716,588	$ 1,722,417	$ 1,803,538
Total Water	**$ 10,591,874**	**$ 11,002,173**	**$ 11,331,256**	**$ 11,728,851**	**$ 12,207,503**
Surplus/(Deficit)	**$ 301,435**	**$ 349,143**	**$ 334,816**	**$ 258,222**	**$ 6,942**

**More detail on Forecast years can be found in the Appendicies Section.*

Water Forecast

The five-year forecast for Water Services maintains current service levels and rate increases. The forecast shows the generation of an annual surplus of between $250,000 to $350,000 through FY 2021. This amount will fund costs of the projects identified through the Integrated Water Resource Plan. The FY 2018 through FY 2022 revenues are based on revenue requirements projected during the cost of service analyses and include debt service associated with the priority water distribution projects as approved by the BOMA (starting in 2018) and debt service associated with the Water Treatment Plant Upgrade (starting in 2017). Detail on rate funded capital can be found in the Appendices section.

Forecasts

	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Wastewater					
Revenues					
Interest Income	$ 80,000	$ 90,000	$ 100,000	$ 110,000	$ 120,000
Rental Income	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800
Sale of Surplus Assets	$ -	$ -	$ -	$ -	$ -
Use of Money & Property	**$ 81,800**	**$ 91,800**	**$ 101,800**	**$ 111,800**	**$ 121,800**
Customer Service	$ 16,182,285	$ 17,274,589	$ 17,620,081	$ 17,972,483	$ 18,331,933
Inspection Fees	$ 75,298	$ 75,298	$ 75,298	$ 75,298	$ 75,298
Other Service Revenue	$ 66,115	$ 66,115	$ 66,115	$ 66,115	$ 66,115
Customer Service	**$ 16,323,698**	**$ 17,416,002**	**$ 17,761,494**	**$ 18,113,896**	**$ 18,473,346**
Contributions from Developer					
Contributions Other					
Installation Fee	$ 160,170	$ 160,170	$ 160,170	$ 160,170	$ 160,170
Capital Contributions	**$ 160,170**	**$ 160,170**	**$ 160,170**	**$ 160,170**	**$ 160,170**
Available Funds	**$ 16,565,668**	**$ 17,667,972**	**$ 18,023,464**	**$ 18,385,866**	**$ 18,755,316**
Expenses					
Personnel	$ 3,727,611	$ 3,838,634	$ 3,953,037	$ 4,070,917	$ 4,202,588
Operations	$ 5,955,090	$ 6,097,493	$ 6,200,919	$ 6,327,614	$ 6,471,757
Capital	$ 4,176,417	$ 4,441,529	$ 4,747,072	$ 5,074,153	$ 5,264,948
Total Wastewater	**$ 13,859,119**	**$ 14,377,657**	**$ 14,901,028**	**$ 15,472,684**	**$ 15,939,293**
Surplus/(Deficit)	**$ 2,706,550**	**$ 3,290,316**	**$ 3,122,436**	**$ 2,913,182**	**$ 2,816,023**

**More detail on Forecast years can be found in the Appendicies Section.*

Wastewater Forecast

The five-year forecast for Wastewater Services maintains current service levels and rate increases. The forecast shows the generation of at least $2.7 million annually in surplus. This amount will fund costs of the projects identified through the Integrated Water Resource Plan. The FY 2018 through FY 2022 revenues are based on revenue requirements projected during the cost of service analyses and include debt service associated with the priority water distribution projects as approved by the BOMA (starting in 2018) and debt service associated with the Wastewater Treatment Plant Upgrade (starting in 2017). Detail on rate funded capital can be found in the Appendices section.

Forecasts

	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Reclaimed Water					
Revenues					
Interest Income	$ 500	$ 500	$ 500	$ 500	$ 500
Use of Money & Property	**$ 500**	**$ 500**	**$ 500**	**$ 500**	**$ 500**
Customer Service	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Penalties	$ 500	$ 500	$ 500	$ 500	$ 500
Inspection Fees	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Other Service Revenue	$ 500	$ 500	$ 500	$ 500	$ 500
Customer Service	**$ 202,000**	**$ 202,000**	**$ 202,000**	**$ 202,000**	**$ 202,000**
Instalation Fee	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Capital Contributions	**$ 2,000**	**$ 2,000**	**$ 2,000**	**$ 2,000**	**$ 2,000**
Available Funds	**$ 204,500**	**$ 204,500**	**$ 204,500**	**$ 204,500**	**$ 204,500**
Expenses					
Personnel	$ -	$ -	$ -	$ -	$ -
Operations	$ 206,075	$ 209,075	$ 212,075	$ 148,100	$ 150,100
Capital	$ -	$ -	$ -	$ -	$ -
Total Reclaimed Water	**$ 206,075**	**$ 209,075**	**$ 212,075**	**$ 148,100**	**$ 150,100**
Surplus/(Deficit)	**$ (1,575)**	**$ (4,575)**	**$ (7,575)**	**$ 56,400**	**$ 54,400**

**More detail on Forecast years can be found in the Appendicies Section.*

Reclaimed Water Forecast

The five-year forecast for Reclaimed Water Services maintains current service levels and rates. The forecast shows small deficits in FY 2018 through FY 2020, but surpluses in FY 2021 and FY 2022.

Appendices

Budget

	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Divisions					
Water Distribution	1,805,294	1,861,299	1,923,825	1,986,466	2,048,928
Water Treatment/Plant	5,644,221	5,858,915	6,082,831	6,316,423	6,574,195
Utility Billing	189,403	194,934	200,579	206,926	216,718
Water General	2,952,956	3,087,025	3,124,021	3,219,036	3,367,662
Total Water	**10,591,874**	**11,002,173**	**11,331,256**	**11,728,851**	**12,207,503**
Expense by Category					
Personnel					
Salaries & Wages	1,448,251	1,490,649	1,534,258	1,579,206	1,635,324
Employee Benefits	606,242	648,539	697,852	747,884	805,658
Total Personnel	**2,054,493**	**2,139,188**	**2,232,110**	**2,327,090**	**2,440,982**
Operations					
Transportation Services	1,600	1,600	1,600	1,600	1,600
Operating Services	21,600	21,600	21,600	21,600	21,600
Notices, Subscriptions, etc.	9,750	9,750	9,750	9,750	9,750
Utilities	249,603	256,957	264,534	272,338	280,376
Contractual Services	164,125	159,125	134,125	164,125	169,125
Repair & Maintenance Services	96,000	96,000	96,000	96,000	96,000
Employee programs	7,400	7,400	7,400	7,400	7,400
Professional Development/Travel	8,900	8,900	8,900	8,900	8,900
Office Supplies	4,500	4,500	4,500	4,500	4,500
Operating Supplies	331,250	340,265	349,550	359,114	368,965
Fuel & Mileage	37,930	39,714	41,582	44,029	46,618
Supplies for Resale	4,049,510	4,211,491	4,379,950	4,555,148	4,737,354
Machinery & Equipment (<$25,000)	68,028	70,490	73,073	75,787	78,636
Repair & Maintenance Supplies	244,300	244,300	244,300	244,300	244,300
Operational Units	1,287,431	1,226,125	1,287,431	1,351,803	1,419,393
Property & Liability Costs	83,051	87,204	91,564	96,142	100,949
Rentals	2,000	2,000	2,000	2,000	2,000
Financial Fees	16,800	16,800	16,800	16,800	16,800
Permits	38,100	38,100	38,100	38,100	38,100
Debt Service and Lease Payments	309,754	309,628	309,799	309,909	310,616
Total Operations	**7,031,632**	**7,151,948**	**7,382,558**	**7,679,344**	**7,962,983**
Buildings	2,431	2,553	2,680	2,814	2,955
Improvements	1,300,000	1,500,000	1,500,000	1,500,000	1,575,000
Machinery & Equipment (>$25,000)	203,318	208,484	213,908	219,603	225,584
Capital	**1,505,749**	**1,711,037**	**1,716,588**	**1,722,417**	**1,803,538**
Total Water Forecast	**10,591,874**	**11,002,173**	**11,331,256**	**11,728,851**	**12,207,503**

Budget

	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Divisions					
Wastewater Collection	2,425,882	2,496,657	2,569,971	2,645,930	2,739,245
Wastewater Plant	4,440,514	4,594,033	4,753,533	4,919,252	5,084,932
Utility Administration	1,012,808	1,063,372	1,074,216	1,106,370	1,139,538
Wastewater General	5,929,351	6,212,751	6,471,154	6,767,964	6,950,905
Total Water	**13,808,554**	**14,366,813**	**14,868,874**	**15,439,517**	**15,914,620**
Expense by Category					
Personnel					
Salaries & Wages	2,691,099	2,770,122	2,851,516	2,935,352	3,007,311
Employee Benefits	1,036,512	1,068,512	1,101,521	1,135,565	1,195,277
Total Personnel	**3,727,611**	**3,838,634**	**3,953,037**	**4,070,917**	**4,202,588**
Operations					
Transportation Services	3,500	3,500	3,500	3,500	3,500
Operating Services	422,505	443,342	465,222	488,195	512,317
Notices, Subscriptions, etc.	16,600	16,600	16,600	16,600	16,600
Utilities	1,543,145	1,589,746	1,637,734	1,687,167	1,738,077
Contractual Services	316,000	323,250	306,500	308,750	309,000
Repair & Maintenance Services	238,000	238,000	238,000	238,000	238,000
Employee programs	4,750	4,750	4,750	4,750	4,750
Professional Development/Travel	19,500	19,500	19,500	19,500	19,500
Office Supplies	7,150	7,150	7,150	7,150	7,150
Operating Supplies	292,964	300,339	307,937	315,762	323,822
Fuel & Mileage	130,060	135,252	140,663	146,305	152,187
Supplies for Resale	2	3	4	5	6
Machinery & Equipment (<$25,000)	120,596	126,596	132,896	139,511	146,456
Repair & Maintenance Supplies	151,000	151,000	151,000	151,000	151,000
Operational Units	1,144,384	1,201,603	1,261,683	1,324,767	1,391,006
Property & Liability Costs	138,951	145,898	153,192	160,851	168,892
Rentals	3,500	3,500	3,500	3,500	3,500
Financial Fees	45,000	45,000	45,000	45,000	45,000
Permits	17,000	17,000	17,000	17,000	17,000
Debt Service and Lease Payments	1,340,485	1,325,467	1,289,092	1,250,307	1,224,002
Total Operations	**5,955,092**	**6,097,496**	**6,200,923**	**6,327,619**	**6,471,763**
Buildings	1,823	1,914	2,010	2,111	2,216
Improvements	3,105,742	3,338,673	3,589,073	3,858,254	4,000,000
Machinery & Equipment (>$25,000)	1,068,852	1,100,942	1,155,989	1,213,789	1,262,732
Capital	**4,176,417**	**4,441,529**	**4,747,072**	**5,074,153**	**5,264,948**
Total Wastewater	**13,859,121**	**14,377,660**	**14,901,032**	**15,472,689**	**15,939,299**

Budget

	Budget 2018	Budget 2019	Budget 2020	Budget 2021	Budget 2022
Personnel					
Salaries & Wages					
Employee Benefits					
Total Personnel	**-**	**-**	**-**	**-**	**-**
Operations					
Transportation Services	250	250	250	250	250
Operating Services	-	-	-	-	-
Notices, Subscriptions, etc.	100	100	100	100	100
Utilities	50	50	50	50	50
Contractual Services	-	-	-	-	-
Repair & Maintenance Services	12,000	12,000	12,000	12,000	12,000
Employee programs	-	-	-	-	-
Professional Development/Travel	-	-	-	-	-
Office Supplies	-	-	-	-	-
Operating Supplies	110,200	113,200	116,200	118,200	120,200
Fuel & Mileage	-	-	-	-	-
Supplies for Resale	-	-	-	-	-
Machinery & Equipment (<$25,000)	2,000	2,000	2,000	2,000	2,000
Repair & Maintenance Supplies	15,500	15,500	15,500	15,500	15,500
Operational Units	-	-	-	-	-
Property & Liability Costs	-	-	-	-	-
Rentals	-	-	-	-	-
Financial Fees	-	-	-	-	-
Permits	-	-	-	-	-
Debt Service and Lease Payments	65,975	65,975	65,975	-	-
Total Operations	**206,075**	**209,075**	**212,075**	**148,100**	**150,100**
Capital	**-**	**-**	**-**	**-**	**-**
Total Reclaimed Water	**206,075**	**209,075**	**212,075**	**148,100**	**150,100**

Capital

The lists below detail the proposed rate funded capital projects for the Water & Wastewater Fund. These projects, and the order they are proposed in, stem from the City's Integrated Water Resource Plan and are based on operational need for renewal. Projects identified herein are subject to change as infrastructure demands, needs or change. Additional Capital investment, namely process improvements for the respective Water & Wastewater treatment plants, is not shown on these lists and should be considered in addition to the cost totals shown below.

WATER SECTION CIPs	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Project Cost
Adams Street Water Line Replacement	$ -	$ 30,000	$ 250,000	$ -	$ -	$ -	$ -	$ 280,000
Advanced Metering Infrastructure	$ 252,450	$ 553,100	$ 553,100	$ 476,915	$ -	$ -	$ -	$ 1,835,565
Alicia Drive Water Line Replacement; Battle Avenue to Figuers Water Line	$ -	$ -	$ -	$ -	$ 61,000	$ -	$ -	$ 61,000
Battle Avenue Water Line Replacement	$ -	$ -	$ -	$ -	$ 625,000	$ -	$ -	$ 625,000
Bobby Drive Water Line; 4,200 LF 6"	$ 45,000	$ 450,000	$ -	$ -	$ -	$ -	$ -	$ 515,000
Buckworth Water Line	$ -	$ -	$ -	$ -	$ -	$ 56,000	$ -	$ 56,000
Church Street; Water Line Upgrade (6") from 3rd Ave to 5th Avenue	$ -	$ 75,000	$ -	$ -	$ -	$ -	$ -	$ 75,000
East View Circle; Entire Water Line	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ -	$ 200,000
Forrest Street Water Line Replacement	$ -	$ -	$ -	$ -	$ 50,000	$ -	$ -	$ 50,000
Fourth Avenue South; South Margin to End of Street to Berry Circle	$ -	$ -	$ 170,000	$ -	$ -	$ -	$ -	$ 170,000
Gist Street Water Line Replacement	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ -	$ 200,000
Glass Lane Water Line Replacement	$ -	$ -	$ -	$ -	$ 175,000	$ -	$ -	$ 175,000
James and Avondale Water	$ 530,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 540,000
Lee Drive Water Line Rehabilitation	$ -	$ -	$ -	$ -	$ -	$ 19,000	$ -	$ 19,000
Lewisburg Pike Water Line Replacement	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ 100,000
Liberty Pike Water Line Replacement	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ -	$ 200,000
Manley Lane Dead End Removal	$ -	$ -	$ -	$ -	$ -	$ -	$ 175,000	$ 175,000
Morningside Drive Water Line Replacement	$ -	$ -	$ -	$ -	$ -	$ 150,000	$ -	$ 150,000
Murfreesboro Road; South Margin to Ralston Lane; Water Line Replacement	$ -	$ -	$ -	$ 870,000	$ -	$ -	$ -	$ 870,000
Old Carters Creek Pike; Downs Boulevard to Approximately Incinerator Road	$ 463,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 480,000
Old Hillsboro Road Water Line	$ -	$ -	$ -	$ -	$ -	$ 250,000	$ -	$ 250,000
Scruggs Avenue; Entire Length Water Line Replacement	$ -	$ -	$ -	$ -	$ -	$ 105,000	$ -	$ 105,000
South Margin; 1st Ave to 5th Ave; Water	$ -	$ -	$ 265,000	$ -	$ -	$ -	$ -	$ 265,000
Thompson Alley Water Line Replacement	$ -	$ -	$ -	$ -	$ -	$ 175,000	$ -	$ 175,000
Water Line Replacement 96W from 11th Avenue to Glass Lane	$ -	$ -	$ -	$ -	$ 250,000	$ -	$ -	$ 250,000
West End Circle Water Line Replacement (East 2" Line); Remove 2" Cross Country	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ 65,000
West Main Street Water	$ -	$ -	$ -	$ -	$ -	$ -	$ 400,000	$ 3,600,000
Rate Funded Capital Budget - Unassigned	$ 9,550	$ 161,900	$ 61,900	$ 153,085	$ 239,000	$ 145,000	$ 1,000,000	$ 1,770,435
PLANNED RENEWAL TOTAL	**$ 1,300,000**	**$ 1,300,000**	**$ 1,300,000**	**$ 1,500,000**	**$ 1,500,000**	**$ 1,500,000**	**$ 1,575,000**	**$ 13,257,000**

Capital

The lists below detail the proposed rate funded capital projects for the Water & Wastewater Fund. These projects, and the order they are proposed in, stem from the City's Integrated Water Resource Plan and are based on operational need for renewal. Projects identified herein are subject to change as infrastructure demands, needs or change. Additional Capital investment, namely process improvements for the respective Water & Wastewater treatment plants, is not shown on these lists and should be considered in addition to the cost totals shown below.

WASTEWATER SECTION CIPs	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Project Cost
96W Sanitary Sewer Rehab	$ -	$ 350,000	$ -	$ -	$ -	$ -	$ -	$ 350,000
Adams Street Sanitary Sewer Replacement	$ -	$ 450,000	$ -	$ -	$ -	$ -	$ -	$ 450,000
Berry Circle Sanitary Sewer Lining	$ -	$ -	$ 33,000	$ -	$ -	$ -	$ -	$ 33,000
Buckworth Sanitary Sewer Relining	$ -	$ -	$ -	$ -	$ -	$ 53,000	$ -	$ 53,000
Church Street; Sanitary Sewer Replacement from 3rd Ave to 5th Avenue	$ -	$ 40,000	$ -	$ -	$ -	$ -	$ -	$ 40,000
Curd Branch and Watson Branch Interceptor Sewer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 115,000
East View Circle Sanitary Sewer; Northern Leg	$ -	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ 150,000
Evans Street Sanitary Sewer; East Fowlkes to 5th Avenue Sanitary Sewer Line Replacement	$ -	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ 300,000
Fieldstone Farms Pump Station No 1 Rehab	$ 1,194,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,818,848
Forrest Crossing No. 1 Pump Station Rehabilitation	$ -	$ -	$ 60,000	$ -	$ -	$ -	$ -	$ 60,000
Forrest Street Sanitary Sewer Line Replacement	$ -	$ -	$ -	$ -	$ 66,000	$ -	$ -	$ 66,000
Frazier Drive Rehab	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000
Holiday Court Pump Station Rehabilitation	$ -	$ 400,000	$ -	$ -	$ -	$ -	$ -	$ 400,000
James and Avondale Sanitary Sewer	$ 685,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 695,000
Johnson Elementary School Sanitary Sewer Line Replacement	$ -	$ 225,000	$ -	$ -	$ -	$ -	$ -	$ 225,000
North Petway Sewer Improvements	$ 125,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 125,000
Sanitary Sewer Line Replacement on West Fowlkes Street	$ -	$ -	$ 225,000	$ -	$ -	$ -	$ -	$ 225,000
Sanitary Sewer Replacement Behind New Hope Academy	$ -	$ 65,000	$ -	$ -	$ -	$ -	$ -	$ 65,000
Sanitary Sewer Replacement Between Strahl Street and West Fowlkes Street	$ -	$ -	$ 275,000	$ -	$ -	$ -	$ -	$ 275,000
South Margin; 1st Ave to 5th Ave; Sanitary Sewer	$ -	$ 235,000	$ -	$ -	$ -	$ -	$ -	$ 235,000
South Prong Sanitary Sewer Upgrade	$ -	$ -	$ -	$ -	$ 3,100,000	$ -	$ -	$ 3,100,000
South Royal Oaks Forcemain Replacement	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 30,000
Spencer Creek at Franklin Road Sewer	$ 550,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 590,000
Water Reclamation Facility Access Road	$ -	$ -	$ 250,000	$ -	$ -	$ -	$ -	$ 250,000
West Main Street Sanitary Sewer	$ -	$ 500,000	$ 2,000,000	$ 2,000,000	$ -	$ -	$ -	$ 4,500,000
Rate Funded Capital Budget - Unassigned	$ 53,500	$ 174,063	$ 262,742	$ 1,338,673	$ 423,073	$ 3,805,254	$ 4,000,000	$ 10,057,305
PLANNED RENEWAL TOTAL	**$ 2,687,500**	**$ 2,889,063**	**$ 3,105,742**	**$ 3,338,673**	**$ 3,589,073**	**$ 3,858,254**	**$ 4,000,000**	**$ 23,468,305**

Appendix – Chart of Account Definitions

The budget is presented in a format showing expenditure classifications within the three (3) major categories: Personnel, Operations, and Capital. The following classifications are an abbreviated list of the City's complete Chart of Accounts. Further detail is available from the City's Finance Office. These categories provide definitions of the classifications used within departmental and divisional budgets within each fund.

The classifications budgeted under Personnel are:

81100 **SALARIES & WAGES**
Amounts paid to both permanent and temporary City employees, including personnel substituting for those in permanent positions. This category includes gross salary for personal services rendered while on the payroll of the City.

81400 **EMPLOYEE BENEFITS**
Amounts paid by the City on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe benefit payments and, although not paid directly to employees, are part of the cost of personal services.

The classifications budgeted under Operations are:

82100 **TRANSPORTATION CHARGES**
Charges for transport services needed for City operations

82200 **OPERATING SERVICES**
Services necessary for the ongoing operations of the City.

82300 **NOTICES, SUBSCRIPTIONS, PUBLICITY**
Costs incurred by City for public notices, dues and subscriptions, promotion, elections, and surveys.

82400 **UTILITIES**
Expenditures for energy, including gas, oil, coal, gasoline, and services received from public or private utility companies.

82500 **CONTRACTUAL SERVICES**
Amounts paid for services rendered by organizations or personnel not on the payroll of the City. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

82600 **REPAIR & MAINTENANCE SERVICES**
Expenditures for repair and Maintenance services not provided directly by City personnel.

Appendix – Chart of Account Definitions

82700 **EMPLOYEE PROGRAMS**
Primarily administered by Human Resources, these are programs established for employee development.

82800 **PROFESSIONAL DEVELOPMENT / TRAVEL**
Expenditures for transportation, meals, hotel, and other expenses associated with staff travel for the City. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here.

83100 **OFFICE SUPPLIES**
Costs incurred for various office supplies, décor items, benevolence items, and business meals and refreshments.

83200 **OPERATING SUPPLIES**
Amounts paid for items that are consumed or deteriorated through use or that lose their identity through fabrication or incorporation into different or more complex units or substances.

83300 **FUEL & MILEAGE (NON-TRAVEL)**
Costs of operating vehicles on duty.

83400 **SUPPLIES PURCHASED FOR RESALE**
Supplies purchased for use in providing City services. In the case of Water & Sewer, this includes water purchased from the Harpeth Valley Utility District.

83500 **EQUIPMENT (<$25,000)**
Equipment used with an item cost under $25,000. To distinguish from supplies, equipment usually has a power source: electrical, battery, fuel, etc.

83600 **REPAIR & MAINTENANCE PARTS & SUPPLIES**
Expenditures for supplies for repair and maintenance services provided directly by City personnel.

84000 **OPERATIONAL UNITS**
Costs incurred by departments for specific operational units or activities. In the case of Water & Wastewater, this includes Interfund Transfers to the General Fund (transfers for administrative services provided by the General fund for administration, finance, human resources, etc.)

85100 **PROPERTY & LIABILITY COSTS**
Property and liability costs.

85200 **RENTALS**
Costs for renting or leasing land, buildings, equipment, and vehicles.

Appendix – Chart of Account Definitions

85300 **PERMITS & FEES**
Costs incurred by City for necessary permits and fees.

85500 **FINANCIAL FEES**
Costs incurred related to financial operations.

85900 **OTHER BUSINESS EXPENSES**
Business-related expenditures not classified elsewhere.

86000 **DEBT SERVICE**
Costs incurred by City for outstanding debt.

The expenditure classifications budgeted under Capital are:

89100 **LAND**
This includes cost for land and easements acquired for Capital projects.

89200 **BUILDINGS**
Includes costs for buildings acquired, building design & construction and various building improvements greater than $25,000 that adds new capacity to a existing building or extends the estimated useful life of an existing building.

89300 **IMPROVEMENTS**
Expenditures for acquiring improvements not associated with buildings (such as Parks & Recreation Facilities & Distribution Systems)

89400 **INFRASTRUCTURE**
Includes costs of improving drainage, streets, adding, improving, and replacing curb and gutter, adding or improving gateway enhancement and streetscape, improving bridges and tunnels, adding or improving sidewalks, acquiring and installing traffic signals and installing or improving streetlights.

89500 **MACHINERY & EQUIPMENT (>$25,000)**
Expenditures for the initial, additional and replacement items of equipment such as machinery, furniture and fixtures, and vehicles.

HISTORIC
FRANKLIN
TENNESSEE

Water Management

Mark Hilty, Director

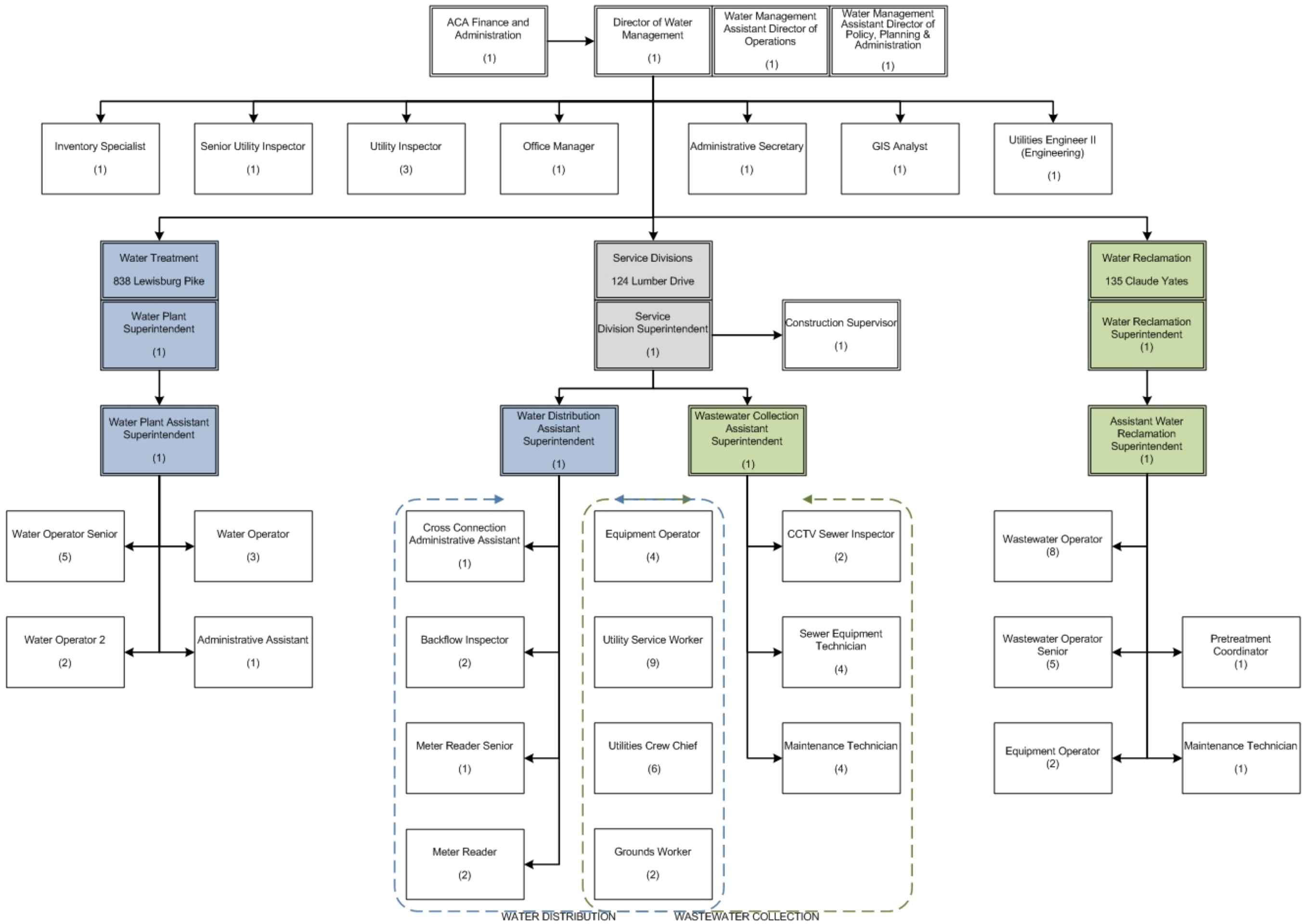
Outline

- Purpose of Department
- Organization Chart
- Base Budget Request
    - Personnel
    - Operations
    - Capital
- Program Enhancements
- Summary

Purpose of Department

The Water Management Department's vision, in support of the City's vision statement, is to continually strive to enhance quality of life through exceptional, responsive, and cost effective water resources services. These services include drinking water treatment and distribution, wastewater collection and treatment, and reclaimed water distribution for customers located primarily in the City of Franklin.

Organization Chart



Base Budget Request: Personnel – FY 2015

The Water Management Department experienced 39 personnel changes in FY 2015 including 3 voluntary demotions, 11 hires, 15 promotions, 7 resignations and 3 retirements. Training remained a focus with 10 staff receiving a license or professional certification.

Professional Certification/License	No.
Commercial Drivers License	1
Backflow Inspection and Testing Certification	3
Wastewater Collection Grade II	2
Water Distribution Grade II	2
Water Treatment Grade IV	1
TAUD Administrative Professional Certification	1

Base Budget Request: Personnel – FY 2016 and FY 2017

The base personnel request for FY 2016 and 2017 is 85 budgeted positions. Budgeted positions include 54 staff members in the Wastewater Section and 31 staff members in the Water Section.

Budget Document Pages 8 – 9

Base Budget Request: Operations

	2013	2014	2015		2016	2017	2015 v. 2016	
	Actual	Actual	Budget	Estimated	Budget	Budget	$	%
Beginning Balance	**7,268,534**	**15,043,450**	**18,318,852**	**18,318,852**	**21,265,147**	**22,771,594**		
Revenues	**25,471,938**	**23,187,312**	**22,351,089**	**24,938,329**	**24,708,803**	**26,150,977**	**2,357,714**	**10.5%**
Expenses								
Water	8,836,662	8,863,912	9,712,628	9,554,357	10,109,710	10,263,634	397,082	4.1%
Wastewater	8,738,856	10,904,872	12,433,961	12,252,625	12,889,816	13,345,613	455,855	3.7%
Reclaimed	121,504	143,126	196,075	185,051	202,831	204,075	6,756	3.4%
Expenses	**17,697,022**	**19,911,910**	**22,342,664**	**21,992,034**	**23,202,356**	**23,813,322**	**859,692**	**3.8%**
Ending Balance	**15,043,450**	**18,318,852**	**18,327,277**	**21,265,147**	**22,771,594**	**25,109,249**		

Budget Document Page 3

Base Budget Request: Capital

Wastewater Section	A Actual 2013	B Actual 2014	C Budget 2015	D Estd 2015	E Budget 2016	F Budget 2017	G (E-C) Difference '15 v. '16 $	H (E/C) Difference '15 v. '16 %
Buildings	$ -	$ -	$ 1,575	$ -	$ 1,654	$ 1,736	$ 79	5.0%
Improvements	$ 904,784	$ 2,393,776	$ 2,500,000	$ 3,262,555	$ 2,687,500	$ 2,889,063	$ 187,500	7.5%
Machinery & Equipment (>$25,000)	$ -	$ 319,200	$ 932,400	$ 88,173	$ 986,035	$ 998,586	$ 53,635	5.8%
Capital	**$ 904,784**	**$ 2,712,976**	**$ 3,433,975**	**$ 3,350,728**	**$ 3,675,189**	**$ 3,889,385**	**$ 241,214**	**7.0%**

Water Section	A Actual 2013	B Actual 2014	C Budget 2015	D Estd 2015	E Budget 2016	F Budget 2017	G (E-C) Difference '15 v. '16 $	H (E/C) Difference '15 v. '16 %
Buildings	$ -	$ (33,269)	$ 2,100	$ 89	$ 2,205	$ 2,315	$ 105	5.0%
Improvements	$ 637,171	$ 575,002	$ 1,300,000	$ 1,261,482	$ 1,300,000	$ 1,300,000	$ -	0.0%
Machinery & Equipment (>$25,000)	$ 63,955	$ 44,195	$ 189,250	$ 30,567	$ 193,713	$ 198,398	$ 4,463	2.4%
Capital	**$ 701,126**	**$ 585,928**	**$ 1,491,350**	**$ 1,292,138**	**$ 1,495,918**	**$ 1,500,713**	**$ 4,568**	**0.3%**

Budget Document Pages 14 & 18, and 33-34

Program Enhancement Requests - Personnel

FY 2017 – Wastewater Section:

Addition of one crew in the Wastewater Section including 1 Utility Service Worker, 1 Equipment Operator and 1 Utility Crew Chief. The Utility Crew Chief had been previously budgeted in FY 2013 and prior years however work load at the time did not warrant the position.

FY 2017 – Wastewater Section:

Consideration of 1 additional Utilities Engineer. This request will be evaluated during the budget amendment process for FY 2017

Budget Document Pages 8-9

Program Enhancement Requests - Personnel

FY 2018 – Wastewater Section:
Consideration to the formation of a Maintenance Division to be evaluated during preparation of the FY 2018 budget.

FY 2018 – Water Section:
Anticipate 1 additional Equipment Operator which will be evaluated during preparation of the FY 2018 budget.

Budget Document Pages 24-25

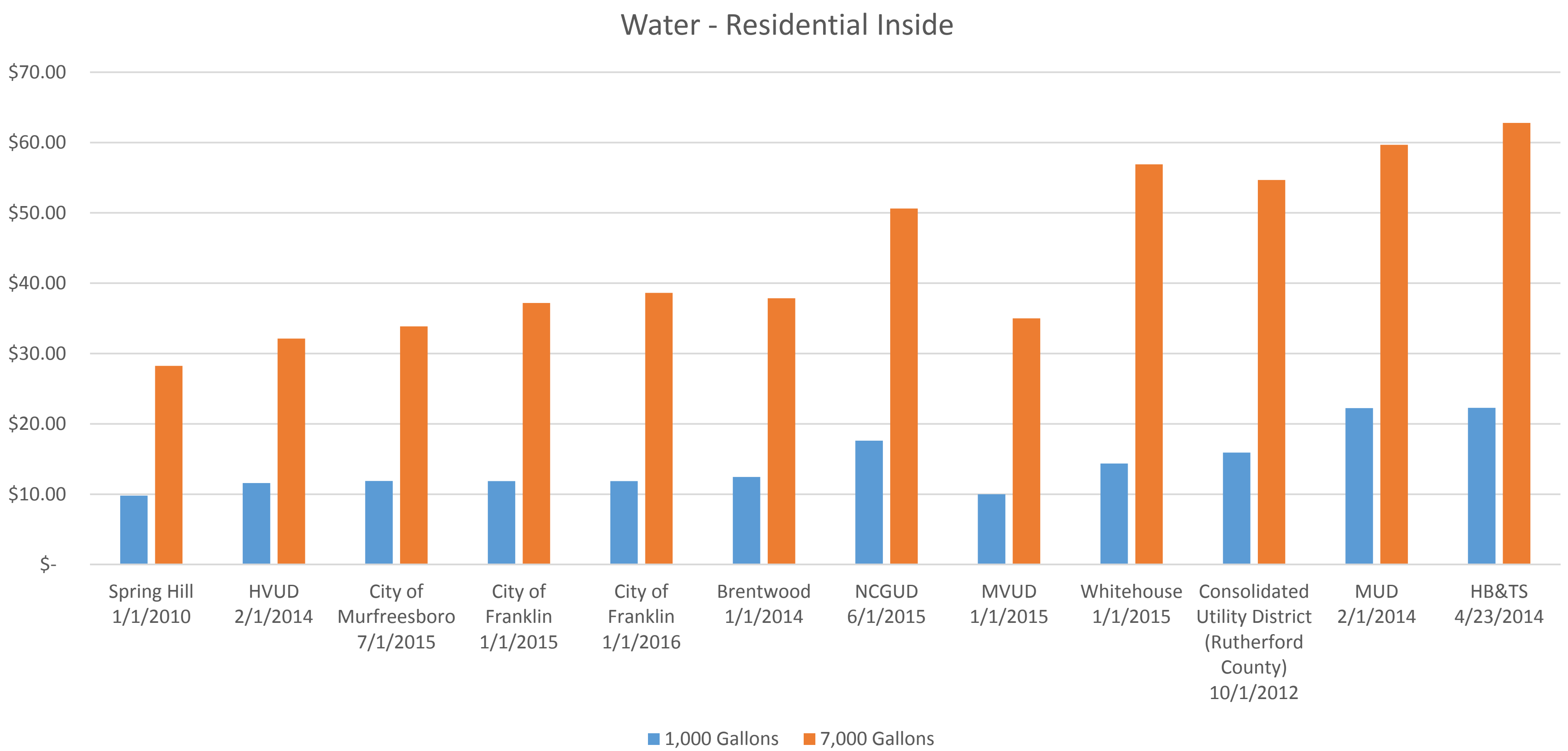
City of Franklin, Tennessee - FY 2016 & 2017 Budget Request

Water Management

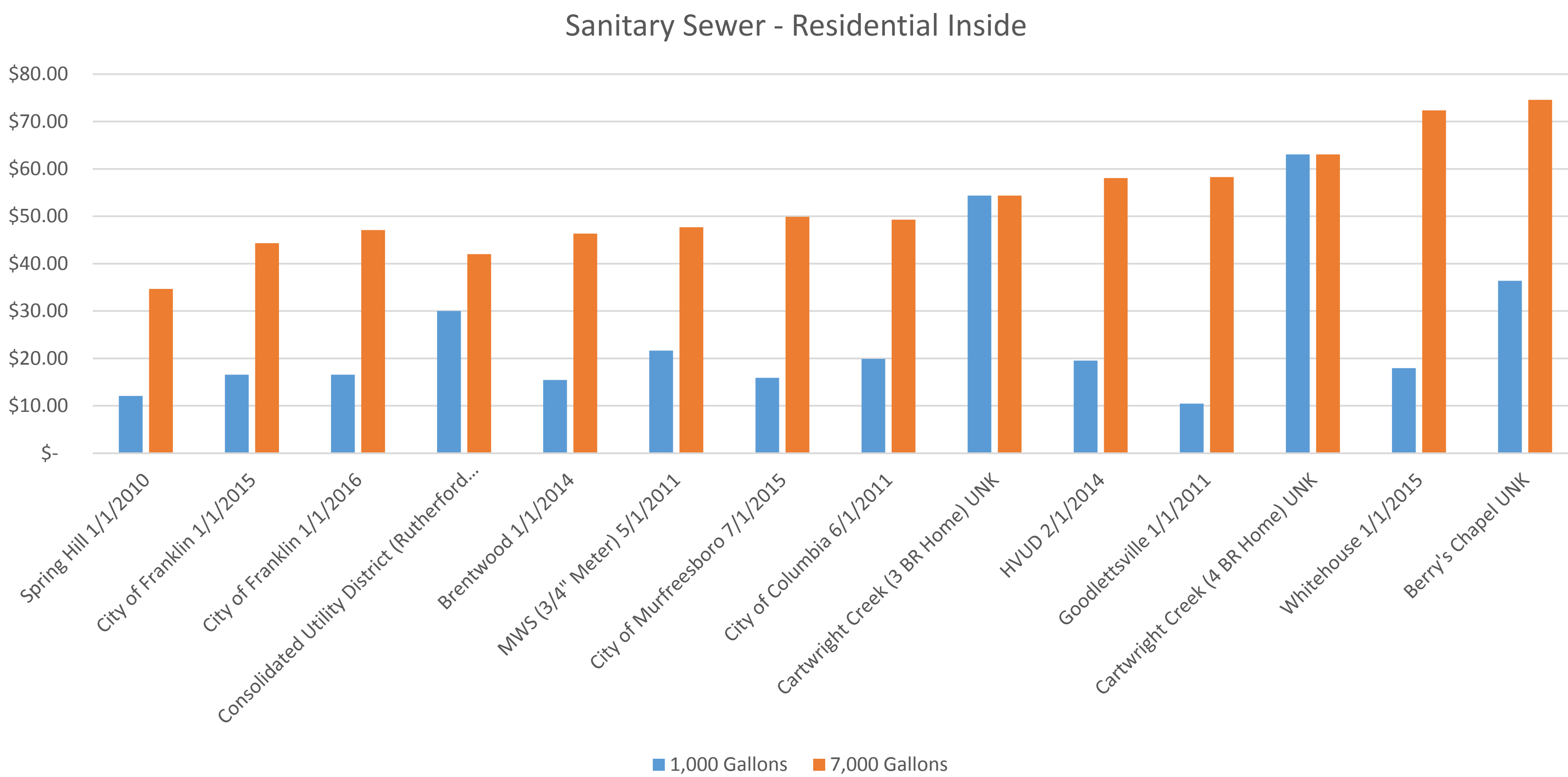
Summary

	2013 Actual	2014 Actual	2015 Budget	2015 Estimated	2016 Budget	2017 Budget	2015 v. 2016 $	2015 v. 2016 %
Beginning Balance	7,268,534	15,043,450	18,318,852	18,318,852	21,265,147	22,771,594		
Revenues	25,471,938	23,187,312	22,351,089	24,938,329	24,708,803	26,150,977	2,357,714	10.5%
Expenses								
Personnel	4,669,801	4,765,815	5,298,339	4,995,360	5,485,617	5,612,024	187,278	3.5%
Operations	11,421,311	11,847,191	12,119,000	12,353,807	12,545,632	12,811,200	426,632	3.5%
Capital	1,605,910	3,298,904	4,925,325	4,642,866	5,171,107	5,390,098	245,782	5.0%
Expenses	17,697,022	19,911,910	22,342,664	21,992,034	23,202,356	23,813,322	859,692	3.8%
Ending Balance	15,043,450	18,318,852	18,327,277	21,265,147	22,771,594	25,109,249		

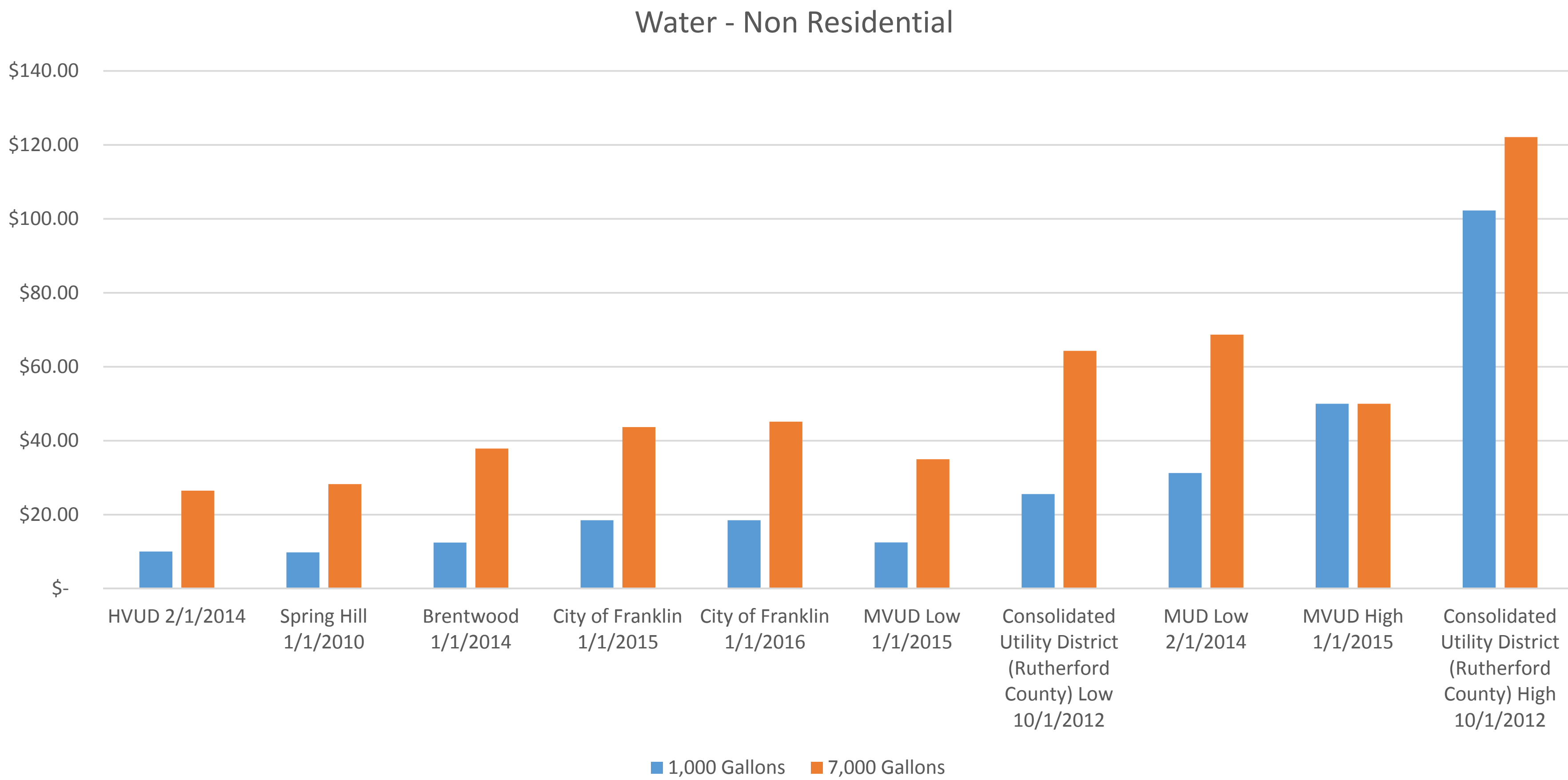
Rate Comparison



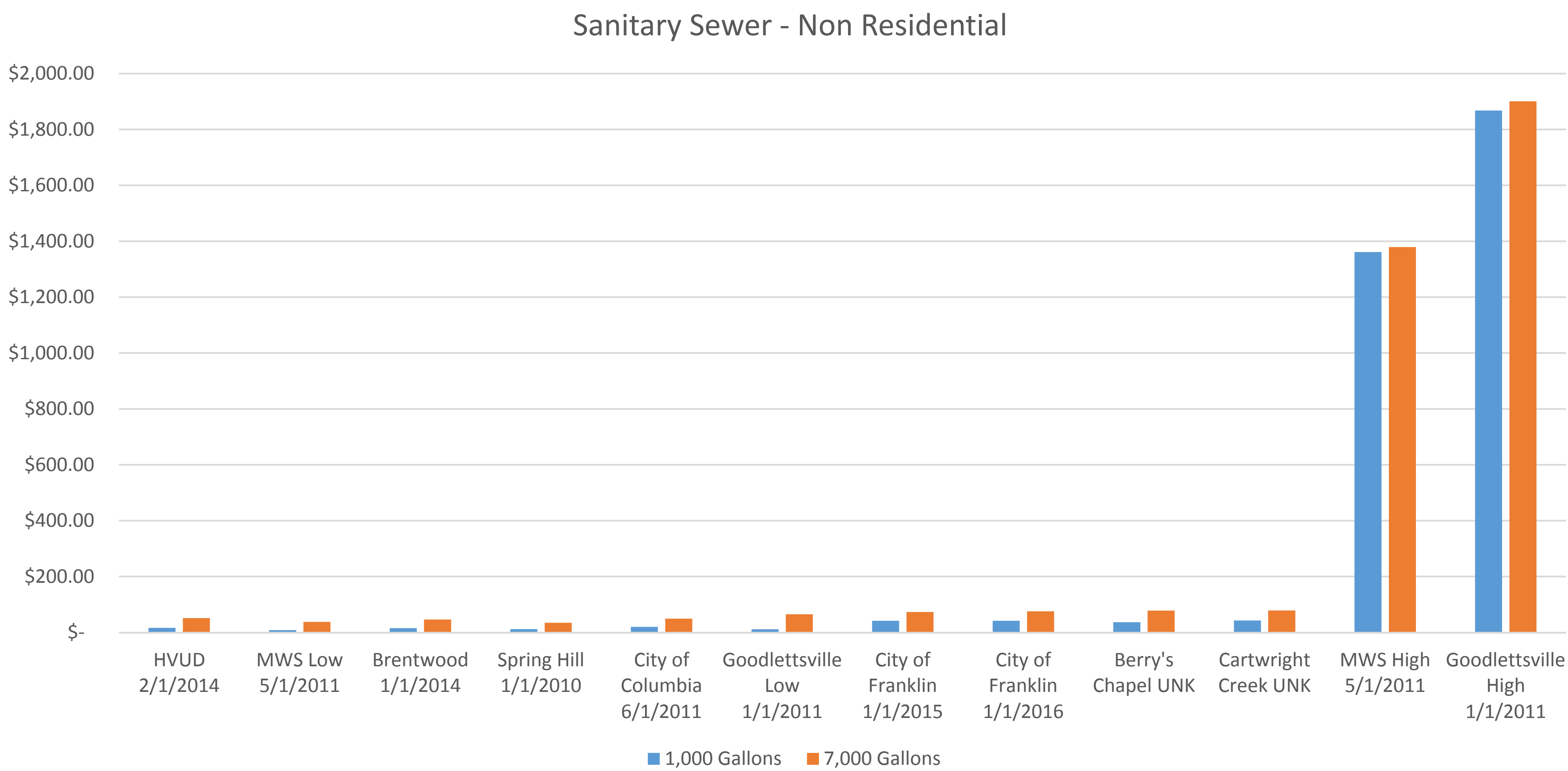
Rate Comparison



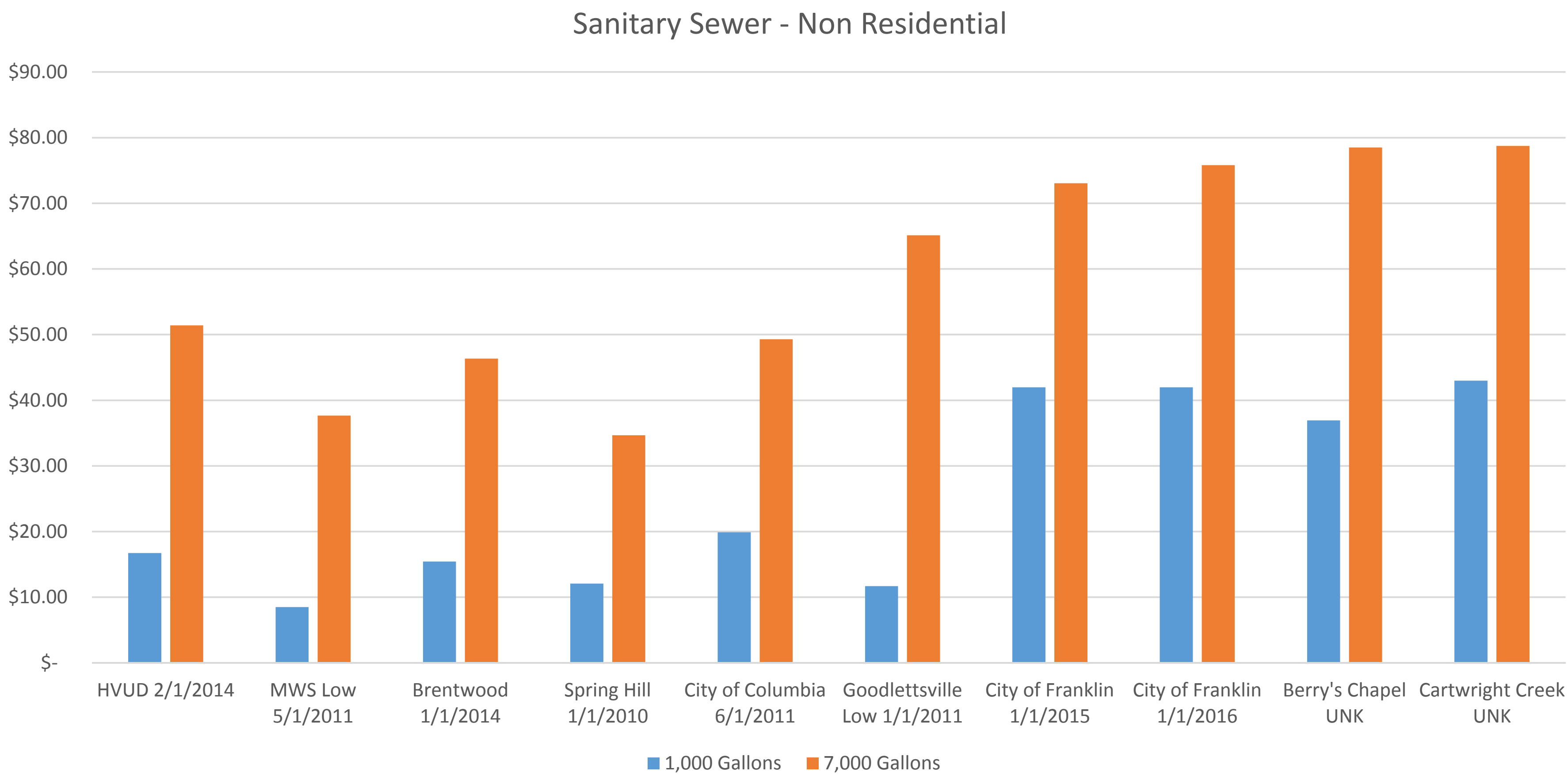
Rate Comparison



Rate Comparison



Rate Comparison



RESOLUTION 2015-36

A RESOLUTION TO APPROVE FUNDING FOR AN EMERGENCY RADIO SYSTEM THROUGH THE JOINT NETWORKING AUTHORITY OF WILLIAMSON COUNTY

WHEREAS, the Board of Mayor and Aldermen of the City of Franklin, Tennessee, desires to facilitate the improvement of existing emergency communication technologies used by the City of Franklin; and

WHEREAS, the City has joined the City of Brentwood and the County of Williamson to effect a regional system that is superior to the existing system; and

WHEREAS, the City has agreed in an Interlocal Agreement to provide funding for its share of the cost of the system improvements; and

WHEREAS, the City desires to fund those costs in a manner commensurate with the life of the project and the timing of the implementation; and

WHEREAS, the City has determined that the best vehicle to provide that funding is through a loan with the Tennessee Municipal Bond Fund.

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

Section 1. The City Administrator and his staff shall make application to the Tennessee Municipal Bond Fund for funding approval.

Section 2. The application shall be limited to $2.6 million for this project.

Section 3. This application and borrowing may be extended to include and be combined with other City projects approved by the Board of Mayor and Aldermen.

Section 4. This Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this 11th day of August, 2015.

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

RESOLUTION 2015-38

TO BE ENTITLED, "A RESOLUTION AUTHORIZING A LEASED EQUIPMENT SCHEDULE FOR FY2016 AS AN AMENDMENT TO COF CONTRACT NO. 2014-0171 WITH JPMORGAN CHASE"

WHEREAS, the City of Franklin ("Lessee") is a political subdivision of the State in which Lessee is located (the "State") and is duly organized and existing pursuant to the constitution and laws of the State; and

WHEREAS, pursuant to applicable law, the Board of Mayor and Aldermen of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interests in property/leases and easements necessary to the functions or operations of the Lessee; and

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more lease-purchase agreements ("Equipment Leases") in the principal amount not exceeding the amount stated above ("Principal Amount") for the purpose of acquiring the property generally described below ("Property") and to be described more specifically in the Equipment Leases is appropriate and necessary to the functions and operations of the Lessee; and

WHEREAS, a brief description of Property is in the Attached Schedule A-I; and

WHEREAS, JPMorgan Chase Bank, NA ("Lessor") is expected to act as the lessor under the Equipment Leases; and

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Equipment Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount; and

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

NOW, THEREFORE, be it Resolved by the Board of Mayor and Aldermen of the City of Franklin:

SECTION I. Either one of the Mayor OR the City Administrator (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

SECTION 2. By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Leases on behalf of the Lessee.

SECTION 3. The aggregate original principal amount of the Equipment Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Leases and the Equipment Leases shall contain such options to purchase by the Lessee as set forth therein.

SECTION 4. The Lessee's obligations under the Equipment Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease and the Lessee's obligations under the Equipment Leases shall not constitute a general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

Adopted this ___ day of __________, 2015.

ATTEST:

BY:______________________________________
Eric S. Stuckey, City Administrator/Recorder

CITY OF FRANKLIN, TENNESSEE

BY:______________________________________
Dr. Ken Moore, Mayor

APPROVED AS TO FORM:

BY:______________________________________
Kristen L. Corn, Staff Attorney

CHASE

LEASE SCHEDULE

Dated as of: JULY 15, 2015

Lease No.: 1000140324

This Lease Schedule, together with its Payment Schedule, is attached and made a part of the Master Lease-Purchase Agreement described below ("Master Lease") between the Lessee and Lessor named below. All terms and conditions of the Master Lease are incorporated herein by reference. Unless otherwise defined herein, capitalized terms defined in the Master Lease will have the same meaning when used herein.

Master Lease-Purchase Agreement dated SEPTEMBER 5, 2014

A. **EQUIPMENT DESCRIBED:** The Equipment includes all of the property described on Schedule A-1 attached hereto and made a part hereof.

B. **EQUIPMENT LOCATION:** See Attached Schedule A-1

C. **ACCEPTANCE OF EQUIPMENT:** AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.

D. **ESSENTIAL USE; CURRENT INTENT OF LESSEE:** Lessee represents and agrees that the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens and the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and to make Rental Payments if funds are appropriated in each fiscal year by its governing body.

E. **RENTAL PAYMENTS; LEASE TERM:** The Rental Payments to be paid by Lessee to Lessor, the interest rate at which the interest portion of the Rental Payments is calculated, the Taxable Rate, the commencement date and the Lease Term of this Lease Schedule are each set forth on the Payment Schedule attached to this Lease Schedule.

F. **RE-AFFIRMATION OF THE MASTER LEASE:** Lessee hereby re-affirms all of its representations, warranties and obligations under the Master Lease (including, without limitation, its obligation to pay all Rental Payments, its disclaimers in Section 7 thereof and its representations in Sections 6.1 and 16 thereof).

G. **GOVERNMENT REGULATION. ANTI-CORRUPTION.**

(a) **Representations and Warranties Regarding Anti-Corruption Laws and Sanctions.** Lessee has implemented and maintains in effect policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Lessee and its officers and employees and to the knowledge of Lessee its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Lessee or to the knowledge of Lessee any of its respective officers or employees, or (b) to the knowledge of Lessee, any agent of Lessee that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No advance, letter of credit, use of proceeds or other transaction contemplated by this Lease will violate Anti-Corruption Laws or applicable Sanctions.

(b) **Compliance with Anti-Corruption Laws and Sanctions.** Lessee shall maintain in effect and enforce policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions..

(c) Use of Proceeds. Lessee shall not use, or permit any proceeds of the Lease to be used, directly or indirectly, by Lessee or its officers, employees and agents: (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws; (2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(d) Definitions. For the purposes of this Section G, the following terms shall have the following meanings:
"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Lessee or its subsidiaries from time to time concerning or relating to bribery or corruption. "Person" means any individual, corporation, partnership, limited liability company, joint venture, joint stock association, association, bank, business trust, trust, unincorporated organization, any foreign governmental authority, the United States of America, any state of the United States and any political subdivision of any of the foregoing or any other form of entity. "Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State. "Sanctioned Country" means, at any time, a country, region or territory which is the subject or target of any Sanctions (as at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria). "Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

Equipment/Escrow Acceptance Date: ________________, 20___

CITY OF FRANKLIN (Lessee)	JPMORGAN CHASE BANK, N.A. (Lessor)
By: ______________________________	By: ______________________________
Title: ______________________________	Title: Authorized Officer

CHASE

SCHEDULE A-1
(Equipment List)

Expected Equipment Purchase Price	**$2,761,067.00**
Net Amount Financed	**$2,761,067.00**
Equipment Location:	**To Be Determined**
Equipment Description:	**Equipment related to City's sanitation needs, police and fire vehicles, computer hardware, software licenses and implementation costs, vehicles for parks, streets, fleet maintenance, engineering and code enforcement, cameras, emergency radio and maintenance equipment, and other vehicles.**

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS, REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.

This Schedule A-1 is attached to the Lease Schedule **1000140324** or a Receipt Certificate/Payment Request relating to the Lease Schedule.

CITY OF FRANKLIN	**JPMORGAN CHASE BANK, N.A**
(Lessee)	(Lessor)
By: ______________________	By: ______________________
Title: ______________________	Title: Authorized Officer

PAYMENT SCHEDULE

This Payment Schedule is attached and made a part of the Lease Schedule identified below which is part of the Master Lease-Purchase Agreement identified therein, all of which are between the Lessee and Lessor named below.

Lease Schedule No. 1000140324 Dated JULY 15, 2015

Accrual Date: JULY 15, 2015

Amount Financed: $2,761,067.00

Interest Rate: % per annum

Taxable Rate: % per annum

Rent Number	Rent Date	Rent Payment	Interest Portion	Principal Portion	Principal Balance	Termination Value
1	1/15/2016	$470,052.42	$16,842.51	$453,209.91	$2,307,857.09	$2,377,092.80
2	7/15/2016	$470,052.42	$14,077.93	$455,974.49	$1,851,882.60	$1,907,439.07
3	1/15/2017	$470,052.42	$11,296.48	$458,755.94	$1,393,126.66	$1,434,920.45
4	7/15/2017	$470,052.42	$8,498.07	$461,554.35	$931,572.31	$959,519.47
5	1/15/2018	$470,052.42	$5,682.59	$464,369.83	$467,202.48	$481,218.55
6	7/15/2018	$470,052.42	$2,849.94	$467,202.48	$0.00	$0.00
		$2,820,314.52	$59,247.52	$2,761,067.00		

CITY OF FRANKLIN
(Lessee)

By: ____________________

Title: ____________________

JPMORGAN CHASE BANK, N.A.
(Lessor)

By: ____________________

Title: Authorized Officer

CHASE

PREPAYMENT SCHEDULE ADDENDUM
(12-Month Lockout Period)

Dated: **JULY 15, 2015**

Lease Schedule No: 1000140324

Lessee: **CITY OF FRANKLIN**

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in the Schedule, which are by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein: "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Schedule Addendum amends and supplements the terms and conditions of the Lease. Unless otherwise defined herein, capitalized terms defined in the Lease shall have the same meaning when used herein. **Solely for purposes of the Schedule, Lessor and Lessee agree as follows:**

1. Notwithstanding anything to the contrary herein or the Lease, Lessee and Lessor agree that Lessee shall not exercise its prepayment or early purchase rights under the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule) or this Addendum prior to the end of the Lock-Out Period specified below.

   Lock-Out Period: the first 12 months of the Lease Term of the Schedule

2. Notwithstanding anything to the contrary in the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule), Lessee and Lessor agree that so long as no Event of Default has occurred and continues under the Lease **and** so long as Lessee gives Lessor at least 20 days prior written notice (the "Notice Period") **and** so long as the above Lock-Out Period has expired, Lessee may elect to prepay its obligations under the Schedule by paying to Lessor on the Rent Payment due date (a "Prepayment Date") following the Notice Period the total of the following (the "Prepayment Amount"): (a) all accrued Rent Payments, interest, taxes, late charges and other amounts then due and payable under the Lease; plus (b) the remaining principal balance payable by Lessee under the Schedule as of said Prepayment Date.

3. The parties acknowledge that the Termination Value column of the Payment Schedule to the Schedule is included solely for purposes of the calculations required by Section 13.3 of the Master Lease (casualty loss of Equipment), Section 14.1 of the Master Lease (required amount of casualty loss insurance) and Subsection 20(c) of the Master Lease (post-default remedies of Lessor) and said Termination Value column does not negate the restrictions on purchase options or voluntary prepayment in paragraphs 1 and 2 of this Addendum.

4. The prepayment or early purchase option rights granted herein shall control in the event of any conflict between the provisions of this Addendum and the Master Lease as it relates to the Schedule. Except as expressly amended or supplemented by this Addendum and other instruments signed by Lessor and Lessee, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first written above.

CITY OF FRANKLIN	JPMORGAN CHASE BANK, N.A.
(Lessee)	(Lessor)
By: ______________________	By: ______________________
Title: ______________________	Title: Authorized Officer

CHASE

VEHICLE SCHEDULE ADDENDUM

Dated As of: **JULY 15, 2015**

Lease Schedule No: **1000140324**

Lessee: **CITY OF FRANKLIN**

Reference is made to the above Lease Schedule ("Schedule") to the Master Lease-Purchase Agreement identified in the Schedule ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). This Addendum amends and modifies the terms and conditions of the Schedule and is hereby made a part of the Schedule. Unless otherwise defined herein, capitalized terms defined in the Master Lease shall have the same meaning when used herein.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Schedule, Lessor and Lessee hereby agree to amend the Schedule as follows:

1. In the event that any unit of Equipment covered by the Schedule is a vehicle or trailer under applicable State law, then the following provisions shall also apply to the Schedule:

   (a) each manufacturer's statement of origin and certificate of title shall state that Lessor has the first and sole lien on or security interest in such unit of Equipment;

   (b) the public liability insurance required by the terms of clauses (b) of Section 14.1 of the Master Lease shall be in an amount not less than $1,000,000.00 combined single limit per unit per occurrence. Physical damage should not be less than the replacement cost coverage for the equipment identified on the Schedule A-1;

   (c) Lessee shall furnish and permit only duly licensed, trained, safe and qualified drivers to operate any such unit of Equipment, and such drivers shall be agents of Lessee and shall not be agents of Lessor; and

   (d) Lessee shall cause each such unit of Equipment to be duly registered and licensed as required by applicable State law with Lessor noted as lienholder, listed at address below and Lessee as owner.

   Lessor's Address:
   JPMORGAN CHASE BANK, N.A.
   1111 Polaris Parkway, Suite 3A
   Columbus, Ohio 43240-2050

2. Except as expressly amended by this Addendum and other modifications signed by Lessor, the Schedule remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first referenced above.

CITY OF FRANKLIN	**JPMORGAN CHASE BANK, N.A.**
(Lessee)	(Lessor)
By: ______________________	By: ______________________
Title: ______________________	Title: Authorized Officer

CHASE

PROCEEDS DISBURSEMENT AUTHORIZATION

JPMORGAN CHASE BANK, N.A.
1111 Polaris Parkway, Suite A3 (OH1-1085)
Columbus, OH 43240

Date: JULY 15, 2015

Re: Disbursements Of Proceeds Under The MASTER LEASE PURCHASE AGREEMENT Referred To Below

Reference is made to that certain Master Lease Purchase Agreement dated SEPTEMBER 5, 2014 and Lease Schedule No. 1000140324 dated JULY 15, 2015 and the related Escrow Agreement between **CITY OF FRANKLIN**, ("Lessee") and **JPMORGAN CHASE BANK, N.A.** (the "Lessor")

I hereby instruct you and authorize you to disburse $2,761,067.00 to the Escrow Agent as specified below:

Payee #1

DEUTSCHE BANK TRUST COMPANY AMERICAS
60 WALL STREET, 16th Floor
NEW YORK, NY 10005
Attn: DBNY MP Escrow

By signing below, Lessee authorizes Lessor to issue checks or direct fund transfers to the payees, in the amounts, and per the instructions (if applicable) set forth above. Lessee also acknowledges that it may be responsible for paying other fees directly to third parties, such as Lessor's counsel, and making other disbursements in connection with the lease transaction per the terms of the lease documents. Lessor may rely and act on the instructions set forth herein and shall not be responsible for the use or application of the funds, and Lessee shall indemnify, defend and hold harmless Lessor from and against any and all losses, costs, expenses, fees, claims, damages, liabilities, and causes of action in any way relating to or arising from acting in accordance therewith. In the event of any conflict with any other instruction set forth herein, the ABA # and Account # shall control.

IN WITNESS WHEREOF, the Lessee has caused this Proceeds Disbursement Authorization to be executed as of the day and year first above written.

CITY OF FRANKLIN
(Lessee)

By: ______________________________

Title: ______________________________

CHASE

ESCROW AGREEMENT
(Gross Fund-Earnings to Lessee)

Dated as of: JULY 15, 2015

This Escrow Agreement together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented ("Agreement") is made and entered as of the date set forth above by and among the Escrow Agent identified below ("Escrow Agent"), the Lessee identified below ("Lessee") and JPMorgan Chase Bank, N.A. ("Lessor"). As used herein, "Party" shall mean any of Lessee, Lessor or Escrow Agent, and "Parties" shall mean all of Lessee, Lessor and Escrow Agent. The Parties hereby authorize the Escrow Agent to act as escrow agent hereunder. All references to Escrow Agent shall mean Deutsche Bank Trust Company Americas in its capacity as escrow agent only, and all references to Lessor shall mean JPMorgan Chase Bank, N.A. in its capacity as lessor only.

Escrow Agent: Deutsche Bank Trust Company Americas

Lessee: **CITY OF FRANKLIN**

For good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS.

1.01 Lessor and Lessee have entered into the Lease identified below whereby Lessor has agreed to lease and sell certain property described therein (the "Equipment") to Lessee, and Lessee has agreed to lease and purchase the Equipment from Lessor, in the manner and on the terms set forth in the Lease.

1.02 "Lease" means, collectively, the Lease Schedule identified below and the Master Lease-Purchase Agreement identified in said Lease Schedule (to the extent that it relates to said Lease Schedule) together with all exhibits, schedules, addenda, riders and attachments thereto. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with , the terms and conditions of any other agreement, instrument or document between Lessee and Lessor, in connection herewith, if any, including without limitation the Lease, nor shall the Escrow Agent be required to determine if any person or entity has complied with any such agreements, nor shall any such obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. In the event of any conflict between the terms and provisions of this Agreement, those of the Lease, any schedule or exhibit attached to the Agreement, or any other agreement among the Parties, the terms and conditions of this Agreement shall control.

Lease Schedule No. 1000140324

1.03 **LESSOR'S DEPOSIT: $2,761,067.00.** Lessor shall pay or cause to be paid to the Escrow Agent the amount of the Lessor's Deposit. The date that the Lessor's Deposit is paid to the Escrow Agent shall be referred to as the "Lessor's Deposit Date". Escrow Agent shall credit the Lessor's Deposit to the Equipment Acquisition Fund established in Section 2 hereof on the Lessor's Deposit Date. To the extent that the purchase price of the Equipment exceeds the Lessor's Deposit, Lessee shall either notify Escrow Agent and then deposit with Escrow Agent funds which will be credited to the Equipment Acquisition Fund and used to pay the balance of the purchase price of the Equipment or Lessee shall pay such balance directly to the suppliers.

1.04 **FUNDING EXPIRATION DATE: 1/8/2017** ("Funding Expiration Date"). Lessee and Lessor agree that all Equipment should be delivered and installed, and all funds disbursed from the Equipment Acquisition Fund, no later than the above Funding Expiration Date.

1.05 Under the Lease, Lessee will cause each item of Equipment to be ordered from the applicable suppliers. Lessee shall furnish to Lessor as soon as available, a copy of the purchase orders or purchase contracts for all Equipment ordered pursuant to the Lease, showing the supplier, the purchase price and the estimated delivery dates.

1.06 Subject to such control by Lessee and Lessor as is provided herein, Lessor and Lessee agree to appoint the Escrow Agent and the Escrow Agent accepts such appointment to receive, hold, invest and disburse the moneys deposited with the Escrow

Agent as described in this Agreement. The Escrow Agent shall not be obligated to assume or perform any obligation of Lessee or Lessor under the Lease or of any supplier with respect to any Equipment by reason of anything contained in this Agreement. Escrow Agent shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties shall be implied. Any funds in the Equipment Acquisition Fund not needed to pay the purchase price of Equipment will be paid to Lessor or Lessee, all as hereinafter provided.

1.07 This Agreement is not intended to alter or change in any way the rights and obligations of Lessor and Lessee under the Lease, but is entirely supplemental thereto. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all Parties.

1.08 Each of the Parties hereto has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the Parties hereto to the fullest extent permitted by law, to the end that this Agreement shall be enforced as written.

SECTION 2. EQUIPMENT ACQUISITION FUND.

2.01 The Escrow Agent's sole responsibility prior to the Lessor's Deposit Date shall be to establish an escrow account designated as the Equipment Acquisition Fund (the "Equipment Acquisition Fund"). Escrow Agent shall keep such funds deposited into the escrow account separate and apart from all other funds and money held by it, and shall administer such funds as provided in this Agreement. Escrow Agent's rights and responsibilities under this Agreement, other than establishment of the Equipment Acquisition Fund, shall begin on the Lessor's Deposit Date, which may be on or after the date of this Agreement.

2.02 The Lessor's Deposit and any funds deposited by Lessee under Section 1.03 hereof shall be credited to the Equipment Acquisition Fund on the Lessor's Deposit Date and shall be used to pay the balance of the purchase price of each item of Equipment subject to the Lease. The Escrow Agent shall pay to the suppliers of the Equipment the payment amounts then due and payable with respect thereto upon receipt of a written request executed by an Authorized Representative (as defined in Section 7) of the Lessor, delivered to the Escrow Agent in accordance with Section 9.02, and after the Escrow Agent has satisfied any applicable security procedures as required by Section 7. The written request will specify the supplier/beneficiary, its address or wire instructions and the applicable portion of the Equipment Acquisition Fund to be paid (the "Receipt Certificate/Payment Request"). As between Lessee and Lessor only, Lessee agrees that it will submit to Lessor for Lessor's signature a Receipt Certificate/Payment Request that has been executed by Lessee together with (a) the suppliers' invoices specifying the applicable portion of the purchase price of the items of Equipment described in said Receipt Certificate, (b) if the item of Equipment is a titled vehicle, a copy of the Manufacturer's Statement of Origin (MSO) covering such item showing Lessor as first and sole lienholder, and (c) any other documents required by the Lease, and Lessee agrees that Lessor shall not be obligated to execute any such Receipt Certificate until all of the foregoing have been submitted to Lessor.

2.03 If an Authorized Representative of the Lessor delivers to the Escrow Agent written notice of the occurrence of an event of default under the Lease or of a termination of the Lease due to a non-appropriation event or non-renewal event under the Lease, then the Escrow Agent shall immediately remit to Lessor the remaining balance of the Equipment Acquisition Fund. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall comply with all written instructions from an Authorized Representative of Lessor without further consent from Lessee or any other person. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall not accept or act upon any instruction from Lessee nor shall it permit any distribution or release of any part of the Equipment Acquisition Fund without written authorization from an Authorized Representative of the Lessor.

2.04 Upon the Escrow Agent's receipt of a Full Funding Notice (as defined below), the Escrow Agent shall apply the balance remaining in the Equipment Acquisition Fund:

<u>first</u>, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

<u>second</u>, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal and interest portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.

"Full Funding Notice" means written notification by an Authorized Representative of the Lessor to the Escrow Agent of the Lessor's receipt of the Final Receipt Certificate/Payment Request which confirms that all Equipment covered by the Lease has been delivered to and accepted by Lessee under the Lease and that the full amount of the Lessor's Deposit has been paid to the applicable suppliers.

2.05 Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the remaining balance in the Equipment Acquisition Fund:

first, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

second, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.

Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the interest earnings on the Equipment Acquisition Fund as set forth in Section 2.04 above.

2.06 The Escrow Agent shall not be responsible for the sufficiency of the moneys credited to the Equipment Acquisition Fund to make the payments herein required.

2.07 This Agreement shall terminate upon disbursement by the Escrow Agent of all money held by it hereunder, subject to the provisions of Section 4.

SECTION 3. MONEY IN EQUIPMENT ACQUISITIONS FUND; INVESTMENT.

3.01 The money and investments held by the Escrow Agent under this Agreement are irrevocably held in escrow for the benefit of Lessee and Lessor, and such money, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to any security interest or lien, by or for the benefit of any creditor of either Lessee or Lessor; provided, that the money and investments held by the Escrow Agent under this Agreement shall be subject to the security interests provided in Sections 3.07 and 4.03 hereof and further shall be subject to Section 12.04.

3.02 Money held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent at the written direction executed by an Authorized Representative of Lessee in Qualified Investments (as defined below). Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent. The Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving consideration for the time at which funds are required to be available. No investment instruction shall be given that would cause the Agreement to be deemed an "arbitrage bond" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

3.03 The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Equipment Acquisition Fund. Lessee acknowledges and agrees that all investments made pursuant to this section shall be for the account and risk of Lessee and any losses associated with investments shall be borne solely by Lessee. Escrow Agent shall from time to time invest and reinvest the funds held in the Equipment Acquisition Fund account, as and when instructed by an Authorized Representative of Lessee, in writing, in any one or more of the following (hereinafter, "Qualified Investments"): (a) obligations of the United States of America or any agency created thereby; (b) general obligations of any State of the United States of America; (c) general obligations of any political subdivision of a State of the United States of America, if such obligations are rated by at least two recognized rating services as at least AA; (d) certificates of deposit of any national bank or banks (including, if applicable, Escrow Agent or an affiliate of Escrow Agent) insured by the Federal Deposit Insurance Corporation (FDIC) with a net worth in excess of $100,000,000.00 ("Acceptable Bank"); (e) obligations of State or Municipal Public Housing Authorities chartered by the United States of America and guaranteed by the United States of America; (f) demand interest bearing accounts of Escrow Agent or an affiliate of Escrow Agent if Escrow Agent or an affiliate of Escrow Agent is an Acceptable Bank; (g) money market funds whose assets are solely invested in obligations listed in (a) through (f) above, including repurchase agreements secured by such obligations and which money market funds are rated in either of the two highest categories of any Rating Agency at the time of purchase, including, without limitation, the Deutsche Bank Trust Company Americas Funds, or any other mutual fund for which the Escrow Agent or an affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (2) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are, separate from the fees received from such funds and (3) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates; and (h) any other obligations approved in writing by Lessor. Unless otherwise directed in writing by an Authorized Representative of the Lessee, the Escrow Agent shall invest the Equipment Acquisition Fund, including all income earnings, as selected by the Lessee on schedule 1 hereto ("**Schedule 1**") upon the execution of this Agreement. In the event that no election is made by an Authorized Representative of Lessee by the Lessor's Deposit Date, Escrow Agent shall invest the Equipment Acquisition Fund in an investment available through the Escrow Agent's Trust Platform or in an interest bearing account that the Escrow Agent has agreed to and upon written direction to the Escrow Agent.

3.04 If any of the above-described Qualified Investments are **not** legal investments of Lessee, then an Authorized Representative of the Lessee shall immediately notify Escrow Agent which of said Qualified Investments are not legal investments of Lessee, and shall provide Escrow Agent with direction to invest funds in accordance with Section 3.03. It is the sole responsibility of the Lessee to ascertain that all investments comply with all applicable federal, state, and local laws, statues, and policies.

3.05 The Escrow Agent shall, without further direction, sell such investments as and when required to make any payment from the Equipment Acquisition Fund. Any income received on such investments shall be credited to the Equipment Acquisition Fund.

3.06 The Escrow Agent shall furnish a monthly statement listing all investments to Lessor and to Lessee. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with this Section. Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any Qualified Investment furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Parties. The Escrow Agent has no responsibility whatsoever to determine the market or other value of any Qualified Investment and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of a Qualified Investment.

3.07 Lessee hereby grants Lessor a security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the payment and performance of all of Lessee's obligations under the Lease, this Agreement and any agreement, contract or instrument related to the Lease or this Agreement. Lessee represents and warrants to Lessor that the money and investments held by the Escrow Agent under this Agreement are free and clear of any liens, security interests or encumbrances other than the security interests created under this Agreement. Escrow Agent hereby acknowledges that it holds the money and investments held by the Escrow Agent under this Agreement subject to such security interest created by Lessee as bailee for Lessor; provided, that Escrow Agent's security interest in such money and investments as created under Section 4.03 hereof shall be superior to Lessor's security interest therein. It is understood that Escrow Agent has no responsibility with respect to the validity or perfection of the security interest other than to act in accordance with the terms of this Agreement.

SECTION 4. ESCROW AGENT'S AUTHORITY; INDEMNIFICATION.

4.01 The Escrow Agent may: act in reliance upon any writing, notice, certificate, instruction, instrument or signature which it, in good faith, believes to be genuine and to have been signed by an Authorized Representative of the applicable Party or Parties; assume the validity and accuracy of any statement or assertion contained in such a writing, notice, certificate, instruction or instrument; and assume that any person purporting to give any such writing, notice, certificate, instruction or instrument in connection with the provisions hereof has been duly authorized to do so. Except as expressly provided otherwise in this Agreement, the Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form of, the manner of execution of, or the validity, accuracy or authenticity of any writing, notice, certificate, instruction or instrument deposited with it, nor as to the identity, authority or right of any person executing the same. The Escrow Agent shall not be liable for any action taken, suffered or omitted to be taken by it except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to either Party. The Escrow Agent's duties hereunder (including, without limitation, its duties as to the safekeeping, investment and disbursement of moneys in the Equipment Acquisition Fund) shall be limited to those specifically provided herein.

4.02 Lessee and Lessor jointly and severally shall indemnify, defend and save harmless the Escrow Agent from any and all claims, liabilities, losses, damages, fines, penalties and expenses (including out-of pocket and incidental expenses and fees and expenses of in house or outside counsel) ("Losses") arising out of or in connection with (i) its execution and performance of this Agreement, except to the extent and that such Losses are determined by a court of competent jurisdiction through a final order to have been caused by the gross negligence or willful misconduct of the Escrow Agent, or (ii) its following any instructions or other directions from Lessee or the Lessor, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The provisions of this Section 4.02 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent for any reason. The indemnifications set forth herein are intended to and shall include the indemnification of all affected agents, directors, officers and employees of the Escrow Agent. In no event shall the Escrow Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

4.03 Lessee and Lessor hereby grant Escrow Agent a first priority security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the costs and expenses of the foregoing of Section 4.02 and for any other expenses, costs, fees or charges of any character or nature which may be incurred by the Escrow Agent (including reasonable attorneys' fees and court costs) relating to any suit (interpleader or otherwise) or other dispute arising between Lessee and Lessor as to the correct interpretation of the Lease, this Agreement or any instructions given to the Escrow Agent hereunder, with the right of the Escrow Agent, regardless of the instructions aforesaid, to hold the said property until and unless said expenses, costs, fees and charges shall be fully paid.

4.04 Except as otherwise provided in accordance with Section 2.03 above, if Lessee or Lessor disagree about the interpretation of the Lease or this Agreement, about their rights and obligations under the Lease or this Agreement, or about the propriety of any action contemplated by the Escrow Agent hereunder, then the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Lessee and Lessor shall pay all costs, including reasonable attorneys' fees, in connection with such action. Unless the Escrow Agent has received a notice of an event of default under the Lease in accordance with Section 2.03 above, if Escrow Agent receives conflicting instructions from the Parties, the Escrow Agent shall be entitled and fully protected in (a) suspending all or any part of its activities under this Agreement until it shall be given a joint written direction executed by Authorized Representatives of the Parties which eliminates such conflict or by a final court order or (b) file an action in interpleader . Lessor and Lessee agree to pursue any redress or recourse in connection with any dispute without making the Escrow Agent a party to the same.

4.05 Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through affiliates or agents.

4.06 The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by the Escrow Agent's gross negligence or willful misconduct. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

SECTION 5. CHANGE OF ESCROW AGENT.

5.01 Upon agreement of the parties hereto, a national banking association or a state bank having capital (exclusive of borrowed capital) and surplus of at least $10,000,000.00, qualified as a depository of public funds, may be substituted to act as Escrow Agent under this Agreement. Such substitution shall not be deemed to affect the rights or obligations of the parties hereto. Upon any such substitution, the Escrow Agent agrees to assign to such substitute Escrow Agent all of its rights under this Agreement.

5.02 The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving thirty (30) calendar days' prior written notice of such resignation to the Lessee and Lessor. The Lessee and Lessor may remove the Escrow Agent at any time by giving thirty (30) calendar days' prior written notice to the Escrow Agent. Upon such notice, a successor escrow agent shall be appointed by the Lessor and Lessee, who shall provide written notice of such to the resigning Escrow Agent. Such successor escrow agent shall become the escrow agent hereunder upon the resignation or removal date specified in such notice. If the Lessor and Lessee are unable to agree upon a successor escrow agent within thirty (30) days after such notice, the Escrow Agent may, in its sole discretion, deliver the Equipment Acquisition Fund to the Lessor at the address provided herein or may apply to a court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief. The costs and expenses (including its attorneys' fees and expenses) incurred by the Escrow Agent in connection with such proceeding shall be paid by the Lessee and Lessor. Upon receipt of the identity of the successor escrow agent, the Escrow Agent shall either deliver the Escrow Property then held hereunder to the successor Escrow Agent, less the Escrow Agent's fees, costs and expenses or other obligations owed to the Escrow Agent to be paid from any interest earned in respect of the Escrow Property, or hold any interest earned in respect of the Escrow Property (or any portion thereof), pending distribution, until all such fees, costs and expenses or other obligations are paid. Upon its resignation and delivery of the Escrow Property as set forth in this Section, the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with the Escrow Property or this Agreement.

5.03 The Escrow Agent may appoint an agent to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Agreement, to hold title to property or to take any other action which may be desirable or necessary hereunder.

5.04 Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business to any corporation, association or other entity resulting from any such conversion, sale, merger consolidation or other transfer to which it is a party, ipso facto, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

SECTION 6. ADMINISTRATIVE PROVISIONS.

6.01 The Escrow Agent shall keep complete and accurate records of all money received and disbursed under this Agreement, which shall be available for inspection by Lessee or Lessor, or the agent of either of them, at any time during regular business hours.

6.02 This Agreement shall be construed and governed in accordance with the laws of the State of where Lessee is located. Each Party irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State of where the Lessee is located. To the extent that in any jurisdiction either Party may now or hereafter be entitled to claim for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, such Party shall not claim, and hereby irrevocably waives, such immunity.

6.03 The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to Escrow Agent shall comply with applicable laws and regulations. Any provision of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

6.04 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Any entity into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any entity to which all or substantially all the escrow business may be transferred, shall be the Escrow Agent under this Agreement without further act. Specifically, the term "Lessor" as used herein means any person or entity to whom Lessor has assigned its right to receive Rent Payments under the Lease and any other payments due to Lessor hereunder from and after the date when a written notice of such assignment is filed with the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned by any Party without the prior consent of Escrow Agent and the other Party; unless the assignment is to JPMorgan Chase & Co., then consent will not be required.

6.05 This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement. Except as expressly provided in Section 4 above, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of the Equipment Acquisition Fund or this Agreement.

6.06 All signatures of the Parties to this Agreement may be transmitted by a Portable Document Format ("PDF"), and PDF will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party.

SECTION 7. SECURITY PROCEDURES.

In the event funds transfer instructions are given (whether in writing or by PDF, executed by the appropriate Party or Parties as evidenced by the signatures of the person or persons signing this Agreement or one of their designated persons as set forth in Schedule 2 (each an "Authorized Representative"), and delivered to the Escrow Agent in accordance with Section 9.02, the undersigned is authorized to certify that the signatories on Schedule 2 are specimen signatures of each of their respective Authorized Representatives. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Lessee or Lessor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The Lessor and Lessee acknowledge that these security procedures are commercially reasonable.

SECTION 8. ESCROW AGENT FEES.

$1,000.00 ("Acceptance Fee"). $1,500 ("Administration Fee"). $100 ("Each Disbursement Fee"). As compensation for Escrow Agent's services hereunder, Lessee agrees to pay Escrow Agent the above Acceptance Fee, Administration Fee, and Each Disbursement Fee; provided, that Escrow Agent will waive the Acceptance Fee, and Each Disbursement Fee, so long as the Qualified Investment for the Lessor's Deposit shall be an eligible deposit of any bank affiliate of the Escrow Agent. If the Acceptance Fee is payable by Lessee, then Lessee authorizes Escrow Agent either to deduct said Acceptance Fee, Administration Fee, and Each Disbursement Fee from the interest and earnings otherwise payable to Lessee under this Agreement or to bill and collect said Acceptance Fee, Administration Fee and Each Disbursement Fee at any time. In addition, Lessee agrees to reimburse Escrow Agent for its reasonable out-of-pocket costs and expenses and any extraordinary fees and expenses for performing its obligations hereunder (including, but not limited to, attorney's fees and expenses) and to pay all other amounts expressly due and payable to Escrow Agent hereunder. The Escrow Agent may impose, charge, pass-through and modify fees and/or charges for any account established and services provided by the Escrow Agent, including but not limited to, transactions, maintenance, balance-deficiency, and service fees, agency or trade execution fees, and other charges, including those levied by any governmental authority.

SECTION 9. NOTICES.

9.01 Notwithstanding anything to the contrary as set forth Section 9.02, any notices and demands under or related to this document shall be in writing and delivered to the intended Party at its address stated herein . Notice shall be deemed sufficiently given or made (a) upon receipt if delivered by hand, (b) on the Delivery Day after the day of deposit with a nationally recognized courier service, (c) on the third Delivery Day after the day of deposit in the United States mail, sent certified, postage prepaid with return receipt requested, (d) only if to Lessee, on the third Delivery Day after the notice is deposited in the United States mail, postage prepaid, and (e) upon receipt if delivered by confirmed facsimile. "Delivery Day" means a day other than a Saturday, a Sunday, or any other day on which national banking associations are authorized to be closed. Any Party may change its address for the purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision.

9.02 Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of funds, including but not limited to any such funds transfer instructions that may otherwise be set forth in a written instruction permitted pursuant to Section 2 of this Agreement, shall be given to the Escrow Agent in writing, be executed by an Authorized Representative and sent as a PDF attached to an email only. No instruction for or related to the transfer or distribution of the Equipment Acquisition Fund shall be deemed delivered and effective unless Escrow Agent actually shall have received it on a Delivery Day as a PDF attached to an email only at the email address set forth in this Section 9.02 and as evidenced by a confirmed transmittal to the Party's or Parties email address and Escrow Agent has been able to satisfy any applicable security procedures as may be required hereunder. The Escrow Agent shall not be liable to any Party or other person for refraining from acting upon any instruction for or related to the transfer or distribution of the Equipment Acquisition Fund if delivered to any other fax number or email address, including but not limited to a valid email address of any employee of the Escrow Agent. The Lessor and Lessee acknowledge that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the internet and the Parties hereby expressly assume such risks.

Notices shall be addressed as follows:

(i) If to the Lessee:
CITY OF FRANKLIN
109 THIRD AVENUE SOUTH
FRANKLIN, TN 37064
Attn: Russell Truell
russellt@franklintn.gov
Telephone Number: ________________________
Fax Number: ________________

(ii) If to the Lessor:
JPMORGAN CHASE BANK, N.A.
1111 POLARIS PARKWAY, SUITE A-3
MAIL CODE OH1-1085
COLUMBUS, OHIO 43240
Attention: GNPH Operations Manager
Fax Number: 866-276-4068

(iii) If to the Escrow Agent:
DEUTSCHE BANK TRUST COMPANY AMERICAS
60 WALL STREET, 16th Floor
NEW YORK, NY 10005
Attn: DBNY MP Escrow
Fax: 732 578-4593
Email: dbny-mpescrow@list.db.com

SECTION 10. FORCE MAJEURE.

Notwithstanding any other provision of this Agreement, no Party to this Agreement is liable to any other Party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control.

SECTION 11. JURY WAIVER.

ALL PARTIES TO THIS AGREEMENT WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTER CLAIM BROUGHT BY ANY PARTY AGAINST ANOTHER PARTY ON ANY MATTER WHATSOEVER ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS AGREEMENT.

SECTION 12. MISCELLANEOUS.

12.01 **Patriot Act Section 326 Customer Identification Program.** In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable Law"), the Escrow Agent are required to obtain, verify, record and update certain information relating to individuals and entities which maintain a business relationship with the Escrow Agent. Accordingly, each of the parties agree to provide to the Escrow Agent, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Escrow Agent to comply with Applicable Law.

12.02 **Taxpayer Identification Numbers ("TINs").** The other Parties have provided the Escrow Agent with their respective fully executed Internal Revenue Service ("IRS") Form W-8, or W-9 and/or other required documentation. The other Parties each represent that its correct TIN assigned by the IRS, or any other taxing authority, is set forth in the delivered forms.

12.03 **Tax Reporting.** All interest or other income earned under the Agreement shall be allocated to the Lessee and reported by the Escrow Agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned from the Equipment Acquisition Fund by the Lessee whether or not said income has been distributed during such year. The Lessor and Lessee hereby represent to the Escrow Agent that no other tax reporting of any kind is required given the underlying transaction giving rise to this Agreement. Escrow Agent shall withhold any taxes it deems appropriate, including but not limited to required withholding, in the absence of proper tax documentation or as required by law, and shall remit such taxes to the appropriate authorities.

12.04 **Court Orders.** In the event that any of the Equipment Acquisition Fund shall be attached, garnished, levied upon, or otherwise be subject to any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all such orders so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such order it shall not be liable to any of the Parties hereto or to any other person by reason of such compliance notwithstanding such order be subsequently reversed, modified, annulled, set aside or vacated.

[The next page is the signature page.]

IN WITNESS WHEREOF, the parties have executed this Agreement.

<u>CITY OF FRANKLIN</u> (Lessee)	**<u>JPMORGAN CHASE BANK, N.A.</u>** (Lessor)
By: ______________________________	By: ______________________________
Title: ______________________________	Title: Authorized Officer

DEUTSCHE BANK TRUST COMPANY AMERICAS, as escrow agent
(Escrow Agent)

By: ______________________________

Title: ______________________________

DEUTSCHE BANK TRUST COMPANY AMERICAS, as escrow agent (Escrow Agent)

By: ______________________________

Title: ______________________________

***Attachments*:** **Schedule 1 (Investment Authorization)**

Schedule 2 (Name/telephone # of call-back person(s) designated by Section 7 above)

Schedule 1

Investment Authorization
CITY OF FRANKKLIN Lease #1000140324

Investment: **SELECT QUALIFIED INVESTMENT BELOW**

[ ] During the term of this Agreement, the Equipment Acquisition Fund shall remain in a Non-Interest Bearing Account.

[ ] A money market mutual fund, including without limitation a JPMorgan Money Market Mutual Fund (collectively, "MMMF"), as selected by Lessee below,.

Check One (if the money market mutual fund option is selected above):

___ JPMorgan Prime Money Market Fund Morgan Shares (283)
___ JPMorgan U.S. Government Money Market Fund Morgan Shares (3916)
___ JPMorgan U.S. Treasury Plus Money Market Fund Morgan Shares (3919)
___ JPMorgan Federal Money Market Fund Morgan Shares (353)
___ JPMorgan 100% U.S. Treasury Money Market Fund Morgan Shares (677)
___ JPMorgan Tax Free Money Market Fund Morgan Shares (2)
___Federated U.S. Treasury Cash Reserves Money Market Fund Institutional Service Shares (632)
___Federated Government Obligations Tax-Managed Money Market Fund Institutional Service Shares (637)
___Federated Treasury Obligations Money Market Fund Institutional Service Shares (398)
___Federated Government Obligations Money Market Fund Institutional Service Shares (395)

Notes related to MMMFs:

1) An investment in any of the above investment options is subject to the availability of such money market mutual fund . If the selected investment is not available at the present time you will be contacted by a Deutsche Bank Trust Company Americas representative.

2) Each investment instrument above has a rating not lower than the highest rating category from both Standard & Poor's and Moody's.

3) Lessee acknowledges that an affiliate of Escrow Agent, Deutsche Bank Trust Company Americas, serves as investment manager for the selected MMMF and receives fees from the invested funds for services rendered separate from the fees for services rendered by Escrow Agent as further provided within this Agreement. MMMFs have rates of compensation that may vary from time to time based upon market conditions. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with Section 3 of the Agreement.

4) The Lessee, hereby acknowledges and confirms that it makes its own investment decisions and has not been offered any advice or recommendation on investing in any MMMF and if selected above, is based upon Lessee's independent review of prospectuses previously delivered to Lessee. The Lessee recognizes and agrees that the Escrow Agent has not and will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Equipment Acquisition Fund account or the purchase, sale, retention or other disposition of any Qualified Investment.

(4) Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any MMMF furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Lessee and Lessor. Escrow Agent has no responsibility whatsoever to determine the market or other value of any MMMF or other non-cash Qualified Investments and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of an MMMF or such Qualified Investments.

(5) SHAREHOLDER SERVICES FEES: Lessee acknowledges that the Fund is authorized to make payments from its management fee or any other source available to parties such as banks or broker-dealers ("Service Organizations") that

provide shareholder support services to the Fund and that Service Organizations currently are compensated at a rate of up to the Maximum Rate of .50% annually of the average net assets of each Fund with respect to which they provide or have provided shareholder support services. Lessee further acknowledges that Deutsche Bank Trust Company Americas is a Service Organization and is paid, and hereby consents to such payment, by the Fund up to the Maximum Rate annually of the average daily balance of the Account invested in the Fund for shareholder support services rendered to the Fund by Deutsche Bank Trust Company Americas, which services may include, without limitation, answering client's inquiries regarding the Fund, assistance to clients in changing dividend options, account designations and addresses, processing purchase and redemption transactions, providing periodic statements showing a client's account balance and the integration of such statement with other transactions, arranging for Deutsche Bank Trust Company Americas wires, and providing such other information and services as the Fund's distributor or Lessee reasonably may request. Lessee further acknowledges that the Fund may purchase securities from or through Deutsche Bank Trust Company Americas or its affiliates, may engage in repurchase transactions with Deutsche Bank Trust Company Americas or its affiliates, may place funds on deposit in accounts with Deutsche Bank Trust Company Americas or its affiliates and receive interest income thereon and may obtain other services from Deutsche Bank Trust Company Americas for which Deutsche Bank Trust Company Americas is paid a fee.

This investment authorization and direction will remain in effect until and unless expressly revoked or superseded in writing and shall specify the type and identity of the investments to be purchased and/or sold.

SCHEDULE 2

Telephone Number(s) and Signature(s) for Person(s) Designated to Give Funds Transfer Instructions

If from Lessee:

	Name	Telephone Number	Signature
1.	____________________	______________	____________________
2.	____________________	______________	____________________
3.	____________________	______________	____________________

If from Lessor:

	Name	Telephone Number	
1.	Michelle Nance	(614) 213-1019	(Standing Signature on File)
2.	Timothy L. Ellerbrock	(614) 213-7645	(Standing Signature on File)
3.	Aric Camburn	(614) 213-1932	(Standing Signature on File)
4.	Mary Heubach	(614) 213-1557	(Standing Signature on File)
5.	Lory R. King	(614) 213-1146	(Standing Signature on File)
6.	Nate J. Ruhe	(614) 213-3859	(Standing Signature on File)
7.	Marc Gardner	(614) 213-1213	(Standing Signature on File)

All instructions, including but not limited to funds transfer instructions, whether transmitted by facsimile or set forth in a PDF attached to an email, must include the signature of the Authorized Representative authorizing said funds transfer on behalf of the Party.

ACUFF & ASSOCIATES
The Retirement Plan Authority

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

Actuarial Valuation Report
As of January 1, 2015

Prepared for

CITY OF FRANKLIN
EMPLOYEES' PENSION PLAN
AND TRUST

BRENTWOOD, TENNESSEE 37027
OFFICE: (615) 726-2410

KNOXVILLE, TENNESSEE 37923
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SHREVEPORT, LOUISIANA 71119
OFFICE: (318) 635-8006

Contents of Report

Introduction

This report has been prepared for the City of Franklin (the "City") by Acuff & Associates, Inc. to:

1. Present the results of a valuation of the City of Franklin Employees' Pension Plan (the "plan") as of January 1, 2015

2. Review experience under the plan for the period ended December 31, 2014

3. Provide to the City the recommended contribution under the plan for the City's fiscal year beginning July 1, 2015

4. Provide reporting and disclosure information for government agencies and other interested parties

This report shows the results of four classifications, or tiers, of pension benefits for employees.

Tier one: Employees hired before July 1, 2006

Tier two: Employees hired between July 1, 2006 and February 15, 2010

Tier three: Employees hired after February 15, 2010 who elected to contribute to the defined benefit plan.

Tier four: Employees hired after February 15, 2010 who elected to contribute to a defined contribution plan. This valuation holds no liability for this group due to the possibility of them joining the plan at a later date.

Note: It appears the contribution to the 401(a) Plan is covering the Tier 4 expected benefit that could accrue for them under the provision of the defined benefit Plan.

This report is divided into the following three sections:

Section 1 contains the actuarial results of the valuation. It includes the experience and reporting disclosure for the plan year ending December 31, 2014 and the current normal cost and expected contribution for the year beginning January 1, 2015.

Introduction (Continued)

Section 1.4 shows the determination of the City's recommended contribution for the fiscal year beginning July 1, 2015.

	07/01/2015	4 Quarterly Contributions
Recommended Contribution	$ 2,771,958	$ 2,846,724
As a Percent of Expected Covered Payroll	9.83%	10.09%

Section 1.5 provides GASB (Government Accounting Standards Board) Statement Number 67 Information.

Section 2 summarizes the plan's provisions, provides information relating to the plan's participants, and describes the funding methods and actuarial assumptions used in determining actuarial liabilities and costs.

Section 3 contains historical information and active participant demographic tables.

Actuarial Certification

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:

- Employee census data as of January 1, 2015, submitted by the City, which appears to be reasonable and sufficient for the purpose of this report
- Asset information as of December 31, 2014, reported by US Bank and Trust, which appears to accurately represent the assets of the plan
- Actuarial assumptions and methods, which, individually and in combination, represent our best estimate of anticipated experience under the plan
- Actuarial assumptions, which are reasonable and relate to the experience of 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 and financial information as listed above.

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

Respectfully submitted,

Acuff & Associates, Inc.

June 17, 2015	David F. Kays
Date Signed	David F. Kays, ASA, MAAA
June 17, 2015	John R Rath
Date Signed	John R. Rath, EA, MAAA, FCA

Executive Summary of Principal Valuation Results

A summary of the principal valuation results from the current valuation and last year's valuation follows:

	Actuarial Valuation as of	
Summary of Data	**01/01/2015**	**01/01/2014**
Number of Participants Included in Valuation		
Active Participants	560	562
Vested Terminated Participants	146	137
Disabled Participants	4	4
Retired Participants and Beneficiaries	155	138
Total	865	841
Expected Covered Payroll for Participants Included in the Valuation	$ 28,177,068	$ 27,440,025
Summary of Actuarial Results		
Present Value of Benefits	$ 110,699,479	$ 101,820,337
Actuarial Accrued Liability	97,426,953	88,763,576
Unfunded Actuarial Accured Liability	8,003,807	4,291,887
Net Normal Cost	$ 2,093,993	$ 1,977,349
Normal Cost Rate	7.43%	7.21%
Recommended Contribution Paid Quarterly	$ 2,846,724	$ 2,417,920
As a Percent of Payroll	10.09%	8.81%
Summary of Actuarial Value of Assets and Actuarial Present Values on the Valuation Date		
Actuarial Value of Plan Assets on the Valuation Date	$ 89,423,146	$ 84,471,689
Actuarial Present Value of Accumulated Plan Benefits	$ 84,467,387	$ 77,113,277
Funding Ratio	105.87%	109.54%

Section 1 – Summary of Valuation Results

This section sets forth the results of the actuarial valuation.

Section 1.1 – Reconciliation of Plan Assets

Section 1.2 – Actuarial Results

Section 1.3 – Actuarial Experience

Section 1.4 – Development of Funding Alternatives

Section 1.5 – GASB Statement No. 67 Results

Section 1.1 – Assets

Reconciliation of Assets

The following is a summary of the asset information as submitted by US Bank.

1.	Market Value of Assets as of January 1, 2014		$84,471,689
2.	Contributions and Disbursements		
	a.	Employer Contributions	$ 2,498,757
	b.	Employee Contributions	419,322
	c.	Benefit Payments	(3,234,121)
	d.	Expense	(561,992)
	e.	Transferred	0
	f.	Net	$ (878,034)
3.	Investment Income		
	a.	Interest/Dividends	$ n/a
	b.	Realized Gain/(Loss)	n/a
	c.	Unrealized Gain/(Loss)	n/a
	d	Other Adjustments	n/a
	e.	Net Investment Income/(Loss)	5,829,491
4.	Market Value of Trust as of December 31, 2014 (1) + (2f) + (3e)		$89,423,146
5.	Employee Contributions Receivable		$ 0
6.	Employer Contributions Receivable		0
7.	Actuarial Value of Assets as of December 31, 2014 (4) + (5) + (6)		$89,423,146
8.	Rate of Return		6.94%
9.	Rate of Return Net of Expenses		6.25%

Section 1.1 – (Continued)

Reconciliation of Cash Balance Employee Contributions

		Mandatory	Voluntary	Rollover	Totals
1.	As of 01/01/2014	$ 5,312,522.23	$ 248,458.55	$ 0.00	$5,560,980.78
2.	Employee Contributions	252,076.30	18,474.80	0.00	270,551.10
3.	Interest Credited	320,737.30	18,326.78	0.00	339,064.08
4.	Payouts	(226,562.23)	(21,282.47)	0.00	(247,844.70)
5.	Adjustments	0.00	0.00	0.00	0.00
6.	Totals as of 12/31/2014	$ 5,658,773.60	$ 263,977.66	$ 0.00	$5,922,751.26

Mandatory Employee Contributions

	Total Accumulated	2014 Contribution
Tier 3	$ 288,825	$ 147,423
Tier 4	$ 205,657	$ 139,172

Section 1.1 – (Continued)

Summary of Assets as of December 31, 2014

	Market Value	Market Value	Allocation Percentage
1.	Clearing Account	$ 4,234,348	4.70%
2.	Polen Lrg Cap Grth	10,109,536	11.31%
3.	RMK Timber	1,739,039	1.94%
4.	Bailard Real Estate	4,701,067	5.26%
5.	CS McKee Large Cap	18,507,216	20.70%
6.	Southern Sun	10,974,718	12.27%
7.	SSGA Fixed Income	7,858,660	8.79%
8.	Westwood Global Emerging Market	5,665,475	6.34%
9.	Developing Markets	8,363,368	9.35%
10.	Landmark Private Equity	1,353,219	1.51%
11.	RMS Forrest Timber	1,368,514	1.53%
12.	Hamilton Lane	731,947	0.82%
13.	Longfellow Investment	13,816,039	15.45%
	Total Assets	$ 89,423,146	100.00%

Section 1.2 – Actuarial Results

The following schedule shows the development of the Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Normal Cost at the current valuation date and compared to the previous valuation date.

		2015 Valuation @ 7.50%	2014 Valuation @ 7.50%
1.	Actuarial Accrued Liability		
	a. Active Participants	$48,807,746	$45,913,957
	b. Cash Balance Accounts	5,922,751	5,560,981
	c. Retired Participants and Beneficiaries	38,528,008	33,618,894
	d. Vested Terminated Participants	3,996,494	3,501,449
	e. Disabled Participants	171,954	168,295
	Total	$97,426,953	$88,763,576
2.	Actuarial Value of Assets	89,423,146	84,471,689
3.	Unfunded Actuarial Accrued Liability	$ 8,003,807	$ 4,291,887
4.	Contribution		
	a. Normal Cost	$ 2,093,993	$ 1,977,349
	b. Expected Employee Contribution	(175,680)	(117,885)
	c. Net Normal Cost	$ 1,918,312	$ 1,859,464
	d. As a Percent of Pay	6.80%	6.65%
	e. Amortization Payment	755,201	411,338
	f. January 1, Payment c. + e.	$ 2,673,513	$ 2,270,802
	g. December 31, Payment f.*1.075	$ 2,874,027	$ 2,441,112
	h. Estimated Covered Payroll	$28,205,179	$27,440,025
	i. As a Percent of Covered Payroll	10.19%	8.90%

Section 1.3 – Actuarial Experience

Under the funding method employed, actuarial experience is measured by comparing the Expected Unfunded Actuarial Accrued Liability, as if all actuarial assumptions had been met, to the Actual Unfunded Actuarial Accrued Liability at the valuation date. If the Expected Unfunded Actuarial Accrued Liability exceeds the Actual Unfunded Actuarial Accrued Liability, there is an actuarial gain; conversely, if the Expected Unfunded Actuarial Accrued Liability is less than the Actual Unfunded Actuarial Accrued Liability, there is an actuarial loss.

The Plan experienced a net actuarial loss of $3.8 Million. An asset loss of $.5 Million was due to return on assets less than the assumed rate of return of 7.50%. A liability loss of $3.3 Million was due to actual experience which differed from other assumptions such rates of mortality, salary increases and retirement. In particular the new retirees' liability was more than expected because many retirees had a spike in last year pay which increased the liability more than expected.

Section 1.3 – Actuarial Experience - (Continued)

1.	Unfunded Actuarial Accrued Liability/(Surplus) as of 01/01/2014	$ 4,374,134
2.	Expected Increases During the Year	
	a. Normal Cost Due at the Beginning of the Year	$1,977,349
	b. Interest for One Year On	
	(i) Normal Cost	$148,301
	(ii) Unfunded Actuarial Accrued Liability	$328,060
	Total Interest (i) + (ii)	$476,361
	c. Total Expected Increases (a) + (b)	$2,453,710
3.	Expected Decreases During the Year	
	a. Employer Contributions for the Year	$2,498,757
	b. Interest on Employer Contributions from Dates Made to the End of the Year	$93,703
	c. Total Expected Decreases (a) + (b)	$2,592,460
4.	Expected Unfunded Actuarial Accrued Liability/(Surplus) at End of Year (1) + (2c) - (3c)	$ 4,235,384
5.	Actual Unfunded Actuarial Accrued Liability/(Surplus)	8,003,807
6.	Actuarial Experience Gain/(Loss) for the Year	$(3,768,423)

Section 1.4 – Funding

IRC (Internal Revenue Code) Section 404(a)(1) describes the limitations on tax deductible contributions to a pension trust, and IRC Section 412 sets forth minimum funding standards for non-government entities. Since the City is a government entity and tax consequences can be affected by factors not considered here, we recommend the City seek the advice of counsel with respect to the tax consequences of any contribution to be made. Furthermore, state tax law may differ from federal tax law; the amounts determined below may have some tax consequences to the City and its employees.

On the basis of the valuation as of January 1, 2015, the following is the determination of the recommended contribution amount for the City's fiscal year beginning July 1, 2015.

The recommended contribution is the Normal Cost plus 17 year amortization of the current unfunded accrued liability, plus 20 year amortization of any future actuarial gains or losses after 2015, plus interest to the date the contribution is actually deposited.

Recommended Quarterly Contribution

	Recommended Contribution Schedule	**2015 Valuation**	**2014 Valuation**
1.	Normal Cost	$ 1,918,312	$1,859,464
	Amortization	755,201	411,338
2.	Recommended Contribution at January 1	$ 2,673,513	$2,270,802
3.	Recommended Contribution July 1	$ 2,771,958	$2,354,417
4.	As a Percent of Expected Covered Payroll	9.83%	8.58%
5.	Interest to December 31	$ 200,514	$ 170,310
6.	Recommended Contribution December 31	$ 2,874,027	$2,441,112
7.	As a Percent of Expected Covered Payroll	10.19%	8.90%
8.	Quarterly Contributions		
	July 1, 2015	$ 711,681	$ 604,480
	October 1, 2015	711,681	604,480
	January 1, 2016	711,681	604,480
	April 1, 2016	711,681	604,480
	Total	$ 2,846,724	$2,417,920
9.	As a Percent of Expected Covered Payroll	10.09%	8.81%

Section 1.4 – Funding

Amortization Schedule for Unfunded Actuarial Accrued Liability

Amortization Base	Date Amortization Base Established	Remaining to Amortize Base	Initial Balance of Amortization Base	Outstanding Balance of Amortization Base	Amortization Payment of Base
2014 Unfunded	01/01/2014	17	$4,291,887	$4,171,590	$411,338
2015 Experience Loss	01/01/2015	20	$3,768,423	$3,768,423	$343,863
Total				$7,940,013	$755,201

Section 1.5 – GASB Statement No. 67 Results

Statement No. 67 of the Government Accounting Standards Board (GASB 67) is effective for the plan year ending December 31, 2014. The following information is intended to satisfy reporting requirements. The following section is in other parts of this report

- Statement of Fiduciary Net Position – see Section 1.1
- Statement of Change in Fiduciary Net Position – See Section1.1
- Investment Information – see Section 1.1
- Schedule of Investments – see Section 1.1

The following is this part of the report:

- Schedule of Changes in Plan's Net Pension Liability
- Net Pension Liability
- Discount Rate Sensitivity
- Schedule of Investment Return
- Schedule of Contributions

Fiduciary Net Position is the amount of assets available for pension benefits in the plan. The Total Pension Liability is the plan liability determined using assumptions and actuarial methods listed Section 2.2 of this report. The Net Pension Liability is the difference in the Total Pension Liability and the Fiduciary Net Position.

Section 1.5 – GASB Statement No. 67 - (Continued)

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

	2014
Total Pension Liability	
Service Cost	$ 1,977,349
Interest	6,583,224
Changes of benefit terms	0
Differences between expected and actual experience	3,336,925
Changes of assumptions	0
Benefit payments, including refunds of member contributions	(3,234,121)
Net change in total pension liability	$ 8,663,377
Total Pension Liability - beginning	88,763,576
Total Pension Liability - ending (a)	$97,426,953
Plan Fiduciary Net Position	
Contributions - employer	$ 2,498,757
Contributions - member	419,322
Net investment income	5,829,491
Benefit payments, including refunds of member contributions	(3,234,121)
Administrative expense	(561,992)
Other	0
Net change in plan fiduciary net position	$ 4,951,457
Plan fiduciary net position - beginning	84,471,689
Plan fiduciary net position - ending (b)	$89,423,146
Plan's net pension liability - ending (a) - (b)	$ 8,003,807
Plan's fiduciary net position as a percentage of the total pension liability	91.78%
Covered-employee payroll	$28,205,179
Plan's net pension liability as a percentage of covered-employee payroll	28.38%

Section 1.5 – GASB Statement No. 67 - (Continued)

Net Pension Liability (NPL)

Determination of Net Pension Liability

The components of the Net Pension Liability at December 31, 2014

Total Pension Liability	$	97,426,953
Plan Fiduciary Net Positon	$	(89,423,146)
Net Pension Liability	$	8,003,807
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		91.78%

Sensitivity of Net Pension Liability to changes in the Discount Rate

	1% Decrease	**Current Rate**	**1% Increases**
	6.50%	**7.50%**	**8.50%**
Net Pension Liability	$110,230,112	$97,426,953	$86,910,520

Schedule of Investment Returns

	2014
Annual money-weighted rate of return net of investment expense	**6.25%**

Section 1.5 – GASB Statement No. 67 - (Continued)

Schedule of Plan Contributions

	2014
Actuarially determined contribution	$ 2,417,920
Contributions in relation to the actuarially determined contributions	2,498,757
Contribution deficency (excess)	$ (80,837)
Covered-employee payroll	$ 27,440,025
Contributions as a percentage of covered-employee payroll	9.11%

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, or funding 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 – Summary of the Plan Provisions

Section 2.2 – Description of the Actuarial Valuation Method and Summary of the Actuarial Assumptions

Section 2.3 – Summary of the Census Data used in the Actuarial Valuation

Section 2.1 – Summary of the Plan Provisions

Name of Plan

City of Franklin Employees' Pension Plan

Plan Sponsor & Plan Administrator

City of Franklin

Trustees

City of Franklin

City of Franklin Employee Pension and Trust Investment

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

Effective Date

The plan was originally established effective May 1, 1971. The restated plan document is effective July 1, 2009. Last amended effective February 15, 2010.

Plan Year

The plan year is the calendar year.

Eligibility

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

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

Section 2.1 – (Continued)

Credited Service

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

Plan Compensation

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

Average Compensation

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

Accrued Benefit

Determined in the same manner as Normal Retirement Benefit using Average Compensation and Service at date of determination.

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

Normal Retirement

Eligibility

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

Benefit

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

- 2% of Average Compensation multiplied by the number of years of Credited Service, less 50% of the monthly Primary Insurance Amount provided under Social Security at the time of retirement, or
- 1% of Average Compensation multiplied by the number of years of Credited Service.

For all retirements and terminations after July 1, 2003, the benefit formula is 2% of Average Compensation multiplied by the number of years of Credited Service.

Cash Balance Accounts

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

Early Retirement

Eligibility

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

Benefit

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

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

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

Section 2.1 – (Continued)

Late Retirement

Benefit

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

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

Disability Retirement

Eligibility

A participant must be totally and permanently disabled.

Benefit

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

Vesting

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

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

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

Death Before Retirement

Eligibility

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

Section 2.1 – (Continued)

Benefit

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

Death After Retirement

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

Annuity Forms

The following forms of settlement are available:

Normal Form

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

Optional Forms

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

Contributions

Mandatory Participant Contributions

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

Section 2.1 – (Continued)

Pre-Tax Employee Contributions

Employees hired before July 1, 1995 may contribute from 3% to 10% on a pre-tax basis to a Cash Balance Account. For employees hired on or after July 1, 1995, a 3% pre-tax contribution is required, but an additional contribution up to 7% may be made if elected on a one-time basis.

Post-Tax Employee Contributions

Employees may make a voluntary after-tax contribution of 1% to 10% of annual salary to a Cash Balance Account.

Discretionary City Contributions

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

Regular City Contributions

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

Interest on Cash Balance Accounts will be credited each year with interest calculated at the rate for U.S. Treasury Bills as of November 1 of the previous year plus 1%. The minimum interest to be credited will be no less than 6% per year.

Section 2.1 – (Continued)

The rates used to date are:

Year	Rate
1995	9.08%
1996	7.26%
1997	7.48%
1998	7.11%
1999	6.25%
2000	7.15%
2001	6.78%
2002	6.12%
2003	6.00%
2004	6.12%
2005-2014	6.00%

Section 2.2 – Actuarial Basis

What is an Actuarial Valuation?

An actuarial valuation is a mathematical method for measuring the liabilities under a pension plan and for determining a schedule of contributions to finance the plan. The actual cost of a pension plan cannot be determined until its entire experience is complete; however, actuarial techniques determine a pattern of contributions that will finance the liabilities in an orderly fashion. Assumptions are made regarding future experience with regard to the rate of investment return on invested funds; the probability of death, disability, or other termination from employment; the rate of future salary increases; etc. The set of actuarial assumptions and the valuation method selected by the actuary become the basis for making a valuation of the pension plan. The degree of conservatism to be reflected in the actuarial assumptions is a matter of judgment of the actuary and the City offering their best estimates of anticipated experience under the plan.

An actuarial valuation does not determine ultimate pension plan costs; only the actual experience with regard to the many variables involved will establish the true cost of the plan. An actuarial valuation, however, reveals the year to year incidence of contributions necessary to soundly fund pension benefits. The incidence of contributions, also known as funding schedule, may be increasing, level, or decreasing from year to year as a percentage of payroll, depending on the actuarial funding method utilized. Annual actuarial valuations are made to adjust contributions gradually as actual experience emerges. Changes in the assumptions may be required if the experience consistently departs from the valuation assumptions.

Description of Valuation Method - Entry Age Normal

Actuarial Liabilities and Contributions shown in this report are computed using the Entry Age Normal method of funding.

A detailed description of the calculation follows:

A Normal 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 dollar.

The Unfunded/(Surplus) Actuarial Accrued Liability is determined by calculating the Present Value of Projected Benefits at that date, and subtracting the Present Value of Future Normal Costs, as determined above, together with any applicable assets of the Fund.

A Past Service Contribution (amortization payments) is calculated as the amount needed to fund the Initial Unfunded Actuarial Accrued Liability plus any changes in the Unfunded Actuarial

Section 2.2 – (Continued)

Accrued Liability due to plan changes, assumption changes, or actuarial experience gains / (losses), together with interest thereon, in equal annual installments as required by the regulations.

Active participants are treated for funding purpose as terminated participants due to the ceasing of benefit accruals. Therefore, there is no normal cost, and the actuarial accrued liability is equal to the present value of their benefits.

Economic Actuarial Assumptions

Interest
Funding rates:

Pre-Retirement	7.50% per year, compounded annually, net of expenses
Post-Retirement	7.50% per year, compounded annually, net of expenses

Projected Salary Increase

Salaries are assumed to increase at 3.50% per year.

Cost of Living Increase

Post-Retirement Benefit Increase is assumed to increase at 2.00% per year.

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

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

Female: Twice 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

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

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.

Expenses

Reflected in the interest funding rate.

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Disability Males	Disability Females	Termination
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	.0000

Section 2.2 – (Continued)

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Healthy Mortality		Post-Disability Mortality	
	Males	Females	Males	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)

Retirement Decrements

Administration Tier 1

Age/Service	<5	5 to 9	10 to 19	20 to 24	25+
Less than 40	0.000	0.000	0.000	0.000	0.000
40	0.000	0.000	0.000	0.000	0.001
41	0.000	0.000	0.000	0.000	0.001
42	0.000	0.000	0.000	0.000	0.001
43	0.000	0.000	0.000	0.000	0.001
44	0.000	0.000	0.000	0.000	0.001
45	0.000	0.000	0.000	0.000	0.001
46	0.000	0.000	0.000	0.000	0.001
47	0.000	0.000	0.000	0.000	0.001
48	0.000	0.000	0.000	0.000	0.001
49	0.000	0.000	0.000	0.000	0.001
50	0.000	0.000	0.000	0.000	0.125
51	0.000	0.000	0.000	0.000	0.125
52	0.000	0.000	0.000	0.000	0.125
53	0.000	0.000	0.000	0.000	0.125
54	0.000	0.000	0.000	0.000	0.125
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.200	0.200	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Administration Tier 1

Age/Service	<5	5 to 9	10 to 19	20 to 24	25+
Less than 40	0.000	0.000	0.000	0.000	0.000
40	0.000	0.000	0.000	0.000	0.001
41	0.000	0.000	0.000	0.000	0.001
42	0.000	0.000	0.000	0.000	0.001
43	0.000	0.000	0.000	0.000	0.001
44	0.000	0.000	0.000	0.000	0.001
45	0.000	0.000	0.000	0.000	0.001
46	0.000	0.000	0.000	0.000	0.001
47	0.000	0.000	0.000	0.000	0.001
48	0.000	0.000	0.000	0.000	0.001
49	0.000	0.000	0.000	0.000	0.001
50	0.000	0.000	0.000	0.000	0.125
51	0.000	0.000	0.000	0.000	0.125
52	0.000	0.000	0.000	0.000	0.125
53	0.000	0.000	0.000	0.000	0.125
54	0.000	0.000	0.000	0.000	0.125
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.200	0.200	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Administration for Tiers 2 and 3

Age/Service	< 5	5 to 9	10 to 19	20 to 24	25+
Less than 55	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.500	0.500	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Age/Service	< 5	5 to 9	10 to 20	20 to 24	25	26	27	28	29 +
Less than 55	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.200	0.200	0.200	0.200	0.200
56	0.000	0.000	0.050	0.050	0.200	0.400	0.400	0.400	0.400
57	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.600	0.600
58	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	0.800
59	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
60	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
61	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800	1.000
62	0.000	0.000	0.250	1.000	1.000	1.000	1.000	1.000	1.000
63	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000	1.000
64	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000	1.000
65	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
66	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
67	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
68	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000	1.000
69	0.000	0.100	0.100	1.000	1.000	1.000	1.000	1.000	1.000
70+	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Other Assumptions

Years of Service Subsequent to the Valuation Date

It is assumed that each participant will earn one year of service in each future year.

Assumed Age of Commencement for Deferred Vested Benefits

Age 65

Assumed Age of Commencement for Disabled Benefits

Age 55

Actuarial Value of Assets

The Actuarial Value of Assets is equal to the Market Value plus any employee and/or employer contributions due for the plan year.

Section 2.3 – Census Data

Description of Participant Data

The valuation was based on information provided by the City of Franklin as of January 1, 2015.

Active employee information consisted of:

- Name
- Employee Identification Number
- Gender
- Date of Birth
- Date of Hire
- 2014 Compensation

  Compensation was supplied on an Excel file showing each element of the definition of compensation to reconcile the compensation as reported on the Form W-2 and other reports.
- Post-Tax Contributions for 2014
- Pre-Tax Contributions for 2014
- Mandatory Contribution the pension plan for 2014
- Mandatory Contribution to 401a – defined contribution plan for 2014
- 457 Contribution for 2014
- Money Purchase Contribution for 2014

Section 2.3 – (Continued)

Participant Data Reconciliation	Active Participants	Inactive Participants: Terminated Deferred Benefits	Inactive Participants: Disabled With Deferred Benefits	Inactive Participants: Receiving Benefits	Total	Expected
1. As of January 1, 2014	562	137	4	138	841	
2. Changes in Status:						
a. Age Retirements	(12)	(3)	0	15	0	17
b. Disability Terminations	0	0	0	0	0	1
c. Deaths Without Benefits	0	0	0	(1)	(1)	(1)
d. Deaths With Benefits	0	0	0	(1)	(1)	1
e. Non-Vested Terminations	(4)	N/A	N/A	0	(4)	(7)
f. Vested Terminations	(15)	15	0	N/A	0	(20)
g. Expiration of Benefits	N/A	N/A	N/A	0	0	
h. Lump Sums	0	(1)	0	0	(1)	
i. Data Correction	0	(2)	0	3	1	
j. New Entrants	29	0	N/A	0	29	
3. Net Change	(2)	9	0	17	24	
4. As of December 31, 2014	560	146	4	155	865	

Section 3 – Supplemental Information

Section 3.1 – Historical Plan Information

Section 3.2 – Active Participant Demographic Profiles

Section 3.1 – Historical Yearly Comparison

	01/01/2011	01/01/2012 [1]	01/01/2013 [1]	01/01/2014	01/01/2015 [1]
Number of Active Participants	586	591	572	562	560
Expected Payroll	$ 27,958,552	$ 29,869,786	$ 28,902,947	$ 27,440,025	$ 28,177,068
Average Earnings	$ 50,285	$ 53,723	$ 51,984	$ 49,353	$ 50,678
Number of Active Participants Age 65 or Over	8	14	13	13	12
Number of Retired Participants and Beneficiaries	110	121	128	138	155
Pensions to be Paid	$ 2,029,872	$ 2,286,300	$ 2,653,331	$ 2,892,206	$ 3,367,517
Number of Vested Terminated Participants	109	114	123	137	146
Annual Pensions to be Paid	$ 718,321	$ 744,140	$ 811,172	$ 921,619	$ 1,041,618
Number of Disabled Participants	4	4	4	4	4
Annual Pensions to be Paid	$ 27,735	$ 26,302	$ 26,750	$ 26,750	$ 27,411
Present Value of Benefits	$ 86,512,092	$ 95,385,041	$100,695,151	$ 101,820,337	$110,699,479
Present Value of Accumulated Benefits	$ 57,900,531	$ 64,505,222	$ 69,757,870	$ 77,113,277	$ 84,467,387
Actuarial Value of Assets	$ 54,086,646	$ 55,241,467	$ 63,532,465	$ 84,471,689	$ 89,423,146
Normal Cost Rate	15.1%	6.4%	6.9%	6.8%	7.4%
Normal Cost	$ 4,212,627	$ 1,908,874	$ 1,988,187	$ 1,859,464	$ 2,093,993
Recommended Contribution as of July 1/Quarterly	$ 4,495,984	$ 4,251,668	$ 4,033,372	$ 2,417,920	$ 2,846,724
Contribtuion as rate of Payroll	16.1%	14.2%	14.0%	8.8%	10.1%
Actual Contribution	$ 5,970,383	$ 3,188,751	$ 15,072,104	$ 2,498,757	N/A

[1] Funding Method Changed for 2012

Pension Obligation Bond $ 9,975,815

Section 3.2 – Active Participant Demographic Tables

The following demographic tables are presented for the four classifications of participants.

- Table A - Annual Earnings by Age Groups
- Table B - Annual Earnings by Service Groups
- Table C - Service Groups by Age Groups
- Schedule of Annual Benefits for Non-Active Participants

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE A
ANNUAL EARNINGS BY AGE GROUPS

	Tier 1			Tier2			Tier 3			ALL		
Age Group	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-19	0	$ 0	$ 0	0	$ 0	$ 0		$ 0	$ 0	0	$ 0	$ 0
20-24	0	$ 0	$ 0	0	$ 0	$ 0	4	$ 83,501	$ 20,875	4	$ 83,501	$ 20,875
25-29	1	$ 34,333	$ 34,333	6	$ 293,659	$ 48,943	18	$ 576,433	$ 32,024	25	$ 904,425	$ 36,177
30-34	29	$ 1,461,597	$ 50,400	38	$1,940,645	$ 51,070	13	$ 490,468	$ 37,728	80	$3,892,709	$ 48,659
35-39	47	$ 2,286,209	$ 48,643	23	$1,119,227	$ 48,662	11	$ 361,293	$ 32,845	81	$3,766,729	$ 46,503
40-44	82	$ 4,537,995	$ 55,341	24	$1,164,698	$ 48,529	14	$ 410,670	$ 29,334	120	$6,113,363	$ 50,945
45-49	58	$ 3,372,392	$ 58,145	11	$ 581,393	$ 52,854	8	$ 297,057	$ 37,132	77	$4,250,842	$ 55,206
50-54	50	$ 2,765,291	$ 55,306	15	$ 682,953	$ 45,530	9	$ 260,926	$ 28,992	74	$3,709,170	$ 50,124
55-59	38	$ 1,973,795	$ 51,942	8	$ 430,696	$ 53,837	6	$ 194,481	$ 32,414	52	$2,598,972	$ 49,980
60-64	22	$ 1,262,066	$ 57,367	8	$ 404,000	$ 50,500	5	$ 172,966	$ 34,593	35	$1,839,032	$ 52,544
65-69	9	$ 661,886	$ 73,543	0	$ 0	$ 0	1	$ 43,399	$ 43,399	10	$ 705,285	$ 70,528
70-74	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
75-79	1	$ 40,652	$ 40,652	1	$ 52,169	$ 52,169	0	$ 0	$ 0	2	$ 92,821	$ 46,411
80-84	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
85+	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
TOTAL	337	$18,396,215	$ 54,588	134	$6,669,441	$49,772	89	$2,891,193	$ 32,485	560	$27,956,848	$ 49,923

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE B
ANNUAL EARNINGS BY SERVICE GROUPS

	Tier 1			Tier 2			Tier 3			ALL		
Service Group	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-4	0	$ 0	$ 0	3	$ 194,814	$64,938	89	$2,891,182	$32,485	92	$3,085,996	$33,543
5-9	56	$ 2,843,283	$50,773	131	$ 6,474,626	$49,425	0	$ 0	$ 0	187	$9,317,909	$49,828
10-14	134	$ 6,751,556	$50,385	0	$ 0	$ 0	0	$ 0	$ 0	134	$6,751,556	$50,385
15-19	86	$ 4,885,709	$56,811	0	$ 0	$ 0	0	$ 0	$ 0	86	$4,885,709	$56,811
20-24	28	$ 1,868,860	$66,745	0	$ 0	$ 0	0	$ 0	$ 0	28	$1,868,860	$66,745
25-29	27	$ 1,687,474	$62,499	0	$ 0	$ 0	0	$ 0	$ 0	27	$1,687,474	$62,499
30-34	3	$ 183,870	$61,290	0	$ 0	$ 0	0	$ 0	$ 0	3	$ 183,870	$61,290
35-39	3	$ 175,464	$58,488	0	$ 0	$ 0	0	$ 0	$ 0	3	$ 175,464	$58,488
40+	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
Total	337	$18,396,215	$54,588	134	$6,669,441	$49,772	89	$2,891,182	$32,485	560	$27,956,838	$49,923

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C FOR TIER 1
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group 0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	Percentage
0-19	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	1	0	0	0	0	0	0	0	1	0.3%
30-34	0	11	18	0	0	0	0	0	0	29	8.6%
35-39	0	10	28	9	0	0	0	0	0	47	13.9%
40-44	0	13	27	35	7	0	0	0	0	82	24.3%
45-49	0	5	21	19	7	6	0	0	0	58	17.2%
50-54	0	5	13	9	9	13	1	0	0	50	14.8%
55-59	0	4	17	7	1	6	1	2	0	38	11.3%
60-64	0	6	8	4	1	2	0	1	0	22	6.5%
65-69	0	0	2	3	3	0	1	0	0	9	2.7%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	1	0.3%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	0	56	134	86	28	27	3	3	0	337	100.0%
	0.0%	16.6%	39.8%	25.5%	8.3%	8.0%	0.9%	0.9%	0.0%	100.0%	

	Number		Average Age	Average Service
General Employee	155	45.99%	50	15
Fire	93	27.60%	22	16
Police	89	26.41%	45	16
Total	337	100.00%	47	16

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C TIRE 2 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group										
	0-4	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40+**	**TOTAL**	**Percentage**
0-19	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	6	0	0	0	0	0	0	0	6	4.5%
30-34	1	37	0	0	0	0	0	0	0	38	28.4%
35-39	0	23	0	0	0	0	0	0	0	23	17.2%
40-44	0	24	0	0	0	0	0	0	0	24	17.9%
45-49	0	11	0	0	0	0	0	0	0	11	8.2%
50-54	1	14	0	0	0	0	0	0	0	15	11.2%
55-59	0	8	0	0	0	0	0	0	0	8	6.0%
60-64	1	7	0	0	0	0	0	0	0	8	6.0%
65-69	0	0	0	0	0	0	0	0	0	0	0.0%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	1	0.7%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	3	131	0	0	0	0	0	0	0	134	100.0%
	2.2%	97.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number		Average Age	Average Service
General	75	55.97%	45	7
Fire	31	23.13%	38	7
Police	28	20.90%	36	7
Total	134	100.00%	42	7

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C FOR TIER 3
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group 0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	Percentage
0-19	1	0	0	0	0	0	0	0	0	0	0.0%
20-24	3	0	0	0	0	0	0	0	0	4	6.3%
25-29	18	0	0	0	0	0	0	0	0	14	22.2%
30-34	13	0	0	0	0	0	0	0	0	11	17.5%
35-39	11	0	0	0	0	0	0	0	0	6	9.5%
40-44	14	0	0	0	0	0	0	0	0	12	19.0%
45-49	8	0	0	0	0	0	0	0	0	5	7.9%
50-54	9	0	0	0	0	0	0	0	0	5	7.9%
55-59	6	0	0	0	0	0	0	0	0	3	4.8%
60-64	5	0	0	0	0	0	0	0	0	2	3.2%
65-69	1	0	0	0	0	0	0	0	0	1	1.6%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0.0%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	89	0	0	0	0	0	0	0	0	63	100.0%
	141.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number		Average Age	Average Service
General City	61	41.90%	42	1.6
Fire	11	12.36%	31	2.6
Police	17	19.10%	40	2
	89	100.00%	41	2

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C FOR TIER 4 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group 0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	Percentage
0-19	5	0	0	0	0	0	0	0	0	0	0.0%
20-24	11	0	0	0	0	0	0	0	0	5	6.7%
25-29	18	0	0	0	0	0	0	0	0	11	14.7%
30-34	13	0	0	0	0	0	0	0	0	19	25.3%
35-39	8	0	0	0	0	0	0	0	0	13	17.3%
40-44	2	0	0	0	0	0	0	0	0	8	10.7%
45-49	2	0	0	0	0	0	0	0	0	2	2.7%
50-54	11	0	0	0	0	0	0	0	0	2	2.7%
55-59	5	0	0	0	0	0	0	0	0	11	14.7%
60-64	0	0	0	0	0	0	0	0	0	5	6.7%
65-69	0	0	0	0	0	0	0	0	0	0	0.0%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0.0%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	75	0	0	0	0	0	0	0	0	75	100.0%
	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number		Average Age	Average Service
General City Employees	56	73.68%	40	1.5
Fire	13	17.11%	33	1.8
Police	7	9.21%	46	1.4
Total	76	100.00%	40	1.6

Section 3.2 – Active Participant Demographic Tables – (Continued)

SCHEDULE OF ANNUAL BENEFITS FOR NON-ACTIVE PARTICIPANTS

Age	Terminated Vested		Disabled		Retired	
	Number	Benefit	Number	Benefit	Number	Benefit
Under 45	48	$ 387,197	0	$ 0	1	$ 20,667
45 to 49	29	220,441	0	0	4	123,850
50 to 54	15	136,861	0	0	14	459,579
55 to 59	23	154,405	0	0	21	609,203
60 to 64	22	129,423	1	6,826	25	721,519
65 to 69	7	12,899	2	12,560	42	845,387
70 to 74	2	392	1	8,025	19	221,398
75 to 79	0	0	0	0	14	175,564
80 to 84	0	0	0	0	9	139,041
85 to 89	0	0	0	0	3	37,355
90 & up	0	0	0	0	3	13,953
Total	146	$ 1,041,618	4	$ 27,411	155	$ 3,367,517

Average Age	50.8	67.0	66.6
Average Annual Benefit	$ 7,134	$ 6,853	$ 21,726

CONTRACT 2015-0176

WGI EMERGING MARKETS FUND, LLC

Instrument of Accession to Subscription Agreement

The undersigned, CITY OF FRANKLIN EMPLOYEE PENSION PLAN (the "Subscriber"), hereby agrees, pursuant to and subject to all of the terms and conditions set forth in that certain Subscription Agreement (the "Agreement") dated and effective as of JULY 14, 2015, by and among the Subscriber and WGI Emerging Markets Fund, LLC, a Delaware limited liability company (the "Fund"), to subscribe for an additional Membership Interest in the Fund for a total purchase price in the amount of US$ 2,000,000 — (the "New Subscription").

The Subscriber represents and agrees as follows:

1. For all purposes under the Agreement, the term "Subscription" shall be deemed to include, as an addition thereto, the accepted amount of the New Subscription.

2. Each of the representations and warranties made by the Purchaser in Section 7 of the Agreement, and all of the information provided by Subscriber in its Investor Suitability Questionnaire are complete, accurate, true and correct at and as of the date hereof, or have been updated in a writing to the Fund delivered contemporaneously herewith.

3. Any New Subscription accepted after the initial closing of investments into the Fund shall be subject to the Processing Fee provided in Section 9 of the Agreement, as applicable.

This Instrument of Accession shall take effect and shall become an integral part of the Agreement as of the date of approval set forth below.

IN WITNESS WHEREOF, the parties hereto have caused this Instrument of Accession to be executed and effective as of the date of acceptance set forth below.

Subscriber:
CITY OF FRANKLIN EMPLOYEE PENSION PLAN

By:____________________
Name: DR. KEN MOORE
Title: MAYOR

ACCEPTED BY:

WGI EMERGING MARKETS FUND, LLC
By: Westwood Global Investments, LLC
Its Manager

By ____________________
A Duly Authorized Representative

$____________________
Amount of Subscriber's New Subscription
Accepted by the Manager

Date:____________________

City of Franklin, Tennessee
FY 2015 Quarterly Report

MARCH 31, 2015 | FINANCE DEPARTMENT | THIRD QUARTER

City of Franklin Awards

Certificate of Achievement for Excellence in Financial Reporting — 24 Years in A Row

Distinguished Budget Presentation Award — 8 Years in A Row

Quarter Ended March 31, 2015

This quarterly report format has been developed for emphasis on significant items within each fund.

In each fund, certain revenues and expenditures have been highlighted. If in future reports additional information or comparison is desired, we will incorporate it into subsequent reports.

Inside This Report

Executive Summary

Through March, the General Fund shows an increase of fund balance of almost $2.4 million. This represents current year revenue less expenditures of $4.7 million with a reduction of a $2.3 million transfer of in lieu of parkland fees collected in the General Fund to its own fund.

Local sales taxes are up over 5.5% over last year, with December sales tax 8% over last year.

Gasoline taxes are 8% higher as the fee is set on gallons sold rather than price.

Due to receipts from the hotel/motel tax audit, hotel/motel taxes are up 18% over last year.

The General Fund shows an increase of fund balance of almost $2.4 million.

Summary of All Funds

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Increase / (Decrease)	Primary Factor	Page Reference for Additional Information
General	$32,714,451	$41,946,592	$39,569,604	$35,091,439	7.3%	Fund balance has increased by almost $2.4 million	4
Street Aid	$295,259	$1,893,570	$966,853	$1,221,976	313.9%	Likely due to reduced gas prices, gasoline taxes (which are set by gallon, not price) are over 8% higher than last year.	5
Sanitation & Envir. Services.	$405,119	$5,399,735	$5,578,208	$226,646	-44.1%	Collection services revenue is 10% higher than last year.	6
Road Impact	$0	$1,607,998	$2,883,210	($1,275,212)	---	ollections during spring months are anticipated to cover the deficit.	7
Facilities Tax	$6,253,611	$1,553,875	$1,597,207	$6,210,279	-0.7%	Collections are 43% less than last year. This revenue is dependent on building starts.	8
Stormwater	$5,511,065	$1,833,308	$1,984,670	$5,359,703	-2.7%	Collections are 2% higher than last year.	9
Drug	$165,436	$144,105	$78,804	$230,737	39.5%	Drug fine collections are 32% less than last year.	10
Hotel/Motel	$1,971,048	$2,313,314	$2,302,582	$1,981,780	0.5%	Due to collections from the hotel/motel tax audit, collections 18% over last year.	11
In Lieu of Parkland	$0	$2,492,873	$0	$2,492,873	---	Received transfer from General Fund of in lieu of parkland collections through 2014.	12
Transit	$400,695	$1,403,394	$1,403,394	$400,695	0.0%	Transit fares are almost 3% higher than last year..	13
CDBG	$23,717	$207,313	$207,183	$23,847	0.5%	Grant revenue covers grant expenditures.	14
Debt Service	$195,118	$11,389,621	$10,992,346	$592,393	203.6%	Surplus is due primarily to property tax revenue billings in 2nd quarter.	15
Capital Projects	($18,878,175)	$3,105,727	$10,611,723	($26,384,171)	39.8%	$15 million of bond proceeds in April 2015 and reimbursements are anticipated to offset deficit.	16

Fund	Beg Fund Balance	Revenue	Expenditures	Surplus / (Deficit)	Increase / (Decrease)	Primary Factor	Page Reference for Additional Information
Water & Wastewater Operations	---	$18,580,102	$17,641,076	$939,026	5.3%	Customer service revenue has exceeded last year by 9%.	17
Water & Wastewater Dev. Fees	---	$2,228,704	$2,245,679	($16,975)	-0.8%	Access fee collections are about 39% less than last year. Taps fees are almost 30% less.	18

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

General Fund Budget

Fiscal Year 2015
Amended Budget

GENERAL FUND

Revenues	Original	1st Qtr Amendments	2nd Qtr Amendments	3rd Quarter Amendments	Amended Budget	Amendment Description
Local Taxes	38,131,485				38,131,485	
Licenses & Permits	5,074,430				5,074,430	
Intergovernmental	11,630,627				11,630,627	
Charges for Services	68,950				68,950	
Fines & Fees	753,720				753,720	
Use of Money & Property	350,491				350,491	
Other Revenue	125,000				125,000	
TOTAL	**56,134,703**	**0**	**0**	**0**	**56,134,703**	

Expenditures	Original	1st Qtr Amendments	2nd Qtr Amendments	3rd Quarter Amendments	Amended Budget	Amendment Description
Elected Officials	290,165				290,165	
Administration	519,504	7,645			527,149	1st quarter reallocations (Phase II, 2%) and retirement savings
Capital Investment Planning	192,403	2,993			195,396	1st quarter reallocations (Phase II, 2%) and retirement savings
Project & Facilities Management	1,095,001	5,046			1,100,047	1st quarter reallocations (Phase II, 2%) and retirement savings
Human Resources	1,271,388	9,139			1,280,527	1st quarter reallocations (Phase II, 2%) and retirement savings
Law	392,913	7,173			400,086	1st quarter reallocations (Phase II, 2%) and retirement savings
Communications	328,269	3,625			331,894	1st quarter reallocations (Phase II, 2%) and retirement savings
Parks	3,508,174	133,753			3,641,927	1st quarter reallocations (Phase II, 2%) and retirement savings; additional amount to buy outright items under $25,000 originally budgeted as lease
Police	13,793,216	228,468			14,021,684	1st quarter reallocations (Phase II, 2%) and retirement savings; additional amount to buy outright items under $25,000 originally budgeted as lease
Fire	13,593,754	357,607			13,951,361	1st quarter reallocations (Phase II, 2%) and retirement savings; additional amount to buy outright items under $25,000 originally budgeted as lease
Finance	738,255	10,502	50,000		798,757	1st quarter reallocations (Phase II, 2%) and retirement savings; 2nd quarter reallocation of contingency funding from General Expenses for payroll upgrades
IT	3,664,021	135,453			3,799,474	1st quarter reallocations (Phase II, 2%) and retirement savings; lease amount for Infor $93,535
Purchasing	185,345	1,873			187,218	1st quarter reallocations (Phase II, 2%) and retirement savings
Revenue Management	175,240	7,459			182,699	1st quarter reallocations (Phase II, 2%) and retirement savings
Court	231,335	4,258			235,593	1st quarter reallocations (Phase II, 2%) and retirement savings
Building & Neighborhood Services	2,350,928	77,827	7,500		2,436,255	1st quarter reallocations (Phase II, 2%) and retirement savings; additional amount to buy outright items under $25,000 originally budgeted as lease; 2nd quarter reallocation of contingency funding from General Expenses for Inspector positions reclassifications
Planning & Sustainability	1,558,878	5,508			1,564,386	1st quarter reallocations (Phase II, 2%) and retirement savings
Engineering	879,513	35,245			914,758	1st quarter reallocations (Phase II, 2%) and retirement savings; additional amount to buy outright items under $25,000 originally budgeted as lease
Traffic Operations Center	2,628,908	769			2,629,677	1st quarter reallocations (Phase II, 2%) and retirement savings
Streets-Maintenance	3,793,498	70,509			3,864,007	1st quarter reallocations (Phase II, 2%) and retirement savings; additional amount for landscape truck $11,518; additional amount to buy outright items under $25,000 originally budgeted as lease
Streets - Traffic	1,217,023	16,175			1,233,198	1st quarter reallocations (Phase II, 2%) and retirement savings
Streets - Fleet Maintenance	816,662	10,950			827,612	1st quarter reallocations (Phase II, 2%) and retirement savings
General Expense	1,915,194	(1,301,785)	(57,500)		555,909	1st quarter reallocations (Phase II, 2%) and retirement savings; 2nd quarter reallocation of contingency funding to Finance and BNS
Appropriations	425,986				425,986	
Economic Development	69,730				69,730	
Transfer to Street Aid	0				0	
Transfer to Sanitation & Env Svcs	0				0	
Transfer to Road Impact	0				0	
Transfer to Transit	499,400	169,808			669,208	Fund remainder of 2014 operating expenditures
TOTAL	**56,134,703**	**0**	**0**	**0**	**56,134,703**	

Please note: In addition to the $56,134,703 budgeted expenditures shown above, the budget includes a transfer of $2,280,119 of In Lieu of Parkland Fees collected in the General Fund to its own fund.

General Fund

City of Franklin Tennessee
General Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Local Sales Tax	$21,491,536	$20,364,681	105.5%	$28,758,770	74.7%
State Shared Taxes	7,099,617	6,310,052	112.5%	10,342,088	68.6%
Property Taxes	5,531,295	6,237,681	88.7%	5,439,034	101.7%
Alcohol Taxes	2,657,735	2,526,794	105.2%	3,615,310	73.5%
Grants	276,797	613,476	45.1%	1,288,539	21.5%
Franchise Fees	2,222,778	2,157,143	103.0%	2,449,980	90.7%
Building Permits & Fees	1,492,219	1,334,552	111.8%	2,091,490	71.3%
Court Fines & Fees	361,743	476,621	75.9%	747,720	48.4%
In Lieu of Tax (Local)	279,560	325,018	86.0%	306,131	91.3%
Interest Income	68,041	97,365	69.9%	179,820	37.8%
Other Revenues	465,271	708,632	65.7%	915,821	50.8%
Total Revenues	41,946,592	41,152,013	101.9%	56,134,703	74.7%
Expenditures:					
Salaries & Wages	19,627,291	18,577,711	105.6%	29,392,661	66.8%
Employee Benefits	6,966,966	7,529,773	92.5%	10,681,649	65.2%
Utilities	1,663,380	1,597,188	104.1%	2,099,679	79.2%
Contractual Services	1,685,757	2,498,165	67.5%	2,813,525	59.9%
Repair & Maintenance Services	1,319,692	1,281,828	103.0%	1,726,369	76.4%
Debt Service & Lease Payments	1,737,545	941,915	184.5%	2,106,425	82.5%
Reimbursement from Other Funds	(1,931,608)	(1,766,250)	109.4%	(2,575,478)	75.0%
Transfers To Other Funds	410,730	858,922	47.8%	669,208	61.4%
Capital (>$25,000)	418,764	220,327	190.1%	1,917,500	21.8%
Other Expenditures	5,390,968	5,077,561	106.2%	7,303,165	73.8%
Total Expenditures	37,289,485	36,817,140	101.3%	56,134,703	66.4%
Unallocated Funds (Prior to Transfer)	**4,657,107**	**4,334,873**	**107.4%**	**0**	**0.0%**
Less: Transfer to In Lieu of Parkland	**(2,280,119)**				
Total Unallocated Funds	**2,376,988**				

Local Sales Tax			
Month of Sale	FY 2015	FY 2014	Increase / (Decrease)
July	2,288,457	2,113,374	8.3%
August	2,296,081	2,115,836	8.5%
September	2,374,572	2,178,174	9.0%
October	2,327,025	2,117,978	9.9%
November	2,399,941	2,419,578	-0.8%
December	3,345,841	3,097,595	8.0%
January	2,079,073	1,926,687	7.9%
February	1,900,629	1,973,541	-3.7%
March	2,479,917	2,421,918	2.4%
	21,491,536	20,364,681	5.5%

Local Sales Taxes have exceeded last year by 5.5%.

Unallocated funds are reduced by the budgeted transfer of in lieu of parkland fees collected in the General Fund to its own fund.

Street Aid Fund

City of Franklin Tennessee
Street Aid & Trans
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$295,259	$0	0.0%	$0	0.0%
State Shared Taxes	1,385,017	1,278,142	108.4%	1,904,402	72.7%
Property Taxes	508,038	0	0.0%	500,000	101.6%
Interest Income	516	0	0.0%	50	1,031.9%
Transfer From General Fund	0	(543)	0.0%	0	0.0%
Total Revenues	2,188,829	1,277,599	171.3%	2,404,452	91.0%
Expenditures:					
Repair & Maintenance Services	966,581	1,276,783	75.7%	2,404,452	40.2%
Other Expenditures	272	816	33.3%	0	0.0%
Total Expenditures	966,853	1,277,599	75.7%	2,404,452	40.2%
Total Unallocated Funds	1,221,976	0	0.0%	0	0.0%

Gasoline Tax			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	155,530	140,316	10.8%
August	160,986	148,269	8.6%
September	158,803	139,680	13.7%
October	151,055	150,134	0.6%
November	162,540	154,350	5.3%
December	160,764	137,582	16.8%
January	154,773	135,038	14.6%
February	135,056	133,104	1.5%
March	145,510	139,669	4.2%
	1,385,017	1,278,142	8.4%

Gasoline taxes received from the State in 2015 are 8.4% higher than last year.

Sanitation Fund

City of Franklin Tennessee
Sanitation & Envir Services Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$405,119	$0	0.0%	$0	0.0%
Grants	35,000	64,348	54.4%	350,000	10.0%
Sanitation Collection Services	3,666,403	3,329,624	110.1%	4,936,245	74.3%
Tipping Fees	1,544,734	1,961,518	78.8%	2,600,000	59.4%
Transfer From General Fund	0	287,080	0.0%	0	0.0%
Other Revenues	153,598	192,609	79.7%	262,575	58.5%
Total Revenues	5,804,854	5,835,178	99.5%	8,148,820	71.2%
Expenditures:					
Salaries & Wages	1,407,061	1,355,175	103.8%	2,058,896	68.3%
Employee Benefits	634,585	796,741	79.6%	855,397	74.2%
Utilities	52,379	1,007,381	5.2%	1,329,100	3.9%
Contractual Services	1,278	8,762	14.6%	10,000	12.8%
Repair & Maintenance Services	346,714	368,559	94.1%	350,500	98.9%
Debt Service & Lease Payments	631,641	209,991	300.8%	626,094	100.9%
Transfers To Other Funds	11,785	15,747	74.8%	589,080	2.0%
Capital (>$25,000)	0	86,913	0.0%	350,000	0.0%
Other Expenditures	2,492,765	1,985,908	125.5%	1,979,753	125.9%
Total Expenditures	5,578,208	5,835,178	95.6%	8,148,820	68.5%
Total Unallocated Funds	226,646	0	0.0%	0	0.0%

Sanitation Collection Services			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	397,757	341,316	16.5%
August	405,329	372,028	9.0%
September	404,641	373,314	8.4%
October	406,235	371,404	9.4%
November	412,213	374,451	10.1%
December	405,099	374,412	8.2%
January	417,411	374,323	11.5%
February	409,543	374,774	9.3%
March	408,175	373,602	9.3%
	3,666,403	3,329,624	10.1%

Tipping Fees			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	179,956	242,140	-25.7%
August	167,665	222,982	-24.8%
September	168,505	208,748	-19.3%
October	177,676	218,096	-18.5%
November	144,827	208,336	-30.5%
December	170,179	220,134	-22.7%
January	173,857	215,864	-19.5%
February	136,547	193,450	-29.4%
March	228,522	231,768	-1.4%
	1,547,734	1,961,518	-21.1%

Disposal Fees are 10% higher than 2014; however, Tipping Fees have decreased by over 21% that is due primarily to City's use of its transfer station no longer reported as a revenue.

Road Impact Fund

City of Franklin Tennessee
Road Impact Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$0	($854,829)	0.0%	$16,118	0.0%
Interest Income	48	0	0.0%	0	0.0%
Road Impact Fees	1,861,473	2,982,670	62.4%	3,800,000	49.0%
Road Impact Credits	(253,523)	(704,150)	36.0%	0	0.0%
Total Revenues	1,607,998	1,423,691	112.9%	3,816,118	42.1%
Expenditures:					
Transfers To Other Funds	2,883,210	2,341,476	123.1%	2,980,603	96.7%
Total Expenditures	2,883,210	2,341,476	123.1%	2,980,603	96.7%
Total Unallocated Funds	(1,275,212)	(917,785)	138.9%	835,515	(152.6%)

Road Impact Fees

Month	FY 2015	FY 2014	Increase / (Decrease)
July	229,572	153,724	49.3%
August	139,840	888,987	-84.3%
September	217,394	205,408	5.8%
October	200,301	264,184	-24.2%
November	254,561	360,104	-29.3%
December	203,249	351,901	-42.2%
January	177,164	295,934	-40.1%
February	183,500	76,244	140.7%
March	255,892	386,184	-33.7%
	1,861,473	2,982,670	-37.6%

Collections are over 37% less than last year. Revenue is dependent on building starts.

Facilities Tax Fund

City of Franklin Tennessee
Facilities Tax Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$6,253,611	$3,147,824	198.7%	$6,124,876	102.1%
Interest Income	10,108	4,852	208.3%	10,000	101.1%
Facilities Taxes	1,543,765	2,726,293	56.6%	3,697,190	41.8%
Total Revenues	7,807,485	5,878,969	132.8%	9,832,066	79.4%
Expenditures:					
Utilities	395	0	0.0%	0	0.0%
Contractual Services	363	1,600	22.7%	30,000	1.2%
Repair & Maintenance Services	951	0	0.0%	0	0.0%
Capital (>$25,000)	1,424,225	549,482	259.2%	3,952,500	36.0%
Other Expenditures	171,273	8,754	1,956.6%	645,415	26.5%
Total Expenditures	1,597,205	559,835	285.3%	4,627,915	34.5%
Total Unallocated Funds	6,210,279	5,319,134	116.8%	5,204,151	119.3%

Facilities Tax			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	174,169	188,335	-7.5%
August	128,599	282,956	-54.6%
September	155,707	172,873	-9.9%
October	211,229	1,182,887	-82.1%
November	160,556	234,251	-31.5%
December	168,587	188,891	-10.7%
January	186,851	189,243	-1.3%
February	130,798	70,242	86.2%
March	227,269	216,615	4.9%
	1,543,765	2,726,293	-43.4%

Collections are 43% less than this point last year. Revenue is dependent on building starts.

Stormwater Fund

City of Franklin Tennessee
Stormwater Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$5,511,065	$5,615,101	98.1%	$5,337,047	103.3%
Grants	0	3,691	0.0%	0	0.0%
Building Permits & Fees	52,498	5,720	917.8%	1,240	4,233.7%
Interest Income	11,228	6,898	162.8%	10,000	112.3%
Stormwater Fees	1,740,158	1,702,554	102.2%	2,355,050	73.9%
Customer Service	0	(4,776)	0.0%	0	0.0%
Other Revenues	29,424	35,283	83.4%	42,550	69.2%
Total Revenues	7,344,373	7,364,471	99.7%	7,745,887	94.8%
Expenditures:					
Salaries & Wages	502,208	436,973	114.9%	693,043	72.5%
Employee Benefits	240,826	233,949	102.9%	312,881	77.0%
Utilities	34,673	37,114	93.4%	42,028	82.5%
Contractual Services	74,889	390,331	19.2%	132,278	56.6%
Repair & Maintenance Services	54,925	53,915	101.9%	51,600	106.4%
Capital (>$25,000)	810,194	227,957	355.4%	3,018,627	26.8%
Other Expenditures	266,955	306,887	87.0%	551,982	48.4%
Total Expenditures	1,984,670	1,687,126	117.6%	4,802,439	41.3%
Total Unallocated Funds	5,359,703	5,677,345	94.4%	2,943,448	182.1%

Stormwater Fees			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	189,512	184,352	2.8%
August	196,335	189,734	3.5%
September	194,017	189,576	2.3%
October	189,669	188,589	0.6%
November	200,521	194,472	3.1%
December	188,047	186,833	0.6%
January	196,262	191,499	2.5%
February	200,103	189,805	5.4%
March	185,692	187,694	-1.1%
	1,740,158	1,702,554	2.2%

Stormwater fees are 2% higher than last year.

Drug Fund

City of Franklin Tennessee
Drug Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$165,436	$121,781	135.8%	$196,498	84.2%
Interest Income	674	828	81.4%	1,000	67.4%
Drug Fines Received	40,882	59,683	68.5%	93,070	43.9%
Other Revenues	102,549	51,809	197.9%	79,091	129.7%
Total Revenues	309,541	234,102	132.2%	369,659	83.7%
Expenditures:					
Other Expenditures	78,804	113,582	69.4%	127,000	62.1%
Total Expenditures	78,804	113,582	69.4%	127,000	62.1%
Total Unallocated Funds	230,737	120,520	191.5%	242,659	95.1%

Drug Fines

Month	FY 2015	FY 2014	Increase / (Decrease)
July	3,937	5,814	-32.3%
August	5,340	5,077	5.2%
September	3,380	4,754	-28.9%
October	1,636	5,095	-67.9%
November	5,796	6,347	-8.7%
December	2,639	6,344	-58.4%
January	3,475	6,998	-50.3%
February	8,563	9,298	-7.9%
March	6,116	9,956	-38.6%
	40,882	59,683	-31.5%

Drug fines are almost 32% less than last year.

Hotel/Motel Tax Fund

City of Franklin Tennessee
Hotel/Motel Tax Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$1,971,048	$1,124,507	175.3%	$1,689,759	116.6%
Grants	0	476,000	0.0%	0	0.0%
Interest Income	1,250	863	144.8%	20,000	6.2%
Hotel/Motel Taxes	2,312,065	1,957,213	118.1%	2,804,480	82.4%
Other Revenues	0	0	0.0%	31,000	0.0%
Total Revenues	4,284,362	3,558,583	120.4%	4,545,239	94.3%
Expenditures:					
Contractual Services	128,844	0	0.0%	325,000	39.6%
Repair & Maintenance Services	25,053	0	0.0%	0	0.0%
Transfers To Other Funds	1,104,196	978,043	112.9%	1,119,842	98.6%
Capital (>$25,000)	280,794	668,695	42.0%	810,000	34.7%
Other Expenditures	763,696	364,617	209.5%	890,735	85.7%
Total Expenditures	2,302,582	2,011,355	114.5%	3,145,577	73.2%
Total Unallocated Funds	1,981,780	1,547,228	128.1%	1,399,662	141.6%

Hotel/Motel Taxes

Month	FY 2015	FY 2014	Increase / (Decrease)
July	264,032	220,564	19.7%
August	273,769	202,941	34.9%
September	302,351	219,382	37.8%
October	285,002	242,061	17.7%
November	221,533	223,360	-0.8%
December	207,948	175,183	18.7%
January	213,640	184,875	15.6%
February	222,045	214,823	3.4%
March	321,745	274,023	17.4%
	2,312,065	1,957,213	18.1%

Due to collections from the hotel/motel tax audit, Hotel/Motel Taxes are 18% higher than last year.

In Lieu of Parkland Fund

City of Franklin Tennessee
In Lieu of Parkland
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$906	$0	0.0%	$0	0.0%
In Lieu of Parkland Fees	211,848	0	0.0%	0	0.0%
Transfer From General Fund	2,280,119	0	0.0%	2,280,119	100.0%
Total Revenues	2,492,873	0	0.0%	2,280,119	109.3%
Total Unallocated Funds	2,492,873	0	0.0%	2,280,119	109.3%

The In Lieu of Parkland Fund was created this year. In Lieu of Parkland Fees collected in the General Fund were transferred to this fund during FY 2015.

Collections are now being recorded in this fund. No expenditures have been budgeted in this fund.

Transit Fund

City of Franklin Tennessee
Transit Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$400,695	$0	0.0%	$0	0.0%
Grants	908,006	593,005	153.1%	1,081,340	84.0%
Interest Income	2,624	8,731	30.1%	10,000	26.2%
Transit Fares	74,734	72,780	102.7%	100,600	74.3%
Transfer From General Fund	410,730	572,385	71.8%	669,208	61.4%
Other Revenues	7,300	7,300	100.0%	17,200	42.4%
Total Revenues	1,804,089	1,254,201	143.8%	1,878,348	96.0%
Expenditures:					
Capital (>$25,000)	55,415	55,415	100.0%	125,000	44.3%
Other Expenditures	1,347,979	1,198,786	112.4%	1,753,348	76.9%
Total Expenditures	1,403,394	1,254,201	111.9%	1,878,348	74.7%
Total Unallocated Funds	400,695	0	0.0%	0	0.0%

Transit Fares

Month	FY 2015	FY 2014	Increase / (Decrease)
July	5,876	5,771	1.8%
August	6,048	6,629	-8.8%
September	6,284	7,969	-21.1%
October	9,479	6,531	45.1%
November	18,738	19,364	-3.2%
December	6,730	6,822	-1.3%
January	5,426	6,419	-15.5%
February	10,077	8,106	24.3%
March	6,076	5,169	17.5%
	74,734	72,780	2.7%

Fares are up almost 3% over FY 2014.

CDBG Fund

City of Franklin Tennessee
Community Development Block Grant
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$23,717	$23,545	100.7%	$23,670	100.2%
Grants	207,183	100,881	205.4%	264,629	78.3%
Interest Income	129	131	98.3%	125	103.3%
Total Revenues	231,030	124,557	185.5%	288,424	80.1%
Expenditures:					
Contractual Services	84,845	65,946	128.7%	212,504	39.9%
Repair & Maintenance Services	94,878	34,901	271.8%	50,000	189.8%
Other Expenditures	27,460	34	81,146.8%	2,125	1,292.2%
Total Expenditures	207,183	100,881	205.4%	264,629	78.3%
Total Unallocated Funds	23,847	23,676	100.7%	23,795	100.2%

The fund provides community development assistance to low and moderate income families. The City receives grant reimbursements for eligible expenditures.

Debt Service Fund

City of Franklin Tennessee
Debt Service Fund
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$195,118	$84,729	230.3%	$131,956	147.9%
Property Taxes	6,350,472	5,357,261	118.5%	6,443,176	98.6%
Interest Income	1,450	2,083	69.6%	5,000	29.0%
Rebate on BAB/RZEDB Bonds	838,508	832,180	100.8%	825,401	101.6%
Transfer from Sanitation Fund	11,785	15,747	74.8%	589,080	2.0%
Transfer from Road Impact Fund	2,883,210	2,341,476	123.1%	2,980,603	96.7%
Transfer from Hotel/Motel Tax Fund	1,104,196	978,043	112.9%	1,119,842	98.6%
Transfer from Water & Sewer Fund	200,000	0	0.0%	200,000	100.0%
Total Revenues	11,584,739	9,611,518	120.5%	12,295,058	94.2%
Expenditures:					
Debt Service & Lease Payments	10,992,346	8,201,666	134.0%	12,290,058	89.4%
Total Expenditures	10,992,346	8,201,666	134.0%	12,290,058	89.4%
Total Unallocated Funds	592,393	1,409,853	42.0%	5,000	11,847.9%

The surplus is due primarily to property tax billings from the 2nd quarter (October 1).

Capital Projects Fund

City of Franklin Tennessee
Capital Improvement Bonds
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	($18,878,175)	$382,419	(4,936.5%)	$0	0.0%
Property Taxes	508,038	0	0.0%	0	0.0%
Grants	0	264,093	0.0%	0	0.0%
Interest Income	(14,090)	(2,762)	510.1%	0	0.0%
Facilities Taxes	691,817	743,920	93.0%	0	0.0%
Other Revenues	1,919,962	19,462,287	9.9%	0	0.0%
Total Revenues	(15,772,449)	20,849,957	(75.6%)	0	0.0%
Expenditures:					
Employee Benefits	0	9,975,815	0.0%	0	0.0%
Utilities	0	1,903	0.0%	0	0.0%
Contractual Services	30,051	74,124	40.5%	0	0.0%
Repair & Maintenance Services	0	3,368	0.0%	0	0.0%
Debt Service & Lease Payments	18,750	175,718	10.7%	0	0.0%
Capital (>$25,000)	9,905,285	23,405,460	42.3%	0	0.0%
Other Expenditures	657,636	755,301	87.1%	0	0.0%
Total Expenditures	10,611,723	34,391,689	30.9%	0	0.0%
Total Unallocated Funds	(26,384,171)	(13,541,732)	194.8%	0	0.0%

In April, the City issued bonds in the amount of $15 million. The remaining deficit is anticipated to be covered by reimbursements from other funds such as Water/Sewer, Stormwater, and Hotel/Motel Tax.

Water/Sewer Operating

City of Franklin Tennessee
Water & Sewer Operations
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$65,123	$23,067	282.3%	$109,774	59.3%
Customer Service	18,296,719	16,774,872	109.1%	21,953,345	83.3%
Other Revenues	218,261	249,341	87.5%	287,970	75.8%
Total Revenues	18,580,102	17,047,280	109.0%	22,351,089	83.1%
Expenditures:					
Salaries & Wages	2,463,756	2,217,806	111.1%	3,820,257	64.5%
Employee Benefits	1,066,013	1,133,025	94.1%	1,478,082	72.1%
Utilities	1,163,570	1,150,762	101.1%	1,640,280	70.9%
Contractual Services	435,261	271,088	160.6%	524,375	83.0%
Repair & Maintenance Services	234,283	376,932	62.2%	376,000	62.3%
Debt Service & Lease Payments	1,434,247	1,468,097	97.7%	1,592,191	90.1%
Transfers To Other Funds	200,000	0	0.0%	0	0.0%
Capital (>$25,000)	4,051,113	2,257,762	179.4%	4,925,325	82.3%
Other Expenditures	6,592,835	6,257,192	105.4%	7,986,154	82.6%
Total Expenditures	17,641,076	15,132,663	116.6%	22,342,664	79.0%
Total Unallocated Funds	939,026	1,914,616	49.0%	8,425	11,145.7%

Customer Service			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	2,344,511	2,100,827	11.6%
August	2,421,541	2,013,445	20.3%
September	2,270,476	2,159,651	5.1%
October	2,115,853	1,981,523	6.8%
November	1,907,893	1,718,401	11.0%
December	1,838,811	1,701,227	8.1%
January	1,780,932	1,711,478	4.1%
February	1,930,302	1,757,910	9.8%
March	1,686,400	1,630,410	3.4%
	18,296,719	16,774,872	9.1%

Customer service revenues (water, sewer, reclaimed) are over 9% higher than last year.

Water/Sewer Development Fees

City of Franklin Tennessee
Water & Sewer Development Fees
For the Nine Months Ending Tuesday, March 31, 2015

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$57,749	$41,813	138.1%	$0	0.0%
Customer Service	12,000	0	0.0%	0	0.0%
Access Fees	1,219,346	2,006,747	60.8%	0	0.0%
System Development Fees	985,517	1,386,542	71.1%	0	0.0%
Other Revenues	(45,908)	13,634	(336.7%)	0	0.0%
Total Revenues	2,228,703	3,448,735	64.6%	0	0.0%
Expenditures:					
Contractual Services	1,319	6,917	19.1%	0	0.0%
Debt Service & Lease Payments	2,149,587	2,217,124	97.0%	0	0.0%
Capital (>$25,000)	94,871	22,089	429.5%	0	0.0%
Other Expenditures	(100)	34,012	(0.3%)	0	0.0%
Total Expenditures	2,245,679	2,280,141	98.5%	0	0.0%
Total Unallocated Funds	(16,975)	1,168,594	(1.5%)	0	0.0%

Access Fees			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	23,400	249,227	-90.6%
August	45,130	123,429	-63.4%
September	484,582	304,044	59.4%
October	324,651	322,398	0.7%
November	70,075	423,339	-83.4%
December	48,277	3,736	1192.2%
January	96,127	66,862	43.8%
February	35,870	374,032	-90.4%
March	91,234	139,680	-34.7%
	1,219,346	2,006,747	-39.2%

System Development (Tap) Fees			
Month	FY 2015	FY 2014	Increase / (Decrease)
July	82,637	104,955	-21.3%
August	59,849	143,052	-58.2%
September	152,293	139,046	9.5%
October	184,297	139,108	32.5%
November	64,560	342,684	-81.2%
December	92,496	49,824	85.6%
January	145,437	101,336	43.5%
February	87,463	223,717	-60.9%
March	116,485	142,820	-18.4%
	985,517	1,386,542	-28.9%

This fund represents access and tap fees collected on new development.

On the Horizon

Finance Committee

August 13: Finance Committee

June

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				

July

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	

August

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					

CITY of FRANKLIN
2014 PROPERTY TAX COLLECTIONS
As of April 30, 2015

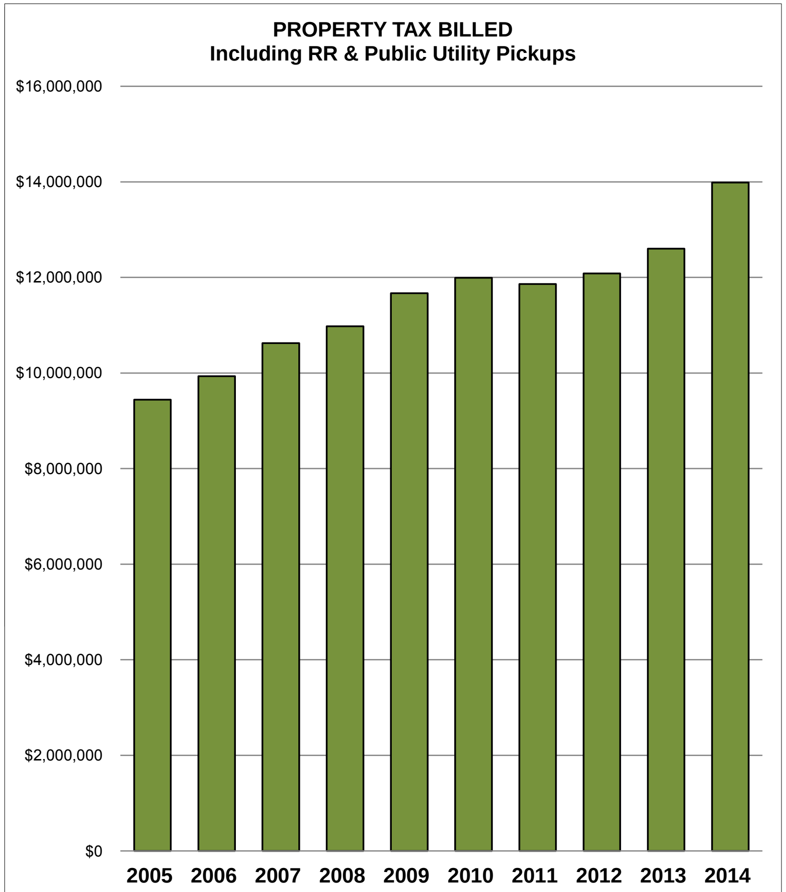
YEAR	Beginning Balance	150 Corrections	600 Refunds	400 Adjustments	100 Pickups	210 Cleanup	700 Returned Checks	200 Receipts	AR Balance
2014	$13,742,347	($410,109)	$0	$0	$653,720	$256,113	($256,113)	($13,729,303)	$256,655
2013	$12,342,702	$11,959	$0	$8	$245,638	$310,928	($310,928)	($12,530,602)	$69,705
2012	$11,902,186	($37,187)	$132,011	($167)	$219,683	$0	$154	($12,200,782)	$15,899
Prior Years (2005 - 2010)	$74,656,547	($172,926)	$837,477	($17,310)	$1,724,306	($600)	$22,114	($76,992,316)	$57,292

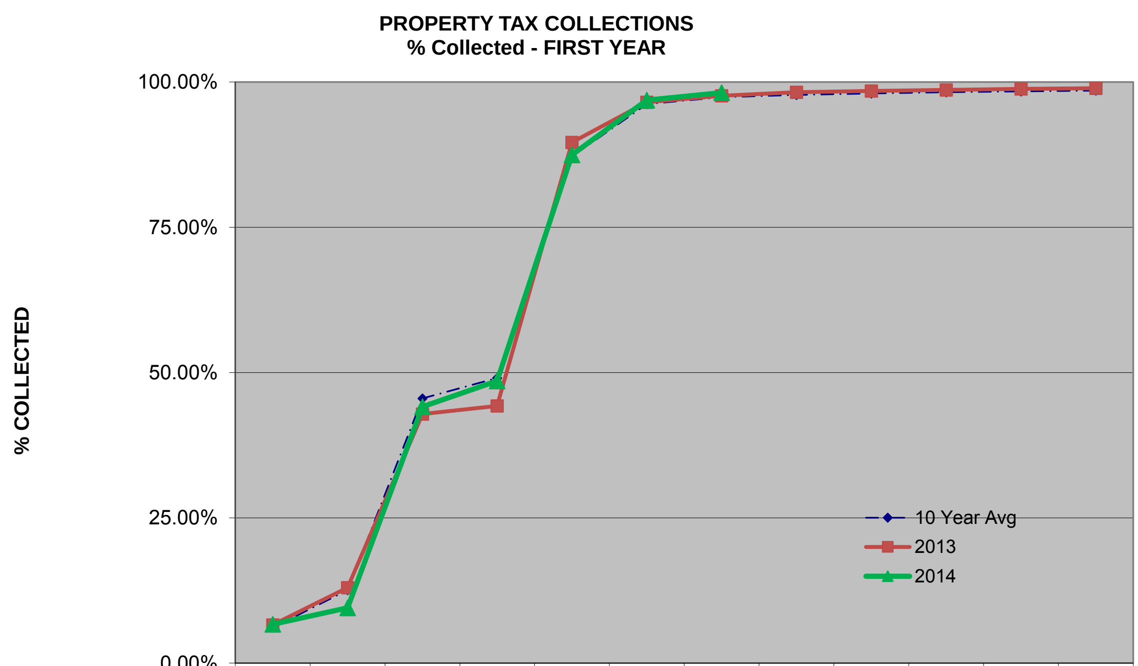
Beginning Balance does not include RR & Public Utilities added later, rollbacks & other adjustments

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

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

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





	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
10 Year Avg	6.09%	12.54%	45.55%	49.04%	87.19%	96.20%	97.38%	97.77%	98.03%	98.23%	98.40%	98.53%
2013	6.58%	12.99%	42.86%	44.24%	89.63%	96.53%	97.65%	98.24%	98.44%	98.65%	98.82%	98.93%
2014	6.67%	9.49%	44.11%	48.55%	87.46%	96.89%	98.16%					

DEVELOPMENT ACTIVITY SUMMARY
PERMITS ISSUED & FEES RECEIVED
Including Construction Valuation

From: 4/1/15-4/30/15

HISTORIC FRANKLIN TENNESSEE

BUILDING PERMITS ISSUED Includes Permit Fees & Technology Fees	# of PERMITS ISSUED	FEES RECEIVED
Residential (inc Townhomes/ Duplexes)	**492**	**$150,772**
Building Permits	107	$137,389
Electrical Permits	154	$7,050
Mechanical Permits	122	$3,982
Plumbing Permits	108	$2,070
Swimming Pool Permits	1	$281
Non-Residential (inc Multi-Family)	**198**	**$65,839**
Building Permits	29	$40,097
Electrical Permits	101	$17,675
Mechanical Permits	24	$3,678
Plumbing Permits	40	$4,053
Demolition Permits	4	$336
TOTAL PERMITS ISSUED	**690**	**$216,611**

ADDITIONAL FEES RECEIVED

Plan Review Fees	**$6,250**
Residential (inc Townhomes/ Duplexes)	$1,580
Non-Residential (inc Multi-Family)	$4,670
Reinspection Fees	**$100**
Residential (inc Townhomes/ Duplexes)	$100
Garbage Container Fees	**$6,075**
Residential (inc Townhomes/ Duplexes)	$6,075
Facilities Tax	**$361,820**
Residential (inc Townhomes/ Duplexes)	$251,711
Non-Residential (inc Multi-Family)	$110,109
Road Impact Fees	**$781,336**
Residential (inc Townhomes/ Duplexes)	$339,598
Non-Residential (inc Multi-Family)	$441,738
TOTAL ADDITIONAL FEES	**$1,155,581**

Building Permits Issued - Number of Units by Dwelling Types - New Construction

From: 4/1/15 - 4/30/15	Units
Single Family Dwellings	65
Townhomes/ Duplexes	21
Total	**86**

STORMWATER, GRADING, & UTILITY PERMITS ISSUED

From: 4/1/15-4/30/15

STORMWATER & GRADING PERMITS	# OF PERMITS ISSUED	FEES RECEIVED
Grading Permit Fees Received		$100
Grading Review Fees Received		$2,737
STORMWATER & GRADING PERMITS ISSUED:	**1**	**$2,837**

GRADING ONLY PERMITS		
		$0
GRADING ONLY PERMITS ISSUED:		**$0**

UTILITY CONSTRUCTION/ INFRASTRUCTURE PERMITS		
Utility Construction Permit Fees Received		$200
UTILITY CONSTRUCTION/ INFRASTRUCTURE PERMITS ISSUED:	**2**	**$200**

ESTIMATED VALUATION OF BUILDING PERMITS	# of PERMITS ISSUED	VALUATION
Residential		
Valuation of Construction		**$26,376,390**
New	85	$25,957,168
Addition	9	$172,393
Miscellaneous	6	$56,279
Renovation	7	$190,550
Non-Residential		
Valuation of Construction		**$19,817,648**
New	2	$10,367,545
Addition	3	$4,323,000
Interior Finish/Build-Out	13	$3,031,478
Miscellaneous	2	$212,000
Renovation	9	$1,883,625
TOTAL ESTIMATED VALUATION OF BUILDING PERMITS*		**$46,194,038**

*Includes all new residential construction (single family detached dwellings and townhomes), new non-residential construction (including multi-family dwellings), accessory buildings, additions, tenant build-out, renovations, and miscellaneous construction. Estimated Valuations (Construction Costs) are provided by Applicants on **Building** Permit Applications only.

Permit values transacted during the month do not necessarily equal dollars collected because of the timing of the payment and actual issuance of the permits.

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

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Revenues					
Revenue - Contracts	$ 0.00	$ 1,083.33	$ 7,682.00	$ 10,833.30	13,000.00
COF Transit Operating	130,878.33	130,878.33	1,297,934.19	1,308,783.30	1,570,539.96
Reimbursed to COF Transit Oper	(12,817.61)	(91,204.41)	(500,225.85)	(912,044.10)	(1,094,452.96)
Revenue - Fares Fixed Route	8,386.75	6,166.67	67,678.69	61,666.70	74,000.00
Revenue - Transit Fares; HT	0.00	0.00	15,984.00	13,600.00	13,600.00
Revenue - Building & EquipRent	800.00	800.00	8,100.00	8,000.00	9,700.00
Revenue - Transit-Interest	383.31	833.33	3,007.39	8,333.30	10,000.00
Revenue - Sale of Surpls Asset	0.00	0.00	0.00	0.00	7,500.00
Revenue - Operating Assistance	0.00	0.00	0.00	0.00	249,515.00
State New Freedoms	0.00	623.92	13,373.67	6,239.20	7,487.00
State 5307 Routematch	0.00	167.75	0.00	1,677.50	2,013.00
State 5307 Cap. Cost. Contract	0.00	5,163.25	32,931.73	51,632.50	61,959.00
State 5309 Rent Assistance	0.00	335.50	2,765.50	3,355.00	4,026.00
Federal New Freedoms	0.00	2,911.58	26,749.00	29,115.80	34,939.00
Feder 5307 Preventative Mainte	0.00	3,945.50	0.00	39,455.00	47,346.00
Federal 5307 Routematch	0.00	1,342.00	0.00	13,420.00	16,104.00
Feder 5307 Cap. Cost. Contract	0.00	35,416.67	263,454.00	354,166.70	425,000.00
Federal 5309 Rent Assistance	0.00	2,684.00	22,126.00	26,840.00	32,208.00
Total Revenues	127,630.78	101,147.42	1,261,560.32	1,025,074.20	1,484,484.00
Direct Cost of Program					
Salaries	39,150.95	38,508.34	458,781.99	389,733.43	466,750.00
Employer Taxes and Benefits	15,510.60	14,649.85	166,001.07	147,450.50	176,750.00
Professional Services	1,803.50	1,687.50	21,787.95	16,875.00	20,250.00
Transit Bldg/Oper. Maintenance	210.00	1,027.00	15,758.74	14,546.00	16,600.00
Transit Maintenance	6,345.24	7,833.34	57,465.10	78,333.40	94,000.00
Transit Center Cleaning	422.00	375.00	4,220.00	3,750.00	4,500.00
Transit Security	0.00	0.00	19.30	0.00	0.00
Education/Community Outreach	0.00	833.33	379.38	8,333.30	10,000.00
Marketing/Web (G&A)	0.00	0.00	22.32	0.00	0.00
Promotional Products	0.00	500.00	3,363.68	5,000.00	6,000.00
Print Advertising	462.50	1,250.00	8,499.94	12,500.00	15,000.00
Print Advertising HT	0.00	0.00	600.00	0.00	0.00
Radio Advertising/Web	(650.00)	750.00	3,674.59	7,500.00	9,000.00
Radio Advertising/Web HT	0.00	0.00	600.00	0.00	0.00
Printed Brochures & Pieces	3,384.00	687.50	5,853.10	6,875.00	8,250.00
Legal Fees	0.00	208.33	0.00	2,083.30	2,500.00
Transit-DAM Compliance	131.00	291.67	1,761.50	2,916.70	3,500.00
Transit Fuel	6,449.77	12,499.99	75,933.05	124,999.90	150,000.00
Supplies	204.98	958.33	7,316.09	9,583.30	11,500.00
Transit Maint. Fac - Utilities	1,469.56	1,333.33	15,802.86	13,333.30	16,000.00
Radio Communications	906.57	416.67	6,295.73	4,166.70	5,000.00
Trolley Insurance	6,306.63	5,133.33	58,184.87	51,333.30	61,600.00
Transit General Liability	379.05	741.67	3,777.74	7,416.70	8,900.00
Payouts for Insured Liab Damag	0.00	0.00	506.50	0.00	0.00
Recov. for Liab. & Dmge Settle	0.00	0.00	(2,540.40)	0.00	0.00
Errors & Omissions Liability	572.38	541.67	5,566.28	5,416.70	6,500.00
Vehicle Licensing & Registrati	0.00	0.00	17.50	0.00	0.00
Dues, Subs, Tuition	538.33	720.83	4,923.63	7,208.30	8,650.00
Meetings	91.82	208.33	1,158.10	2,083.30	2,500.00
Travel and Training	151.52	416.67	3,484.93	4,166.70	5,000.00
Trolley Cleaning Supplies	562.00	41.66	1,047.00	416.60	500.00
Bank Credit Card Charges	10.00	0.00	526.79	0.00	0.00
Transit Maint. Facility-Rent	3,354.67	3,375.00	33,546.70	33,750.00	40,500.00
Depreciation - Transit Off Equ	123.25	0.00	542.90	0.00	0.00
Total Direct Cost of Program	87,890.32	94,989.34	964,878.93	959,771.43	1,149,750.00
Indirect Expenditures	(1,127.83)	29,696.67	318,882.79	296,966.70	356,360.00
Net Difference - Operations	$ 40,868.29	($ 23,538.59)	($ 22,201.40)	($ 231,663.93)	(21,626.00)

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

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Planning					
Federal 5307 Planning	$ 2,606.00	$ 7,208.33	$ 43,656.00	$ 72,083.30	86,500.00
State 5307 Planning	325.78	901.08	5,462.89	9,010.80	10,813.00
COF Planning Cost Share	325.77	901.08	5,462.88	9,010.80	10,813.00
Total Planning Revenues	3,257.55	9,010.49	54,581.77	90,104.90	108,126.00
Planning Costs					
Planning/Transit	3,286.75	7,208.33	54,657.79	72,083.30	86,500.00
Net Difference - Planning	($ 29.20)	$ 1,802.16	($ 76.02)	$ 18,021.60	21,626.00
Equipment					
Federal 5307 Capital Expenditu	$ 0.00	$ 0.00	$ 45,012.00	$ 50,000.00	100,000.00
State 5307 Capital Expenditure	0.00	0.00	5,541.50	6,250.00	12,500.00
COF Capital Cost Share	0.00	0.00	5,711.50	6,250.00	12,500.00
Total Equipment Revenues	0.00	0.00	56,265.00	62,500.00	125,000.00
Equipment Costs					
Equipment - Transit	0.00	0.00	56,265.00	62,500.00	125,000.00
Net Difference - Equipment	$ 0.00	$ 0.00	$ 0.00	$ 0.00	0.00

GOVERNMENT PORTFOLIO ADVISORS

Monthly Report

Account | **4/30/2015**

City of Franklin

Table of Contents

MONTH END COMMENTARY APRIL 2015

Treasury yields increased in April except for the one year and shorter part of the curve. Yields rose in general because of stronger than anticipated economic data and new sentiment that the Fed may raise rates in 2015.

FOMC: As expected, the FOMC offered no changes to its zero interest rate policy. All calendar references were deleted completely from the post-meeting statement. The committee noted some progress in the economy, slow as it may be. The statement acknowledged that growth "slowed during the winter months," though calling the factors leading to the slowdown "transitory." "Growth in household spending declined; households' real incomes rose strongly, partly reflecting earlier declines in energy prices, and consumer sentiment remains high," the FOMC said. The consensus is that the Fed is still on its course of tightening, though the timing remains a question.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by only 126,000 in March, down from a revised 264,000 (from 295,000) in February. The consensus expected nonfarm payrolls to increase by 250,000. Private payrolls increased by 129,000 down from a revised 264,000 (from 288,000) in February. This was the first time jobs growth did not exceed 20,000 since February 2014, and it was the smallest increase since 109,000 jobs were added in December 2013. The unemployment rate remained the same at 5.5% and the number of unemployed persons was little changed at 8.6 million. Over the year, the unemployment rate and the number of unemployed persons were down by 1.1% and 1.8 million, respectively.

Other Economic Data: Jobless claims dropped to a 15-year low last week and consumer spending rose, both signs that the economy is gaining momentum after slowing in the first quarter. Wages also increased during the quarter.

Asset Class Performance: Commodities were the big winner with oil leading the way with a 24.8% gain. U.S. Bonds and Real Estate investment trusts had negative returns. The Dow Jones returned a positive .45%.

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

3month bill	.025
1 year note	.30
2 year note	.92
3 year note	1.52
5 year note	3.35

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	.04%	1.45
BAML 0-5 Year Treasury	.03%	2.20

*Source: Bloomberg

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

	04/30/14	03/31/15	04/30/15	Change in April	Change from Prior Year
3month bill	.03	.02	.005	-.015	-.025
6month bill	.05	.10	.04	-.06	-.01
2 year note	.41	.54	.57	+.03	+.16
3 year note	.85	.85	.90	+.05	+.05
5 year note	1.68	1.32	1.43	+.11	-.25
10 year	2.65	1.92	2.03	+.11	-.62

* Source: Bloomberg

Account Summary

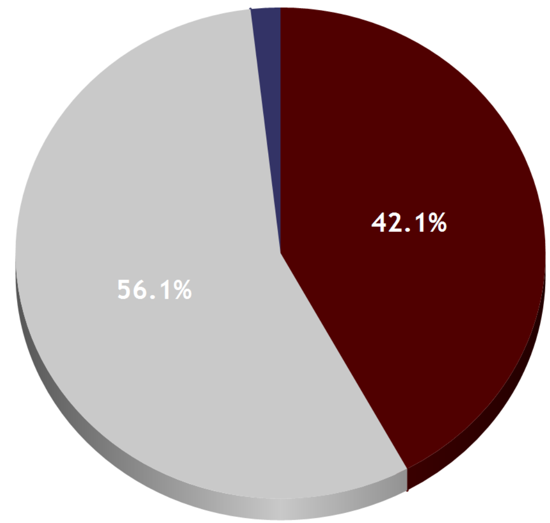
City of Franklin

4/30/2015

Weighted Averages

Book Yield	0.70
Maturity	1.30
Coupon	0.68
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	17,823,993.41
Market Value	17,880,300.91
Amortized Book Value	17,822,236.11
Unrealized Gain/Loss	58,064.80
Estimated Annual Cash Flow	121,282.40

Security Type	Market Value	% Assets
US Agency (USD)	7,522,127.50	42.1
US Treasury (USD)	10,034,180.00	56.1
Money Market Bank Deposits (USD)	323,993.41	1.8
Fixed Income Total	**17,880,300.91**	**100.0**

City of Franklin

Total Return Report

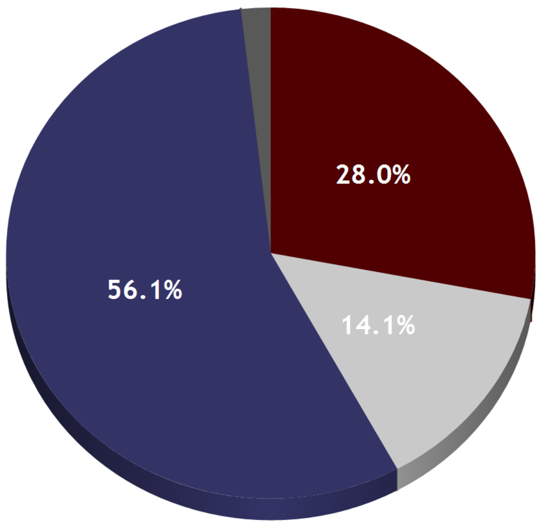
Net of Accrued Fees | US Dollar 3/31/2015 - 4/30/2015

Total Return for Period

	Since 3/31/2015
Beginning Principal Value	**17,880,643.21**
Beginning Accrued Interest	27,940.13
Net Contributions/Withdrawals	-1,250.00
Market Value Change	-6,907.50
Interest Earnings	9,911.63
Ending Principal Value	**17,880,300.91**
Ending Accrued Interest	30,036.56
Net Total Return	**920.80**

Management Fees Paid By Client	-2,083.33

Portfolio Allocation



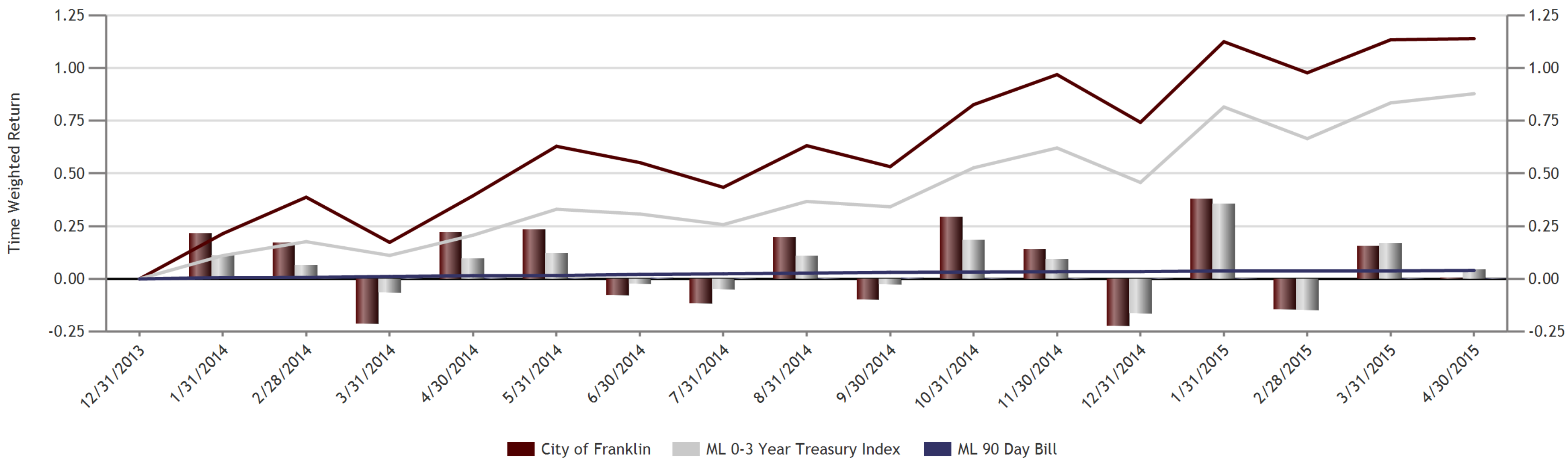
Issuer	Market Value	% Assets	Book Yield
FEDERAL HOME LOAN BANKS	5,008,132.50	28.0	0.6
FEDERAL HOME LN MTG CORP	2,513,995.00	14.1	1.0
UNITED STATES TREAS NTS	10,034,180.00	56.1	0.7
FIFTH THIRD BK CINCINNATI STN	323,993.41	1.8	0.0
Total	**17,880,300.91**	**100.0**	**0.7**

Performance History Inception (12/31/2013) to Date

Portfolio	Month To Date	Quarter To Date	Year To Date	Inception To Date
Account	**0.01**	**0.01**	**0.39**	**1.14**

Index				
ML 0-3 Year Treasury Index	0.04	0.04	0.42	0.88
ML 90 Day Bill	0.00	0.00	0.01	0.04

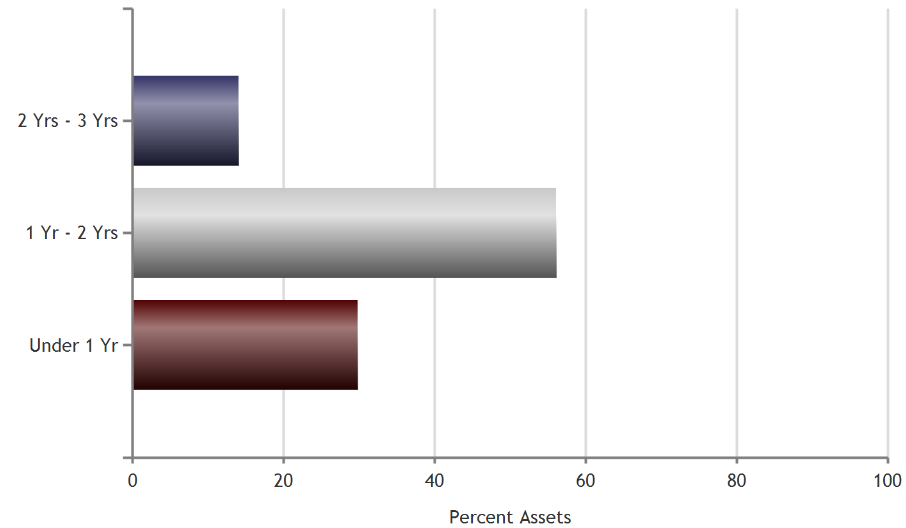
Time Weighted Return Inception (12/31/2013) to Date



Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	3	5,332,125.91	29.8	0.1	0.517%	0.4
1 Yr - 2 Yrs	4	10,034,180.00	56.1	0.5	0.688%	1.5
2 Yrs - 3 Yrs	1	2,513,995.00	14.1	0.7	1.000%	2.2

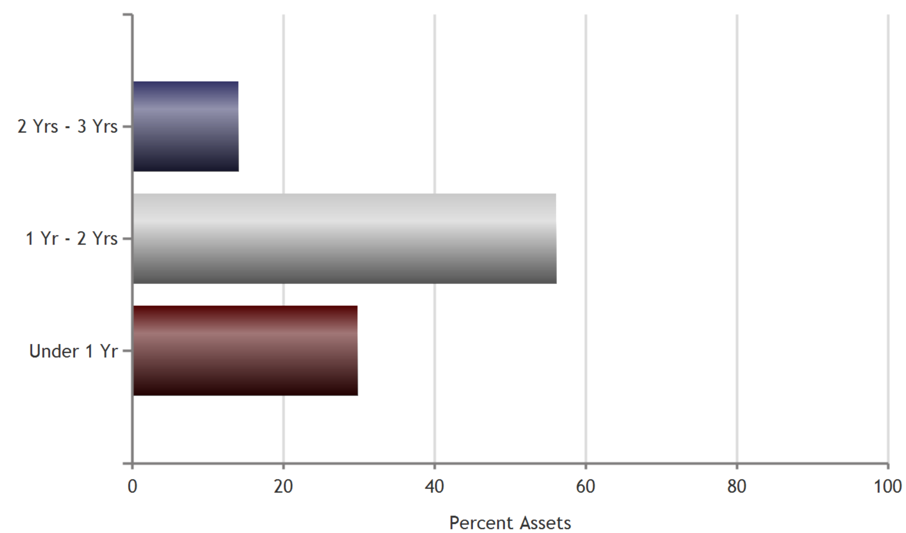
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	3	5,332,125.91	29.8	0.1	0.517%	0.4
1 Yr - 2 Yrs	4	10,034,180.00	56.1	0.5	0.688%	1.5
2 Yrs - 3 Yrs	1	2,513,995.00	14.1	0.7	1.000%	2.2

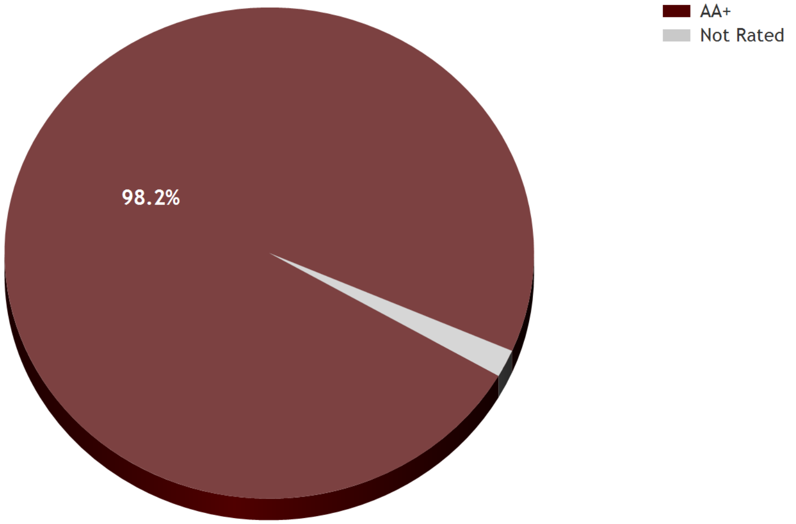
Distribution by Duration



Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	7	17,556,307.50	98.2	0.7	0.693%	2.8
Not Rated	1	323,993.41	1.8	0.0	0.010%	0.4

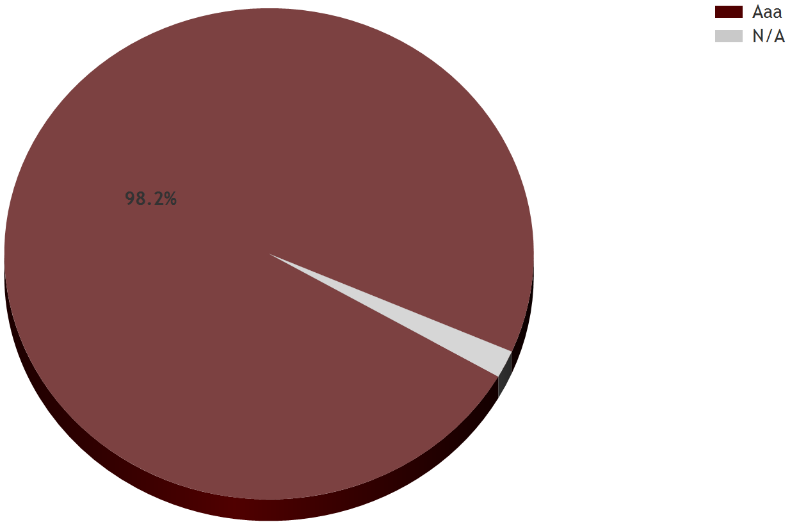
Distribution by S&P Rating

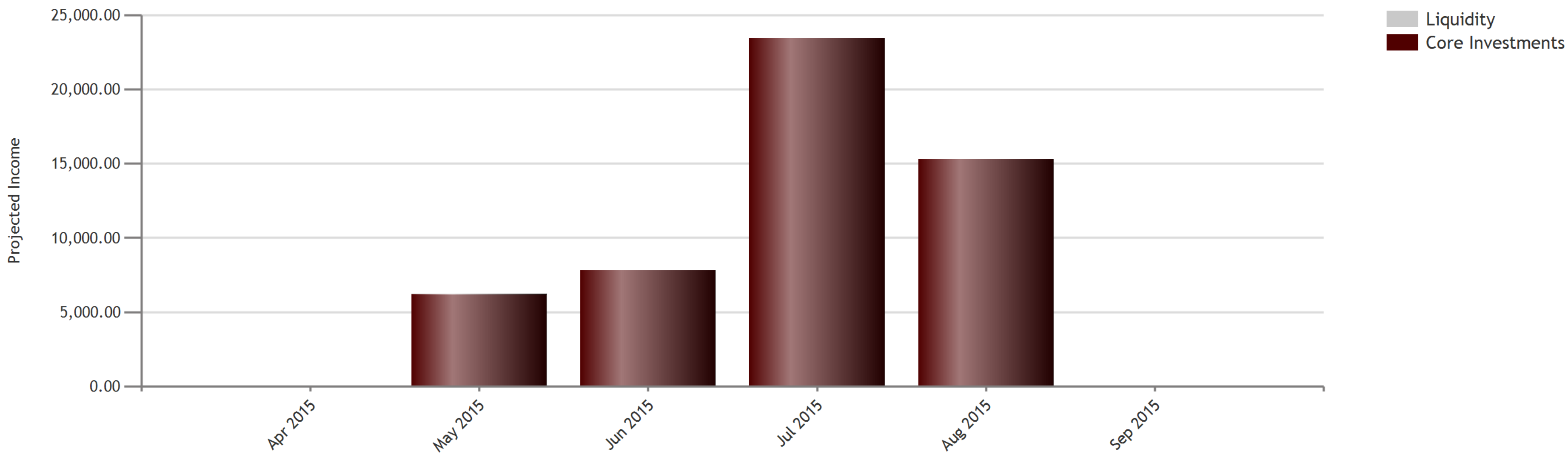


Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	7	17,556,307.50	98.2	0.7	0.693%	2.8
N/A	1	323,993.41	1.8	0.0	0.010%	0.4

Distribution by Moody Rating





	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	
Core Investments	0.00	6,250.00	7,812.50	23,437.50	15,312.50	0.00	
US Agency (USD)	0.00	6,250.00	0.00	12,500.00	7,500.00	0.00	
US Treasury (USD)	0.00	0.00	7,812.50	10,937.50	7,812.50	0.00	
Liquidity	0.00	2.70	0.00	0.00	0.00	0.00	
Money Market Bank Deposits (USD)	0.00	2.70	0.00	0.00	0.00	0.00	
Total	**0.00**	**6,252.70**	**7,812.50**	**23,437.50**	**15,312.50**	**0.00**	
Grand Total							**52,815.20**

Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Adj Unit Cost	Adjusted Total Cost
4/15/2015	4/15/2015	7,813	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 05-27-15	100.00	7,812.50
Total Purchases						**7,812.50**

Interest

Trade Date	Settle Date	Symbol	Security	Amount
4/1/2015	4/1/2015	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 05-27-15	2.70
4/15/2015	4/15/2015	912828WA4	UNITED STATES TREAS NTS 0.625% Due 10-15-16	7,812.50
Total Interest				**7,815.20**

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
4/22/2015	4/22/2015	fees	exusfees	1,250.00
4/30/2015	4/30/2015	manfee	Management Fee	2,083.33
Total Expenses				**3,333.33**

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
4/1/2015	4/1/2015	3	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 05-27-15	100.00	2.70
Total Contributions						**2.70**

Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
4/22/2015	4/22/2015	1,250	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 05-27-15	100.00	1,250.00
Total Withdrawals						**1,250.00**

Portfolio Summary

April 30, 2015

Portfolio Name	Par Amount	Total Original Cost	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Mod Dur	Eff Dur	Bench Dur	Benchmark
City of Franklin	17,823,993	17,816,160.29	17,822,236.11	17,880,300.91	58,064.80	0.70	1.29	1.29	1.45	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	**17,823,993**	**17,816,160.29**	**17,822,236.11**	**17,880,300.91**	**58,064.80**	**0.70**	**1.29**	**1.29**	**1.45**	

Portfolio Holdings

City of Franklin

April 30, 2015

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
US Treasury															
912828VR8	2,500,000	UNITED STATES TREAS NTS 0.625% Due 08-15-16		03-27-14	100.00	0.62	100.3047	0.39	2,507,617.50	3,194.06	2,510,811.56	7,564.47	14.0	1.29	1.29
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.89	0.70	100.2578	0.45	2,506,445.00	640.37	2,507,085.37	9,242.89	14.0	1.45	1.45
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	99.98	0.64	100.2031	0.50	2,505,077.50	5,837.91	2,510,915.41	5,555.69	14.0	1.61	1.62
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.05	0.84	100.6016	0.53	2,515,040.00	5,378.11	2,520,418.11	13,714.06	14.1	1.74	1.74
	10,000,000					0.70		0.47	10,034,180.00	15,050.45	10,049,230.45	36,077.11	56.1	1.52	1.52
US Agency Bullet															
313378CN9	2,500,000	FEDERAL HOME LOAN BANKS 0.600% Due 08-17-15		03-12-12	99.98	0.66	100.1391	0.13	2,503,477.50	3,041.67	2,506,519.17	3,891.06	14.0	0.30	0.30
313380L96	2,500,000	FEDERAL HOME LOAN BANKS 0.500% Due 11-20-15		07-11-13	99.99	0.51	100.1862	0.16	2,504,655.00	5,555.56	2,510,210.56	4,795.50	14.0	0.55	0.55
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.03	0.99	100.5598	0.75	2,513,995.00	6,388.89	2,520,383.89	13,301.14	14.1	2.21	2.22
	7,500,000					0.72		0.35	7,522,127.50	14,986.11	7,537,113.61	21,987.70	42.1	1.02	1.02
Money Market Fund															
0000FIFTH	323,993	FIFTH THIRD BANK MMF 0.010% Due 05-27-15		12-31-14	100.00	0.01	100.0000	0.01	323,993.41	0.00	323,993.41	0.00	1.8	0.07	0.01
TOTAL	**17,823,993**					**0.70**		**0.41**	**17,880,300.91**	**30,036.56**	**17,910,337.47**	**58,064.80**	**100.0**	**1.29**	**1.29**

MASTER EARNED INCOME REPORT

From 03-31-15 To 04-30-15

Name	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
City of Franklin	27,940.13	0.00	0.00	-7,815.20	30,036.56	9,911.63	226.88	10,138.51
TOTAL	**27,940.13**	**0.00**	**0.00**	**-7,815.20**	**30,036.56**	**9,911.63**	**226.88**	**10,138.51**

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

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

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

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

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

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

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

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

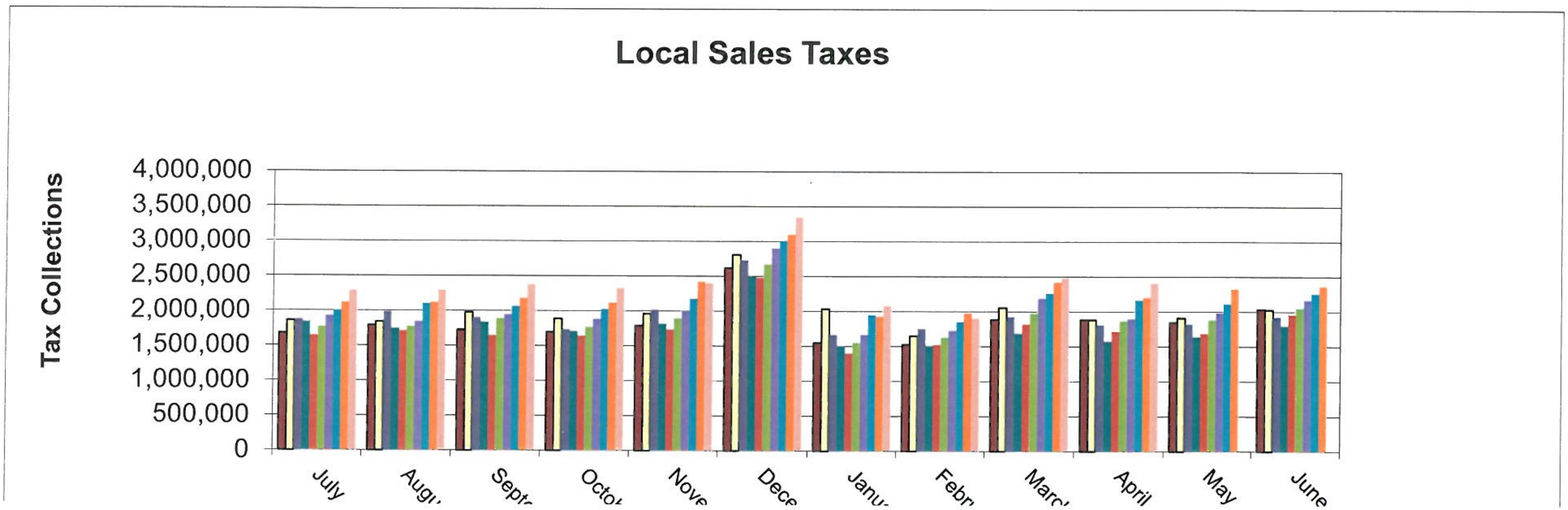
Benchmark Duration:
The benchmark duration is the historical weighted average of the benchmark duration over monthly periods. GPA is reporting this number as a static amount period over period.

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

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

Local Sales Tax Revenue Comparison

Month	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	% over prior yr	$ over prior yr
July	1,676,862	1,857,805	1,876,318	1,842,160	1,646,449	1,769,523	1,925,395	2,003,719	2,113,374	2,288,457	8.3%	175,083
August	1,788,477	1,837,563	1,985,123	1,747,507	1,711,487	1,774,021	1,843,928	2,101,518	2,115,836	2,296,081	8.5%	180,245
September	1,724,983	1,977,557	1,900,808	1,834,296	1,645,241	1,888,809	1,946,970	2,065,402	2,178,174	2,374,572	9.0%	196,399
October	1,695,501	1,887,613	1,734,361	1,707,123	1,639,767	1,767,404	1,881,099	2,026,865	2,117,978	2,327,025	9.9%	209,047
November	1,787,276	1,960,370	2,018,105	1,816,125	1,736,146	1,892,149	1,998,723	2,176,371	2,419,578	2,399,941	-0.8%	-19,637
December	2,617,849	2,806,905	2,730,286	2,491,017	2,479,640	2,670,491	2,902,675	3,012,759	3,097,595	3,345,841	8.0%	248,246
January	1,544,557	2,034,121	1,664,281	1,502,087	1,401,398	1,552,324	1,664,281	1,948,752	1,926,687	2,079,073	7.9%	152,385
February	1,526,301	1,649,397	1,752,131	1,507,868	1,521,898	1,628,745	1,729,002	1,856,748	1,973,541	1,900,629	-3.7%	-72,913
March	1,880,654	2,054,793	1,925,296	1,688,794	1,819,095	1,979,080	2,191,405	2,265,006	2,421,918	2,479,918	2.4%	58,000
April	1,883,777	1,885,024	1,812,244	1,572,824	1,719,674	1,866,180	1,897,741	2,168,372	2,201,566	2,410,499	9.5%	208,932
May	1,846,229	1,909,074	1,824,127	1,642,271	1,686,756	1,884,275	1,989,477	2,109,923	2,323,975	0		
June	2,033,237	2,025,044	1,926,353	1,800,044	1,961,270	2,047,664	2,168,095	2,260,297	2,364,520	0		
Total	**22,005,703**	**23,885,264**	**23,149,433**	**21,152,117**	**20,968,821**	**22,720,667**	**24,138,792**	**25,995,732**	**27,254,742**	**23,902,034**	**22,566,247**	**1,335,787**
Budgeted												
	Up 11.2%	Up 8.5%	Down -3.1%	*Down* -8.6%	*Down* -0.9%	*year to date* 8.4%	*year to date* 6.2%	*year to date* 7.7%	*year to date* 4.8%	*year to date* 5.9%	*last yr YTD* 22,566,247	*YTD difference*



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

MEMORANDUM

June 11, 2015

TO: Eric Stuckey, City Administrator

FROM: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for June was $2,410,499 compared to $2,201,566 for the same month in 2014, an increase of $208,932, or 9.5%. [The June remittance is for sales tax collected during the month of April, representing the tenth month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 9.1% from the prior year.

Year-to-date, the City has received $23.90 million compared to $22.56 million in the previous year, a difference of $1,335,787 or 5.9%. The State of Tennessee sales tax collections, year-to-date, are $6.34 billion compared to $5.98 billion in the prior year, a difference of $356.0 million or 5.9%.

For budget comparisons, the City anticipated collections of $23.84 million through ten months of the fiscal year. Through April, the City is $56,352, or 0.2%, above budgeted collections. As a further comparison, the April collection of $1.90 million compares to $1.92 million in 2008, $1.68 million in 2009, $1.81 million in 2010, $1.97 million in 2011, $2.19 million in 2012 and $2.26 million in 2013.

The local sales tax collections have increased year-over-year in 60 of the last 63 months reported.

TENNESSEE DEPARTMENT OF REVENUE

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

June 8, 2015

Month of: MAY
Tot. Collections: $8,248,832.78
Cost of Admin: $92,799.37
Net Collections: $8,156,033.41

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

COUNTY/CITY NAME	TOTAL COLLECTIONS	LESS ADMIN. COSTS	NET COLLECTIONS
WILLIAMSON COUNTY	$257,506.88	$2,896.95	$254,609.93
FRANKLIN	$4,925,101.38	$55,407.39	$4,869,693.99
FAIRVIEW	$210,343.93	$2,366.37	$207,977.56
BRENTWOOD	$2,324,620.26	$26,151.98	$2,298,468.28
SPRING HILL	$351,196.28	$3,950.96	$347,245.32
THOMPSON STATION	$116,322.36	$1,308.63	$115,013.73
NOLENSVILLE	$63,741.69	$717.09	$63,024.60

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

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

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

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

LARRY B. MARTIN
COMMISSIONER

FOR IMMEDIATE RELEASE
WEDNESDAY, JUNE 10. 2015

CONTACT: DAVID THURMAN
615-741-4806

MAY REVENUES

NASHVILLE, Tenn. – Tennessee revenue collections exceeded budgeted expectations in May. Finance and Administration Commissioner Larry Martin reported today that overall May revenues were $974.1 million, which is $50.5 million more than the state budgeted. May sales tax collections reflect business activity that occurred in April.

"May collections recorded significant gains in sales tax revenues as well as corporate tax payments," Martin said. "All other taxes, in total, showed marked improvement over collections of one year ago and were more than the budgeted estimates for May," Martin said.

On an accrual basis, May is the tenth month in the 2014-2015 fiscal year.

The general fund was over collected by $48.5 million, and the four other funds were over collected by $2.0 million.

Sales tax collections were $20.5 million more than the budgeted estimate for May. The May growth rate was 9.06%. For ten months revenues are over collected by $150.5 million. The year-to-date growth rate for ten months was 5.94%.

Franchise and excise taxes combined were $16.1 million more than the budgeted estimate of $50.3 million. For ten months, revenues are $261.5 million more than the budgeted estimate and the growth rate is 21.20%, due in large part to two significant one-time tax payments. Without these two non-recurring payments the growth over last year is approximately 11%.

Inheritance and estate tax collections were $0.8 million less than the May estimate. For ten months collections are $13.7 million more than the budgeted estimate.

Privilege tax collections were $8.5 million more than the May budgeted estimate, and for ten months collections are $9.9 million more than the budgeted estimate.

Hall income tax collections for May were $2.4 million more than the budgeted estimate. Year-to-date collections for ten months are $38.0 million more than the budgeted estimate.

Gasoline and motor fuel collections for May decreased by 0.77% and were $1.3 million more than the budgeted estimate. For ten months revenues are positive 2.30% and $15.4 million more than the budgeted estimate of $690.3 million.

Business tax collections were $3.4 million more than the May estimate, and year-to-date collections for ten months are $4.8 million less than the budgeted estimate.

Tobacco tax collections were $0.5 million less than the budgeted estimate of $21.7 million. For ten months revenues are under collected in the amount of $5.2 million.

All other taxes in total were $0.4 million less than the budgeted estimates for May.

Year-to-date collections for ten months were $494.8 million more than the budgeted estimate. The general fund was over collected by $451.6 million and the four other funds were over collected by $43.2 million.

The budgeted revenue estimates for 2014-2015 are based on the State Funding Board's consensus recommendation of December 17th, 2013, and adopted by the second session of the 108th General Assembly in April 2014. They are available on the state's website at http://www.tn.gov/finance/bud/Revenues.shtml.

The Funding Board met on December 11, 2014, to hear updated revenue projections from the state's various economists. The board met again on December 16 and adopted revised revenue ranges for 2014-2015. The revised ranges assume an over collection from the July 2014 budgeted estimate in the amount of $32.3 million to $73.4 million in total taxes. The revised ranges for the general fund recognize a negative growth in the amount of $6.6 million up to a positive growth of $27.5 million for the current fiscal year.

Table 1
Revenue Collections by Fund
May
2014-2015

Fund	2015 Actual	2015 Budgeted	2015 B/(W)	2015 Percent	2014 Actual	2015 B/(W)	2015 Percent
General Fund	$808,262,000	$759,727,000	$48,535,000	6.39%	$712,249,000	$96,013,000	13.48%
Highway Fund	58,903,000	60,599,000	(1,696,000)	-2.80%	58,413,000	490,000	0.84%
Sinking Fund	31,323,000	31,188,000	135,000	0.43%	34,213,000	(2,890,000)	-8.45%
City & County Fund	72,044,000	68,525,000	3,519,000	5.14%	70,786,000	1,258,000	1.78%
Earmarked Fund	3,584,000	3,583,000	1,000	0.03%	2,900,000	684,000	23.59%
Total	**$974,116,000**	**$923,622,000**	**$50,494,000**	**5.47%**	**$878,561,000**	**$95,555,000**	**10.88%**

Revenue Collections by Tax
May
2014-2015

Tax Source	2015 Actual	2015 Budgeted	2015 B/(W)	2015 Percent	2014 Actual	2015 B/(W)	2015 Percent
Franchise & Excise	$66,387,000	$50,300,000	$16,087,000	31.98%	$46,509,000	$19,878,000	42.74%
Income	8,919,000	6,493,000	2,426,000	37.36%	6,420,000	2,499,000	38.93%
Inheritance & Estate	4,618,000	5,457,000	(839,000)	-15.37%	8,188,000	(3,570,000)	-43.60%
Gasoline	53,049,000	52,915,000	134,000	0.25%	55,012,000	(1,963,000)	-3.57%
Petroleum Special	5,420,000	5,400,000	20,000	0.37%	5,602,000	(182,000)	-3.25%
Tobacco	21,157,000	21,676,000	(519,000)	-2.39%	21,563,000	(406,000)	-1.88%
Beer	1,877,000	1,729,000	148,000	8.56%	1,523,000	354,000	23.24%
Motor Vehicle Registration	20,813,000	23,661,000	(2,848,000)	-12.04%	20,677,000	136,000	0.66%
Motor Vehicle Title	1,114,000	1,174,000	(60,000)	-5.11%	1,020,000	94,000	9.22%
Mixed Drink	7,785,000	6,804,000	981,000	14.42%	6,651,000	1,134,000	17.05%
Business	26,891,000	23,511,000	3,380,000	14.38%	20,888,000	6,003,000	28.74%
Privilege	64,144,000	55,630,000	8,514,000	15.30%	49,050,000	15,094,000	30.77%
Gross Receipts	85,000	178,000	(93,000)	-52.25%	90,000	(5,000)	-5.56%
TVA - In Lieu of Tax Payments	28,623,000	27,200,000	1,423,000	5.23%	27,076,000	1,547,000	5.71%
Alcoholic Beverage	5,091,000	4,918,000	173,000	3.52%	5,123,000	(32,000)	-0.62%
Sales and Use	643,705,000	623,254,000	20,451,000	3.28%	590,248,000	53,457,000	9.06%
Motor Vehicle Fuel	14,256,000	13,108,000	1,148,000	8.76%	12,679,000	1,577,000	12.44%
Severance	173,000	214,000	(41,000)	-19.16%	236,000	(63,000)	-26.69%
Coin-operated Amusement	9,000	0	9,000	NA	6,000	3,000	50.00%
Unauthorized Substance	0	0	0	NA	0	0	NA
Total	**$974,116,000**	**$923,622,000**	**$50,494,000**	**5.47%**	**$878,561,000**	**$95,555,000**	**10.88%**

Table 2
Revenue Collections by Fund
Year-to-Date
August - May
2014-2015

Fund	2014 - 2015 Actual	2014 - 2015 Budgeted	2014 - 2015 B/(W)	2014 - 2015 Percent	2013-2014 Actual	2014-2015 B/(W)	2014-2015 Percent
General Fund	$8,733,865,000	$8,282,315,000	$451,550,000	5.45%	$7,974,440,000	$759,425,000	9.52%
Highway Fund	582,773,000	584,035,000	(1,262,000)	-0.22%	565,921,000	16,852,000	2.98%
Sinking Fund	312,338,000	311,242,000	1,096,000	0.35%	342,734,000	(30,396,000)	-8.87%
City & County Fund	812,453,000	769,059,000	43,394,000	5.64%	759,070,000	53,383,000	7.03%
Earmarked Fund	35,833,000	35,833,000	0	0.00%	29,000,000	6,833,000	23.56%
Total	**$10,477,262,000**	**$9,982,484,000**	**$494,778,000**	**4.96%**	**$9,671,165,000**	**$806,097,000**	**8.34%**

Revenue Collections by Tax
Year-to-Date
August - May
2014-2015

Tax Source	2014 - 2015 Actual	2014 - 2015 Budgeted	2014 - 2015 B/(W)	2014 - 2015 Percent	2013-2014 Actual	2014-2015 B/(W)	2014-2015 Percent
Franchise & Excise	$1,766,845,000	$1,505,299,000	$261,546,000	17.38%	$1,457,812,000	$309,033,000	21.20%
Income	298,419,000	260,454,000	37,965,000	14.58%	235,698,000	62,721,000	26.61%
Inheritance & Estate	71,479,000	57,800,000	13,679,000	23.67%	90,540,000	(19,061,000)	-21.05%
Gasoline	515,450,000	504,308,000	11,142,000	2.21%	505,267,000	10,183,000	2.02%
Petroleum Special	53,120,000	52,411,000	709,000	1.35%	51,900,000	1,220,000	2.35%
Tobacco	215,791,000	221,023,000	(5,232,000)	-2.37%	215,948,000	(157,000)	-0.07%
Beer	14,622,000	15,031,000	(409,000)	-2.72%	14,418,000	204,000	1.41%
Motor Vehicle Registration	217,694,000	219,950,000	(2,256,000)	-1.03%	215,661,000	2,033,000	0.94%
Motor Vehicle Title	9,863,000	10,055,000	(192,000)	-1.91%	9,870,000	(7,000)	-0.07%
Mixed Drink	70,160,000	62,805,000	7,355,000	11.71%	62,078,000	8,082,000	13.02%
Business	136,882,000	141,729,000	(4,847,000)	-3.42%	122,086,000	14,796,000	12.12%
Privilege	271,443,000	261,585,000	9,858,000	3.77%	229,321,000	42,122,000	18.37%
Gross Receipts	13,502,000	14,636,000	(1,134,000)	-7.75%	12,236,000	1,266,000	10.35%
TVA - In Lieu of Tax Payments	289,808,000	277,700,000	12,108,000	4.36%	277,953,000	11,855,000	4.27%
Alcoholic Beverage	47,505,000	46,801,000	704,000	1.50%	45,840,000	1,665,000	3.63%
Sales and Use	6,345,566,000	6,195,079,000	150,487,000	2.43%	5,989,549,000	356,017,000	5.94%
Motor Vehicle Fuel	137,140,000	133,546,000	3,594,000	2.69%	132,702,000	4,438,000	3.34%
Severance	1,869,000	2,272,000	(403,000)	-17.74%	2,111,000	(242,000)	-11.46%
Coin-operated Amusement	103,000	0	103,000	NA	155,000	(52,000)	-33.55%
Unauthorized Substance	1,000	0	1,000	NA	20,000	(19,000)	NA
Total	**$10,477,262,000**	**$9,982,484,000**	**$494,778,000**	**4.96%**	**$9,671,165,000**	**$806,097,000**	**8.34%**

DEVELOPMENT ACTIVITY SUMMARY
PERMITS ISSUED & FEES RECEIVED
Including Construction Valuation

From: 5/1/15-5/31/15

HISTORIC FRANKLIN TENNESSEE

BUILDING PERMITS ISSUED Includes Permit Fees & Technology Fees	# of PERMITS ISSUED	FEES RECEIVED
Residential (inc Townhomes/ Duplexes)	**483**	**$127,418**
Building Permits	97	$114,315
Electrical Permits	157	$7,024
Mechanical Permits	132	$3,061
Plumbing Permits	90	$1,666
Swimming Pool Permits	5	$1,232
Demolition Permits	1	$60
Floodplain Permits	1	$60
Non-Residential (inc Multi-Family)	**139**	**$39,453**
Building Permits	30	$17,616
Electrical Permits	62	$12,149
Mechanical Permits	26	$6,934
Plumbing Permits	20	$2,694
Demolition Permits	1	$60
TOTAL PERMITS ISSUED	**622**	**$166,871**

ADDITIONAL FEES RECEIVED

Plan Review Fees	**$4,491**
Residential (inc Townhomes/ Duplexes)	$1,878
Non-Residential (inc Multi-Family)	$2,613
Reinspection Fees	**$100**
Residential (inc Townhomes/ Duplexes)	$100
Garbage Container Fees	**$4,350**
Residential (inc Townhomes/ Duplexes)	$4,350
Facilities Tax	**$239,009**
Residential (inc Townhomes/ Duplexes)	$210,153
Non-Residential (inc Multi-Family)	$28,856
Road Impact Fees	**$339,763**
Residential (inc Townhomes/ Duplexes)	$235,517
Non-Residential (inc Multi-Family)	$104,246
TOTAL ADDITIONAL FEES	**$587.713**

Building Permits Issued - Number of Units by Dwelling Types - New Construction

From: 5/1/15 - 5/31/15	Units
Single Family Dwellings	43
Townhomes/ Duplexes	19
Total	**62**

STORMWATER, GRADING, & UTILITY PERMITS ISSUED

From: 5/1/15-5/31/15

STORMWATER & GRADING PERMITS	# OF PERMITS ISSUED	FEES RECEIVED
Grading Permit Fees Received		$1,100
Grading Review Fees Received		$300
STORMWATER & GRADING PERMITS ISSUED:	**1**	**$1,400**

GRADING ONLY PERMITS

		$0
GRADING ONLY PERMITS ISSUED:		**$0**

UTILITY CONSTRUCTION/ INFRASTRUCTURE PERMITS

		$0
UTILITY CONSTRUCTION/ INFRASTRUCTURE PERMITS ISSUED:		**$0**

ESTIMATED VALUATION OF BUILDING PERMITS	# of PERMITS ISSUED	VALUATION
Residential		
Valuation of Construction		**$24,511,115**
New	62	$23,117,896
Accessory Building	1	$40,000
Addition	19	$1,132,804
Miscellaneous	10	$81,810
Renovation	5	$138,605
Non-Residential		
Valuation of Construction		**$6,067,620**
New	4	$3,062,731
Interior Finish/Build-Out	9	$1,308,800
Miscellaneous	4	$194,416
Renovation	12	$1,251,673
Foundation	1	$250,000

TOTAL ESTIMATED VALUATION OF BUILDING PERMITS* **$30,578,735**

*Includes all new residential construction (single family detached dwellings and townhomes), new non-residential construction (including multi-family dwellings), accessory buildings, additions, tenant build-out, renovations, and miscellaneous construction. Estimated Valuations (Construction Costs) are provided by Applicants on **Building** Permit Applications only.

Permit values transacted during the month do not necessarily equal dollars collected because of the timing of the payment and actual issuance of the permits.

Building Permits

Month	FY2015	FY2014	BUDGET	Variance from Last Year	Variance from Budget
July	82,353	95,116	94,863	(12,763)	(12,510)
August	69,863	133,605	133,250	(63,742)	(63,387)
September	127,700	79,606	79,394	48,094	48,306
October	123,191	133,091	132,737	(9,900)	(9,546)
November	94,573	113,777	113,475	(19,204)	(18,902)
December	74,673	102,609	102,336	(27,936)	(27,663)
January	117,569	91,634	91,390	25,935	26,179
February	81,060	37,955	37,854	43,105	43,206
March	139,911	82,251	82,032	57,660	57,879
April	171,524	113,765	113,463	57,759	58,061
May	153,798	148,190	147,796	5,608	6,002
June	0	212,413	211,849		
Total (year-to-date)	1,236,215	1,344,012	1,340,440	104,616	107,624
				109.2%	109.5%

* seasonality based on last year's results
110-32120

Road Impact fees

Month	FY2015	FY2014	BUDGET	Variance from Last Year	Variance from Budget
July	229,572	153,724	316,667	75,848	(87,095)
August	139,840	888,987	316,667	(749,147)	(176,827)
September	217,394	205,408	316,667	11,986	(99,273)
October	200,301	264,184	316,667	(63,883)	(116,366)
November	254,561	360,104	316,667	(105,543)	(62,106)
December	168,587	351,901	316,667	(183,314)	(148,080)
January	186,851	295,934	316,667	(109,083)	(129,816)
February	183,500	76,244	316,667	107,256	(133,167)
March	255,892	386,184	316,667	(130,292)	(60,775)
April	925,840	122,560	316,667	803,280	609,173
May	432,960	165,892	316,667	267,068	116,293
June	0	1,454,780	316,667		
Total (year-to-date)	3,195,298	4,725,902	3,800,000	(75,824)	(288,035)
				97.7%	91.7%

* seasonality not assigned; divided evenly by month

128-32800

Facilities Tax

Month	FY2015	FY2014	BUDGET	Variance from Last Year	Variance from Budget
July	174,169	188,335	308,099	(14,166)	(133,930)
August	128,599	282,956	308,099	(154,357)	(179,500)
September	155,707	172,873	308,099	(17,166)	(152,392)
October	211,229	1,182,887	308,099	(971,658)	(96,870)
November	160,556	234,251	308,099	(73,695)	(147,543)
December	203,249	188,891	308,099	14,358	(104,850)
January	177,164	189,243	308,099	(12,079)	(130,935)
February	130,798	70,242	308,099	60,556	(177,301)
March	227,269	216,615	308,099	10,654	(80,830)
April	383,594	160,708	308,099	222,886	75,495
May	256,477	309,052	308,099	(52,575)	(51,622)
June	0	652,730	308,099		
Total (year-to-date)	2,208,811	3,848,783	3,697,190	(987,242)	(1,180,280)
				69.1%	65.2%

* seasonality not assigned; divided evenly by month

130-31600

Williamson County Facilities Tax

Month	FY2015	FY2014	BUDGET	Variance from Last Year	Variance from Budget
July	83,121	71,175	69,308	11,946	13,813
August	77,682	0	30,000	77,682	47,682
September	66,808	79,159	77,083	(12,351)	(10,275)
October	75,521	179,384	145,000	(103,864)	(69,479)
November	80,039	134,240	130,719	(54,201)	(50,680)
December	77,729	55,574	54,116	22,155	23,613
January	67,795	64,112	62,430	3,683	5,365
February	83,183	68,997	67,187	14,186	15,996
March	79,939	91,280	88,886	(11,341)	(8,947)
April	96,468	102,399	99,713	(5,931)	(3,245)
May	100,933	103,705	100,985	(2,773)	(53)
June	0	76,909	74,892		
Total (year-to-date)	889,218	1,026,933	1,000,000	-60,806	-36,211
				93.6%	96.1%

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

The TMA Group
Statement of Activities
Grant 20, Franklin Transit Service
For the Eleven Months Ending May 31, 2015

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Revenues					
Revenue - Contracts	$ 900.00	$ 1,083.33	$ 8,582.00	$ 11,916.63	13,000.00
COF Transit Operating	130,878.33	130,878.33	1,428,818.32	1,439,661.63	1,570,539.96
Reimbursed to COF Transit Oper	(532,097.98)	(91,204.41)	(1,032,078.89)	(1,003,248.51)	(1,094,452.96)
Revenue - Fares Fixed Route	1,032.20	6,166.67	27,956.89	67,833.37	74,000.00
Revenue - Fares TODD	3,854.00	0.00	44,608.00	0.00	0.00
Revenue - Transit Fares; HT	0.00	0.00	15,984.00	13,600.00	13,600.00
Revenue - Building & EquipRent	800.00	800.00	8,900.00	8,800.00	9,700.00
Revenue - Transit-Interest	260.77	833.33	3,268.16	9,166.63	10,000.00
Revenue - Sale of Surpls Asset	0.00	0.00	0.00	0.00	7,500.00
Revenue - Operating Assistance	249,600.00	249,515.00	249,600.00	249,515.00	249,515.00
State New Freedoms	0.00	623.92	13,373.67	6,863.12	7,487.00
State 5307 Routematch	0.00	167.75	0.00	1,845.25	2,013.00
State 5307 Cap. Cost. Contract	19,699.47	4,427.08	52,631.20	48,697.88	53,125.00
State 5309 Rent Assistance	0.00	335.50	3,100.97	3,690.50	4,026.00
Federal New Freedoms	0.00	2,911.58	26,749.00	32,027.38	34,939.00
Feder 5307 Preventative Mainte	66,020.00	4,681.67	66,020.00	51,498.37	56,180.00
Federal 5307 Routematch	17,714.00	1,342.00	17,714.00	14,762.00	16,104.00
Feder 5307 Cap. Cost. Contract	157,596.00	35,416.67	421,050.00	389,583.37	425,000.00
Federal 5309 Rent Assistance	0.00	2,684.00	24,808.95	29,524.00	32,208.00
Total Revenues	**116,256.79**	**350,662.42**	**1,381,086.27**	**1,375,736.62**	**1,484,484.00**
Direct Cost of Program					
Salaries	64,250.57	38,508.34	523,032.56	428,241.77	466,750.00
Employer Taxes and Benefits	22,867.46	14,649.85	188,868.53	162,100.35	176,750.00
Professional Services	2,373.25	1,687.50	24,161.20	18,562.50	20,250.00
Transit Bldg/Oper. Maintenance	2,143.00	1,027.00	17,901.74	15,573.00	16,600.00
Transit Maintenance	10,207.61	7,833.34	67,672.71	86,166.74	94,000.00
Transit Center Cleaning	422.00	375.00	4,642.00	4,125.00	4,500.00
Transit Security	0.00	0.00	19.30	0.00	0.00
Education/Community Outreach	0.00	833.33	379.38	9,166.63	10,000.00
Marketing/Web (G&A)	0.00	0.00	138.32	0.00	0.00
Promotional Products	0.00	500.00	3,363.68	5,500.00	6,000.00
Print Advertising	592.00	1,250.00	9,091.94	13,750.00	15,000.00
Print Advertising HT	0.00	0.00	600.00	0.00	0.00
Radio Advertising/Web	350.00	750.00	4,024.59	8,250.00	9,000.00
Radio Advertising/Web HT	0.00	0.00	600.00	0.00	0.00
Printed Brochures & Pieces	0.00	687.50	5,853.10	7,562.50	8,250.00
Legal Fees	0.00	208.33	0.00	2,291.63	2,500.00
Transit-DAM Compliance	48.00	291.67	1,809.50	3,208.37	3,500.00
Transit Fuel	6,866.52	12,499.99	82,799.57	137,499.89	150,000.00
Supplies	800.49	958.33	8,116.58	10,541.63	11,500.00
Transit Maint. Fac - Utilities	860.61	1,333.33	16,663.47	14,666.63	16,000.00
Radio Communications	650.34	416.67	6,946.07	4,583.37	5,000.00
Trolley Insurance	6,306.63	5,133.33	64,491.50	56,466.63	61,600.00
Transit General Liability	390.58	741.67	4,168.32	8,158.37	8,900.00
Payouts for Insured Liab Damag	0.00	0.00	506.50	0.00	0.00
Recov. for Liab. & Dmge Settle	(1,977.29)	0.00	(4,517.69)	0.00	0.00
Errors & Omissions Liability	572.38	541.67	6,138.66	5,958.37	6,500.00
Vehicle Licensing & Registrati	0.00	0.00	17.50	0.00	0.00
Dues, Subs, Tuition	538.33	720.83	5,461.96	7,929.13	8,650.00
Meetings	0.00	208.33	1,158.10	2,291.63	2,500.00
Travel and Training	41.67	416.67	3,526.60	4,583.37	5,000.00
Trolley Cleaning Supplies	0.00	41.66	1,047.00	458.26	500.00
Bank Credit Card Charges	23.44	0.00	550.23	0.00	0.00
Transit Maint. Facility-Rent	3,354.67	3,375.00	36,901.37	37,125.00	40,500.00
Depreciation - Transit Off Equ	123.25	0.00	666.15	0.00	0.00
Total Direct Cost of Program	**121,805.51**	**94,989.34**	**1,086,800.44**	**1,054,760.77**	**1,149,750.00**
Indirect Expenditures	22,799.90	29,696.67	341,682.69	326,663.37	356,360.00
Net Difference - Operations	**($ 28,348.62)**	**$ 225,976.41**	**($ 47,396.86)**	**($ 5,687.52)**	**(21,626.00)**

The TMA Group
Statement of Activities
Grant 20, Franklin Transit Service
For the Eleven Months Ending May 31, 2015

		Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Planning						
Federal 5307 Planning	$	12,436.00 $	7,208.33 $	53,486.00 $	79,291.63	86,500.00
State 5307 Planning		1,554.49	901.08	6,685.79	9,911.88	10,813.00
COF Planning Cost Share		1,554.49	901.08	6,685.80	9,911.88	10,813.00
Total Planning Revenues		**15,544.98**	**9,010.49**	**66,857.59**	**99,115.39**	**108,126.00**
Planning Costs						
Planning/Transit		12,316.06	7,208.33	66,857.85	79,291.63	86,500.00
Net Difference - Planning	**$**	**3,228.92 $**	**1,802.16 ($**	**0.26) $**	**19,823.76**	**21,626.00**
Equipment						
Federal 5307 Capital Expenditu	$	0.00 $	0.00 $	45,012.00 $	50,000.00	100,000.00
State 5307 Capital Expenditure		0.00	0.00	5,541.50	6,250.00	12,500.00
COF Capital Cost Share		0.00	0.00	5,711.50	6,250.00	12,500.00
Total Equipment Revenues		**0.00**	**0.00**	**56,265.00**	**62,500.00**	**125,000.00**
Equipment Costs						
Equipment - Transit		0.00	0.00	56,265.00	62,500.00	125,000.00
Net Difference - Equipment	**$**	**0.00 $**	**0.00 $**	**0.00 $**	**0.00**	**0.00**

Marriott.
HOTELS & RESORTS

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

June 11, 2015

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

Dear Mr. Truell:

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

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

COOL SPRINGS CONFERENCE CENTER
May, 2015

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENUE	533,320	509,866	576,718	5,873,370	6,120,434	5,980,212
HOUSE PROFIT	35,113	45,584	39,098	430,974	713,347	643,409
Less: FIXED EXPENSES	17,869	15,807	18,391	215,761	193,452	162,594
NET INCOME	17,245	29,777	20,707	215,213	519,895	480,815
Less: FF&E RESERVE-5% (PY 4%)	26,686	25,493	23,069	293,689	306,022	239,208
NET CASH FLOW	(9,441)	4,284	(2,362)	(78,476)	213,873	241,607

TOTAL CURRENT BALANCE DUE FROM OWNERS – MAY	(9,441)
TOTAL DUE FROM CITY OF FRANKLIN	(4,720.50)
TOTAL DUE FROM WILLIAMSON COUNTY	(4,720.50)

Marriott
HOTELS & RESORTS

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

The 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,

Michael Sanders
General Manager

Tory Peek
Property Controller

Results of Fuel Hedging contract, FY2014-2015, through month of May

Gas Price	Gas Contract	Spread	Diesel Price	Diesel Contract	Spread	Month	Gas Contracts 7.14% 12,000 gallons	Diesel Contracts 3.30% 9,700 gallons	Total
$2.9101	$2.6900	$0.220	$2.8445	$2.8675	($0.023)	July	$2,641.68	($223.08)	$2,418.60
2.7334	2.6900	0.043	2.8234	2.8675	-0.044	August	520.57	(427.73)	92.85
2.5904	2.6883	-0.098	2.7095	2.8792	-0.170	September	(1,174.71)	(1,646.06)	(2,820.77)
2.2525	2.6883	-0.436	2.5045	2.8792	-0.375	October	(5,229.00)	(3,634.35)	(8,863.35)
2.0582	2.6883	-0.630	2.3231	2.8792	-0.556	November	(7,561.20)	(5,393.75)	(12,954.95)
1.6182	2.6883	-1.070	1.7779	2.8792	-1.101	December	(12,840.60)	(10,681.65)	(23,522.25)
1.3410	2.6883	-1.347	1.5378	2.8792	-1.341	January	(16,167.00)	(13,010.38)	(29,177.38)
1.6046	2.6883	-1.084	1.8127	2.8792	-1.067	February	(13,003.80)	(10,344.12)	(23,347.92)
1.8256	2.6883	-0.863	1.7100	2.8792	-1.169	March	(10,351.80)	(11,340.21)	(21,692.01)
1.8985	2.6883	-0.790	1.7771	2.8792	-1.102	April	(9,477.00)	(10,689.41)	(20,166.41)
2.0284	2.6883	-0.660	1.9176	2.8792	-0.962	May	(7,918.20)	(9,326.70)	(17,244.90)
0.0000	0.0000	0.000	0.0000	0.0000	0.000	June	0.00	0.00	0.00
1.9051	2.5500	-0.645	1.9782	2.8675	-0.889	**Fiscal Yr Total**	**-80,561.06**	**-76,717.43**	**-157,278.49**

Contract schedule:

Contract	Trade Date	Effective Date	Termination Date	Price	Gallons
Diesel	6/5/14	7/1/14	6/30/15	2.868	126,000
Gasoline	6/5/14	7/1/14	6/30/16	2.690	84,000
Diesel	8/7/14	9/1/14	6/30/15	2.888	168,000
Gasoline	8/7/14	9/1/14	6/30/16	2.687	84,000

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

May 26, 2015

Honorable Mayor and Board
City of Franklin
PO Box 305
109 Third Avenue South
Franklin, TN 37065

Honorable Mayor and Board:

I have performed a limited review of the annual financial report on the City of Franklin for the fiscal year ended June 30, 2014, as audited by Crosslin and Associates, PC, Certified Public Accountants. This report has been filed as part of the public records of the State of Tennessee.

The report disclosed that the multi-purpose capital project fund reported an ending deficit balance of ($18,878,175) at year end. The responsible officials should take necessary steps to ensure this deficit is eliminated.

If you have any questions concerning the above, please contact this office.

Sincerely

Timothy M. Hardy

Timothy M. Hardy, CPA, CFE
Division of Local Government Audit

1683

xc: Crosslin and Associates, PC
Certified Public Accountants
3803 Bedford Avenue, Suite 103
Nashville, TN 37215