HISTORIC FRANKLIN TENNESSEE

City of Franklin

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

Meeting Agenda

Budget & Finance Committee

Thursday, January 10, 2019	**2:00 PM**	**Board Room**

Call To Order

1. 19-0031 Approval of Minutes from the November 28, 2018 Finance Committee meeting.

2. 19-0030 Consideration of Revenue Forecast for Fiscal Year 2019-2020 Budget

Sponsors: Kristine Brock and Michael Walters Young

Attachments: FY 2020 Budget - Revenue Model - Working January 2019
2018.11.20SFBRevenueEstimatingPacket_Reduced
Revenue Presentation - 01102019.pdf

3. 19-0007 Financial Report - 1st Quarter Fiscal Year 2019

Sponsors: Mike Lowe

Attachments: City of Franklin - 1st Quarter Report 2019.pdf

4. 19-0008 Monthly Reports for January 2019

Sponsors: Eric Stuckey, Kristine Brock and Mike Lowe

Attachments: Monthly Reports - December 2018_January 2019.pdf
Revised October 2018 Monthly Report for Conference Center_Jan 9 2019.pdf

Other Business

Adjournment

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

FY 2020 Revenue Forecast

Actual Data - FY 2014-2018

Budget - FY 2019

Forecast - FY 2020

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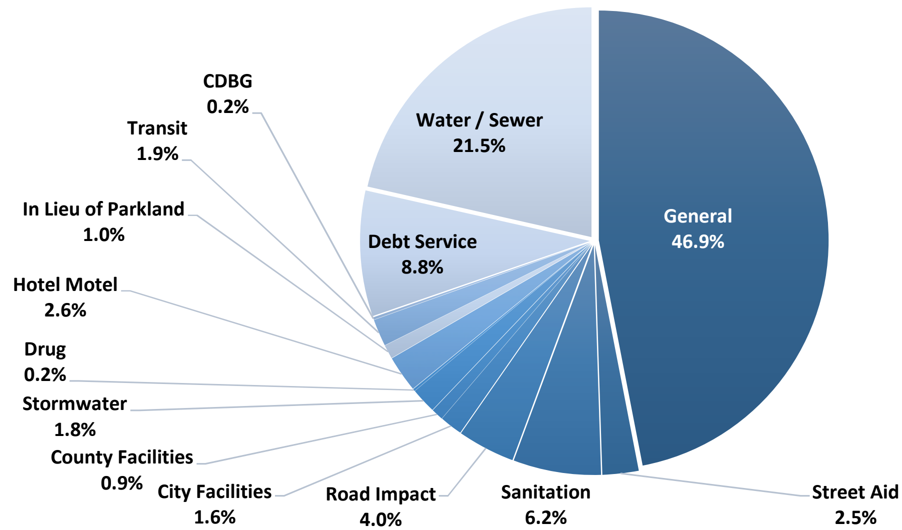
City of Franklin

Revenue Model

Summary (All Funds)

The City of Franklin funds it's operations through a variety of taxes, fees for service, fines and grants. This page shows the total amount of revenues - regardless of fund - proposed to support operations for the City of Franklin in Fiscal Year 2019.

Overall we are projecting all funds revenues of $152.7 Million, $2.1 Million (1.4%) less than the FY 2019 Budget. The largest fund, the General Fund, is forecast to decrease by $1,678,467 (2.3%) less than the FY 2019 Budget as a result of one-time transfers of fund balance not being repeated.



	Actual					Budget	FY 2020 Forecast			
	A	B	C	D	E	F	G	H	I	
Fund	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**Low**	**Medium**	**High**	**FY 2020**
General	$ 56,918,504	$ 57,489,269	$ 63,539,872	$ 66,489,417	$ 69,100,055	$ 73,361,784	$ 70,312,599	$ 71,683,317	$ 72,938,819	46.9%
Street Aid	$ 2,494,155	$ 2,396,417	$ 2,486,091	$ 2,928,796	$ 3,250,164	$ 3,711,985	$ 3,782,681	$ 3,867,920	$ 3,953,159	2.5%
Sanitation	$ 7,462,938	$ 8,275,157	$ 9,057,522	$ 8,537,238	$ 8,861,406	$ 9,253,111	$ 9,343,792	$ 9,438,173	$ 9,532,555	6.2%
Road Impact	$ 4,082,685	$ 3,358,555	$ 7,595,878	$ 7,217,613	$ 11,706,536	$ 8,034,276	$ 4,092,138	$ 6,138,207	$ 8,184,276	4.0%
City Facilities	$ 3,855,445	$ 2,482,412	$ 4,886,088	$ 3,850,553	$ 4,885,177	$ 2,449,305	$ 2,325,899	$ 2,449,305	$ 2,572,712	1.6%
County Facilities	$ -	$ -	$ -	$ 3,488,072	$ 1,616,445	$ 1,250,000	$ 1,212,500	$ 1,300,000	$ 1,387,500	0.9%
Stormwater	$ 2,340,963	$ 2,673,347	$ 2,546,681	$ 2,590,187	$ 2,559,489	$ 2,722,281	$ 2,586,167	$ 2,722,281	$ 2,858,395	1.8%
Drug	$ 171,821	$ 214,483	$ 325,357	$ 147,740	$ 226,100	$ 225,168	$ 230,184	$ 234,654	$ 239,124	0.2%
Hotel Motel	$ 3,242,135	$ 3,293,337	$ 3,564,719	$ 3,721,055	$ 4,136,321	$ 3,744,327	$ 3,830,842	$ 3,930,408	$ 4,030,195	2.6%
In Lieu of Parkland	$ -	$ 2,494,076	$ 1,931,890	$ 158,172	$ 2,062,394	$ 1,440,000	$ 1,446,400	$ 1,480,000	$ 1,513,600	1.0%
Transit	$ 2,009,347	$ 2,087,408	$ 1,873,659	$ 2,136,228	$ 2,528,988	$ 2,908,885	$ 2,879,796	$ 2,908,885	$ 2,937,974	1.9%
CDBG	$ 198,920	$ 448,200	$ 330,297	$ 231,452	$ 261,237	$ 250,300	$ 252,803	$ 255,306	$ 257,809	0.2%
Debt Service	$ 11,106,967	$ 12,050,577	$ 12,777,235	$ 12,981,946	$ 13,657,071	$ 13,684,617	$ 13,496,454	$ 13,496,454	$ 13,496,454	8.8%
Water / Sewer	$ 22,900,654	$ 25,086,788	$ 27,467,913	$ 28,624,641	$ 30,595,710	$ 31,768,874	$ 32,639,982	$ 32,797,802	$ 32,955,622	21.5%
All Revenues	**$ 116,784,534**	**$ 122,350,027**	**$ 138,383,204**	**$ 143,103,110**	**$ 155,447,094**	**$ 154,804,914**	**$ 148,432,238**	**$ 152,702,711**	**$ 156,858,194**	**100.0%**

		(B-A)	(C-B)	(D-C)	(E-D)	(F-E)	(G-F)	(H-F)	(I-F)
Change Year-over-Year	$ (13,258,934)	$ 5,565,493	$ 16,033,177	$ 4,719,907	$ 12,343,984	$ 11,701,803	$ (6,372,676)	$ (2,102,203)	$ 2,053,281
	-10.2%	4.8%	13.1%	3.4%	8.6%	8.2%	-4.1%	-1.4%	1.3%

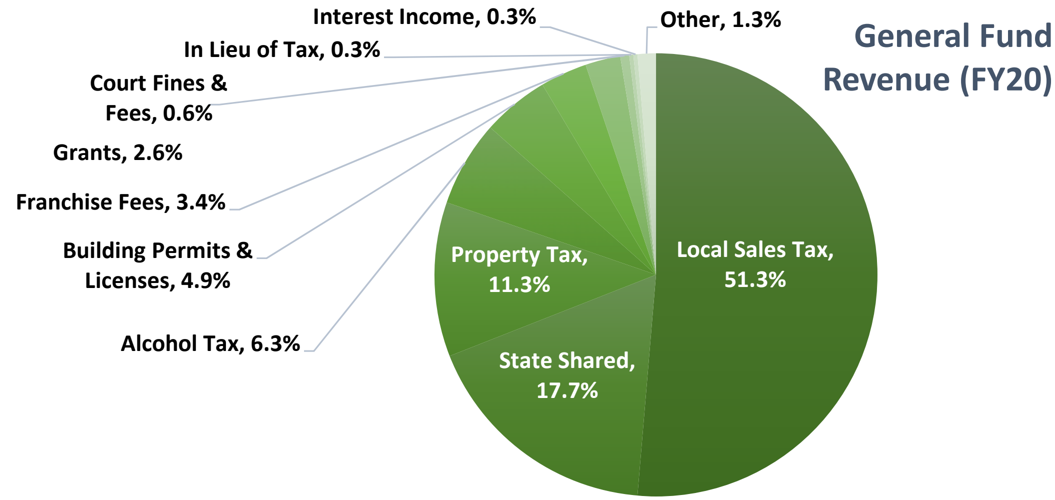
City of Franklin

Revenue Model

Summary (General Fund) | **Percent of All Revenues** | **46.9%**

The General Fund for the City of Franklin is the largest and most important of the City's 14 funds used for financing City services. Although it comprises nearly 50 individual revenue sources, this analysis focuses on the Top 10 revenue sources, which comprise nearly 99% of the total as of FY 2019.

For FY 2020, we are projecting a net decrease of 2.3% under the FY 2019 budget. This decrease is principally due to one-time resources appropriated for Capital Projects not repeating in FY 2020. Without one-time draws included, the General Fund is actually increasing by $2.51 million or 3.7%.



Top Ten Revenue Categories			**Actual**			**Budget**		**FY 2020 Forecast**	
	A	*B*	*C*	*D*	*E*	*F*	*G*	*H*	*I*
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**Low**	**Medium**	**High**
Local Sales Tax	$ 27,254,742	$ 28,943,994	$ 31,309,367	$ 32,694,269	$ 34,151,972	$ 35,557,339	$ 36,446,271	$ 36,801,740	$ 37,157,418
State Shared	$ 10,677,057	$ 12,796,277	$ 14,984,293	$ 12,988,735	$ 13,966,275	$ 11,788,310	$ 12,202,873	$ 12,688,392	$ 13,056,151
Property Tax	$ 6,266,420	$ 5,546,050	$ 4,973,334	$ 9,644,458	$ 9,091,852	$ 7,651,612	$ 7,770,743	$ 8,078,134	$ 8,353,119
Alcohol Tax	$ 3,373,143	$ 3,630,037	$ 3,926,711	$ 4,021,089	$ 4,200,284	$ 4,321,823	$ 4,438,148	$ 4,486,292	$ 4,550,223
Building Permits & Licenses	$ 2,088,774	$ 2,208,560	$ 2,850,548	$ 2,933,744	$ 3,085,808	$ 3,527,354	$ 3,450,397	$ 3,484,224	$ 3,518,052
Franchise Fees	$ 2,449,724	$ 2,462,903	$ 2,255,565	$ 2,230,782	$ 2,586,092	$ 2,392,929	$ 2,440,787	$ 2,464,717	$ 2,488,646
Grants	$ 520,921	$ 289,382	$ 1,612,487	$ 263,231	$ 464,319	$ 1,829,190	$ 1,829,190	$ 1,829,190	$ 1,829,190
Court Fines & Fees	$ 657,229	$ 586,479	$ 475,060	$ 518,823	$ 371,300	$ 542,617	$ 406,963	$ 461,224	$ 543,015
In Lieu of Tax	$ 325,018	$ 326,887	$ 326,438	$ 298,347	$ 260,607	$ 217,979	$ 221,556	$ 228,202	$ 230,418
Interest Income	$ 189,013	$ 145,098	$ 191,631	$ 108,152	$ 198,953	$ 384,465	$ 166,569	$ 208,212	$ 249,854
Top Ten Revenue Sources	$ 53,802,041	$ 56,935,668	$ 62,905,433	$ 65,701,630	$ 68,377,461	$ 68,213,619	$ 69,373,498	$ 70,730,328	$ 71,976,087
Other	$ 3,116,463	$ 553,601	$ 634,439	$ 787,787	$ 722,593	$ 5,148,167	$ 939,101	$ 952,989	$ 962,732
Total General Fund Revenues	**$ 56,918,504**	**$ 57,489,269**	**$ 63,539,872**	**$ 66,489,417**	**$ 69,100,055**	**$ 73,361,784**	**$ 70,312,599**	**$ 71,683,317**	**$ 72,938,819**

		(B-A)	*(C-B)*	*(D-C)*	*(E-D)*	*(F-E)*	*(G-F)*	*(H-F)*	*(I-F)*
Change Year-over-Year	**$ 4,241,135**	**$ 570,765**	**$ 6,050,603**	**$ 2,949,545**	**$ 2,610,638**	**$ 9,821,912**	**$ (3,049,185)**	**$ (1,678,467)**	**$ (422,965)**
	8.1%	**1.0%**	**10.5%**	**4.6%**	**3.9%**	**15.5%**	**-4.2%**	**-2.3%**	**-0.6%**

City of Franklin

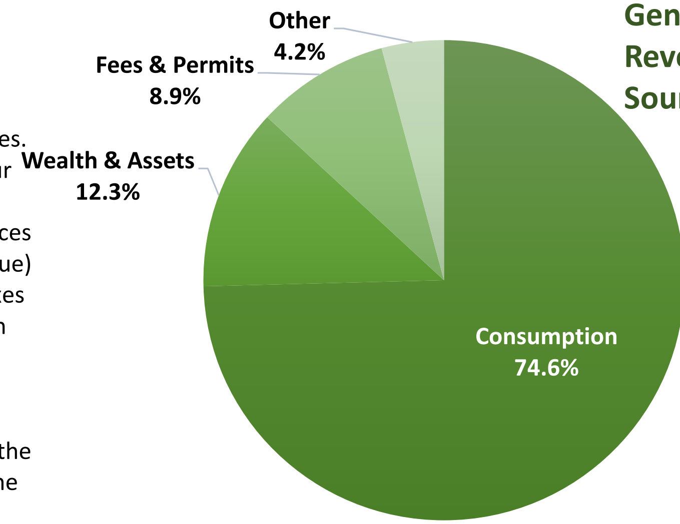
Revenue Model

Summary (General Fund)	Percent of All Revenues	46.9%

The City of Franklin relies upon a variety of different sources to fund general operations, but essentially there are only four sources of revenue: taxes on consumption, taxes derived from wealth & assets, permitting & fees for services, and “Other.”

The largest category - by far - are revenues derived from the consumption of goods and services. This source - taxes on retail sales and alcohol consumption - comprises over three of every four dollars the City receives for the General Fund. All other sources - wealth & assets (property & income taxes), fees & permits (proceeds from permits, fees & licenses recovered for City services provided), and other (in lieu of taxes, earned interest income, grants and miscellaneous revenue) - make up only one out of every four dollars received. This heavy reliance on consumption taxes will increase with the gradual repeal of the Hall Income Tax, beginning in FY2017 and ending in FY2021.

Heavy dependency on consumption taxes places the City in a vulnerable position during downturns in the business cycle and economic retrenchments, such as the financial events of the 2007-2009 period. City revenue dropped by over 15% within twelve months, requiring extreme measures to continue critical services to the citizenry.



General Fund Revenue by Source (FY20)

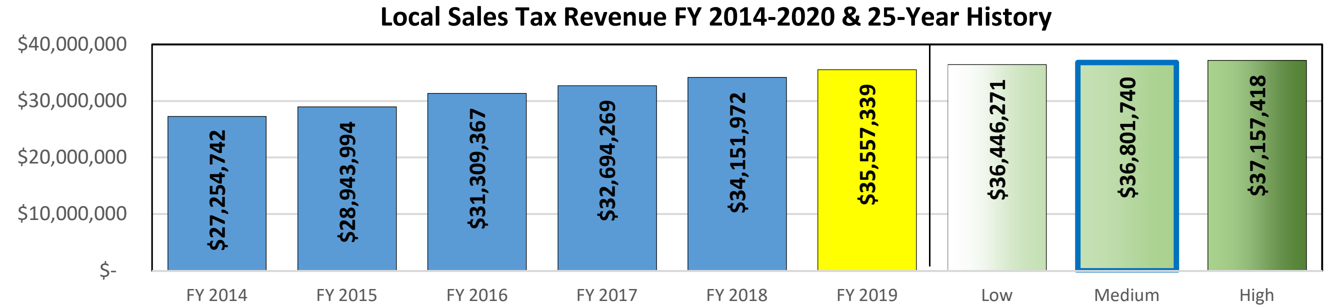
Top Ten Revenue Categories	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Forecast Low	Medium	High
Consumption	**$ 39,308,908**	**$ 42,289,111**	**$ 45,726,797**	**$ 48,235,444**	**$ 50,672,408**	**$ 50,917,472**	**$ 52,837,293**	**$ 53,476,424**	**$ 54,013,793**
Local Sales Tax	$ 27,254,742	$ 28,943,994	$ 31,309,367	$ 32,694,269	$ 34,151,972	$ 35,557,339	**$ 36,446,271**	**$ 36,801,740**	**$ 37,157,418**
State Shared	$ 8,681,023	$ 9,715,080	$ 10,490,719	$ 11,520,085	$ 12,320,152	$ 11,038,310	**$ 11,952,873**	**$ 12,188,392**	**$ 12,306,151**
Alcohol Tax	$ 3,373,143	$ 3,630,037	$ 3,926,711	$ 4,021,089	$ 4,200,284	$ 4,321,823	**$ 4,438,148**	**$ 4,486,292**	**$ 4,550,223**
Wealth & Assets	**$ 8,587,472**	**$ 8,954,134**	**$ 12,471,624**	**$ 11,411,454**	**$ 10,998,583**	**$ 8,619,591**	**$ 8,242,299**	**$ 8,806,336**	**$ 9,333,537**
Property Tax	$ 6,266,420	$ 5,546,050	$ 7,651,612	$ 9,644,458	$ 9,091,852	$ 7,651,612	**$ 7,770,743**	**$ 8,078,134**	**$ 8,353,119**
Hall Income Tax	$ 1,996,034	$ 3,081,197	$ 4,493,574	$ 1,468,649	$ 1,646,124	$ 750,000	**$ 250,000**	**$ 500,000**	**$ 750,000**
In Lieu of Tax	$ 325,018	$ 326,887	$ 326,438	$ 298,347	$ 260,607	$ 217,979	**$ 221,556**	**$ 228,202**	**$ 230,418**
Fees & Permits	**$ 5,195,727**	**$ 5,257,943**	**$ 5,581,173**	**$ 5,683,349**	**$ 6,043,200**	**$ 6,462,900**	**$ 6,298,147**	**$ 6,410,166**	**$ 6,549,713**
Franchise Fees	$ 2,449,724	$ 2,462,903	$ 2,255,565	$ 2,230,782	$ 2,586,092	$ 2,392,929	**$ 2,440,787**	**$ 2,464,717**	**$ 2,488,646**
Building Permits & Licenses	$ 2,088,774	$ 2,208,560	$ 2,850,548	$ 2,933,744	$ 3,085,808	$ 3,527,354	**$ 3,450,397**	**$ 3,484,224**	**$ 3,518,052**
Court Fines & Fees	$ 657,229	$ 586,479	$ 475,060	$ 518,823	$ 371,300	$ 542,617	**$ 406,963**	**$ 461,224**	**$ 543,015**
Other	**$ 3,826,397**	**$ 988,081**	**$ 2,438,557**	**$ 1,159,171**	**$ 1,385,865**	**$ 7,361,822**	**$ 2,934,861**	**$ 2,990,391**	**$ 3,041,776**
Grants	$ 520,921	$ 289,382	$ 1,612,487	$ 263,231	$ 464,319	$ 1,829,190	**$ 1,829,190**	**$ 1,829,190**	**$ 1,829,190**
Interest Income	$ 189,013	$ 145,098	$ 191,631	$ 108,152	$ 198,953	$ 384,465	**$ 166,569**	**$ 208,212**	**$ 249,854**
Other	$ 3,116,463	$ 553,601	$ 634,439	$ 787,787	$ 722,593	$ 5,148,167	**$ 939,101**	**$ 952,989**	**$ 962,732**
Total General Fund Revenues	**$ 56,918,504**	**$ 57,489,269**	**$ 66,218,151**	**$ 66,489,417**	**$ 69,100,055**	**$ 73,361,784**	**$ 70,312,599**	**$ 71,683,317**	**$ 72,938,819**

City of Franklin

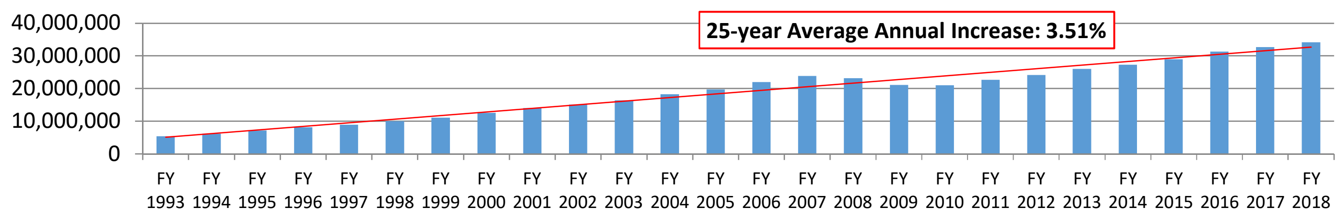
Revenue Model

Fund:	General Fund	Category:	Local Sales Tax	Percent of Total General Fund Revenues	51.3%

Local Sales Tax is the City's primary revenue source. Roughly half of our General Fund revenue comes from this source. In addition to the State-imposed 7% sales tax, the City has a 2.75% local sales tax, which is at the maximum allowed by State law. Local sales tax revenue is shared equally with education, which is provided by Williamson County Schools and the Franklin Special School District.



Although sales tax collections have increased every year since the end of the Great recession, we believe the rate of growth will slow. This will be experienced by both the State of Tennessee and the City. As a result this slowing, we are recommending a growth rate of only 3.5% this year for FY 2020.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	4.8%	6.2%	8.2%	4.4%	4.5%	4.1%	2.50%	3.50%	4.50%	3-yr Average
July	2,113,374	2,288,457	2,477,647	2,546,087	2,735,435	2,844,849	2,915,970	2,944,419	2,972,867	$ 32,718,536
August	2,115,836	2,296,081	2,420,111	2,547,776	2,739,864	2,914,300	2,987,158	3,016,301	3,045,444	2.9%
September	2,178,174	2,374,572	2,571,550	2,817,429	2,748,694	2,858,537	2,930,000	2,958,481	2,987,171	5-Yr Average
October	2,117,978	2,327,026	2,485,463	2,616,784	2,699,861	2,807,855	2,878,052	2,906,130	2,934,209	$ 30,870,869
November	2,419,578	2,399,941	2,579,786	2,666,949	2,934,718	3,052,107	3,128,409	3,158,930	3,189,452	3.0%
December	3,097,595	3,345,840	3,752,983	3,870,492	3,902,304	4,058,396	4,159,856	4,200,440	4,241,024	10-Yr Average
January	1,926,687	2,079,072	2,151,378	2,338,924	2,503,594	2,603,738	2,668,831	2,694,869	2,720,906	$ 26,939,053
February	1,973,541	1,900,628	2,181,227	2,186,682	2,315,764	2,408,395	2,468,605	2,492,689	2,516,773	3.2%
March	2,421,918	2,479,918	2,689,471	2,812,649	2,938,636	3,042,161	3,118,215	3,148,637	3,179,058	20-Yr Average
April	2,201,566	2,410,499	2,611,014	2,798,951	2,804,121	3,027,345	3,103,029	3,133,302	3,163,576	$ 22,291,968
May	2,323,975	2,489,724	2,559,116	2,651,184	2,864,887	2,867,520	2,939,208	2,967,883	2,996,558	3.0%
June	2,364,520	2,552,236	2,829,621	2,840,361	2,964,094	3,072,135	3,148,938	3,179,660	3,210,381	
Totals	$ 27,254,742	$ 28,943,994	$ 31,309,367	$ 32,694,269	$ 34,151,972	$ 35,557,339	$ 36,446,271	$ 36,801,740	$ 37,157,418	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

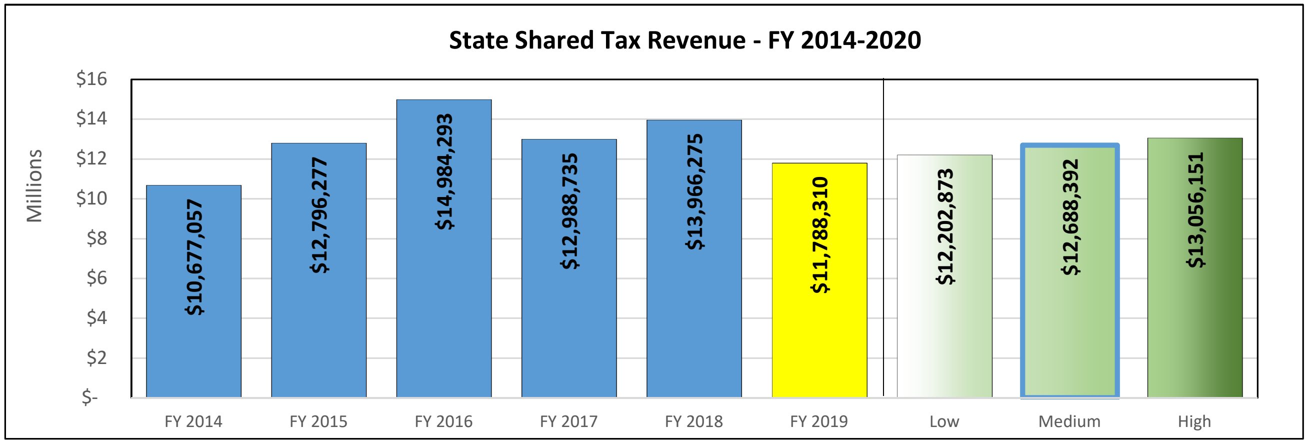
City of Franklin

Revenue Model

Fund:	General Fund	Category:	State Shared	Percent of Total General Fund Revenues	17.4%

State Shared Taxes: We receive significant revenue from the State in the form of shared taxes with distribution based primarily on population. The major sources are from the Sales Tax, Business Tax, Hall Income Tax (dividends / interest), TVA in Lieu Of, Beer Tax, Mixed Drink Taxes and the Bank Excise Tax. These are sent to us monthly or quarterly around the 20th except for the Income tax (annual) and the Excise Tax which are semi-annual remittances.

The forecast for 2020 assumes a 3.5% increase over the FY 2019 estimates for all but two categories, as based on composite projections from state economists and the Department of Revenue. The exceptions is the continued reduction in the Hall Income Tax and a sizeable increase in the Business Tax reflective of the last three years of collections.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	7.8%	19.8%	17.1%	-13.3%	7.5%	-15.6%	3.52%	7.64%	10.76%	
Sales Tax (State)	4,496,081	5,033,141	5,373,890	5,505,573	6,066,018	5,895,101	5,983,528	6,101,430	6,160,381	3-yr Average
Beer Tax (State)	29,568	31,743	32,407	32,046	33,080	37,178	37,735	38,479	38,851	$ 13,979,768
State Excise Tax - BANK	94,685	115,165	152,620	230,531	213,295	248,144	251,866	256,829	259,310	-5.2%
In Lieu of Tax (TVA)	691,474	769,381	778,995	748,991	804,202	806,215	818,308	834,432	842,494	5-Yr Average
Business License (Local Share)	320,747	13,456	13,250	12,150	12,840	12,858	13,051	13,308	13,436	$ 13,082,527
Transient/Peddlar Bus. License	-	2,448	452	180	5,952	300	300	300	300	-2.0%
Business Tax (State)	3,048,468	3,410,424	3,762,344	4,537,922	4,739,599	3,608,697	4,411,821	4,498,753	4,542,220	10-Yr Average
Income Tax (State)	1,996,034	3,081,197	4,493,574	1,468,649	1,646,124	750,000	250,000	500,000	750,000	$ 10,298,871
Business Tax Record Fee - State	-	339,322	376,761	452,693	445,166	429,817	436,264	444,860	449,159	1.4%
										20-Yr Average
										$ 7,073,863
										3.3%
Totals	$ 10,677,057	$ 12,796,277	$ 14,984,293	$ 12,988,735	$ 13,966,275	$ 11,788,310	$ 12,202,873	$ 12,688,392	$ 13,056,151	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

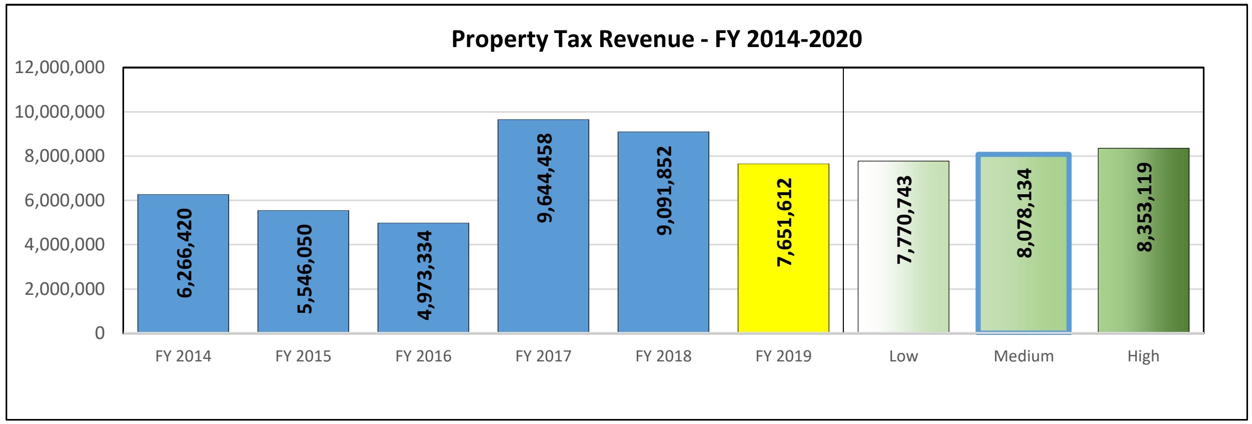
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Property Tax	Percent of Total General Fund Revenues	11.3%

<u>Property Tax</u>: Citizens of Franklin pay property tax to two entities - the City of Franklin and Williamson County. Bills are issued on October 1st and are due by February 28th without penalty/interest. Historically, about 80% of property taxes are collected in December and February. The County collects property tax for the City.

The FY 2020 Forecast assumes healthy growth over 2019 due to higher than anticipated growth in the 2018 assessed tax rolls. The remaining balance of Invest Franklin funds are segregated out in this forecast though will be moved to the Debt Service Fund once the exact amount of FY 2020 debt payments are known after issuance of G.O. bonds in late Spring 2019.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	-3.0%	-11.5%	-10.3%	93.9%	-5.7%	-15.8%	1.56%	5.57%	9.17%	
Property Taxes	12,342,702	13,742,347	14,582,590	19,203,126	20,126,690	20,730,491	20,834,771	21,251,466	21,668,162	3-yr Average
Less: Due to IDB	(944,274)	(1,041,403)	(1,195,813)	(1,634,784)	(2,003,609)	(2,003,609)	(2,150,000)	(2,200,000)	(2,250,000)	$ 7,903,215
Less: Debt Service Fund	(5,357,261)	(6,350,472)	(7,338,632)	(6,710,855)	(8,505,949)	(8,620,102)	(8,464,861)	(8,464,861)	(8,464,861)	-1.1%
Less: Unavailable Revenue (uncollected at year-end)	(143,000)	(153,193)	(272,814)	(190,059)	(231,247)	(206,000)	(200,000)	(204,000)	(212,160)	5-Yr Average
Less: Capital Projects Set-Aside	-	(508,038)	(526,008)	(623,685)	-	-	-	-	-	$ 7,104,423
Less: Street Aid Set-Aside	-	(508,038)	(526,008)	(623,685)	(722,941)	(752,130)	(752,130)	(767,173)	(782,215)	1.5%
Less: *Invest* **Franklin***	-	-	-	-	-	(1,844,442)	(1,844,442)	(1,881,330)	(1,956,584)	
Pickups (primarily RR and Public Utility)	285,573	265,202	132,392	224,400	428,908	255,642	255,642	253,160	258,123	
Plus: Prior Year Collections	82,680	99,645	117,627			91,763	91,763	90,872	92,654	
Totals	6,266,420	5,546,050	4,973,334	9,644,458	9,091,852	7,651,612	7,770,743	8,078,134	8,353,119	

Source: City of Franklin, <u>Comprehensive Annual Financial Reports - 1990-2018</u> & Estimates from Finance & Revenue Management Departments.

***Invest Franklin Update:** Of $9,091,852 total collected in the General Fund for Property Taxes in FY 2018, $3,373,727 was collected as the 7 cents dedicated to the Invest Franklin Initiative passed in FY 2017. Of this $3,373,727, $250,000 was spent on year two of the Sidewalk Gap project and $1,528,007 was used to service debt, leaving $1,595,720 available in the future for other capital projects. Through FY 2018, $4,564,635 is available in cash fund balance from the Invest Franklin initative and can be spent on any capital project.*

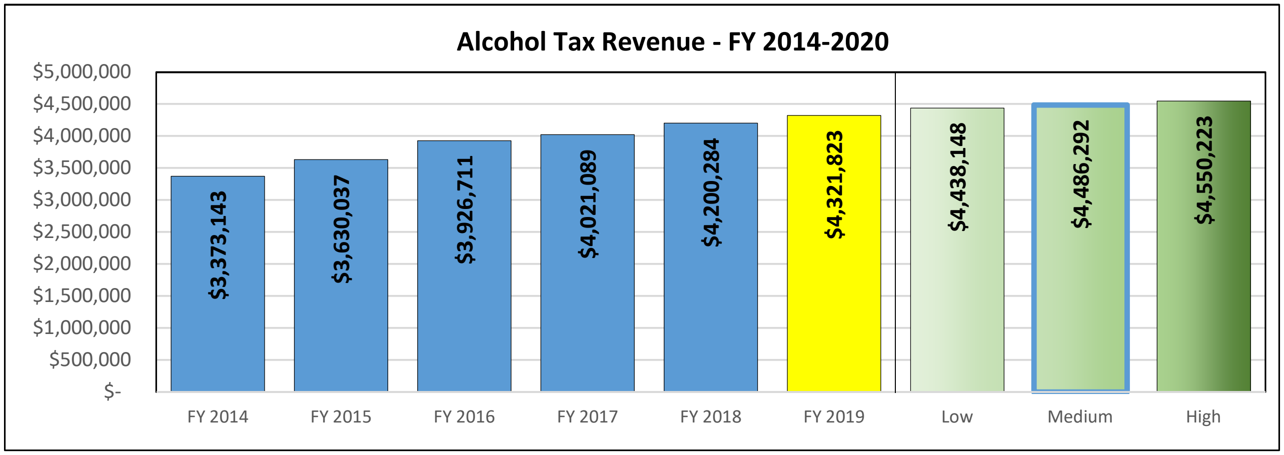
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Alcohol Tax	Percent of Total General Fund Revenues	6.3%

Alcohol taxes (local): We receive wholesale beer/liquor revenue from distributors (these are not located locally) and privilege taxes from local businesses each month. This revenue comes in about the 20th of each month and is fairly consistent across the Fiscal Year, with a slight falloff during the winter months.

The leveling forecast in Wholesale Beer Tax is due to a decision made by the state in 2013 to tax sales on volume sold and not total sales (volume x price). As a result, the Beer Tax is only projected to increase by 1% in FY 2020, while other Alcohol and Mixed Drink taxes are projected to increase a healthy 4% and 8.5%, respectively.



	Actual					Budget	Forecasts (FY 2020)		
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High
% yr/yr.	**1.5%**	**7.6%**	**8.2%**	**2.4%**	**4.5%**	**2.9%**	**2.7%**	**3.8%**	**5.3%**
Beer Tax - Wholesale	1,507,185	1,544,139	1,612,550	1,655,448	1,691,204	1,733,905	1,733,905	1,751,244	1,768,583
Beer Privilege Tax (Renewal)	20,742	21,660	23,706	23,306	23,049	24,020	24,020	24,260	24,500
Liquor Tax - Wholesale	1,095,467	1,190,758	1,349,136	1,343,791	1,400,552	1,466,970	1,510,979	1,525,649	1,554,988
Liquor Privilege Tax	87,065	90,800	94,605	103,800	92,541	111,721	115,073	116,190	118,424
Mixed Drink Tax	662,684	782,681	846,714	894,745	992,939	985,207	1,054,172	1,068,950	1,083,728
Totals	**$ 3,373,143**	**$ 3,630,037**	**$ 3,926,711**	**$ 4,021,089**	**$ 4,200,284**	**$ 4,321,823**	**$ 4,438,148**	**$ 4,486,292**	**$ 4,550,223**

Averages
3-yr Average
$ 4,049,361
2.2%
5-Yr Average
$ 3,830,253
2.6%
10-Yr Average
$ 3,368,168
2.8%
20-Yr Average
$ 2,650,318
3.2%

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

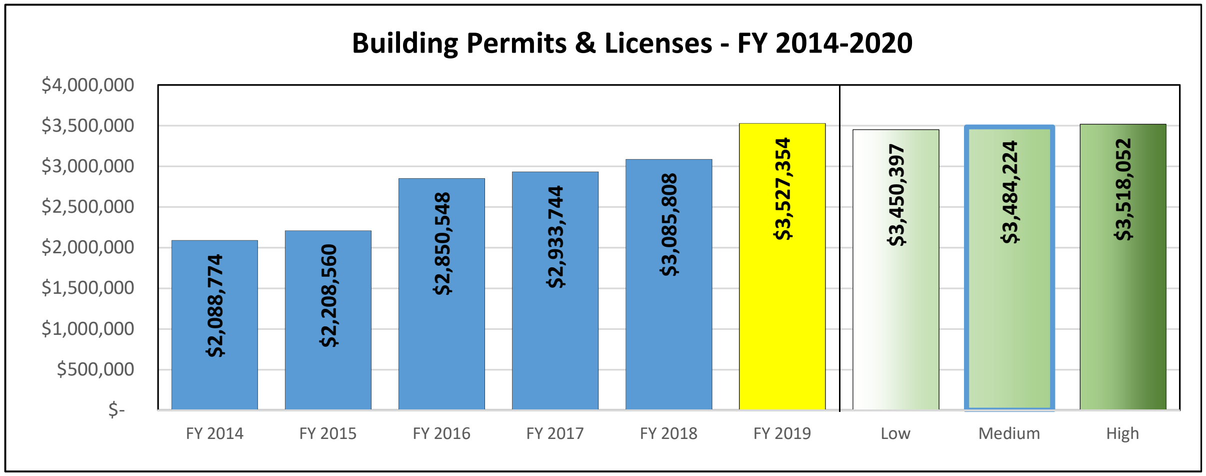
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Building Permits & Licenses	Percent of Total General Fund Revenues	4.9%

Building Permits & Licenses: These fees are paid to the City to offset and pay for the staffing costs borne by the City to extend services due to construction growth. There has been growth in both residential and commercial sides of development. This revenue has been difficult to predict by month because permits are often obtained and fees paid in advance of construction. The fees in this group include building permits, electrical inspections, mechanical permits, plumbing permits, plans review fees, sign permits, reinspection fees, mechanical licenses, grading permits, plumbing license, consultant fees, cafe fees, and tree cutting permits.

The overall forecast is set to increase by 4%, less the elimination of Traffic Impact Study Fees which are accounted for elsewhere in the General Fund.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	31.1%	5.7%	29.1%	2.9%	5.2%	14.3%	-2.2%	-1.2%	-0.3%	
Mechanical License	3,500	3,877	6,939	2,931	5,400	3,187	3,250	3,282	3,314	3-yr Average
Mechanical Permits	183,383	138,384	94,346	87,549	112,051	123,943	126,422	127,661	128,900	$ 2,956,700
Building Permits	1,343,978	1,426,188	2,136,322	2,153,262	2,339,364	2,251,388	2,296,416	2,318,929	2,341,443	6.4%
Technology Fee	-	44,129	88,690	80,630	69,230	83,168	84,831	85,663	86,494	5-Yr Average
Plumbing License	3,224	3,025	2,875	3,359	475	3,290	3,355	3,388	3,421	$ 2,633,487
Plumbing Permits	145,525	94,177	69,760	58,624	73,884	110,757	112,973	114,080	115,188	6.8%
Electrical Inspections	281,106	237,101	279,828	239,084	276,013	276,722	282,256	285,023	287,790	10-Yr Average
Planning Fees (Plans Review)	17,732	43,335	33,595	33,049	38,323	52,795	53,851	54,379	54,907	$ 1,954,257
Consultant Fees	1,000	2,100	-	-	-	-	-	-	-	8.0%
Reinspection Fees	16,872	13,400	12,850	16,963	14,300	16,423	16,751	16,916	17,080	20-Yr Average
Sign Permits	9,895	10,946	10,420	8,966	9,759	9,527	9,718	9,813	9,908	$ 1,703,691
Café Fees	8,590	-	75	450	-	1,142	1,165	1,176	1,188	5.4%
Tree Cutting Permits	-	-	75	50	120	114	116	118	119	
Grading Permits	3,000	-	82,066	95,668	114,327	355,460	362,569	366,123	369,678	
ROW Permit/Inspect				40,374	-	-	-	-	-	
Roadway Inspections	70,969	191,898	32,707	112,786	32,562	94,828	96,724	97,673	98,621	
Traffic Impact Study Fees	-	-	-	-	-	144,612	-	-	-	
Totals	$ 2,088,774	$ 2,208,560	$ 2,850,548	$ 2,933,744	$ 3,085,808	$ 3,527,354	$ 3,450,397	$ 3,484,224	$ 3,518,052	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1991-2018 & Estimates from Finance & Revenue Management Departments.

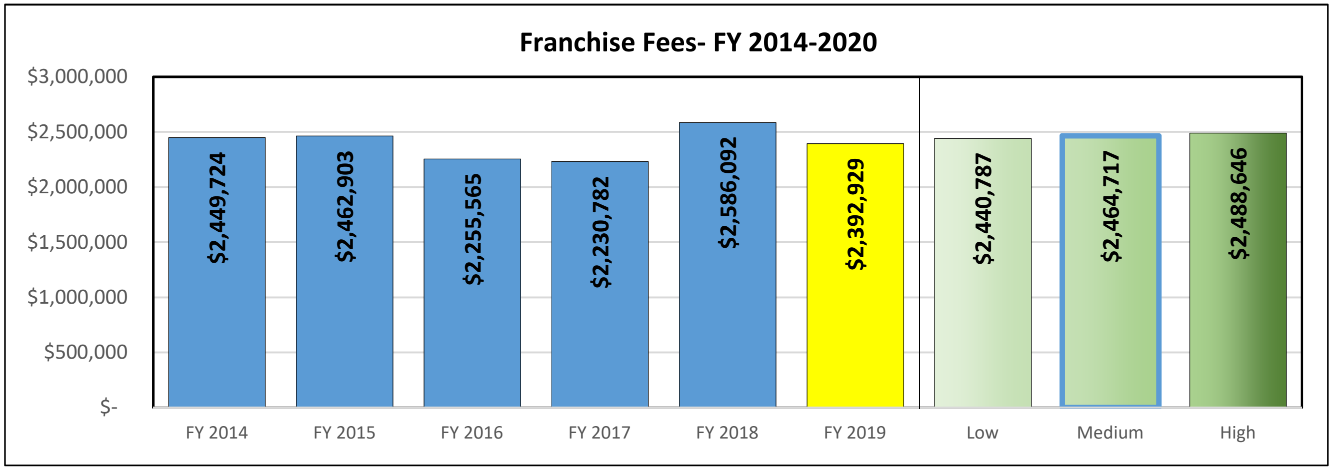
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Franchise Fees	Percent of Total General Fund Revenues	3.4%

Franchise Fees: Collected by the City from cable and gas utility providers, franchise fees are payments received by the City from utility companies for the privilege of using City right of way to provide service within the City limits. These payments are received annually from Comcast Cable, Piedmont Energy and Atmos Energy. The City receives payments from AT&T on a quarterly basis. Payments are determined through terms set in the franchise agreements.

A 3% increase is forecast for FY 2020.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	12.6%	0.5%	-8.4%	-1.1%	15.9%	-7.5%	2.0%	3.0%	4.0%	
ATMOS	1,351,330	1,331,989	1,032,015	993,932	1,314,420	1,094,865	1,116,762	1,127,711	1,138,659	3-yr Average
Comcast	875,035	886,358	926,422	952,866	976,578	982,841	1,002,498	1,012,326	1,022,155	$ 2,357,479
Piedmont	60,098	24,103	114,061	42,694	48,066	121,007	123,427	124,638	125,848	0.5%
AT&T	163,261	220,453	183,067	241,290	247,028	194,216	198,100	200,042	201,984	5-Yr Average
										$ 2,397,013
										0.0%
										10-Yr Average
										$ 2,232,918
										0.7%
										20-Yr Average
										$ 1,560,030
										2.7%
Totals	$ 2,449,724	$ 2,462,903	$ 2,255,565	$ 2,230,782	$ 2,586,092	$ 2,392,929	$ 2,440,787	$ 2,464,717	$ 2,488,646	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

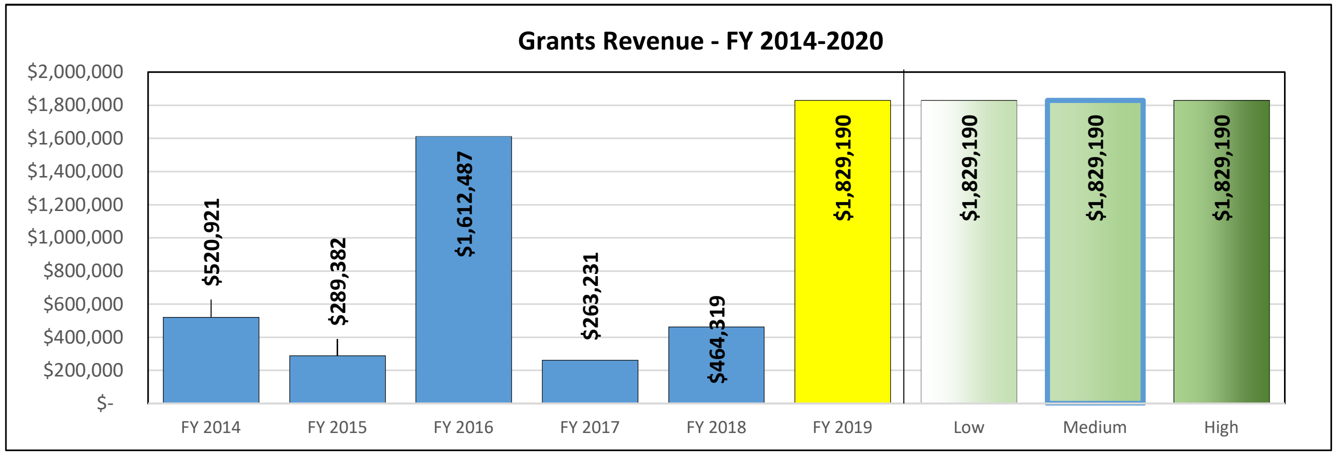
City of Franklin

Revenue Model

Fund:	General	Category:	Grants	Percent of Total General Fund Revenues	2.6%

<u>Grants (Federal/State)</u>: In 2019, these grants consisted primarily of the Traffic Operations Center ($1,680,000), Parks match grants ($100,000) and various Public Safety grants ($49,190).

There is no change assumed in these recurring grants for FY 2020, but these estimates are subject to change.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	-61.5%	-44.4%	457.2%	-83.7%	76.4%	294.0%	$ -	$ -	$ -	
May 2010 Flood	63,622	-	-	-	-	-	-	-	-	3-yr Average
Emergency Shelter Grant	34,423	54,635	62,319	50,693	-	35,000	35,000	35,000	35,000	$ 780,012
Federal Grant - Ballistic Vests	8,094	3,300	4,370	4,190	14,711	4,190	4,190	4,190	4,190	44.8%
Highway Safety Grant	38,147	35,340	-	-	-	10,000	10,000	10,000	10,000	5-Yr Average
Federal Grant - TOC	190,800	79,382	96,088	67,685	295,768	1,680,000	1,680,000	1,680,000	1,680,000	$ 630,068
Homeland Security Grant	-	-	-	-	60,384					38.1%
Dept of Hous & Urban Dev (Federal)	-	-	-	-	36,280					10-Yr Average
Dept of Finance & Admin (Federal)	-	-	-	15,000	-	-	-	-	-	$ 769,504
Dept of Military (Federal)	-	-	-	563	-	-	-	-	-	13.8%
Dept of Transportation (Federal)	-	-	-	27,913	-	-	-	-	-	20-Yr Average
Dept of Transportation (Federal)	-	-	-	25,548	-	-	-	-	-	$ 710,931
Preservation Plan Grant (Federal)	-	-	1,434,640	-	14,354	-	-	-	-	7.9%
Parks Grants	22,708	9,896	15,070	71,640	42,822	100,000	100,000	100,000	100,000	
Miscellaneous Grants	44	-	-	-	-	-	-	-	-	
HGMP-1909-0049	156,020	-	-	-	-	-				
HGMP-1909-0061	7,063	106,829	-	-	-	-				
Totals	$ 520,921	$ 289,382	$ 1,612,487	$ 263,231	$ 464,319	$ 1,829,190	$ 1,829,190	$ 1,829,190	$ 1,829,190	

Source: City of Franklin, <u>Comprehensive Annual Financial Reports - 1990-2018</u> & Estimates from Finance & Revenue Management Departments.

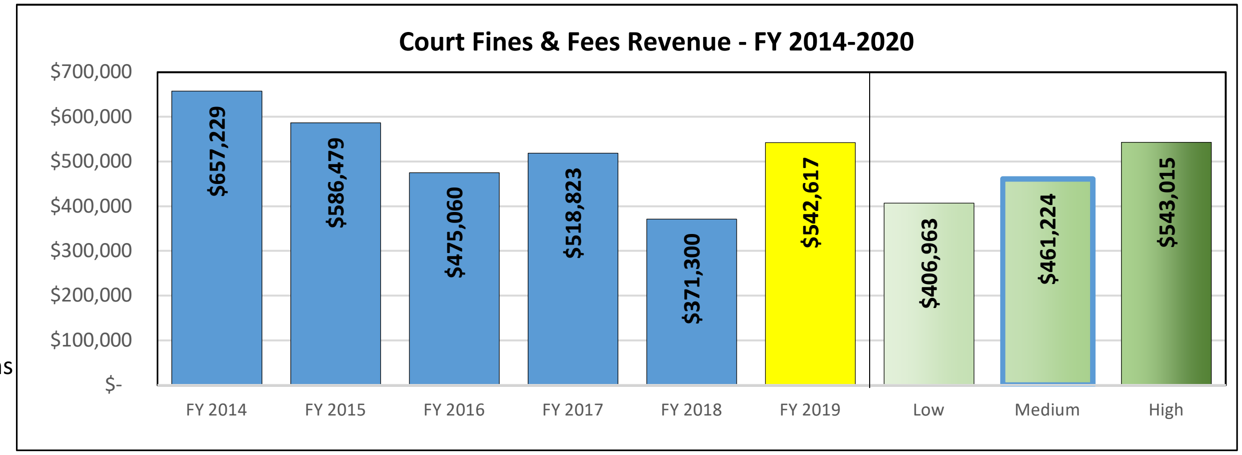
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Court Fines & Fees	Percent of Total General Fund Revenues	0.6%

Court Fines & Fees: The City Court collects fees/fines for traffic violations and property maintenance violations. A major initiative was taken in 2013 to submit outstanding debts to a collection agency. The primary reason for the revenue decrease beginning in 2013 was a change in accounting to net amounts due the State against revenue, rather than show those amounts under expenditures in Revenue Management. (with that change, Revenue Management's expenditures were lower as well.)

Revenues are forecast lower in FY 2020 than FY 2019, continuing a process in order to correct for overestimations in previous budget years. The forecast of just over $460K should be more in line with actuals from FY 2016-2018.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	-11.0%	-10.8%	-19.0%	9.2%	-28.4%	46.1%	-25%	-15%	0%	
Court Costs	1,160	190	-	-	-	-	-	-	-	3-yr Average
Fines/Fees - Mun Court	297,088	153,472	127,038	140,152	83,340	159,811	119,858	135,839	151,820	$ 455,061
Court-Local Litigation Tax	11,027	8,096	4,661	4,964	3,726	4,525	3,393	3,846	4,298	6.4%
Court-Bad Check	525	181	-	20	276	18	14	16	18	5-Yr Average
Court Collection Fee	-	963	(228)	(677)	(170)	450	338	383	428	$ 521,778
Delinquent Court Fees & Fines	35,261	24,816	13,828	14,214	10,403	11,545	8,658	9,813	10,967	0.8%
Court-Driving School	108,442	71,345	64,422	78,915	30,569	69,013	51,759	58,661	65,562	10-Yr Average
Court-Admin Fee	2,739	1,844	1,463	1,777	1,066	1,336	1,002	1,135	1,269	$ 720,141
Fines - Gen Sessions	71,762	128,355	93,148	81,849	92,490	68,212	51,159	57,980	64,801	-2.5%
Officer Costs - General Sessions/Circuit Court		104,411	95,227	102,261	107,366	80,921	60,690	68,782	76,874	20-Yr Average
Parking Fines - Mun Court	12,070	10,427	10,707	24,689	4,328	27,881	20,911	23,699	26,487	$ 726,619
Fines - Traffic Offenses	113,242	78,843	62,318	68,369	36,396	60,786	45,589	51,668	57,747	-1.3%
Failure To Appear - Fine	3,913	3,536	2,275	2,292	1,510	1,940	1,455	1,649	1,843	
Technology Fee	-	-	-	-	-	56,180	42,135	47,753	80,900	
Confiscated Goods (Federal)	-	-	201	-	-	-	-	-	-	
Totals	$ 657,229	$ 586,479	$ 475,060	$ 518,823	$ 371,300	$ 542,617	$ 406,963	$ 461,224	$ 543,015	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

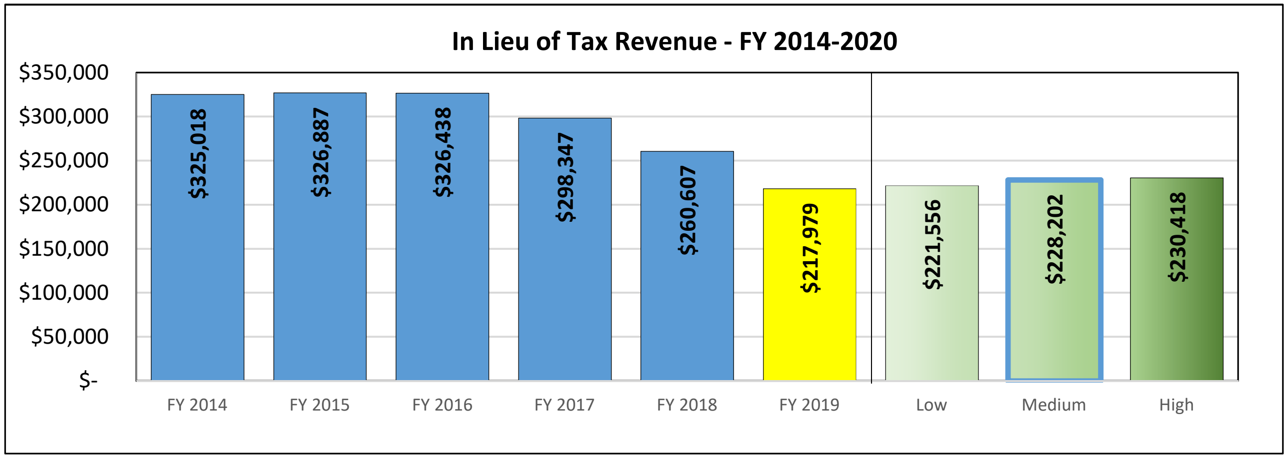
City of Franklin

Revenue Model

Fund:	General Fund	Category:	In Lieu of Tax	Percent of Total General Fund Revenues	0.3%

In Lieu Of Tax: Payments In Lieu Of Tax are made primarily by various local entities - such as the Franklin Housing Authority, Nissan, Community Health Systems (CHS) and Jackson National Life - that have leases through a local government Industrial Board. The local payments are made annually. Three payments have ended - Verizon (last year FY 2014), Healthways (last year FY 2016) and Jackson National Life (FY 2017).

In Lieu of Tax Revenue is projected to increase a modest 3.0% over the five year averages of the remaining agreements in FY 2020.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	-4.4%	0.6%	-0.1%	-8.6%	-12.6%	-16.4%	1.6%	4.7%	5.7%	
Franklin Housing Authority	14,090	23,447	21,841	23,239	25,694	24,654	21,662	22,312	22,529	3-yr Average
Nissan (TIF District)	166,572	180,957	182,114	234,912	234,913	193,325	199,894	205,890	207,889	$ 295,131
Healthways (pilot ends 2016)	43,835	47,327	47,327	-	-	-	-	-	-	-8.7%
Verizon (pilot ends 2014)	30,912	-	-	-	-	-	-	-	-	5-Yr Average
Community Health Systems (CHS)	26,487	28,598	28,598	40,196	-	-	-	-	-	$ 307,459
Jackson National Life (ends 2017)	43,122	46,558	46,558	-	-	-	-	-	-	-5.8%
										10-Yr Average
										$ 311,082
										-3.0%
										20-Yr Average
										$ 292,043
										-1.3%
Totals	$ 325,018	$ 326,887	$ 326,438	$ 298,347	$ 260,607	$ 217,979	$ 221,556	$ 228,202	$ 230,418	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

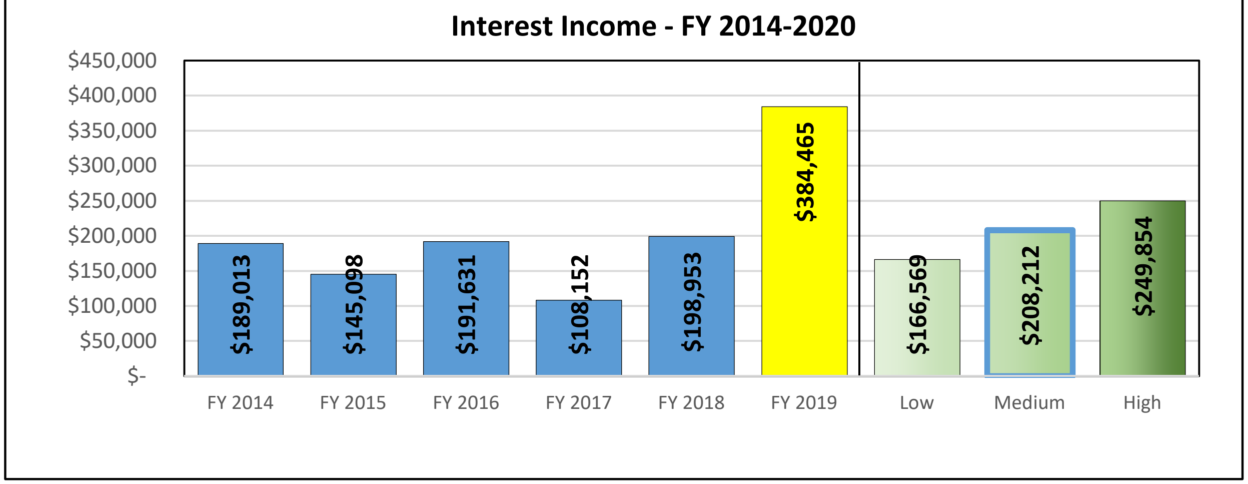
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Interest Income	Percent of Total General Fund Revenues	0.3%

Interest Income: This revenue source is bank interest and investment earnings on temporarily idle funds. This revenue has been adversely affected significantly over the last decade due to the low interest rate environment. Although rates are returning to a pre-Great Recession level, the forecast for FY 2020 is a significant decrease over the FY 2019 budget to more accurately reflect actual returns over the last five years.

It should be noted that negative amounts shown herein reflect mark to market adjustments during the year.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	13.4%	-23.2%	32.1%	-43.6%	84.0%	93.2%	-56.67%	-45.84%	-35.01%	
July	12,902	7,242	13,577	9,142	52,004	15,748	18,973	23,717	28,460	3-yr Average
August	10,925	6,914	2,666	(3,771)	48,602	(6,566)	13,067	16,334	19,601	$ 166,245
September	20,011	(5,204)	32,171	25,061	(975)	43,580	14,213	17,766	21,319	43.8%
October	11,983	5,942	4,069	5,411	6,494	9,306	6,780	8,475	10,170	5-Yr Average
November	11,477	5,550	(35,195)	(50,994)	(6,867)	(88,227)	(15,206)	(19,007)	(22,809)	$ 166,569
December	(11,547)	10,791	(2,479)	8,215	22,065	14,404	5,409	6,761	8,114	26.2%
January	14,444	6,098	69,251	16,437	14,872	28,731	24,220	30,276	36,331	10-Yr Average
February	14,059	18,087	13,568	24,463	(154,674)	(12,157)	(16,899)	(21,124)	(25,349)	$ 307,382
March	13,110	13,148	36,310	(2,952)	56,927	33,362	23,309	29,136	34,963	2.5%
April	16,422	58,058	8,671	37,133	(19,591)	49,099	20,139	25,173	30,208	20-Yr Average
May	16,316	8,123	504	36,846	116,492	37,385	35,656	44,570	53,484	$ 595,627
June	58,911	10,349	48,518	3,161	63,604	259,797	36,909	46,136	55,363	-5.0%
Totals	**$ 189,013**	**$ 145,098**	**$ 191,631**	**$ 108,152**	**$ 198,953**	**$ 384,465**	**$ 166,569**	**$ 208,212**	**$ 249,854**	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

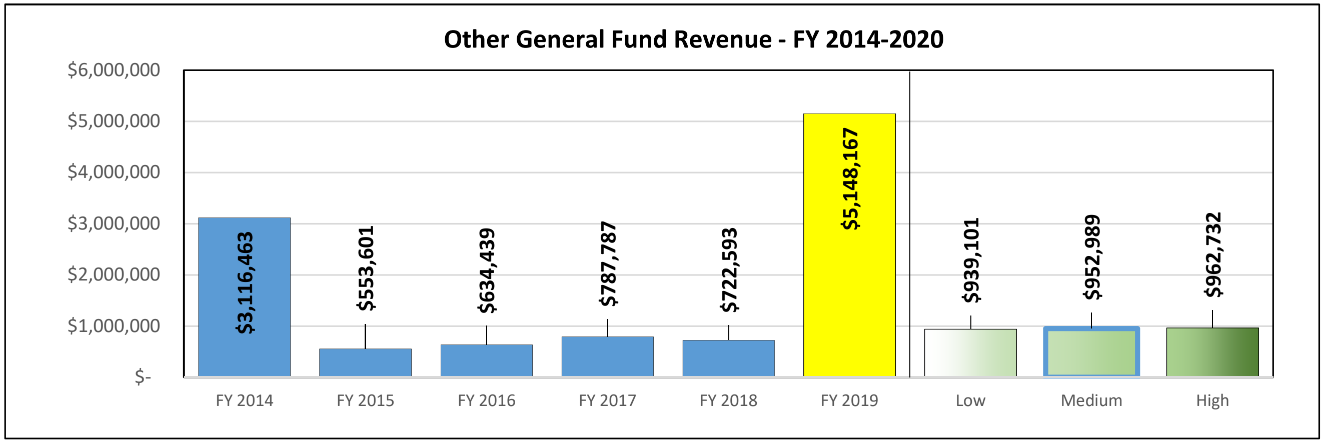
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Other	Percent of Total General Fund Revenues	1.3%

Other: This catch-all revenue category comprises all other individual categories of General Fund Revenue. Traditionally the largest components are one-time receipts, such as contributions from developers. Other Revenue can fluctuate greatly from year to year.

The major decrease forecasted is the elimination of one-time allocations from Fund Balance included in FY 2019, with the exception of continued one-time planning monies for a New City Hall. This will be modified as the budget process progresses.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	395.9%	-82.2%	14.6%	24.2%	-8.3%	612.5%	-81.8%	-81.5%	-81.3%	
City Tax Relief	(6,517)	(8,050)	-	(8,053)	(16,177)	(8,543)	(8,672)	(8,800)	(8,928)	3-yr Average
Prop Taxes - P&I	35,819	30,529	34,026	36,671	39,771	27,716	28,132	28,548	28,964	$ 714,940
Business Tax	9,002	-	-	-	-	-	-	-	-	206.7%
Planning Fees (Rezoning)	39,237	43,946	15,053	30,422	-	31,596	-	-	-	5-Yr Average
Planning Fees (Site Plans)	46,138	48,061	42,924	29,011	-	54,836	-	-	-	$ 1,162,977
Planning Fees (Plat Submittal)	89,000	78,771	106,544	98,894	223,373	80,438	183,380	188,881	191,632	68.5%
Planning Fees (Misc Planning)	7,671	7,155	7,664	2,773	262	14,065	-	-	-	10-Yr Average
Beer Permits (New Applic Fee)	13,700	13,250	14,750	13,750	16,500	14,268	14,482	14,696	14,910	$ 1,162,977
Yard Sale Permits	9,295	7,605	7,395	7,010	6,220	4,116	4,177	4,239	4,301	34.3%
Alarm Permits	29,130	30,320	26,540	23,990	24,190	23,854	24,211	24,569	24,927	20-Yr Average
Miscellaneous Permits	2,300	3,600	4,900	4,100	17,612	5,119	5,196	5,273	5,349	$ 2,447,507
In Lieu of Parkland	2,280,119	-	-	-	-	-	-	-	-	5.5%
City Sponsored Training	-	-	-	-	3,505	-	-	-	-	
Regional Fire Training	3,000	-	1,500	-	2,500	-	-	-	-	
Maps Sold	1,476	2,952	2,752	3,682	1,234	2,754	2,796	2,837	2,878	
Plans Sold	700	2,628	50	1,650	1,500	2,732	2,773	2,814	2,855	
Records Sold	1,130	26	-	49	52	1,344	1,364	1,384	1,405	
Special Event Services Fee		1,200	3,600	2,500	2,900	1,697	1,723	1,748	1,774	
Traffic Impact Analysis Review Fee			(1,507)	65,548	35,000	53,855	50,274	51,782	52,536	
Accident Reports	199	633	77	1,514	743	1,599	1,623	1,647	1,670	

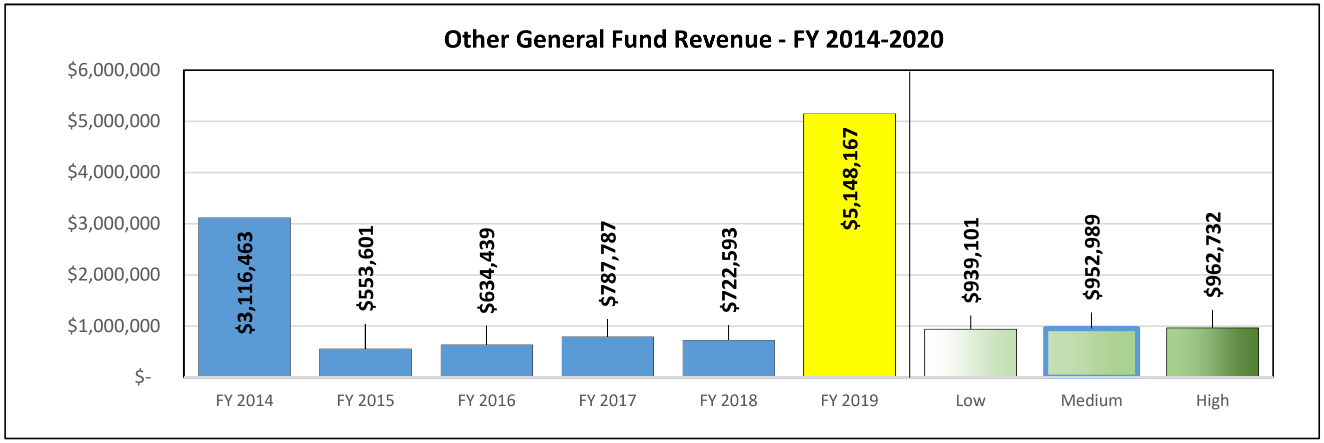
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Other	Percent of Total General Fund Revenues	1.3%

Other: This catch-all revenue category comprises all other individual categories of General Fund Revenue. Traditionally the largest components are one-time receipts, such as contributions from developers. Other Revenue can fluctuate greatly from year to year.

The major decrease forecasted is the elimination of one-time allocations from Fund Balance included in FY 2019, with the exception of continued one-time planning monies for a New City Hall. This will be modified as the budget process progresses.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
Sex Offender Registry	2,350	1,800	1,800	1,800	1,950	1,591	1,615	1,639	1,663	
License Seizure Fees	675	750	1,515	1,150	715	822	834	847	859	
Police Extra Duty	35,478	31,547	27,279	39,941	43,480	46,756	47,457	48,158	48,860	
Compost Voucher (Non-Refundable)	7,400	10,780	18,040	21,200	23,720	13,473	16,228	16,715	16,958	
Beer Board Violations	3,000	1,500	-	-	-	1,000	1,000	1,000	1,000	
Bldg & Street Stds Appeals Fees	-	-	-	-	-	1,000	1,000	1,000	1,000	
Transient Vendor Recording Fees	1,893	1,163	3,486	4,364	556	4,524	4,592	4,660	4,727	
Tree Bank Fees	-	-	53,841	12,767	12,906	59,629	26,505	27,300	27,697	
Sidewalk Reserve Fees	-	-	-	82,840	-	-	-	-	-	
Rebates on Purchases	60,280	61,349	64,639	64,081	68,125	67,166	68,174	69,181	70,189	
Rent - Mall & Other	1	1	8,001	12,001	15,001	12,001	12,001	12,001	12,001	
Park Concessions	46,731	41,329	67,880	77,543	97,480	79,923	81,122	82,321	83,519	
Harlinsdale Rentals			900	506	3,472	1,008	1,023	1,038	1,053	
Sale of Surplus Assets	79,364	137,454	118,278	134,694	60,019	94,672	96,093	97,513	98,933	
Electrical Charging Stations	819	-	-	-	-	-	-	-	-	
Called Performance Bonds	195,000	-	-	-	-	-	-	-	-	
Miscellaneous Other Revenue	122,073	3,301	2,512	21,387	35,984	20,000	20,000	20,000	20,000	
Capital Application from Fund Balance	-	-	-	-	-	4,433,157	250,000	250,000	250,000	
Totals	$ 3,116,463	$ 553,601	$ 634,439	$ 787,787	$ 722,593	$ 5,148,167	$ 939,101	$ 952,989	$ 962,732	

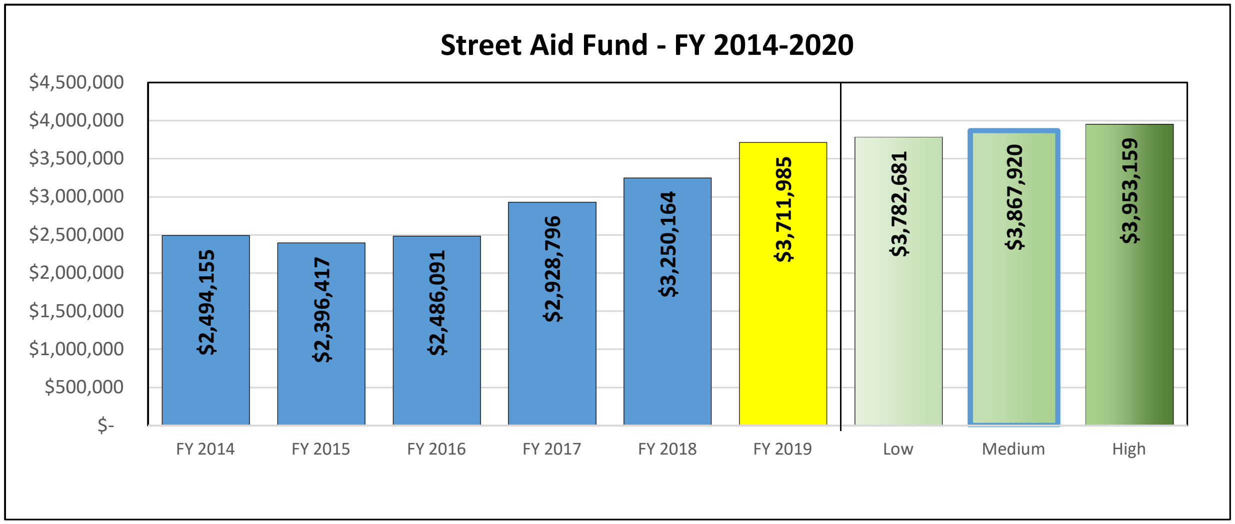
Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

City of Franklin

Revenue Model

Fund:	Street Aid	Percent of All Revenues	2.5%

Street Aid: A special revenue fund used to account for the receipt and usage of the City's share of State gasoline taxes. State law requires these gasoline taxes to be used to maintain streets. Counties and municipalities share in the proceeds of petroleum taxes. In general, counties receive about 30 percent of the proceeds and municipalities about 15 percent. The state retains roughly 55 percent of the proceeds. Fifty percent of the counties' shares are divided equally among the 95 counties, 25 percent on the basis of area and 25 percent on the basis of population; Municipalities' shares are divided based on the population each municipality bears to the aggregate population of all municipalities, according to the federal census or a special census as prescribed by T.C.A. § 54-4-203. T.C.A. § 67-3-901(b), (c), (f)(2) and (i); T.C.A. § 67-Gen. No. 86-136; and The money each individual municipality receives under the Petroleum and Alternative Fuels Tax Law is paid into the municipality's state street aid fund and is required to be administered and spent under the law that governs that fund. T.C.A. § 54-4-103, T.C.A. § 54-4-204.



Estimates for growth from the State are inclusive of the increase approved via the passage of the IMPROVE Act. A 5% increaseon the Gasoline Tax is being budgeted, though the expectation by the time of full implementation is closer to a 25% increase in aid from the state. State composite revenue projections are for a 4.94% increase in Gasoline Tax collections statewide. This includes an 1 cent increase per gallon on all Unleaded Gasoline and Diesel effective July 1, 2019.

	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	8.0%	-3.9%	3.7%	17.8%	11.0%	14.2%	1.9%	4.2%	6.5%	
PROPERTY TAXES COLLECTED	-	508,038	526,008	623,685	722,941	752,130	752,130	767,173	782,215	3-yr Average
GASOLINE TAX (STATE)	1,754,190	1,887,683	1,959,797	1,971,070	2,520,503	2,707,855	2,775,551	2,843,248	2,910,944	$ 2,888,350
INCREASE IN STATE SHARED TAXES	-	-	-	-	-	-	-	-	-	9.5%
INTEREST INCOME	-	697	286	1,201	6,720	2,000	5,000	7,500	10,000	5-Yr Average
TRANSFER FROM GENERAL FUND	739,965	-	-	332,840	-	250,000	250,000	250,000	250,000	$ 2,711,125
										7.4%
										10-Yr Average
										$ 2,336,211
										11.8%
Totals	$ 2,494,155	$ 2,396,417	$ 2,486,091	$ 2,928,796	$ 3,250,164	$ 3,711,985	$ 3,782,681	$ 3,867,920	$ 3,953,159	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

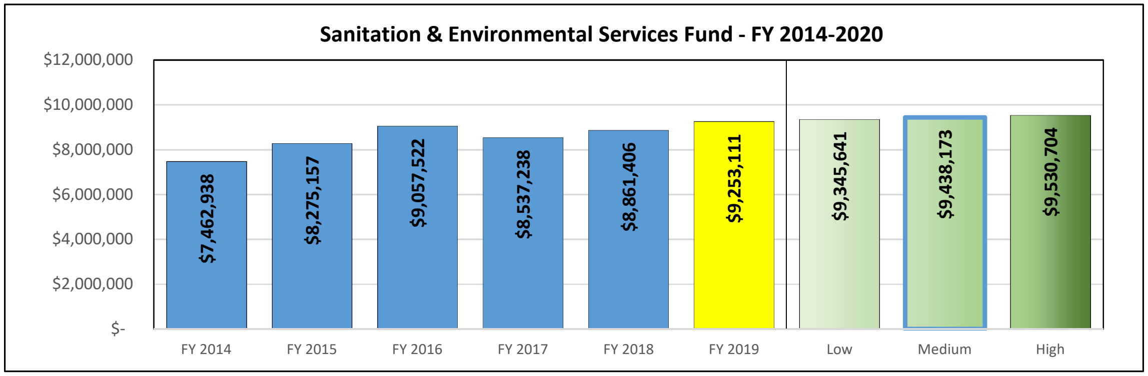
City of Franklin

Revenue Model

Fund:	**Sanitation & Environmental Services Fund**	**Percent of All Revenues**	**6.2%**

<u>Sanitation & Environmental Services Fund</u>: This Special Revenue fund accounts for the fees collected in the collection and disposal of residential and commercial garbage. The primary component within the fund are those fees charged for disposal of refuse. In recent years, the City has worked to reduce the subsidy from the General Fund for sanitation and recycling operations.

This revenue forecast assumes 2% growth in the system; however this will be revised after a forthcoming cost of services study is presented in Winter 2019.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**Low**	**Medium**	**High**	
% yr/yr.	**-2.4%**	**10.9%**	**9.5%**	**-5.7%**	**3.8%**	**4.4%**	**1.0%**	**2.0%**	**3.0%**	
FEMA/TEMA GRANTS (FED/STATE)	39,309	-	-	-	-	-	-	-	-	**3-yr Average**
SOLID WASTE GRANT (STATE)	4,790	42,686	4,142	-	-	-	-	-	-	**$ 8,818,722**
SPECIAL EVENT GRANT RECOVERIES	27,401	50,623	-	-	-	-	-	-	-	**1.6%**
SAFETY GRANT	-	-	18,135	-	-	-	-	-	-	
SPECIAL EVENT SERVICES FEE	-	4,275	3,820	10,946	370	5,279	5,332	5,384	5,437	**5-Yr Average**
COLLECTION REVENUES	4,460,658	4,946,611	5,063,842	5,285,753	5,567,066	6,229,072	6,291,363	6,353,653	6,415,944	**$ 8,438,852**
NON-RESIDENTIAL DUMPSTERS	-	-	-	-	-	5,411	5,465	5,519	5,573	**1.9%**
ADDL RESIDENTIAL ROLLOUT CONTAINERS	-	-	4,675	8,580	11,000	3,090	3,121	3,152	3,183	
SANITATION SERVICES - MILCROFTON	-	-	78,069	-	-	-	-	-	-	**10-Yr Average**
TIPPING FEES	1,487,082	2,293,823	3,064,284	2,300,739	2,681,623	2,831,540	2,859,855	2,888,171	2,916,486	**$ 8,146,497**
CARDBOARD RECYCLING	11,250	13,715	9,862	10,075	11,477	9,848	9,946	10,045	10,143	**1.4%**
RECYCLING-BATTERIES	-	4,266	3,855	4,183	5,047	6,634	6,701	6,767	6,833	
RECYCLING-ELECTRONICS	-	-	428	13,063	14,067	-	-	-	-	**20-Yr Average**
RECYCLING-METAL	-	5,817	3,619	6,443	5,223	7,551	7,626	7,702	7,777	**$ 5,227,929**
RECYCLING-WASTE OIL	-	523	82	-	-	-	-	-	-	**7.7%**
BUCK A BAG PROGRAM	-	2,988	2,897	2,993	3,093	3,867	3,906	3,944	3,983	
RESIDENTIAL BRUSH	-	900	800	500	5,375	845	853	861	870	
RESIDENTIAL BULKY GOODS	-	600	900	2,500	2,625	211	213	215	217	
NON-RESIDENTIAL BRUSH	-	100	100	500	375	211	213	215	217	
NON-RESIDENTIAL BULKY GOODS	-	600	-	500	1,000	202	204	206	208	
INTEREST INCOME	-	-	22	113	2,215	-	-	-	-	
SALE OF WASTE CONTAINERS	63,802	77,595	73,068	62,111	50,850	61,800	62,418	63,036	63,654	
LEASE OF WASTE CONTAINERS	34,065	37,260	35,910	-	-	36,050	36,411	36,771	37,132	
SALE OF SURPLUS ASSETS	101,640	292,774	189,011	78,027	-	51,500	52,015	52,530	53,045	
TRANSFER FROM GENERAL FUND	1,208,148	500,000	500,000	750,000	500,000	-	-	-	-	
MISCELLANEOUS OTHER REVENUE	24,793	-	-	212	-	-	-	-	-	
Totals	**$ 7,462,938**	**$ 8,275,157**	**$ 9,057,522**	**$ 8,537,238**	**$ 8,861,406**	**$ 9,253,111**	**$ 9,345,641**	**$ 9,438,173**	**$ 9,530,704**	

Source: City of Franklin, <u>Comprehensive Annual Financial Reports - 1990-2018</u> & Estimates from Finance & Revenue Management Departments.

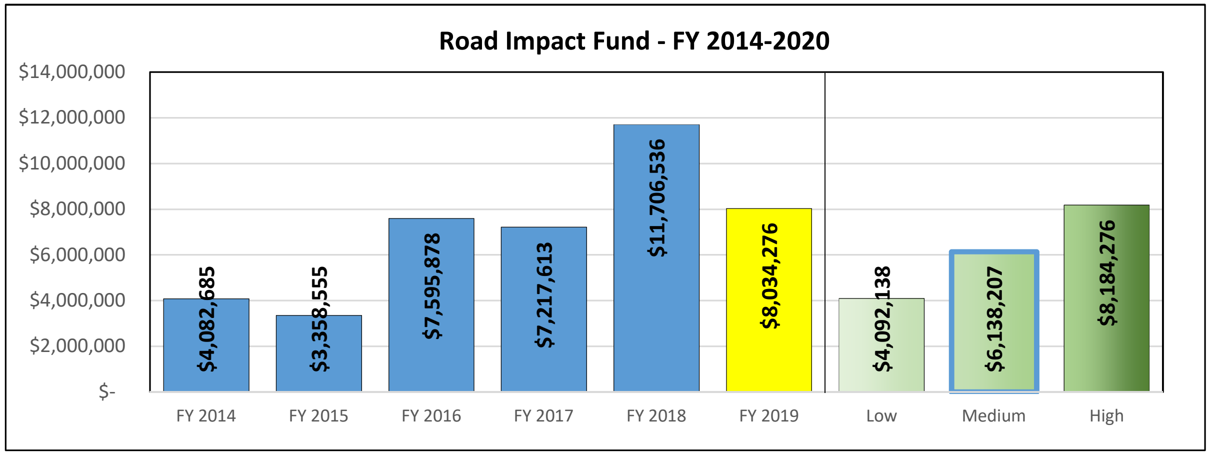
City of Franklin

Revenue Model

Fund:	Road Impact	Percent of All Revenues	4.0%

Road Impact Fund: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011 and revised in 2017.

The forecast for FY 2020 is an estimate based upon historic averages and year-to-date activity. It is *heavily dependent* upon the timing of new development. Should development permits be pulled sooner than anticipated (or delayed), amounts may be higher (or lower) than forecast.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	24.6%	-17.7%	126.2%	-5.0%	62.2%	-31.4%	-49.1%	-23.6%	1.9%	
Road Impact Fees										3-yr Average
Arterials	4,725,902	3,611,954	7,854,118	7,180,150	11,084,375	4,829,296	2,414,648	3,621,972	4,829,296	$ 8,840,009
Collector Area 1					59,923	788,745	394,373	591,559	788,745	-3.0%
Collector Area 2					251,474	788,745	394,373	591,559	788,745	5-Yr Average
Collector Area 3					189,728	788,745	394,373	591,559	788,745	$ 6,792,253
Collector Area 4					-	788,745	394,373	591,559	788,745	3.7%
Road Impact Credits	(704,150)	(253,523)	(267,394)	-	-	-	-	-	-	10-Yr Average
Interest Income	-	124	9,154	27,363	121,036	50,000	100,000	150,000	200,000	$ 4,602,806
Contributions from Developers	-	-	-	-	-	-	-	-	-	14.9%
Transfer from General Fund	60,933	-	-	-	-	-	-	-	-	
Miscellaneous Income	-	-	-	10,100	-	-	-	-	-	
Totals	**$ 4,082,685**	**$ 3,358,555**	**$ 7,595,878**	**$ 7,217,613**	**$ 11,706,536**	**$ 8,034,276**	**$ 4,092,138**	**$ 6,138,207**	**$ 8,184,276**	

Source: City of Franklin, Comprehensive Annual Financial Reports - 2001-2018 & Estimates from Finance & Revenue Management Departments.

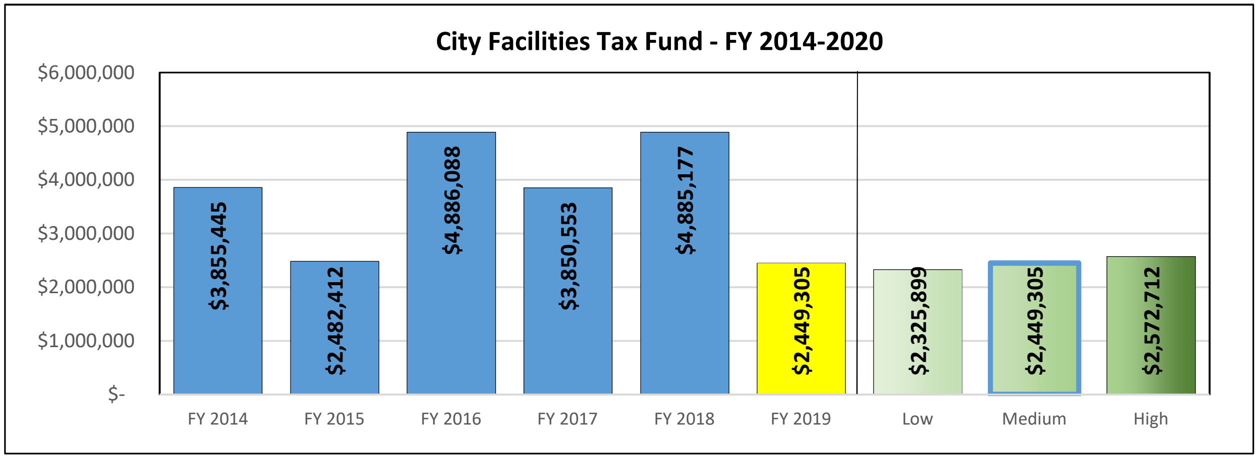
City of Franklin

Revenue Model

Fund:	City Facilities Tax Fund	Percent of All Revenues	1.6%

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

The forecast for FY 2020 is an estimate based upon historic averages and year-to-date activity. It is *heavily dependent* upon the timing of new development. Should development permits be pulled sooner than anticipated (or delayed), amounts may be higher (or lower) than forecast.



	Actual					Budget	Forecasts (FY 2020)		
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High
% yr/yr.	46.9%	-35.6%	96.8%	-21.2%	26.9%	-49.9%	-5.0%	0.0%	5.0%
July	188,335	174,169	460,763	221,540	202,536	161,854	153,761	161,854	169,947
August	282,956	128,599	138,739	299,262	649,402	138,733	131,796	138,733	145,669
September	172,873	155,707	405,920	242,795	635,277	158,463	150,540	158,463	166,386
October	1,182,887	211,229	693,869	663,512	437,274	401,233	381,171	401,233	421,295
November	234,251	160,556	561,169	176,544	516,609	195,071	185,317	195,071	204,824
December	188,891	168,587	235,832	432,916	321,669	177,773	168,885	177,773	186,662
January	189,243	186,851	227,208	180,975	222,051	129,410	122,939	129,410	135,880
February	70,242	130,798	575,877	575,155	470,643	203,546	193,369	203,546	213,723
March	216,615	227,269	302,406	372,318	211,194	180,848	171,806	180,848	189,891
April	160,708	383,594	336,678	140,530	282,850	167,370	159,002	167,370	175,739
May	309,052	256,477	325,313	119,466	163,847	182,572	173,444	182,572	191,701
June	652,730	284,637	564,194	439,440	674,690	333,611	316,930	333,611	350,292
Interest Income	6,662	13,939	58,120	(13,900)	97,135	18,821	16,939	18,821	20,703
Totals	**$ 3,855,445**	**$ 2,482,412**	**$ 4,886,088**	**$ 3,850,553**	**$ 4,885,177**	**$ 2,449,305**	**$ 2,325,899**	**$ 2,449,305**	**$ 2,572,712**

Averages
3-yr Average
$ 4,540,606
-15.4%
5-Yr Average
$ 4,026,057
-7.8%
10-Yr Average
$ 2,927,254
-1.6%

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

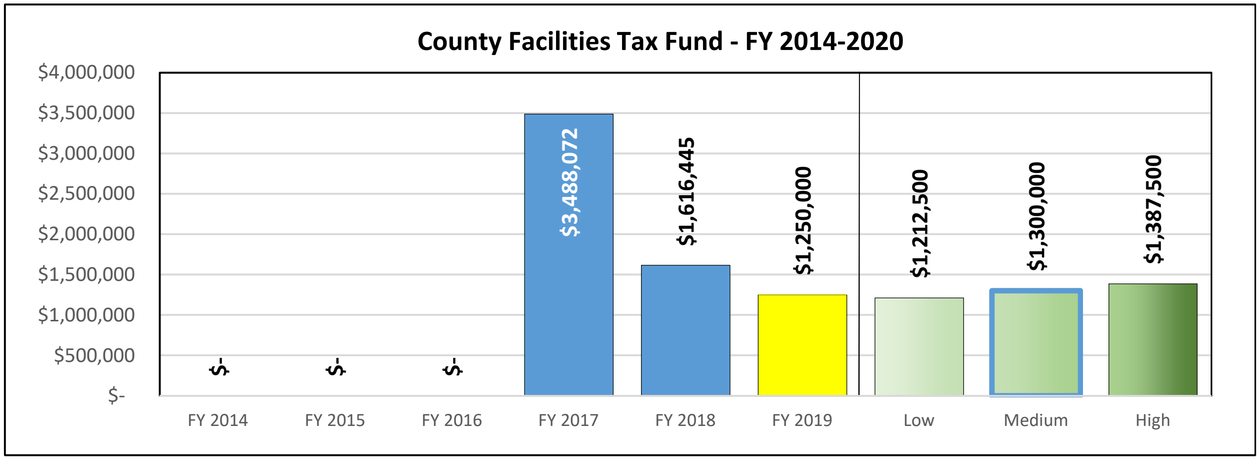
City of Franklin

Revenue Model

Fund:	County Facilities Tax Fund	Percent of All Revenues	0.9%

County Facilities Tax: The County Facilities Tax Fund is a brand new special revenue fund used to account for the City's share of the County's Adequate School Facilities Tax. 30% of the proceeds are distributed to incorporated cities within the county, and another 30% is divided pro rata among the incorporated cities based on population in the last decennial census. The City began collecting a share of the County Facilities Tax in FY 2012. Prior to now monies collected had been deposited within the Capital Projects Fund. Funds are to be used for the purpose of providing public facilities.

The forecast is *heavily dependent* upon the timing of new development. Should development permits be pulled sooner than anticipated (or delayed), amounts may be higher (or lower) than forecast.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	**n/a**	**n/a**	**n/a**	**n/a**	**-53.7%**	**-22.7%**	**-3.0%**	**4.0%**	**11.0%**	
Tax Collections	-	-	-	-	971,814	1,250,000	**1,187,500**	**1,250,000**	**1,312,500**	**n/a**
Transfer from Capital Fund	-	-	-	3,487,056	635,074					
Interest Income	-	-	-	1,016	9,557	-	**25,000**	**50,000**	**75,000**	
Totals	**$ -**	**$ -**	**$ -**	**$ 3,488,072**	**$ 1,616,445**	**$ 1,250,000**	**$ 1,212,500**	**$ 1,300,000**	**$ 1,387,500**	

Source: City of Franklin, Comprehensive Annual Financial Report - 2017-2018 & Estimates from Finance & Revenue Management Departments.

City of Franklin

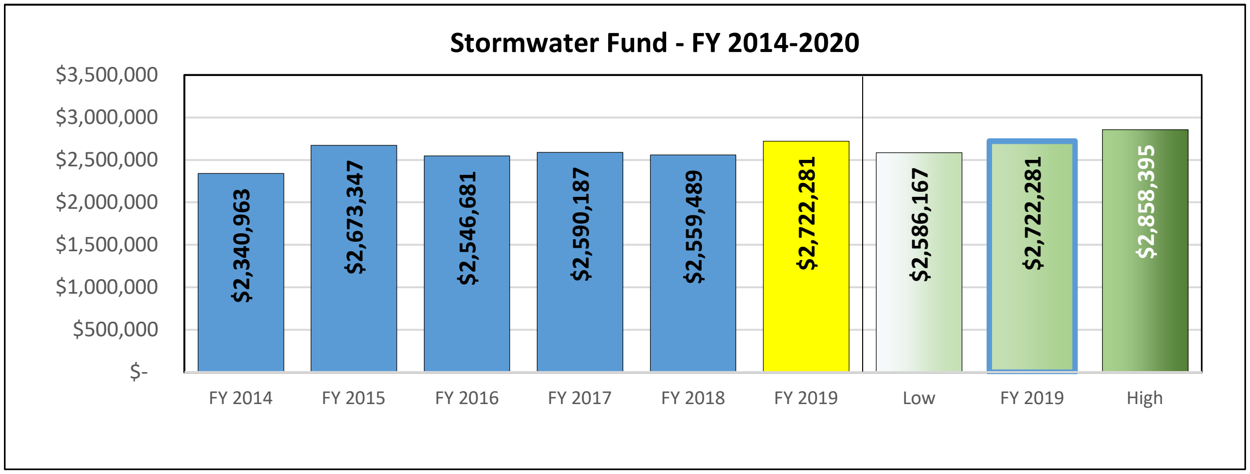
Revenue Model

Fund:	Stormwater Fund	Percent of All Revenues	1.8%

Stormwater Fund: A special revenue fund used to account for the City's Stormwater drainage operations. Revenues are primarily from charges to residential and commercial customers based on paved areas.

This is another fund dependent upon development. Should development increase faster than projected, revenues will be positively affected.

This fund is being forecast for no change in collections in FY 2020; however this will change as the fee structure is examined to ensure adequate ongoing funding as staff discussed with the BOMA in November 2018.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	FY 2019	High	
% yr/yr.	-1.8%	14.2%	-4.7%	1.7%	-1.2%	6.4%	-5.0%	0.0%	5.0%	
PLANS REVIEW FEE	9,908	24,500	15,100	26,400	15,000	24,990	23,741	24,990	26,240	3-yr Average
DRAINAGE INSPECTIONS	5,477	68,947	25,303	102,519	50,176	59,976	56,977	59,976	62,975	$ 2,565,452
STORMWATER PERMIT FEE	12,482	10,789	8,225	15,075	8,913	40,059	38,056	40,059	42,062	2.0%
FEMA/TEMA GRANTS (FED/STATE)	3,691	-	-	-	-	-	-	-	-	5-Yr Average
STORMWATER FEES	2,277,908	2,521,597	2,381,431	2,402,680	2,379,597	2,546,377	2,419,058	2,546,377	2,673,696	$ 2,542,133
STORMWATER FINES	-	9,675	14,125	-	**43,486**	9,996	9,496	9,996	10,496	1.4%
STORMWATER LATE PAY PENALTIES	20,754	23,398	21,640	18,869	23,279	30,888	29,343	30,888	32,432	10-Yr Average
INTEREST INCOME	8,930	14,441	83,971	(8,864)	39,038	9,996	9,496	9,996	10,496	$ 2,620,389
SALE OF SURPLUS ASSETS	-	-	-	33,508	0	-	-	-	-	0.4%
CUSTOMER SERVICE	(4,776)	-	(3,307)	-	-	-	-	-	-	
MISCELLANEOUS REVENUE	-	-	193	-	-		-	-	-	
CONTRIBUTIONS - OTHERS	6,589	-	-	-	-	-	-	-	-	
Totals	**$ 2,340,963**	**$ 2,673,347**	**$ 2,546,681**	**$ 2,590,187**	**$ 2,559,489**	**$ 2,722,281**	**$ 2,586,167**	**$ 2,722,281**	**$ 2,858,395**	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

City of Franklin

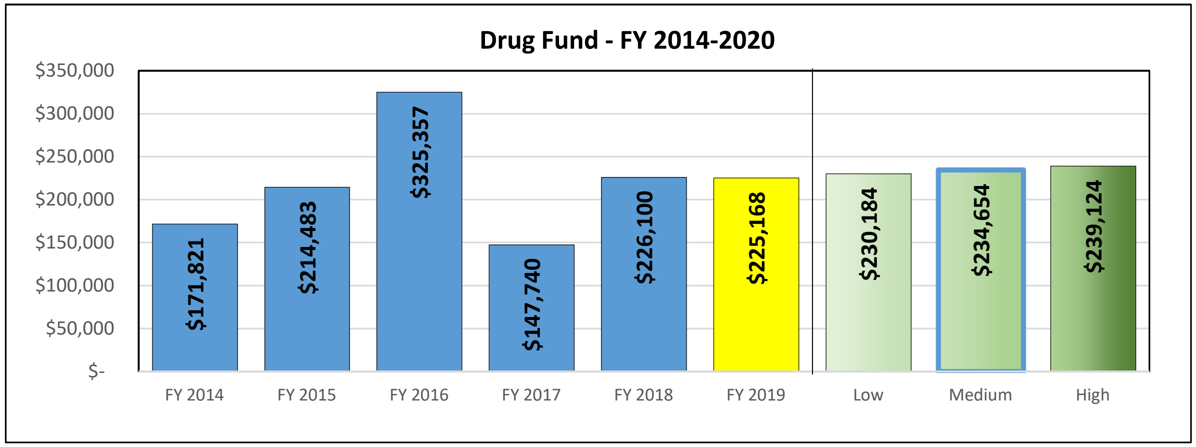
Revenue Model

Fund:	Drug Fund	Percent of All Revenues	0.2%

Drug Fund: The Drug Fund is a special revenue account established under Tennessee Code Annotated (T.C.A.) 39-17-420. (A special revenue account exists outside the city's or county's General Fund, and funds in the special revenue account do not revert to the General Fund at the end of the fiscal year).

Revenues come from one-half of the fines from drug offenses, any cash that is forfeited to the city or county as well as the proceeds from the sale of any forfeited property (usually vehicles) and donations.

The FY 2020 Forecast is a 5% increase based on 5 year historical averages.



	Actual					Budget	Forecasts (FY 2020)		
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High
% yr/yr.	99.0%	24.8%	51.7%	-54.6%	53.0%	-0.4%	2.2%	4.2%	6.2%
DRUG FINES RECEIVED	82,013	42,740	137,906	62,808	67,571	77,373	80,966	82,538	84,110
DRUG CONTRIBUTIONS PAID TO POLICE DEPT		16,050	47,824	26,825	36,900	33,534	32,857	33,495	34,133
CONFISCATED GOODS (FEDERAL)	68,264	95,226	116,811	21,230	49,204	89,265	72,251	73,654	75,057
CONFISCATED GOODS (STATE)	17,087	15,211	10,495	23,840	44,611	9,952	22,916	23,361	23,806
INTEREST INCOME	1,127	937	1,874	3,407	8,318	2,265	3,227	3,289	3,352
SALE OF SURPLUS ASSETS	3,330	44,319	10,446	9,630	19,496	12,779	17,968	18,316	18,665
Totals	$ 171,821	$ 214,483	$ 325,357	$ 147,740	$ 226,100	$ 225,168	$ 230,184	$ 234,654	$ 239,124

Averages
3-yr Average
$ 233,066
-1.1%
5-Yr Average
$ 217,100
0.7%
10-Yr Average
$ 166,984
3.5%

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

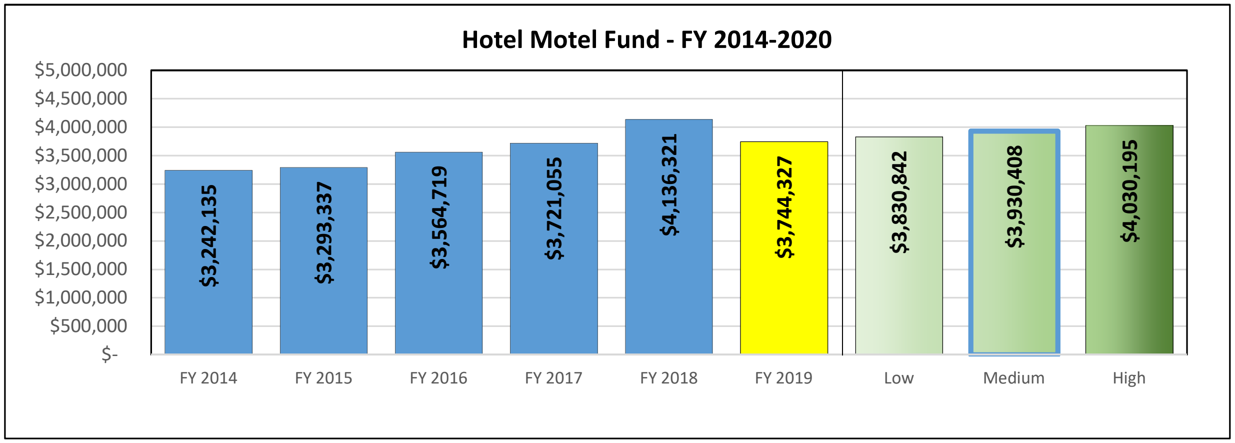
City of Franklin

Revenue Model

Fund:	Hotel Motel Fund	Percent of All Revenues	2.6%

Hotel Motel Fund: The Hotel/Motel Fund is a special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel /Motel Tax is 4%. The fund is used to pay debt service on the Cool Springs Conference Center and the Harlinsdale and Battlefield parks. Also, the funds can be used to support projects and operations related to tourism.

Rev/PAR, Occupancy Rates and the Average Daily Rate continue to be exceedingly strong in Franklin and greater Nashville. The FY 2020 Forecast is an increase of 5% over FY 2019 Budget.



	Actual					Budget	Forecasts (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	31.2%	1.6%	8.2%	4.4%	11.2%	-9.5%	2.3%	5.0%	7.6%	
July	220,564	262,528	321,484	359,016	553,391	380,200	391,606	399,210	406,814	3-yr Average
August	202,941	273,788	255,448	299,477	338,006	320,688	330,308	336,722	343,136	$ 3,807,365
September	219,382	310,183	306,676	335,101	375,008	357,511	368,237	375,387	382,537	-0.6%
October	242,061	294,166	323,020	357,048	387,305	384,706	396,248	403,942	411,636	5-Yr Average
November	223,360	228,683	247,283	276,090	324,040	300,986	310,015	316,035	322,055	$ 3,591,514
December	175,183	207,948	205,388	214,176	248,608	233,279	240,277	244,942	249,608	0.9%
January	184,875	213,640	235,170	222,664	225,619	230,238	237,145	241,750	246,354	10-Yr Average
February	214,823	231,263	266,011	255,252	279,126	253,994	261,614	266,694	271,774	$ 2,783,083
March	274,024	321,936	348,031	341,392	376,573	325,797	335,571	342,087	348,603	3.5%
April	260,989	311,958	350,962	331,685	362,495	304,355	313,486	319,573	325,660	20-Yr Average
May	249,496	288,118	340,943	353,139	372,611	299,497	308,482	314,472	320,462	$ 1,774,754
June	297,104	346,808	357,555	365,549	254,913	342,577	312,855	319,595	326,558	5.5%
EASTERN FLANK LOOP GRANT	476,000	-	-	-	-	-	-	-	-	
INTEREST INCOME	1,333	2,318	6,750	10,466	38,626	10,500	25,000	50,000	75,000	
Totals	$ 3,242,135	$ 3,293,337	$ 3,564,719	$ 3,721,055	$ 4,136,321	$ 3,744,327	$ 3,830,842	$ 3,930,408	$ 4,030,195	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

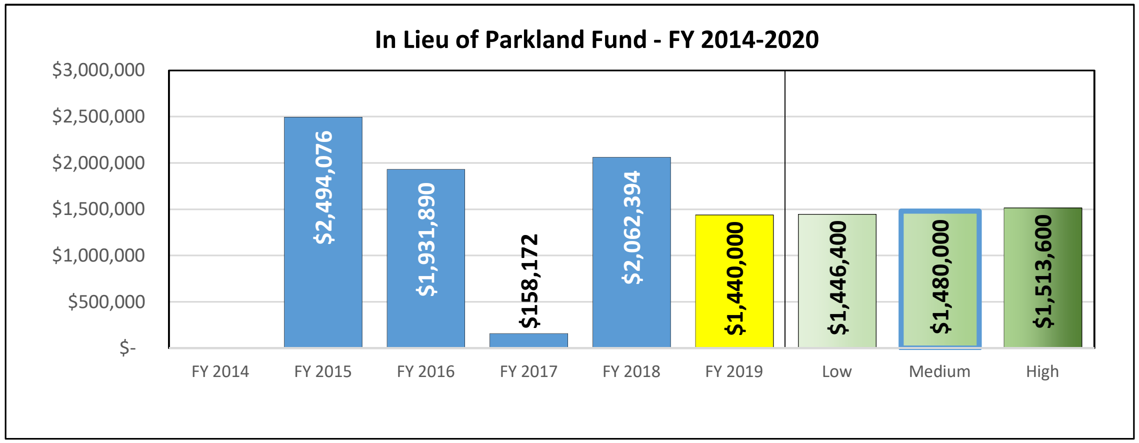
City of Franklin

Revenue Model

Fund:	**In Lieu of Parkland Fund**	**Percent of All Revenues**	**1.0%**

<u>In Lieu of Parkland Fund</u>: The In Lieu of Parkland Fund was created in FY 2015 for the purpose of satisfying requirements of Section 5.5.4 of the City of Franklin Zoning Ordinance for developers seeking alternatives to the development of greenspace within developments. Funds can be used only for the acquisition or development of public parks, greenways/blue ways, open space sites, and related facilities.

The forecast for FY 2020 is an estimate based upon historic averages and year-to-date activity. It is *<u>heavily dependent</u>* upon the timing of new development. Should development permits be pulled sooner than anticipated (or delayed), amounts may be higher (or lower) than forecast.



	Actual					Budget	Forecast (FY 2020)			Averages
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**Low**	**Medium**	**High**	
% yr/yr.	**n/a**	**n/a**	**-22.5%**	**-91.8%**	**1203.9%**	**-30.2%**	**0.4%**	**2.8%**	**5.1%**	
In Lieu of Parkland Receipts	-	211,848	1,923,145	137,454		1,430,000	**1,401,400**	1,430,000	1,458,600	**3-yr Average**
Quadrant 1					1,188,552					**$ 1,384,152**
Quadrant 2					88,008					**0.0%**
Quadrant 3					157,110					**5-Yr Average**
Quadrant 4					576,386					**$ -**
Interest Income	-	2,109	8,745	20,718	52,338	10,000	**45,000**	50,000	55,000	**0.0%**
Transfers from General Fund	-	2,280,119	-	-	-	-	-	-	-	
Totals	**$ -**	**$ 2,494,076**	**$ 1,931,890**	**$ 158,172**	**$ 2,062,394**	**$ 1,440,000**	**$ 1,446,400**	**$ 1,480,000**	**$ 1,513,600**	

Source: City of Franklin, <u>Comprehensive Annual Financial Reports - 2015-2018</u> & Estimates from Finance & Revenue Management Departments.

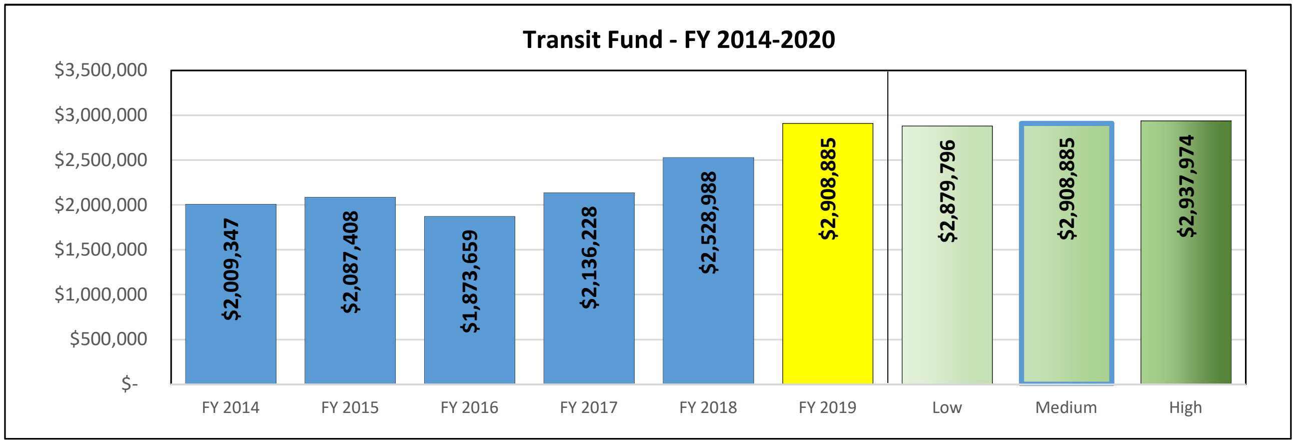
City of Franklin

Revenue Model

Fund:	Transit Fund	Percent of All Revenues	1.9%

Transit Fund: A special revenue fund used to account for the City's transit operations. The primary sources of revenue are an operating subsidy from the general fund and transit fares. The City has created the Franklin Transit Authority to oversee transit operations. Daily operations of the transit system are managed by a contractor.

The forecast for FY 2020 is initally the same as it is for FY 2019.



	Actual					Budget	Forecast (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
% yr/yr.	39.8%	3.9%	-10.2%	14.0%	18.4%	15.0%	-1.0%	0.0%	1.0%	
TRANSIT OPERATIONS GRANT (FEDERAL)	1,005,998	1,229,365	989,505	1,163,679	983,103	1,386,664	1,372,797	1,386,664	1,400,531	3-yr Average
TRANSIT CAPITAL GRANT (FED/STATE)	44,333	67,588	261,550	380,361	272,005	374,350	370,607	374,350	378,094	$ 2,179,625
TRANSIT FARES	94,314	94,072	88,460	104,649	112,418	143,000	141,570	143,000	144,430	11.2%
CHARTERS										5-Yr Average
INTEREST INCOME	11,820	3,573	4,391	7,610	7,465	9,700	9,603	9,700	9,797	$ 2,127,126
RENTAL INCOME	9,700	9,700	9,700	9,700	9,600	10,000	9,900	10,000	10,100	7.4%
SALE OF SURPLUS ASSETS	0	0	18,640	11,475	0	0	-	-	-	
TRANSFER FROM GENERAL FUND	843,182	683,110	501,413	458,755	1,144,399	985,171	975,319	985,171	995,023	
Totals	$ 2,009,347	$ 2,087,408	$ 1,873,659	$ 2,136,228	$ 2,528,988	$ 2,908,885	$ 2,879,796	$ 2,908,885	$ 2,937,974	

Source: City of Franklin, Comprehensive Annual Financial Reports - 2009-2018 & Estimates from Finance & Revenue Management Departments.

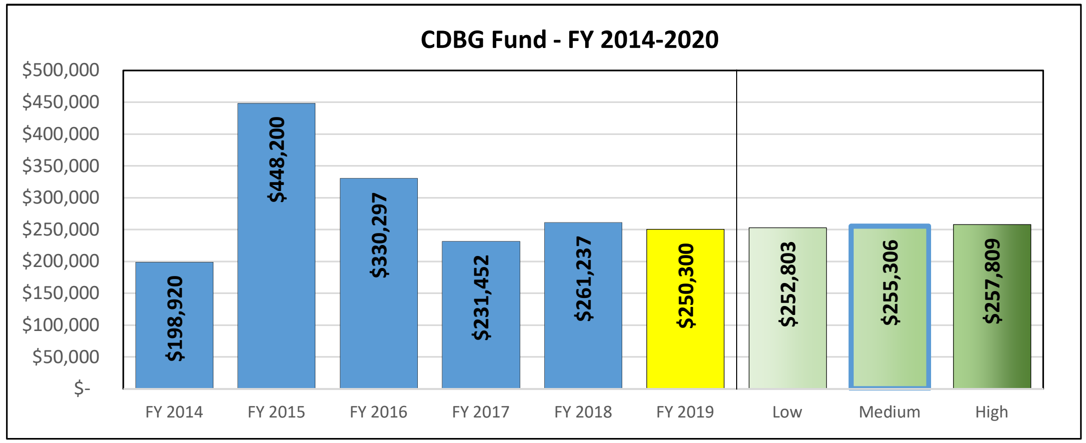
City of Franklin

Revenue Model

Fund:	Community Development Block Grant Fund	Percent of All Revenues	0.2%

CDBG Fund: The Community Development Block Grant is funded by the Department of Housing and Urban Development based on an annual formula provided by HUD. Under the formula guideline the City receives about Two-Hundred and Fifty Thousand Dollars annually ($250,000). To date the City of Franklin has received approximately Two-Million Dollars ($2,000,000) which has been used for emergency rehabilitation of about 62 homes within the City of Franklin for our elderly and low income residents, furthering Fair Housing education, new construction of single family homes within the Hard Bargain and Natchez neighborhoods and administrating homeless assistance on an as-needed basis.

A nominal 2% increase is forecast in this fund. This will be revised as the budget is further developed.



	Actual					Budget	Forecast (FY 2020)			Averages	
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High		
% yr/yr.	3.3%	125.3%	-26.3%	-29.9%	12.9%	-4.2%	1.0%	2.0%	3.0%		
CDBG GRANT (FEDERAL)	198,747	223,787	329,866	230,374	257,808	250,000	252,500	255,000	257,500	3-yr Average	
IN LIEU OF AFFORDABLE HOUSING FEES		224,162	0	0	0	0	-	-	-	$	274,329
INTEREST INCOME	173	251	431	1,078	3,427	300	303	306	309		-2.9%
										5-Yr Average	
										$	294,021
											-3.0%
Totals	$ 198,920	$ 448,200	$ 330,297	$ 231,452	$ 261,237	$ 250,300	$ 252,803	$ 255,306	$ 257,809		

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

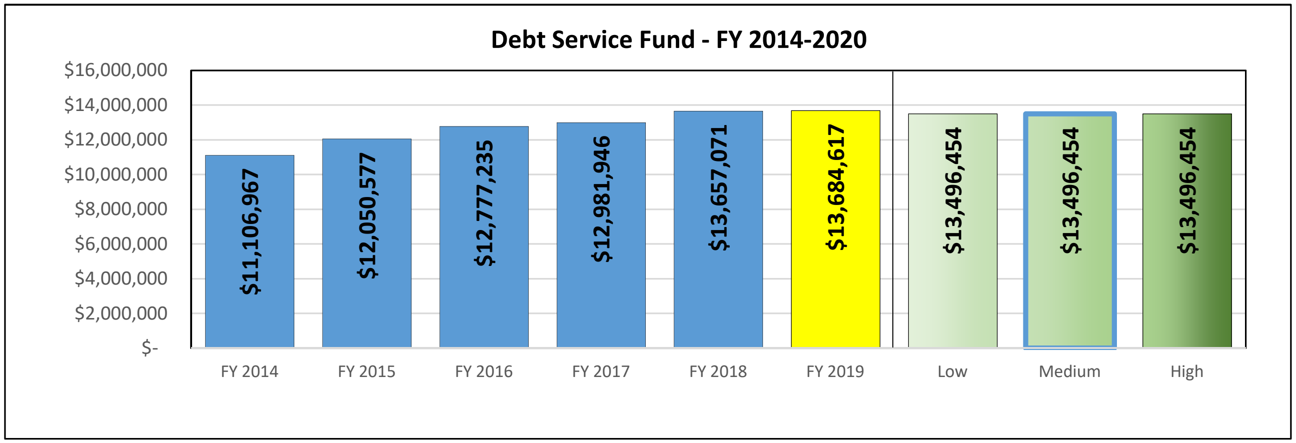
City of Franklin

Revenue Model

Fund:	Debt Service Fund	Percent of All Revenues	8.8%

Debt Service Fund: The Debt Service Fund was created in FY 2010 for the purpose of accounting for resources set aside to fund debt service (payments of long term debt principal, interest, and related costs). All funds which have debt service are accounted for within this fund - General, Road Impact, Sanitation and Hotel / Motel.

FY 2020 revenues for the Debt Service Fund will be revised during the next few months once plans are finalized for next G.O. Bond Issuance for various projects contained in the 2019-2028 CIP.



	Actual					Budget	Forecast (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
PROPERTY TAXES COLLECTED	5,357,261	6,350,472	7,338,632	6,710,855	8,505,949	8,620,102	**8,464,681**	8,464,681	8,464,681	**3-yr Average**
REBATE ON BAB / RZEDB	832,179	838,508	840,316	846,359	843,028	870,720	**835,606**	835,606	835,606	**$ 13,138,751**
INTEREST INCOME	2,205	1,514	3,296	4,355	16,390	5,000	**5,000**	5,000	5,000	**1.4%**
BOND PROCEEDS	0	0	0	0	0	0	-	-	-	**5-Yr Average**
TRANSFER FROM GENERAL FUND	0	0	0	792,914	0	0	-	-	-	**$ 12,514,759**
TRANSFER FROM WATER	0	100,000	100,000	100,000	100,000	100,000	**100,000**	100,000	100,000	**1.9%**
TRANSFER FROM SEWER	0	100,000	100,000	100,000	100,000	100,000	**100,000**	100,000	100,000	
TRANSFER FROM SOLID WASTE	570,537	584,509	599,772	618,054	273,390	167,184	**167,184**	167,184	167,184	
TRANSFER FROM ROAD IMPACT	3,227,856	2,960,579	2,674,006	2,689,493	2,699,646	2,708,651	**2,710,869**	2,710,869	2,710,869	
TRANSFER FROM HOTEL/MOTEL	1,116,929	1,114,995	1,121,213	1,119,916	1,118,668	1,112,960	**1,113,114**	1,113,114	1,113,114	
Totals	**$ 11,106,967**	**$ 12,050,577**	**$ 12,777,235**	**$ 12,981,946**	**$ 13,657,071**	**$ 13,684,617**	**$ 13,496,454**	**$ 13,496,454**	**$ 13,496,454**	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

City of Franklin

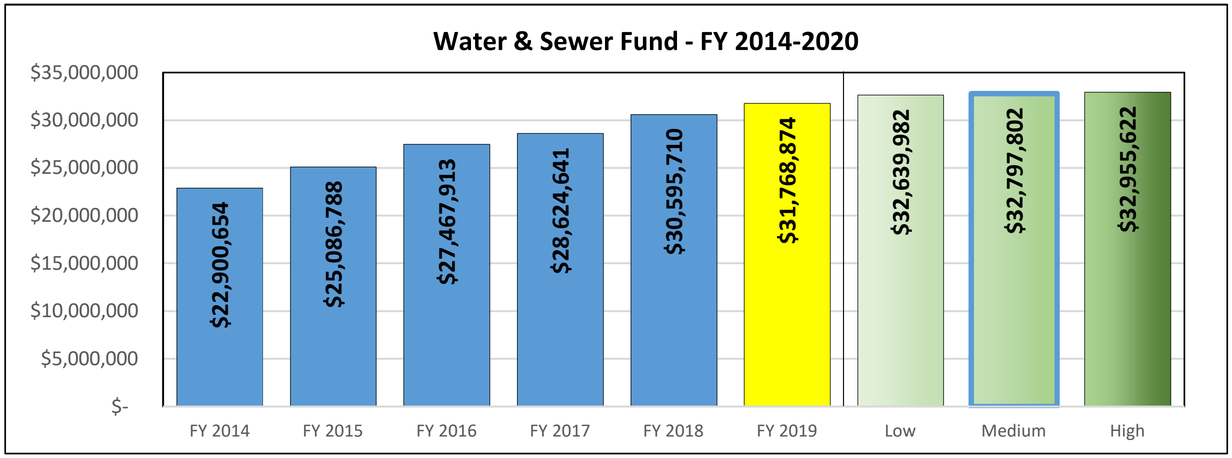
Revenue Model

Fund:	**Water/Sewer Fund**	**Percent of All Revenues**	**21.5%**

Water & Sewer Fund: 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, paying the General Fund monies to cover the costs of services such as payroll, human resources and other support activities.

Rates are approved to increase by 2.9% for Water and 3.5% for Sewer for CY 2019 and again in CY 2020 as per BOMA vote on October 23, 2018. These increases are consistent with the latest five-year rate plan.

*Note: Revenues shown below are for operational & customer service only. Capital Contributions are not included within this total, and will not necessarily tie to audited financial information.



	Actual					Budget	Forecast (FY 2020)			Averages
	FY 2014	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**Low**	**Medium**	**High**	
% yr/yr.	**5.4%**	**9.5%**	**9.5%**	**4.2%**	**6.9%**	**3.8%**	**2.7%**	**3.2%**	**3.7%**	
Water										**3-yr Average**
Use of Money & Property	64,279	28,924	46,167	89,992	131,580	37,778	**38,684**	38,873	39,062	**$ 28,896,088**
Rates & Related Customer Service	9,474,701	10,161,250	10,862,141	11,155,292	11,425,017	12,597,642	**12,899,985**	12,962,974	13,025,962	**3.3%**
Wastewater										**5-Yr Average**
Use of Money & Property	22,977	86,477	110,042	95,071	183,627	87,354	**89,975**	90,411	90,848	**$ 26,935,141**
Rates & Related Customer Service	13,207,624	14,724,348	16,324,715	17,146,739	18,719,089	18,841,250	**19,406,488**	19,500,694	19,594,900	**3.6%**
Reclaimed Water										
Use of Money & Property	170	14	38	196	691	100	**100**	100	100	
Rates & Related Customer Service	130,903	85,775	124,810	137,351	135,705	204,750	**204,750**	204,750	204,750	
Totals	**$ 22,900,654**	**$ 25,086,788**	**$ 27,467,913**	**$ 28,624,641**	**$ 30,595,710**	**$ 31,768,874**	**$ 32,639,982**	**$ 32,797,802**	**$ 32,955,622**	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.

TENNESSEE STATE FUNDING BOARD
November 20, 2018
8:30 a.m./Cordell Hull Building – (Senate Hearing Room I – 1st Floor)

AGENDA

1. Call Meeting to order

2. Approval of State Funding Board Minutes from September 13, 2018.

3. Presentation of Report for October Revenues: Commissioner Larry Martin, Finance and Administration

4. Revenue Estimating Presentations:

    Presenters:

    Ms. Laurel Graefe, Vice President and Regional Executive,
    Federal Reserve Bank of Atlanta, Nashville Office

    Dr. William Fox, Professor of Economics,
    Boyd Center for Business and Economic Research, University of Tennessee

    Dr. Jon L. Smith, Director, Bureau of Business and Economic Research,
    Dr. Joseph Newhard, Assistant Professor of Economics,
    Dr. Fred Mackara, Associate Professor of Economics,
    East Tennessee State University

    Commissioner David Gerregano,
    Ms. Christin Lotz, Director of Research,
    Dr. Michael House, Staff Economist,
    State of Tennessee, Department of Revenue

    Mr. Robert Currey, Assistant Director,
    Mr. Bojan Savic, Chief Economist,
    State of Tennessee, Fiscal Review Committee

5. ~~Lottery Revenue Estimating Presentations:~~

    ~~Mr. Robert Currey, Assistant Director,~~
    ~~Mr. Bojan Savic, Chief Economist,~~
    ~~State of Tennessee, Fiscal Review Committee~~

    ~~Mr. Andy Davis, Chief Financial and Technology Officer~~
    ~~Tennessee State Lottery Corporation:~~

    ~~Mr. Tim Phelps,~~
    ~~Associate Executive Director for Grant and Scholarship Programs,~~
    ~~Tennessee Student Assistance Corporation (TSAC)~~

6. ~~Request to the Board for consideration for program funding for the fiscal year 2019-2020 from Net Lottery Proceeds pursuant to Tennessee Code Annotated Section 4-51-111(c)(2)(B)~~

Recess (To Reconvene November 26, 2018, at 1:00 p.m./Cordell Hull Building – Senate Hearing Room I -- 1st Floor)

http://www.capitol.tn.gov/ (See: Joint/What's Streaming Now)

TENNESSEE STATE FUNDING BOARD
September 13, 2018

The Tennessee State Funding Board (the "Board") met on Thursday, September 13, 2018, at 1:00 p.m., in the Tennessee State Capitol, Executive Conference Room, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of the State of Tennessee
Commissioner Larry Martin, Department of Finance and Administration

The following members were absent:

The Honorable Bill Haslam, Governor
The Honorable David Lillard, State Treasurer

Seeing a physical quorum present, Mr. Wilson called the meeting to order. Mr. Wilson then proceeded to change the order that the items on the agenda were brought before the Board. Mr. Wilson then presented the minutes from the July 17, 2018 meeting, and barring any further comment, asked approval of the minutes. Mr. Martin made a motion to approve the minutes. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson recognized Mr. Bob Rolfe, Commissioner of Tennessee Department of Economic and Community Development ("ECD"), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Assistant Commissioner of Administration, ECD, to present the "FastTrack Report to State Funding Board" (the "Funding Report"). Mr. VanderMeer reported that, as of the date of the last Board meeting on July 17, 2018, the FastTrack balance was $343,146,701.01. Since that time, $319,270.14 in new appropriations had been received, the result of interest for the month of June 2018; $166,500.00 in funds had been deobligated and returned to the FastTrack program; $500,000.00 in funds were transferred from FastTrack to assist the Allied Dispatch Solutions project in Hancock County; $6,489,100.00 in new grants had been approved; and $156,190.23 in funds were spent on FastTrack administrative expenses, which resulted in an adjusted FastTrack balance available for funding grants and loans of $336,487,180.92 as of the date of the Funding Report. Mr. VanderMeer reported that commitments had been made in the amount of $270,118,593.13, resulting in an uncommitted FastTrack balance of $66,368,587.79, which represented 80.3% of the FastTrack balance. Mr. VanderMeer reported that the projects to be considered at this meeting totaled $13,364,328.00, and if these projects were approved, the uncommitted balance would be $53,004,259.79 and the total committed balance would be $283,482,921.13, which represented 84.2% of the FastTrack balance.

Mr. Wilson then stated that ECD had approximately $66,000,000.00 in uncommitted funds remaining through June 30, 2019, at which time there will be a new budget and a new Governor. Mr. Wilson further stated, as a reminder, that ECD should be aware that applications need to be sent to the Department of Finance and Administration ("F&A") in time to allow F&A to make proposals to the Governor for the next budget. Mr. Rolfe responded that the process was ongoing.

Mr. Wilson requested the FastTrack projects presented to the Board be presented at one time. Mr. Rolfe then presented the following FastTrack projects:

- **American Lebanese Syrian Associated Charities &**
  St. Jude Children's Research Hospital – Memphis (Shelby County)
  FastTrack Economic Development Grant $ 12,000,000.00

- **BMT Manufacturing, LLC – Jacksboro (Campbell County)**
  FastTrack Economic Development Grant $ 113,328.00
  FastTrack Job Training Grant $ 48,000.00

- **BMT Manufacturing, LLC – Jellico (Campbell County)**
  FastTrack Economic Development Grant $ 383,000.00
  FastTrack Job Training Grant $ 70,000.00

- **CKE Restaurants Holdings, Inc. – Franklin (Williamson County)**
  FastTrack Economic Development Grant $ 750,000.00

Mr. Martin inquired if the $12,000,000.00 economic development grant to St. Jude Children's Research Hospital completed the State's commitment. Mr. Rolfe responded affirmatively.

The Board received in their packets signed letters, FastTrack checklists, and incentive acceptance forms signed by Mr. Rolfe. Mr. Wilson inquired if the information provided in the ECD packets was true and correct and Mr. Rolfe responded affirmatively. Mr. Wilson also inquired if the companies that had signed the incentive acceptance forms fully understood the agreements and could meet the obligations set forth in the agreements. Mr. Rolfe responded affirmatively. Mr. Wilson made a motion to approve the FastTrack projects that were presented. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for consideration for approval a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund $7,000,000.00 and Canceling Authorized Bonds" to be effective September 13, 2018. Mr. Wilson explained that this resolution was to cancel bonds authorized for the Department of Safety Interoperable Communication System, as recommended by the Commissioner of Finance and Administration. Mr. Wilson made a motion to approve the resolution. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Ms. Ann Butterworth, Assistant to the Comptroller for Public Finance, to present the Board Guidelines for Requests for Approval to Issue Tourism Development Zone (TDZ) Debt ("TDZ Guidelines") for public hearing and approval. Ms. Butterworth stated that at a meeting on June 19, 2018, the Board directed that the proposed TDZ Guidelines and the proposed Annual Debt Reporting by Industrial Development Corporations Guidelines ("IDC Guidelines") be subject for comment for at least 60 days. Ms. Butterworth stated that the Office of the Comptroller of the Treasury posted on its website the TDZ and IDC Guidelines and had a news release on June 26, 2018.Due to the minimal response, on August 18, 2018the Office of State and Local Finance ("OSLF") sent targeted emails to interested association contacts and attorneys listed on CT-0253 forms for the Industrial Development Corporations ("IDC"). Ms. Butterworth reported that by August 31, 2018, OSLF had received comments from 12 entities; 2 provided suggestions not directly related to the Guidelines, another 2 submitted identical responses to the Guidelines, and only 4 of the 7 outside respondents provided comments on the TDZ Guidelines. Ms. Butterworth further reported that the most detailed comments came on the last two days of the comment period.

Mr. Wilson requested that the proposed changes to the draft TDZ Guidelines be summarized. Ms. Butterworth responded that timing was a major concern. Staff recommends that the timing for submission of a request for approval be at least 60 calendar days rather than 60 business days before sale date of the debt and that an alternate time frame be allowed if agreed upon by the Director of OSLF in writing. Ms. Butterworth further clarified that if a request was disapproved and the corrected information was submitted, then the submission clock or timing will not restart. With regard to Appendix A there were changes made clarifying who had the repayment burden in conduit borrowing situations; that the last maturity of the debt is to be no later than the fiscal year in which the final apportionment of TDZ revenue was made; that evidence of submittal of debt amortization schedules to F&A was sufficient; and that a draft preliminary official statement was sufficient. Ms. Butterworth stated that the staff to the Board believed the revised TDZ Guidelines addressed the concerns raised by commentators and recommended approval of the TDZ Guidelines. Mr. Wilson stated that he reviewed the changes to the TDZ Guidelines and that the changes were appropriate. Mr. Wilson then made a motion for approval of the TDZ Guidelines in substance, with delegation to the Secretary to make non-substantive changes to the document. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Sandra Thompson, Director, OSLF, to present for consideration for approval a request from the City of Pigeon Forge to issue TDZ debt in an amount not to exceed $33,000,000.00. Ms. Thompson stated that the City of Pigeon Forge had met the requirements of the TDZ Guidelines except in relation to the timing of the request for approval submission. Ms. Thompson further stated that the municipality had not submitted the request within the timeframe that had been established by the draft TDZ Guidelines but as the TDZ Guidelines were only in draft form OSLF deemed the submission to be complete and submitted on an approved alternate timeframe. Mr. Wilson inquired if OSLF's recommendation was to approve. Ms. Thompson responded affirmatively. Mr. Wilson then recognized Mr. Mark Mamantov, Bond Counsel for the City of Pigeon Forge, to answer any further questions about the proposed debt; there were none. Mr. Hargett made a motion to approve the TDZ debt. Mr. Wilson seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Ms. Thompson to present for consideration for approval a request from the Industrial Development Board of Chattanooga to issue refunding TDZ debt. Ms. Thompson stated that the entity had met the requirements of the TDZ Guidelines except for the timing of the submission. Ms. Thompson further stated that the entity had not submitted the request within the timeframe that had been established but as the TDZ Guidelines were only draft form OSLF deemed the submission to be complete and submitted on an approved alternate timeframe. Ms. Thompson reported that it was OSLF's recommendation to approve the debt. Mr. Martin made a motion to approve the debt. Mr. Wilson seconded, and the motion was unanimously approved.

Mr. Wilson then recognized Ms. Butterworth to present the Board Guidelines for Annual Debt Reporting by Industrial Development Corporations for public hearing and approval. Ms. Butterworth stated that Public Chapter 529 provides that, as of March of 2018, IDC are to keep aggregate listings of current debt in accordance with guidelines approved by the Board, to file on an annual basis the aggregate listing with the Board, and to file a notice of default with the Board within 15 days of the event. Ms. Butterworth further stated that 5 comments were received on the IDC Guidelines and the largest concern was the lack of ability for IDCS to find information that they had not previously kept. Ms. Butterworth reported that, unlike the TDZ Guidelines which impact a small number of entities, the proposed IDC Guidelines impact many entities located in nearly all counties and which had not reviewed the proposed Guidelines and not provided input. Staff considered Interim IDC Guidelines that would be applicable to Fiscal Year 2018 allowing staff to review IDC filings and to present the Board before the end of Fiscal Year 2019 suggestions for final IDC Guidelines. Ms. Butterworth further reported that these Interim IDC Guidelines, which were distributed in the meeting, required the first filing by January 31, 2019, acknowledged the trouble for the IDC in gathering this information, reduced the amount of information that is included in the initial listing of the debt, and, if information were not available, directed the IDC to furnish a statement as to the problems encountered in locating the information and the efforts that will be undertaken to locate the missing information. Ms. Butterworth stated that staff to the Board recommended approval of Interim IDC Guidelines in substance with an effective date of October 1, 2018, with an understanding that after review by the Board Members, a meeting could be called by September 28, 2018, for revisions to the presented Interim IDC Guidelines; otherwise the Interim IDC Guidelines would become effective October 1st .

Mr. Wilson then stated that the Board had a legislative directive to take an action in 2018 but he was not comfortable with the amount of review time of the major comments received on August 31,2018, and the lack of consensus among the staff to the Board on what modifications were necessary to the IDC Guidelines. Mr. Wilson further stated that the Interim IDC Guidelines addressed all the issues that commenters raised but was not sure if the Interim IDC Guidelines satisfied all the issues that were likely to arise. Mr. Wilson stated that the options were to approve the Interim IDC Guidelines or do nothing, but he recommended approval of the Interim IDC Guidelines.

Mr. Martin inquired if the burden of meeting the requirements was due to a lack of manpower or the lack of availability of information. Ms. Butterworth responded that it was both. Ms. Butterworth further replied that many IDC do not have full time staff or rely on third party staffing and have not necessarily kept transaction records. Ms. Butterworth stated that the Interim IDC Guidelines recommends that the IDC work with staff to the Board to gather as much of the basic debt information as possible and that the proposed revisions tried to balance the directive of the General Assembly with the burden it would impose. Mr. Martin responded that the Interim IDC Guidelines were a step in the right direction. Mr. Martin also inquired as to whom has the burden of responsibility for making sure the information is received in a timely manner. Mr. Wilson responded that the filings would be made with OSLF and the reporting agency to the Board was staff to the Comptroller of the Treasury.

Mr. Wilson motioned for approval of the Interim IDC Guidelines in substance, with delegation to the Secretary to make non-substantive changes to the document with such guidelines to be effective October 1, 2018, unless prior to September 28, 2018, any member of the Board requested a meeting to reconsider approval. Mr. Hargett seconded the motion, and it passed unanimously.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this _____ day of ____________________ 2018.

Respectfully submitted,

Sandra Thompson
Assistant Secretary

Tennessee Economic Outlook and Tax Revenues

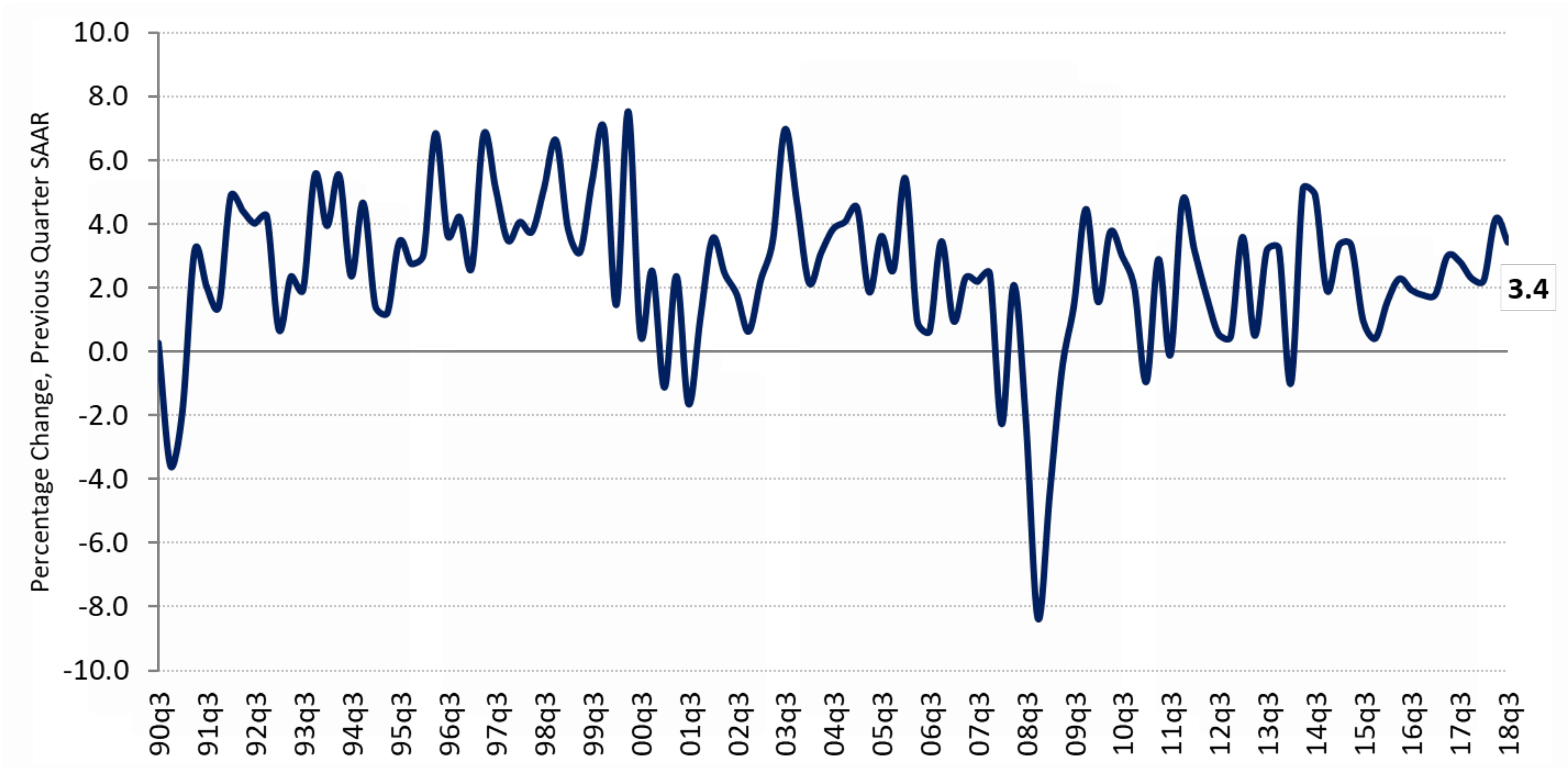
William F. Fox, Director

November 20, 2018

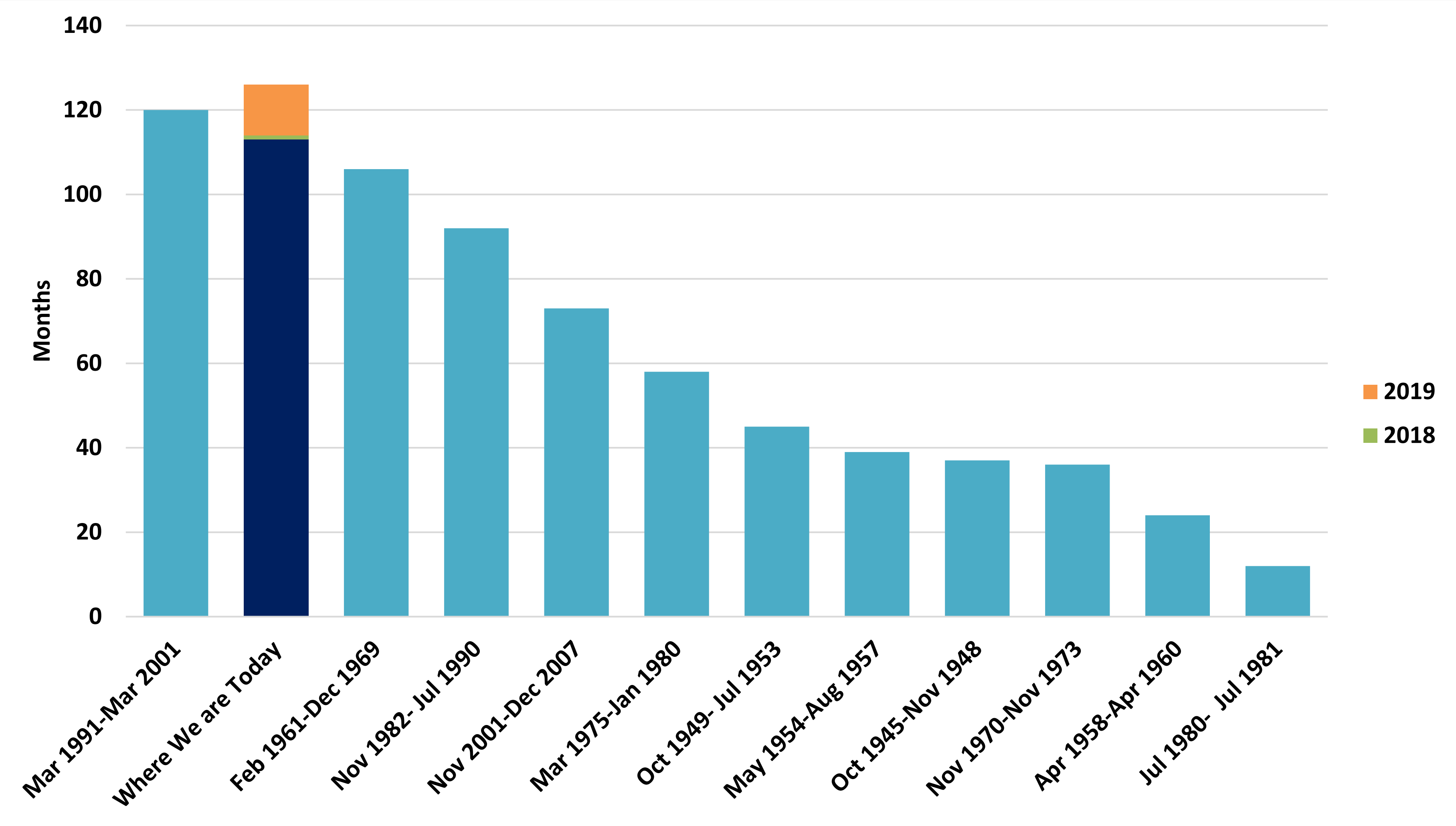
THE UNIVERSITY OF
TENNESSEE
KNOXVILLE

BOYD CENTER FOR BUSINESS
AND ECONOMIC RESEARCH

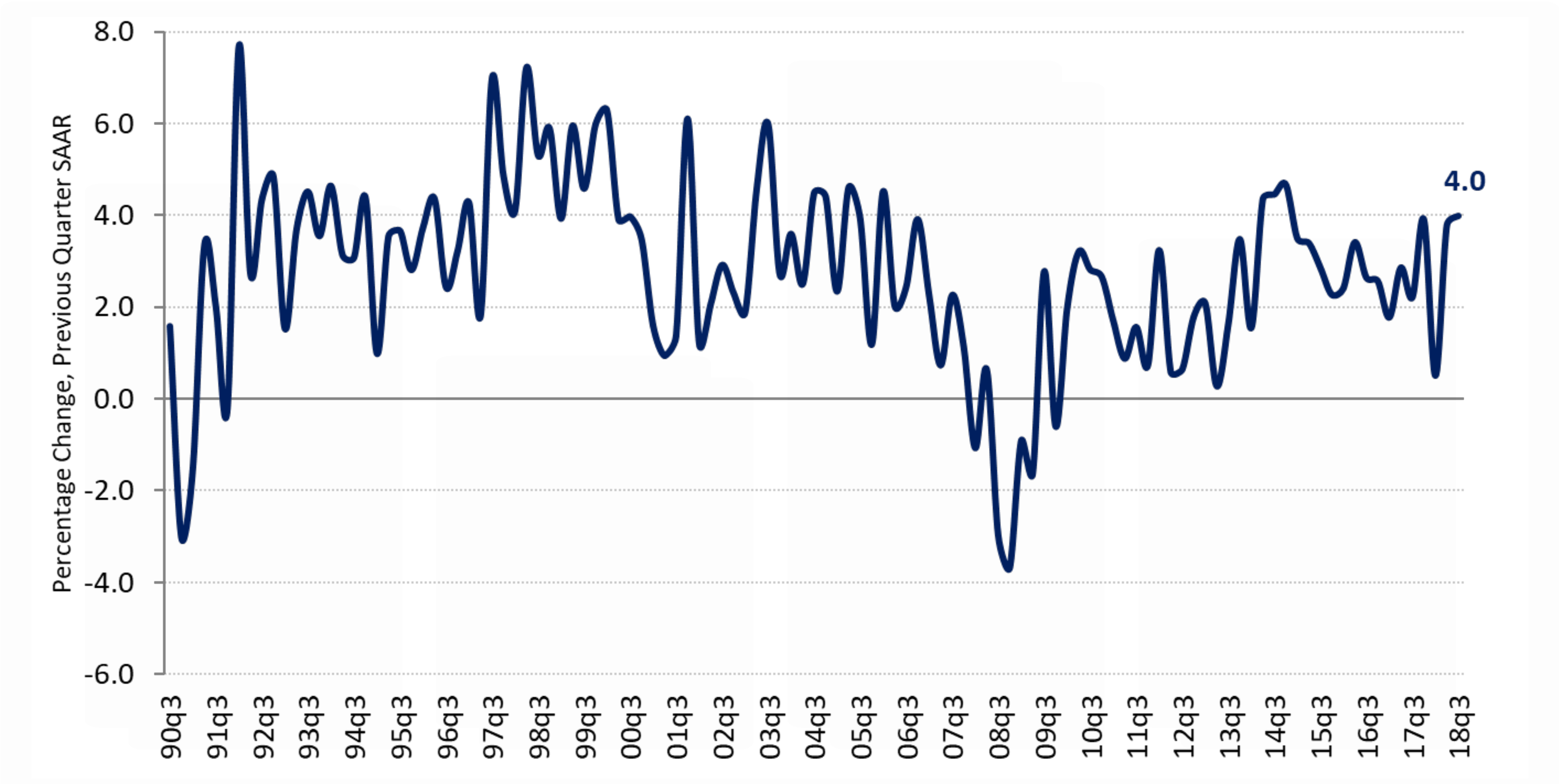
Growth in Quarterly Real Gross Domestic Product (chained 2012 dollars)



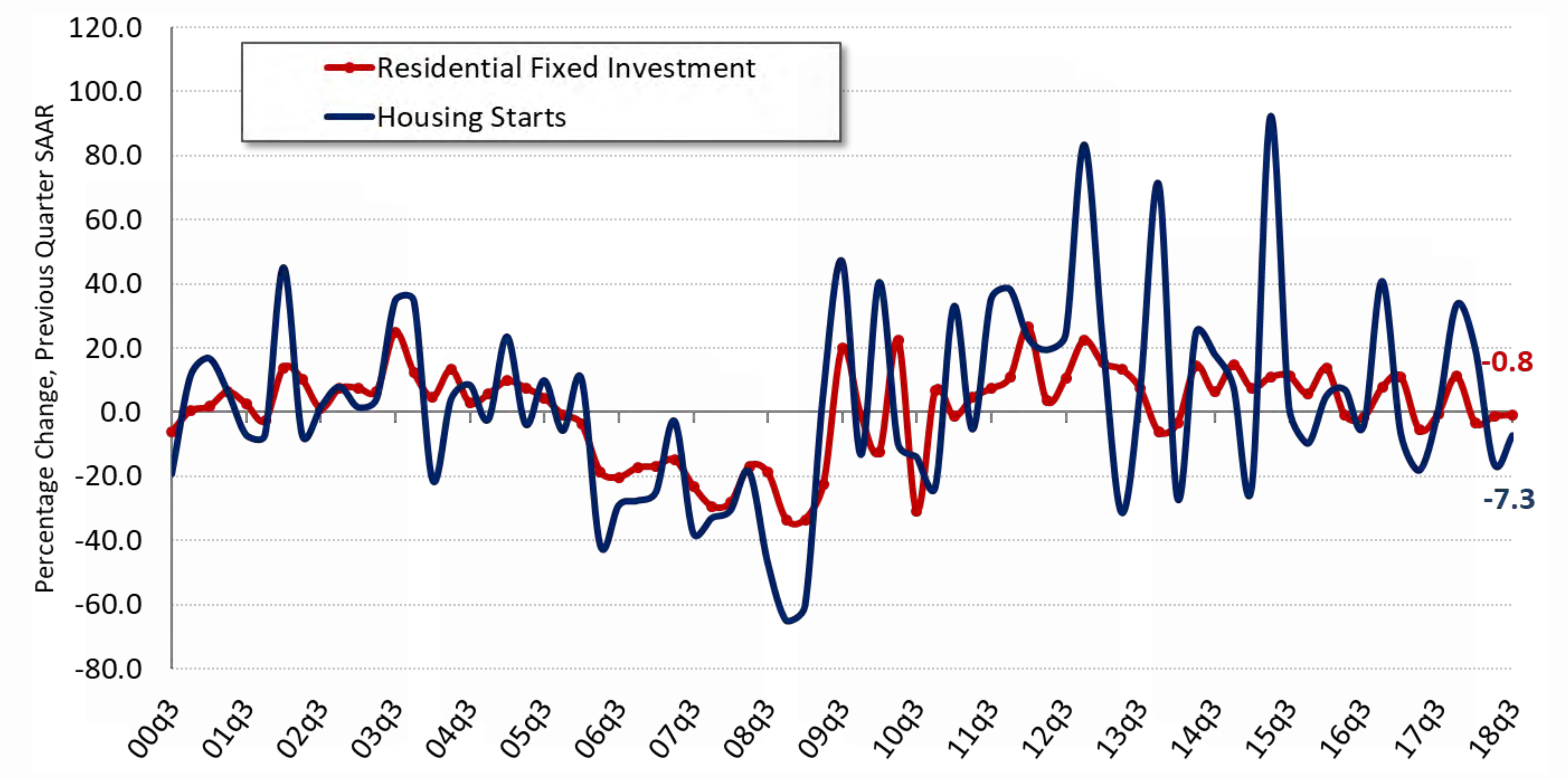
The current expansion will be the longest in history by the fiscal year's end



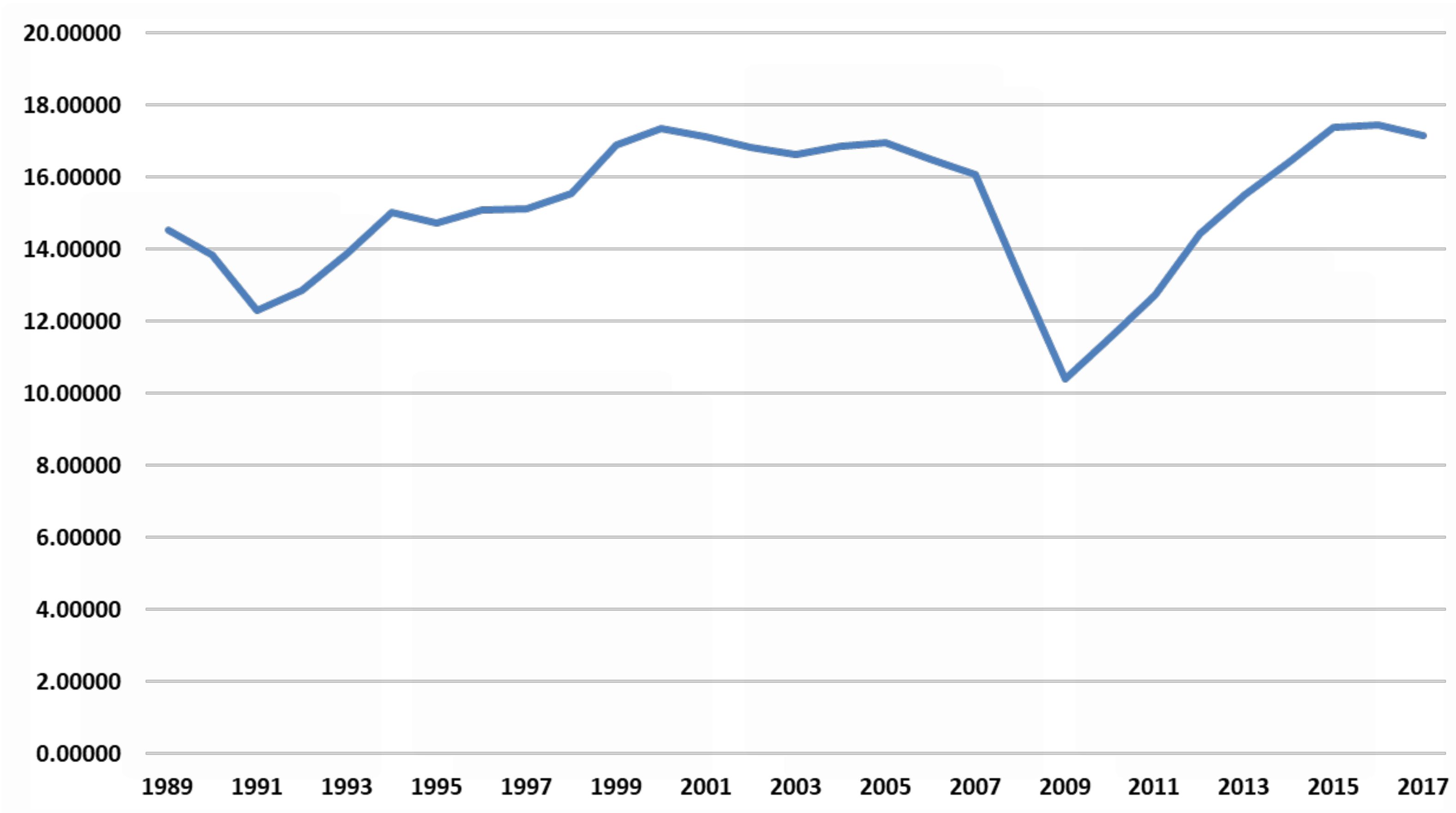
Growth in Quarterly Real Personal Consumption Expenditures (chained 2012 dollars)



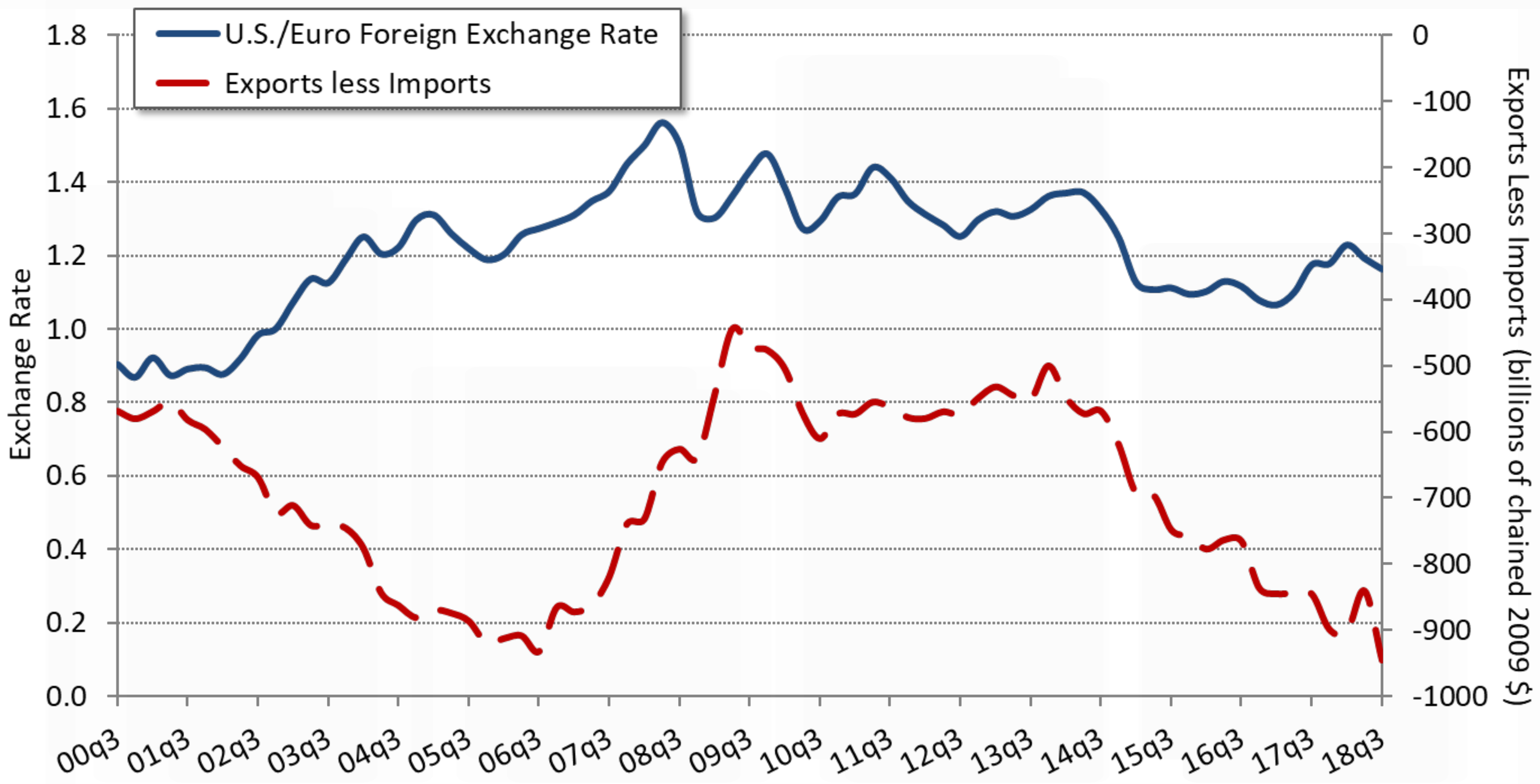
Growth in Quarterly Real Private Residential Fixed Investment and Housing Starts



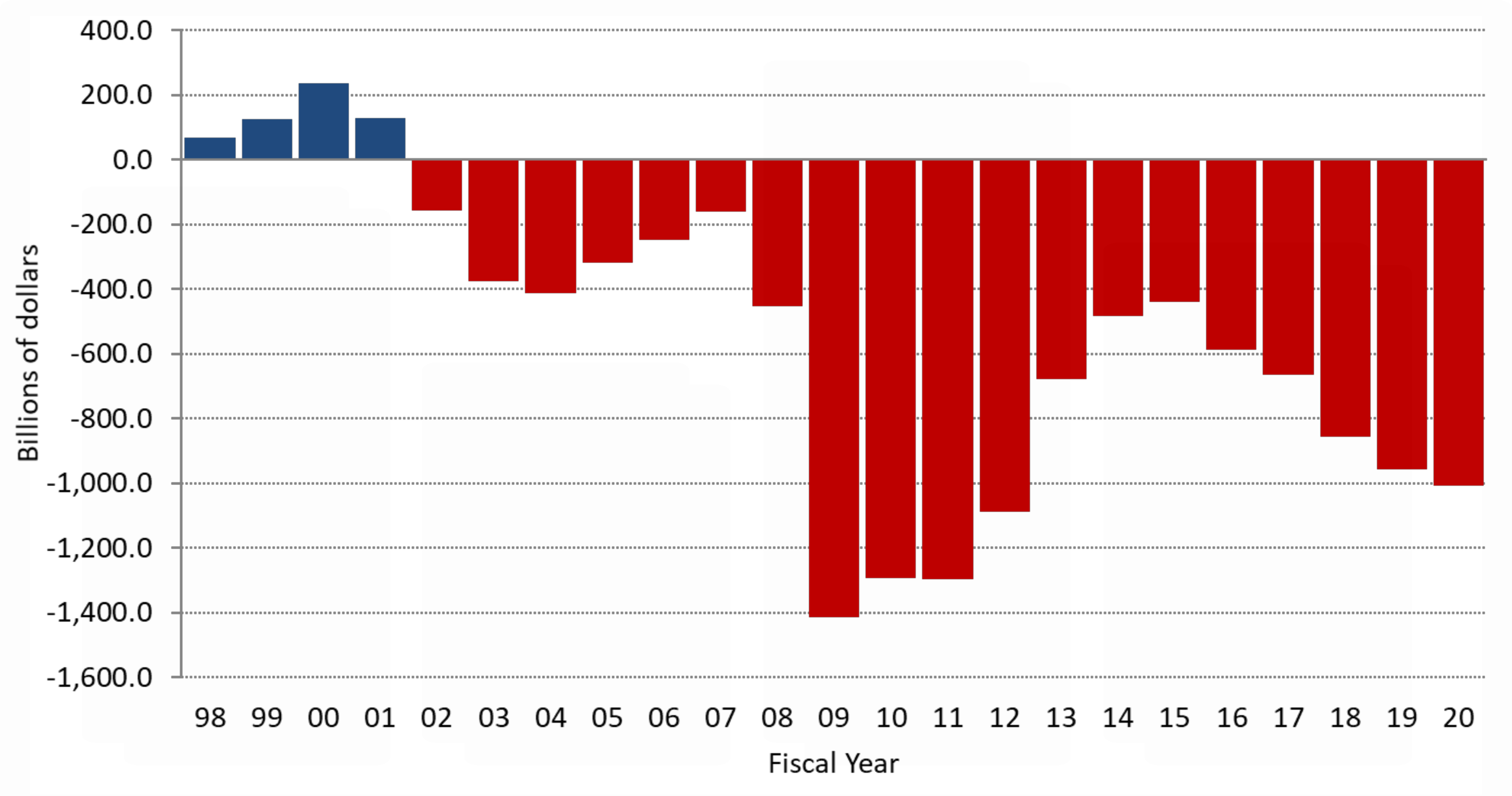
Unit Sales of New Light Vehicles



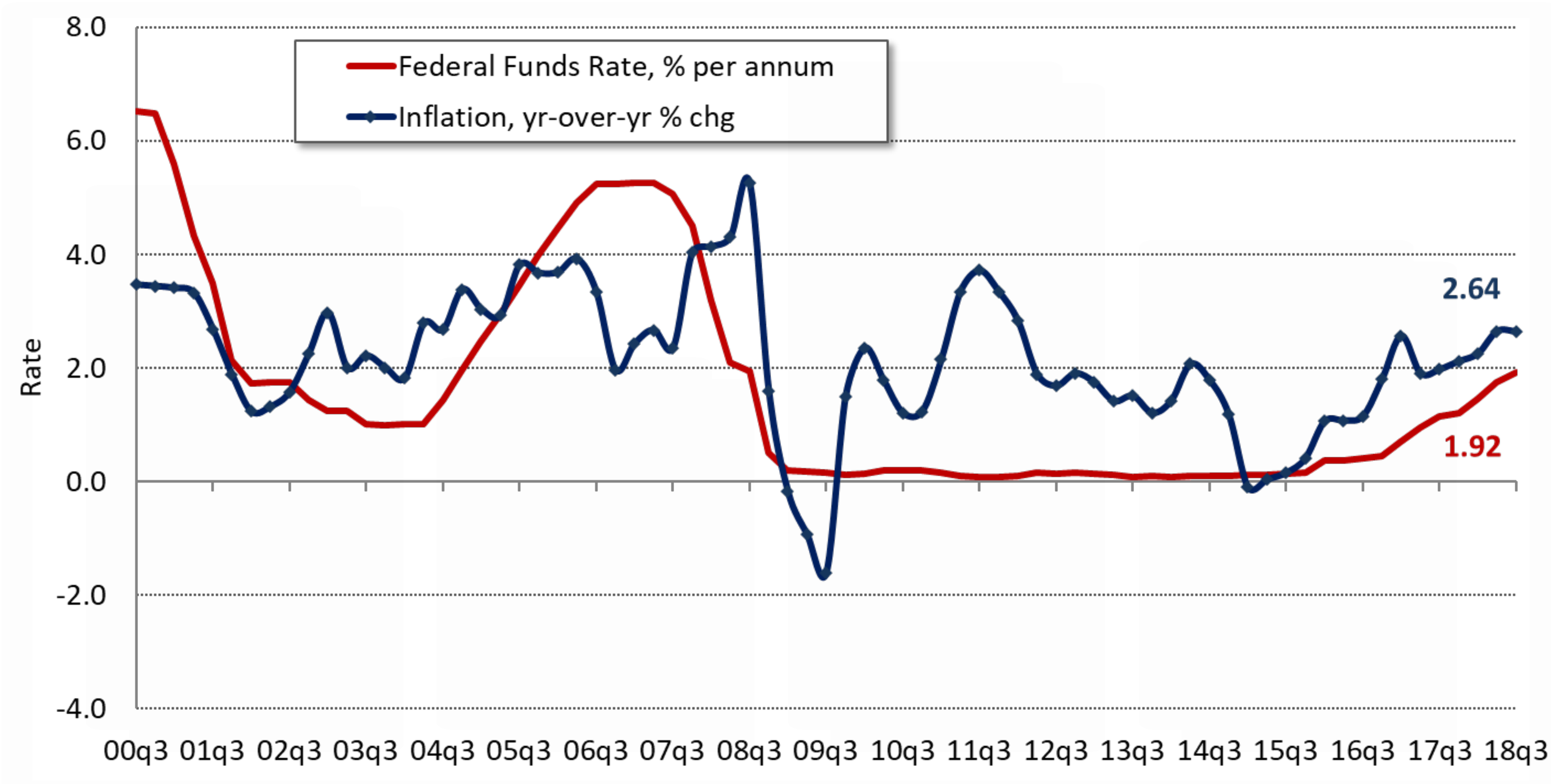
U.S./Euro Foreign Exchange Rate and Real Exports Less Imports



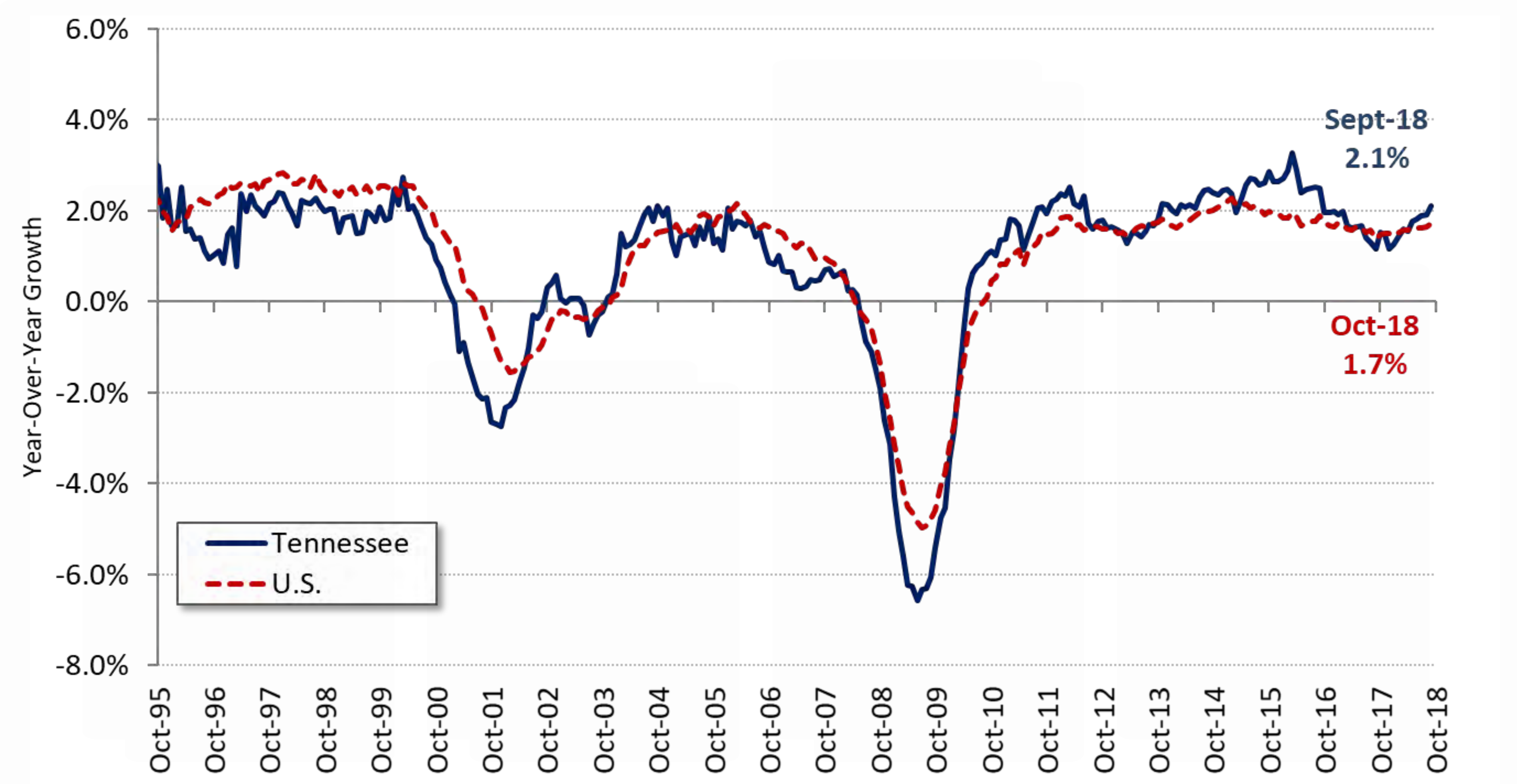
Unified Federal Budget Surplus



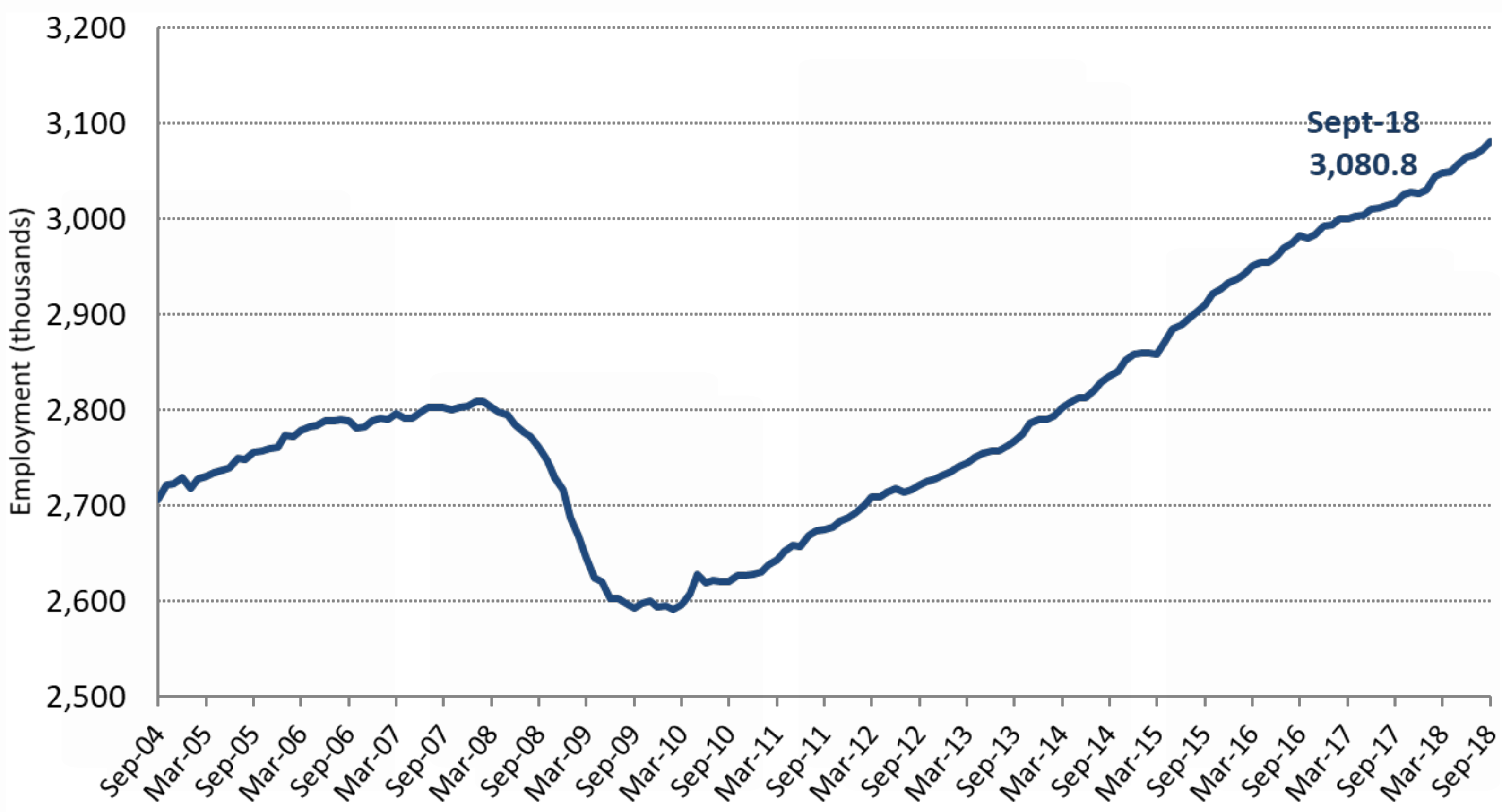
Interest Rates and Inflation



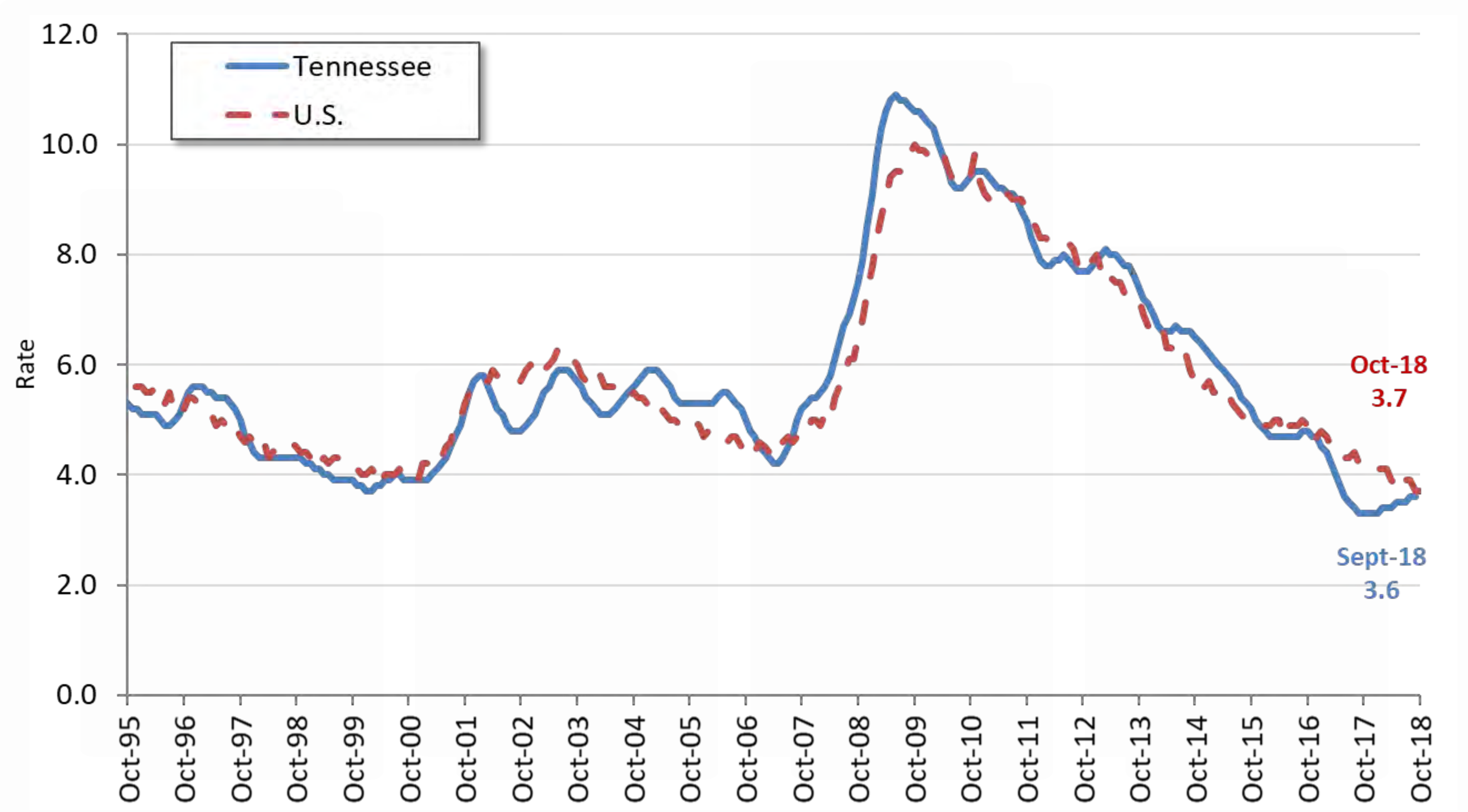
Tennessee and U.S. Nonfarm Job Growth
(year-over-year growth)



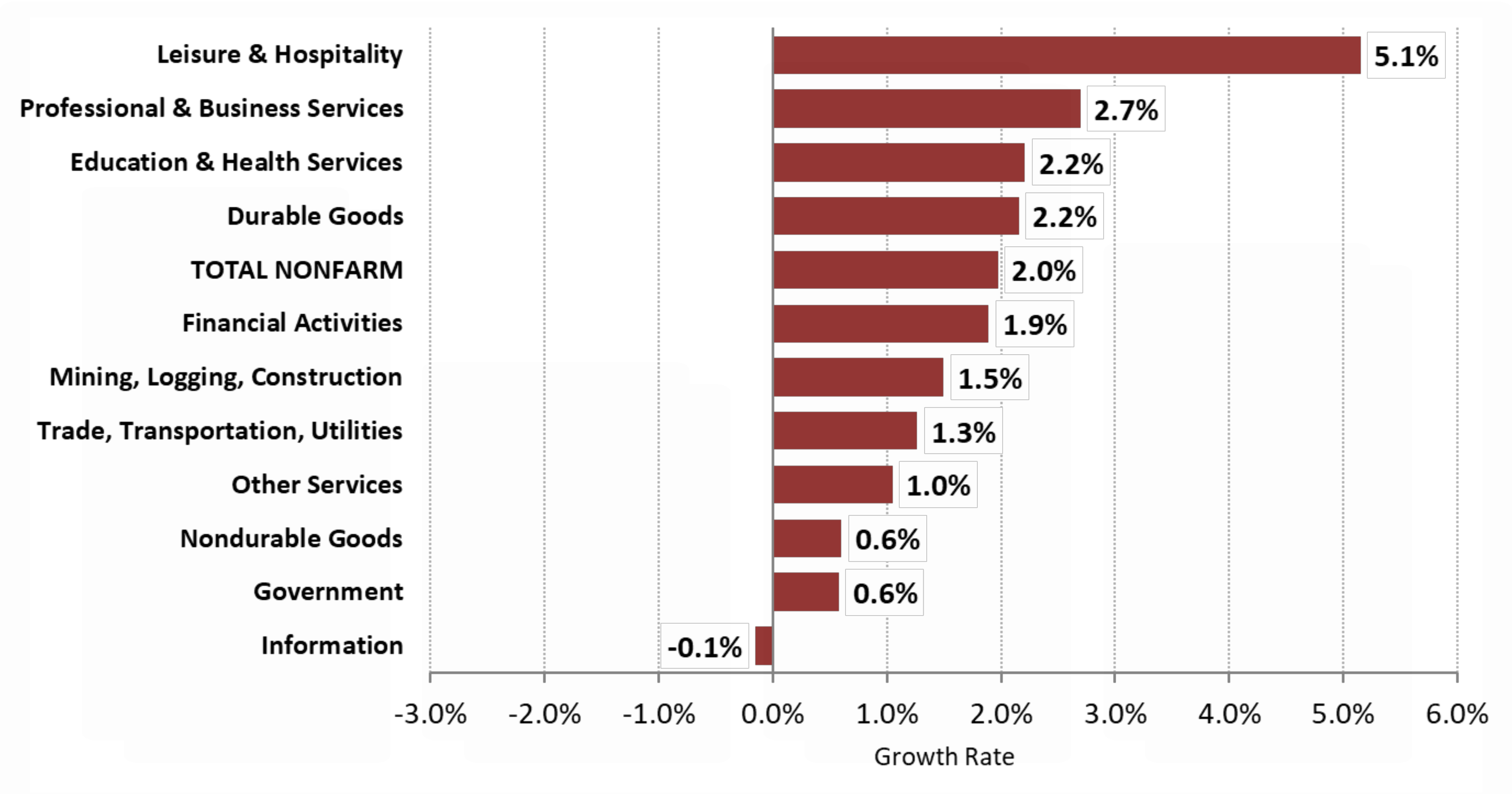
Tennessee Monthly Nonfarm Jobs
(seasonally adjusted)



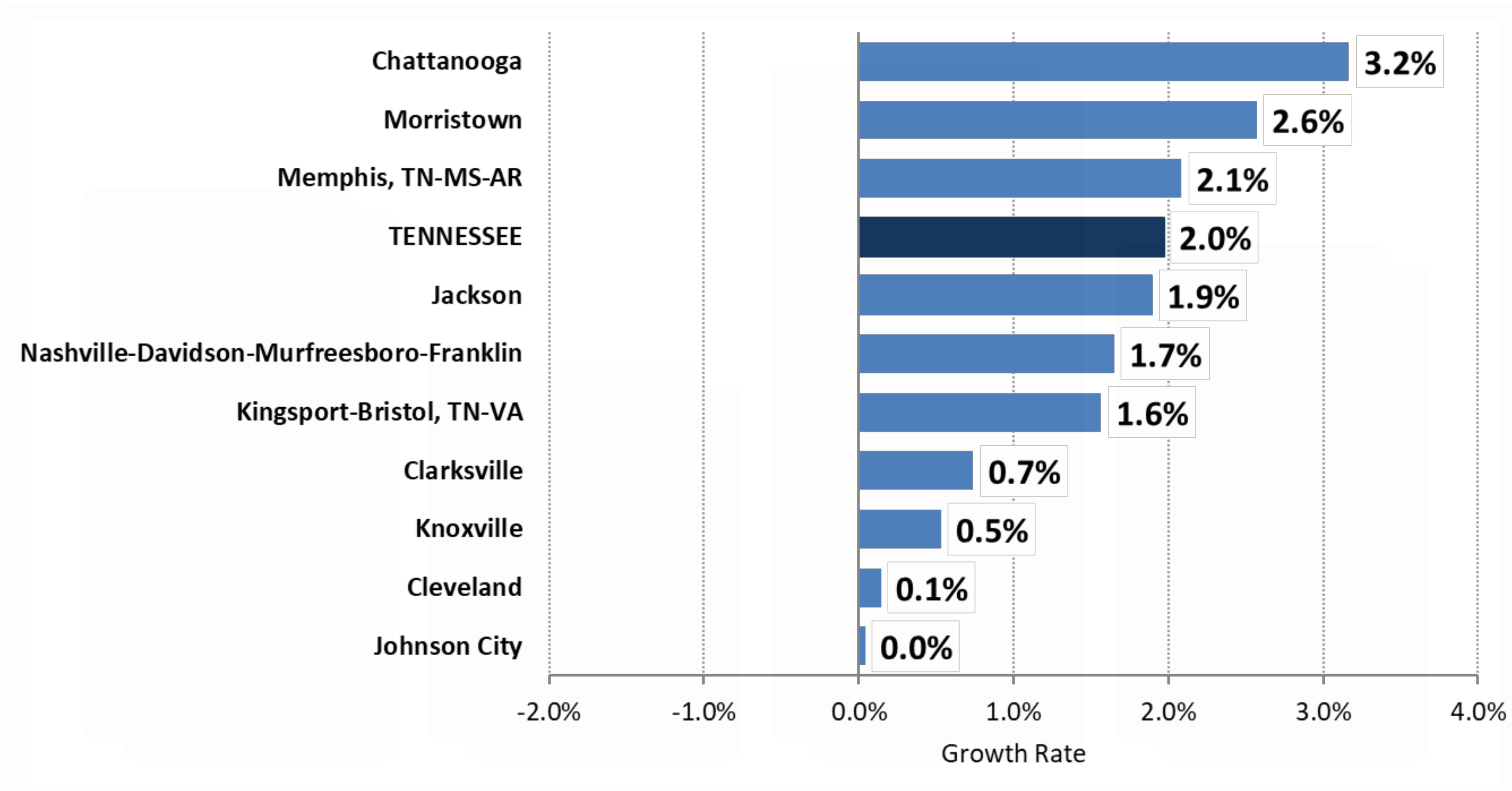
Tennessee and U.S. Unemployment Rate
(seasonally adjusted)



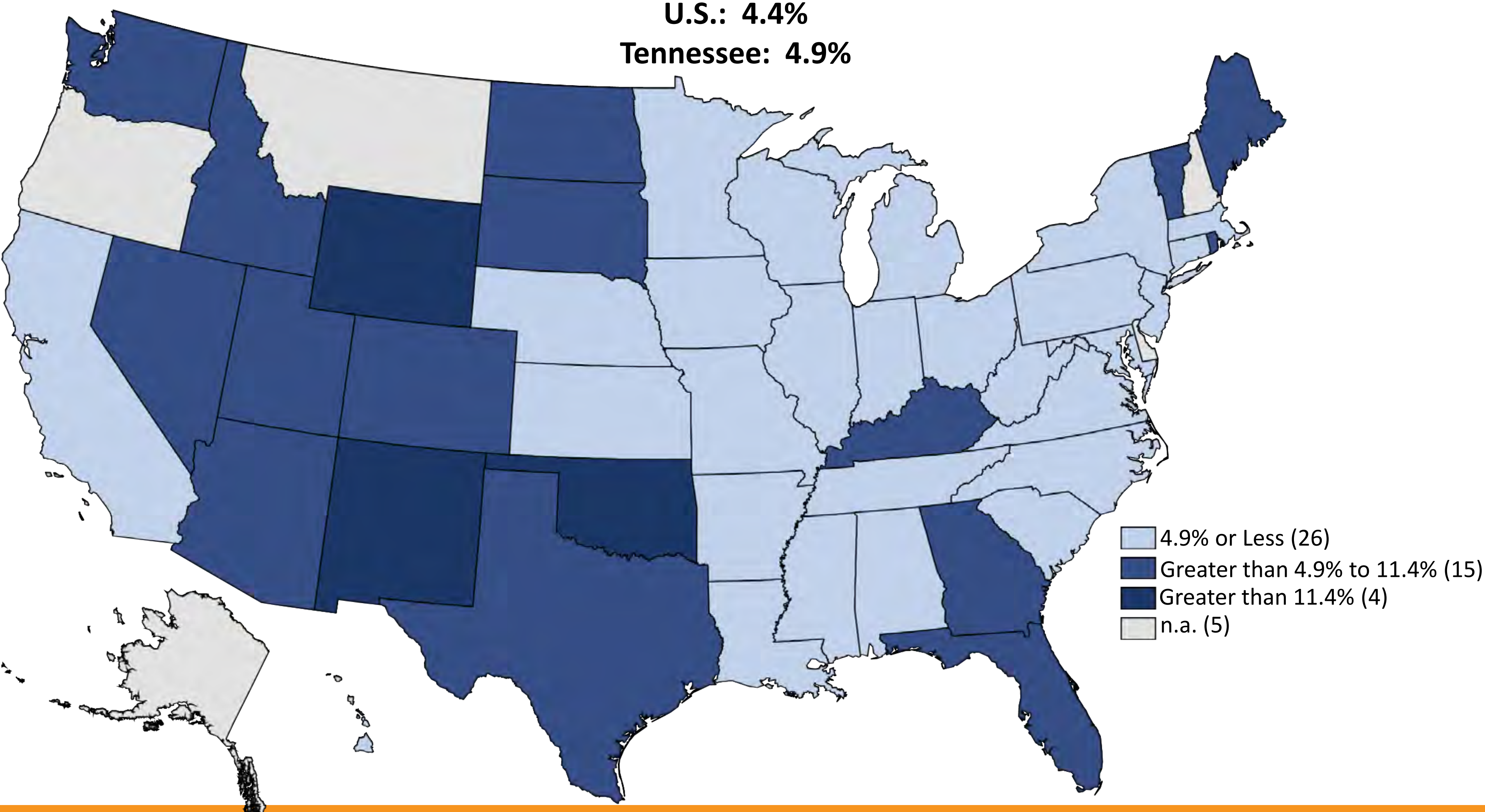
Tennessee Job Growth by Sector
(Quarter Ending Sept. 2017 to Sept. 2018)



Nonfarm Employment Growth, MSAs
(Quarter Ending Sept. 2017 to Sept. 2018)



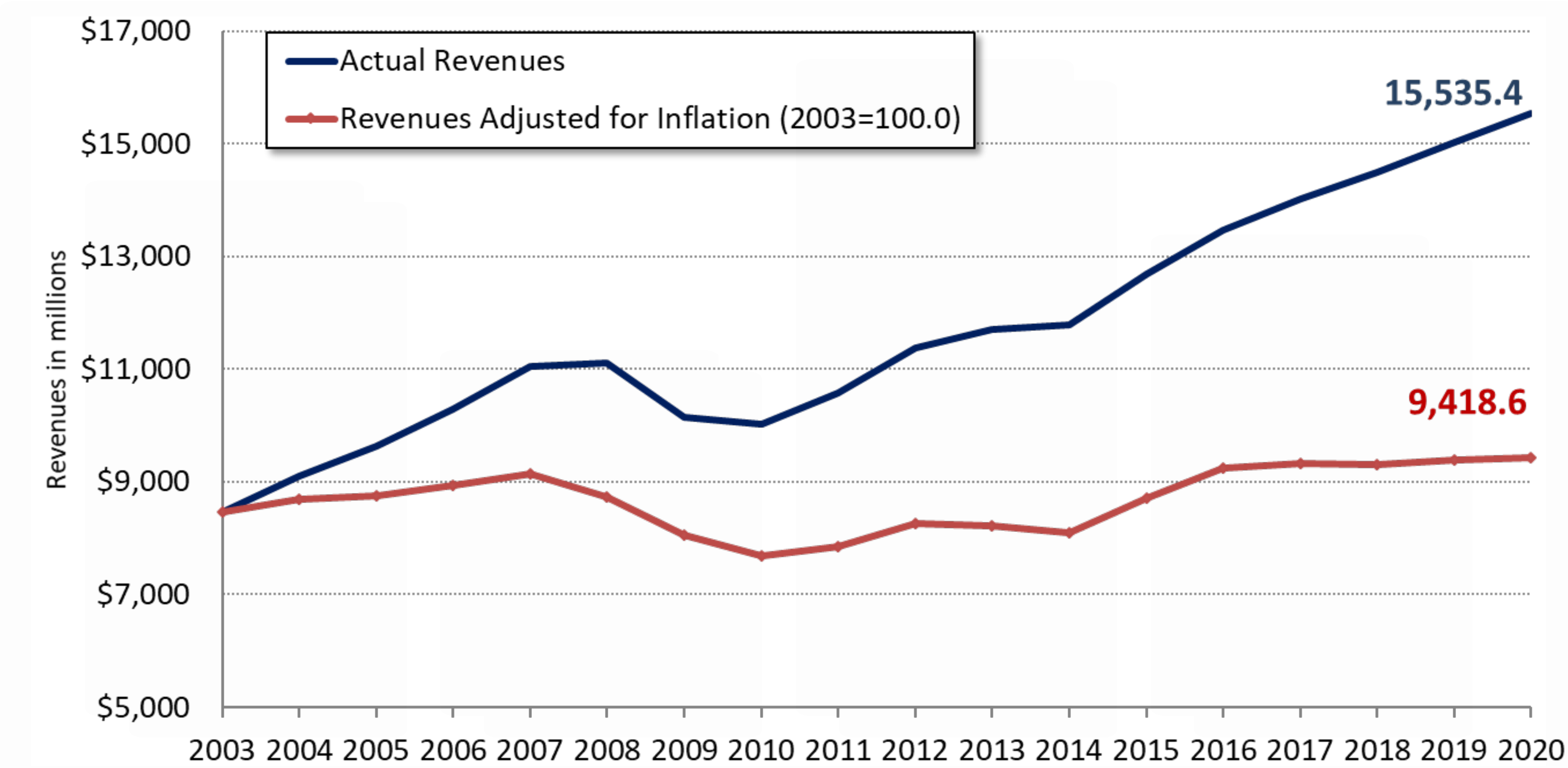
Change in Sales Taxes, January–March, 2017 to 2018



Tennessee Department of Revenue Collections (Millions of Dollars)	2018			2019			2020		
	Amount	Percent Change	General Fund	Amount	Percent Change	General Fund	Amount	Percent Change	General Fund
Sales and Use	8,835.2	3.3	8,294.1	9,206.3	4.2	8,650.9	9,510.1	4.2	8,936.4
Gasoline	807.7	20.6	12.9	841.4	4.2	14.0	875.0	4.2	14.5
Motor Fuel	222.7	25.5	2.1	257.1	15.4	3.6	289.2	15.4	4.1
Gasoline Inspection	69.0	1.1	20.1	69.7	1.0	20.5	70.4	1.0	20.7
Motor Vehicle Registration	327.4	19.0	52.0	335.9	2.6	54.9	339.3	2.6	55.4
Income	246.0	-1.6	164.8	191.9	-22.0	126.1	133.0	-22.0	87.5
Privilege	360.1	-5.2	354.1	374.5	4.0	368.9	389.5	4.0	383.6
Gross Receipts	368.4	-1.4	211.5	385.3	4.6	221.0	386.3	4.6	221.6
Gross Receipts - TVA	343.6	0.6	190.1	360.0	4.8	198.1	360.0	4.8	198.1
Gross Receipts - Other	24.8	-22.3	21.3	25.3	2.0	20.9	26.3	2.0	21.7
Beer	16.7	-2.9	11.2	16.9	1.0	11.3	16.9	1.0	11.3
Alcoholic Beverage	66.7	3.9	55.1	70.7	6.0	58.5	74.9	6.0	62.0
Franchise & Excise	2,570.7	-1.9	2,317.1	2,663.2	3.6	2,406.2	2,823.0	3.6	2,550.6
Inheritance & Estate	-0.7	-107.6	-0.7	0.0	-100.0	0.0	0.0		0.0
Tobacco	248.2	-2.9	248.2	245.7	-1.0	245.7	240.8	-1.0	240.8
Motor Vehicle Title	25.2	5.4	22.5	25.4	1.0	22.6	26.2	1.0	23.3
Mixed Drink	119.3	13.0	59.7	127.7	7.0	63.8	136.6	7.0	68.3
Business	198.3	14.6	198.3	210.2	6.0	210.2	222.8	6.0	222.8
Severance	1.0	-14.8	0.5	1.1	7.6	0.3	1.1	7.6	0.3
Coin Amusement	0.3	0.0	0.3	0.2	0.0	0.2	0.2	0.0	0.2
Unauthorized Substance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	14,482.2	3.3	12,023.7	15,023.1	3.7	12,476.7	15,535.4	3.4	12,901.5
General Fund Growth		2.1			3.8			3.4	

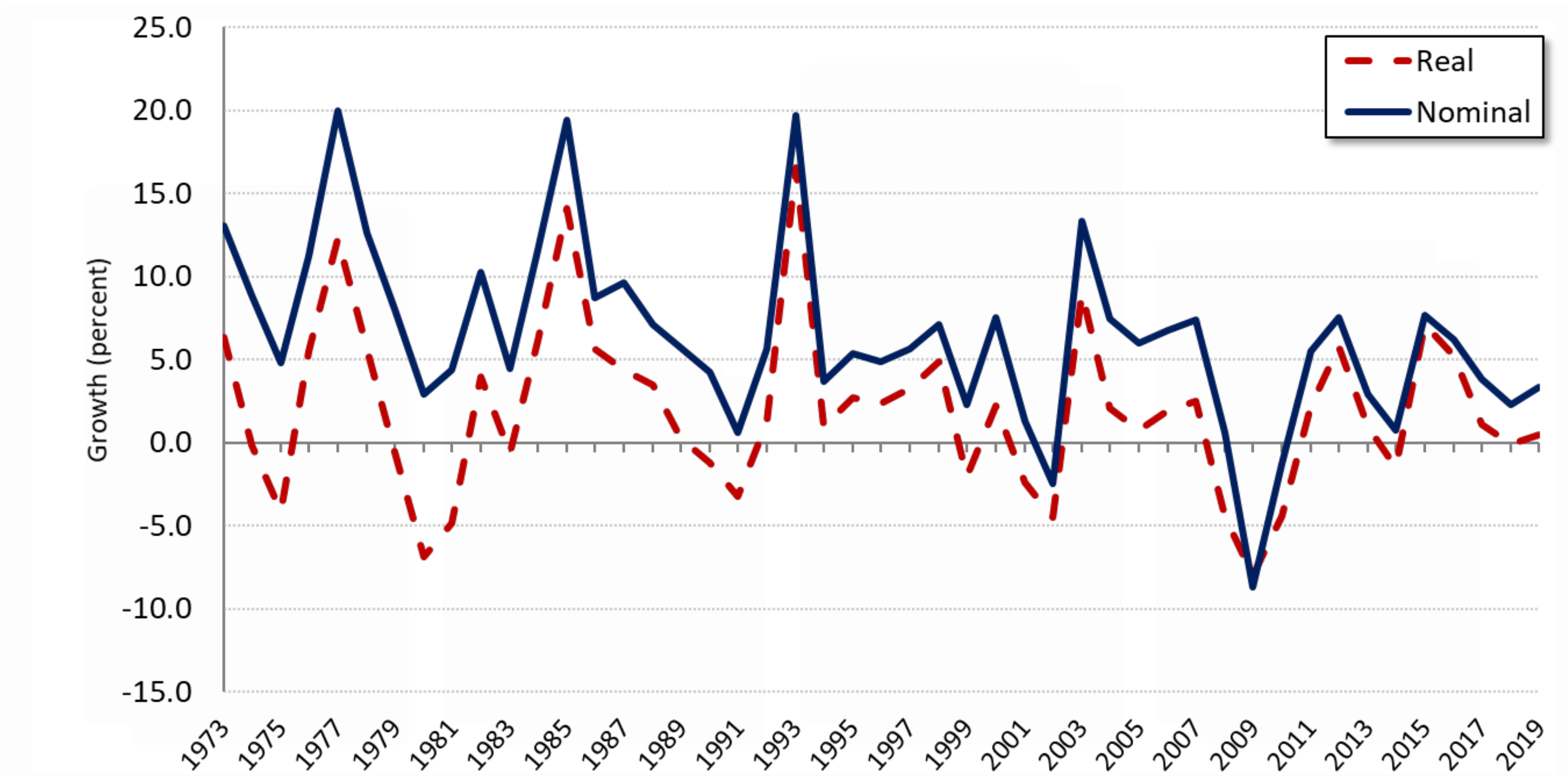
November 20, 2018
William F. Fox
Boyd Center for Business and Economic Research
University of Tennessee, Knoxville

Actual Tax Collection Revenues and Revenues Adjusted for Inflation, 2003–2019

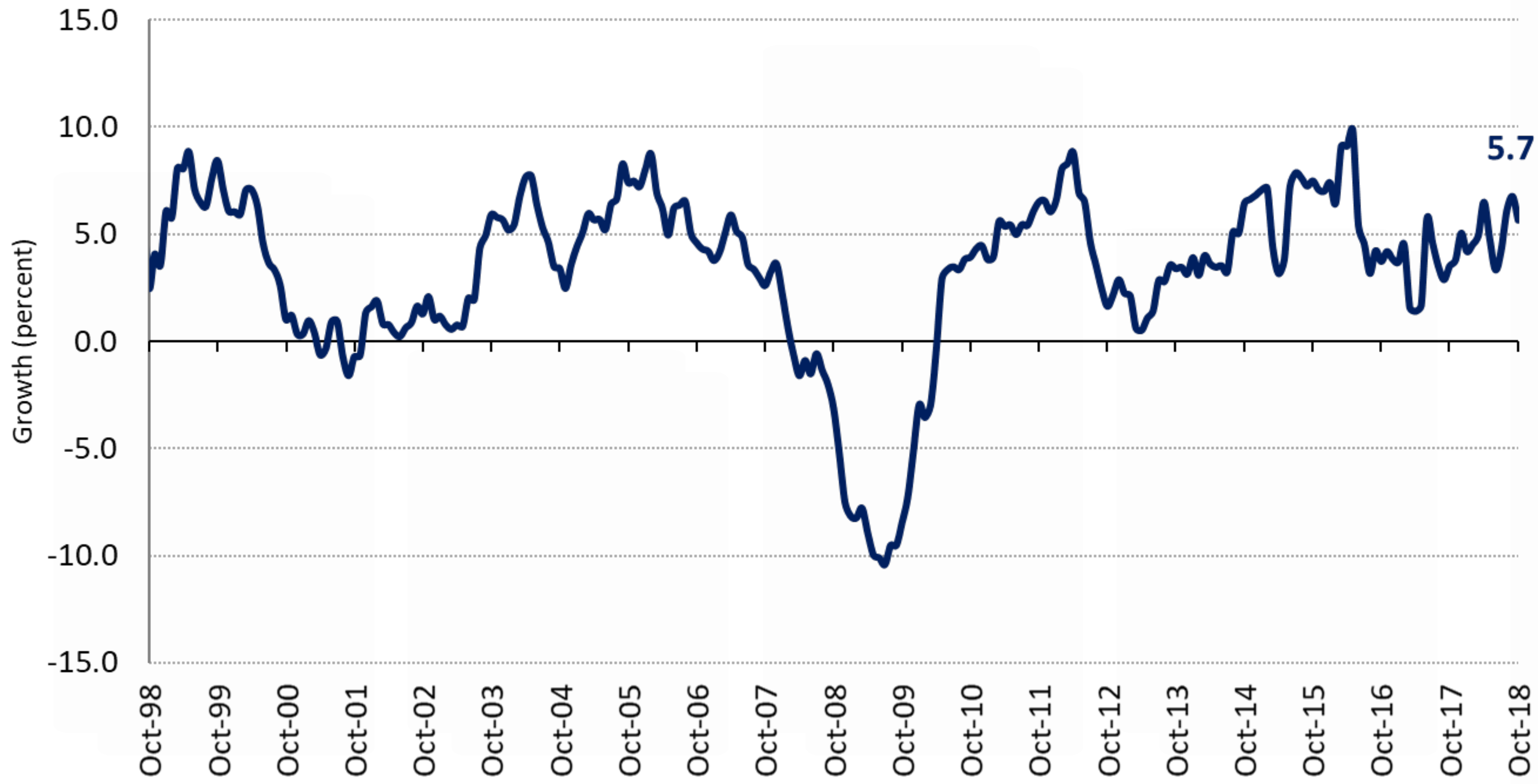


Growth in Adjusted Tax Collections

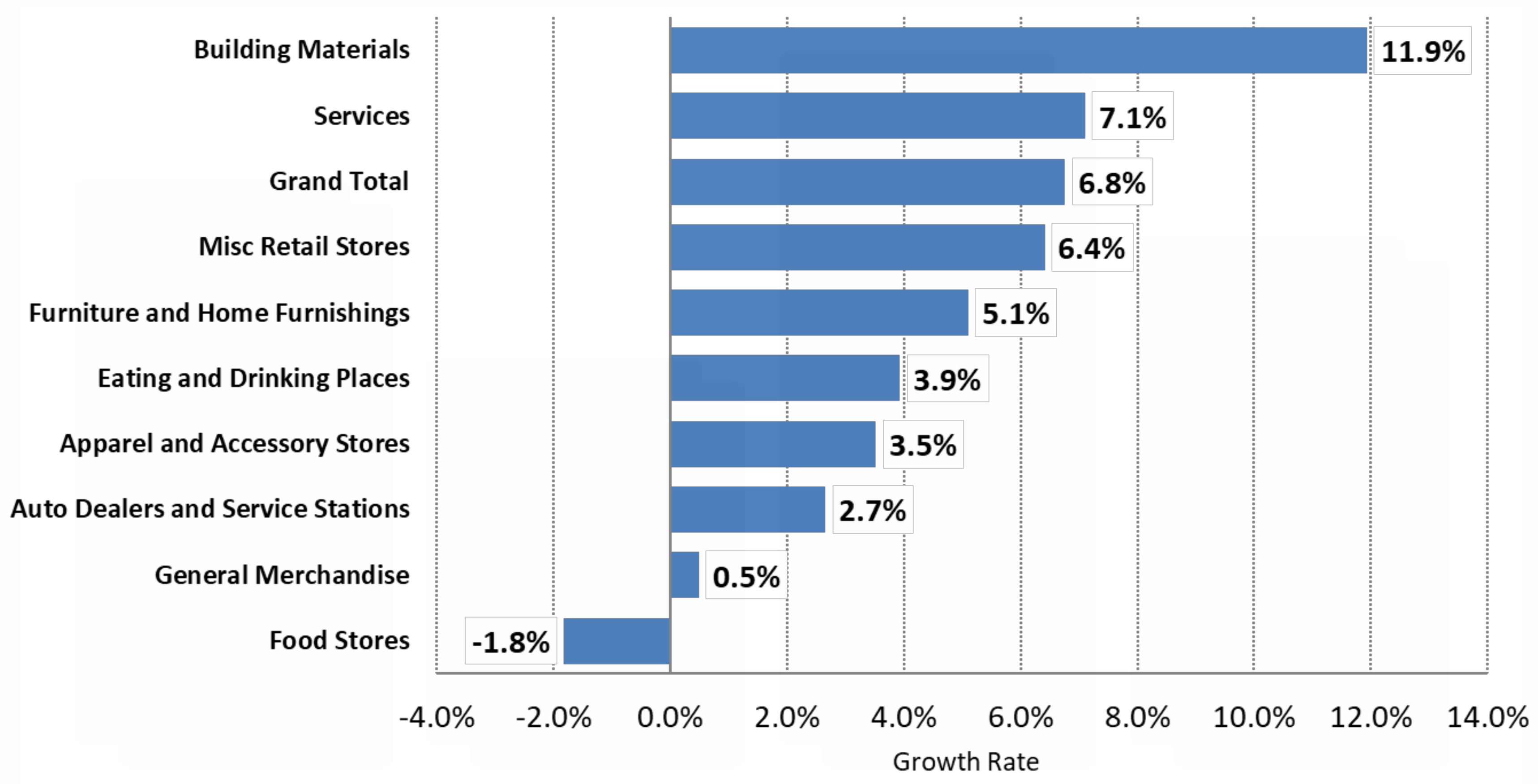
1973–2019



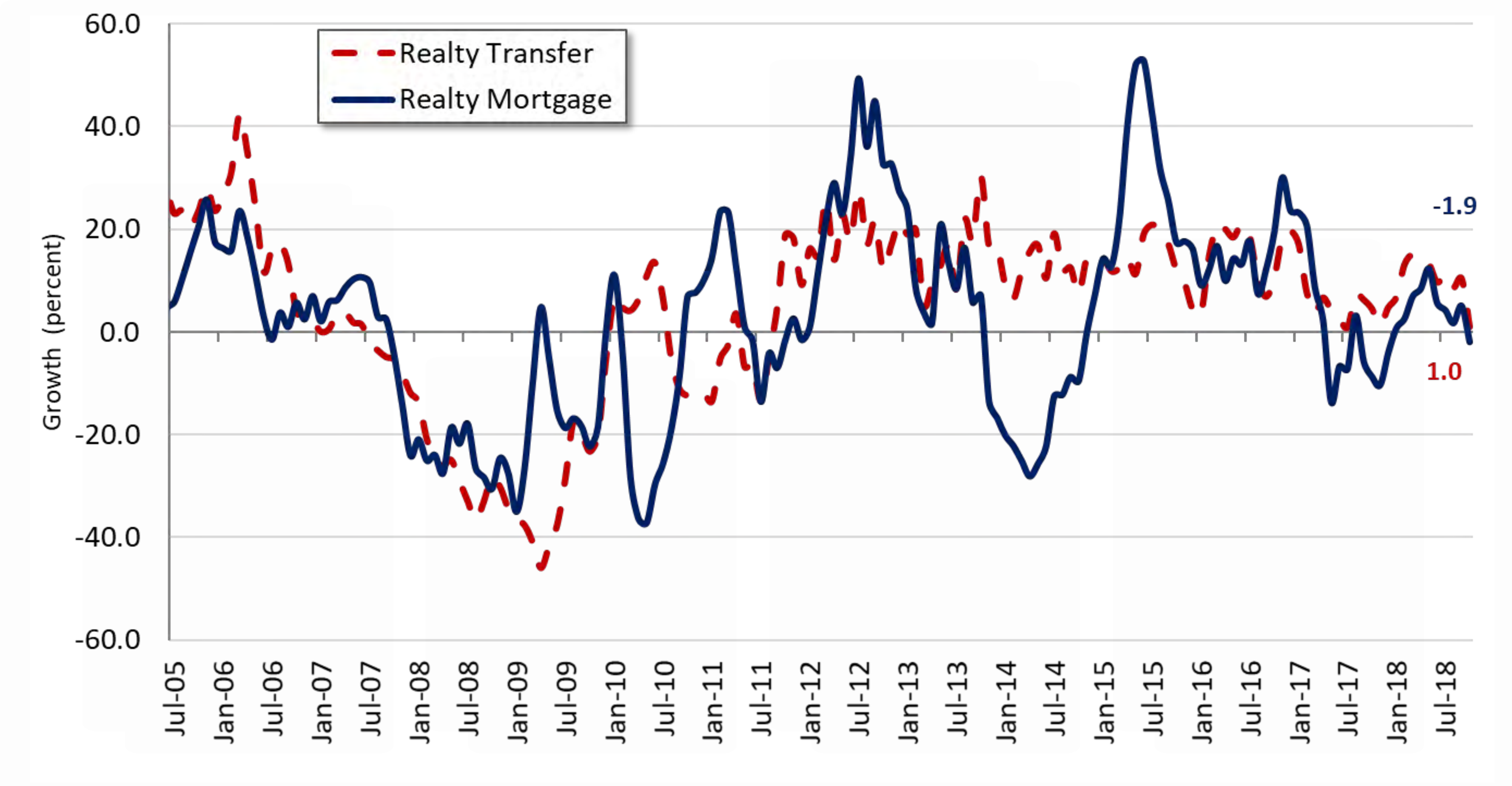
Growth in Sales Tax Revenue
(3-month moving average)



Sales Tax Collections by Category of Sales
(Quarter Ending July 2016 to July 2017)



Realty Transfer and Mortgage Tax Collections (3-month moving average)



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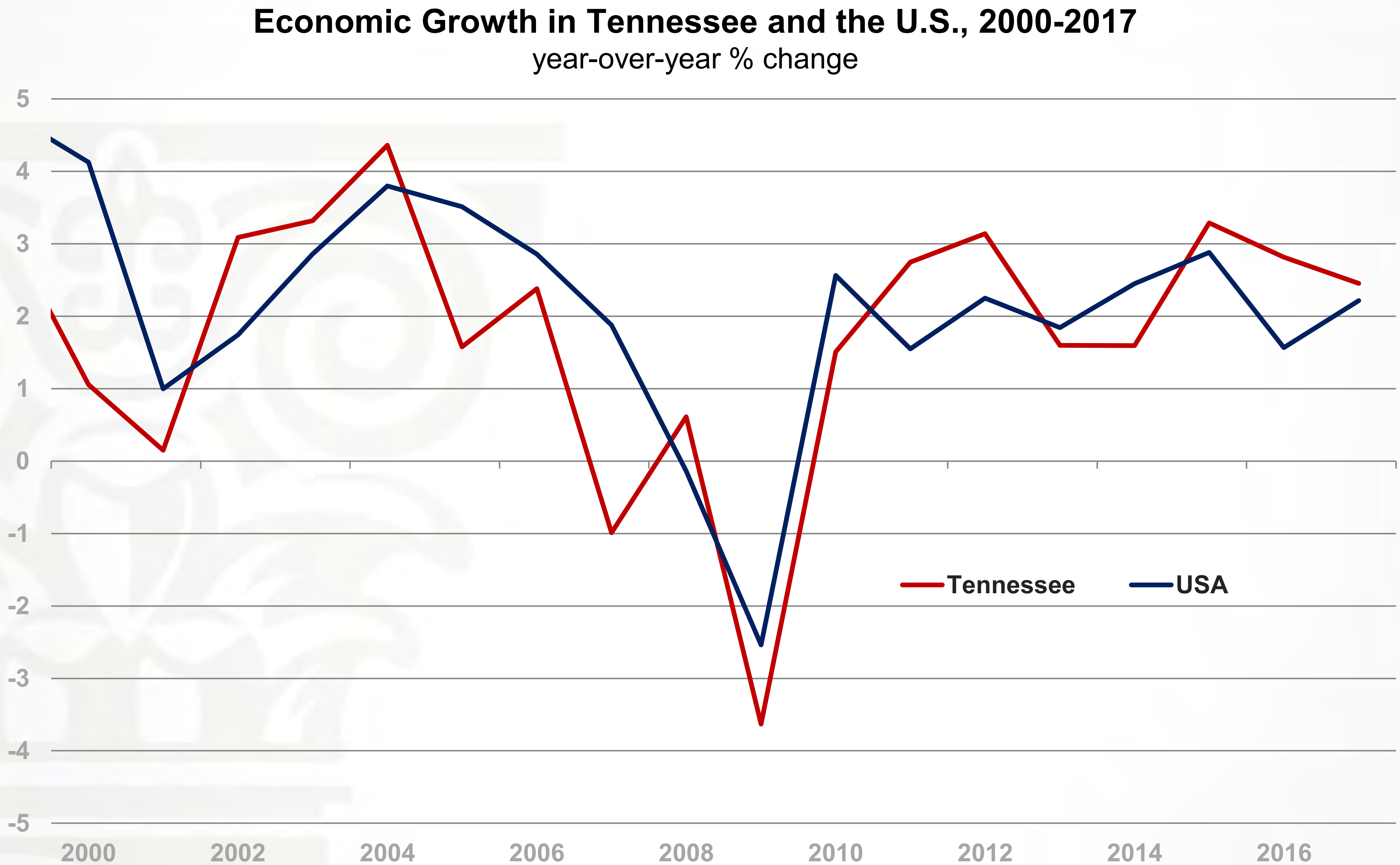
FEDERAL
RESERVE
BANK
of ATLANTA

Tennessee State Funding Board

November 20, 2018

Laurel Graefe
Regional Executive - Tennessee

Tennessee's economic performance continues to closely mirror that of the United States.

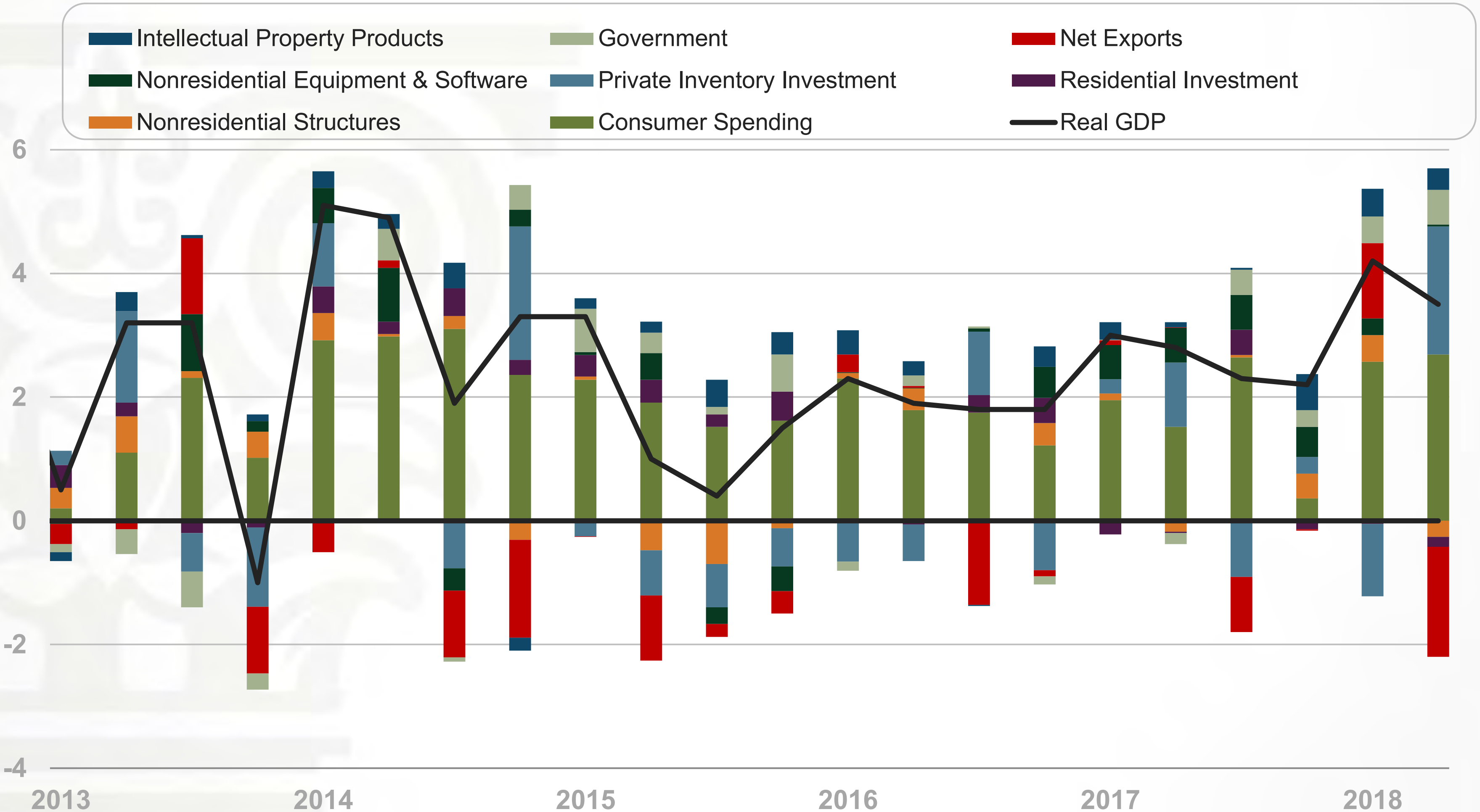


Source: Bureau of Economic Analysis; Haver Analytics

Real Gross Domestic Product grew 3.5% in Q3 2018. Consumer spending (green) continues to be key to GDP growth.

Contributions to Real GDP Growth

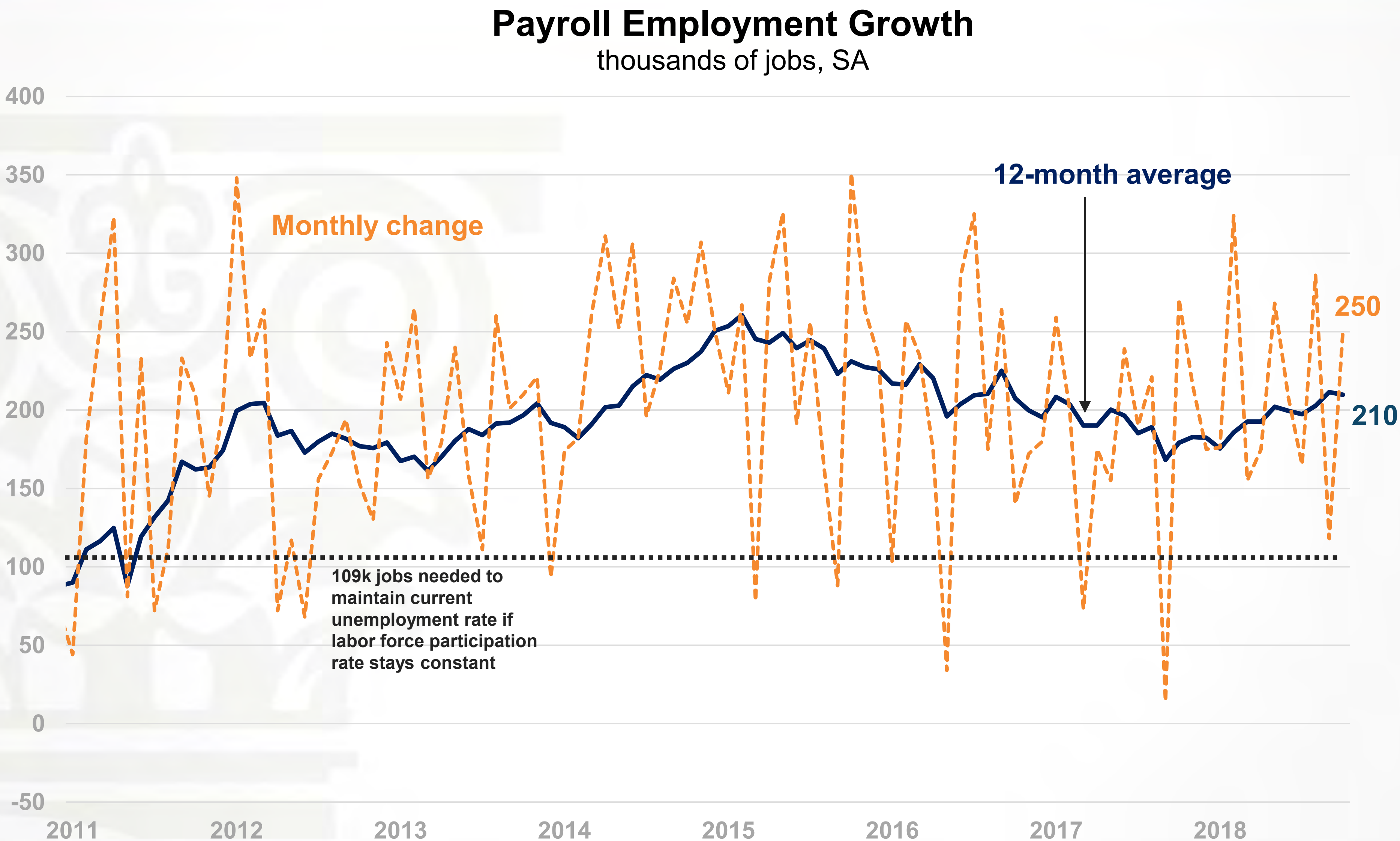
quarterly, percent, seasonally adjusted annualized rate



Sources: Bureau of Economic Analysis; Haver Analytics

through Q3, 2018

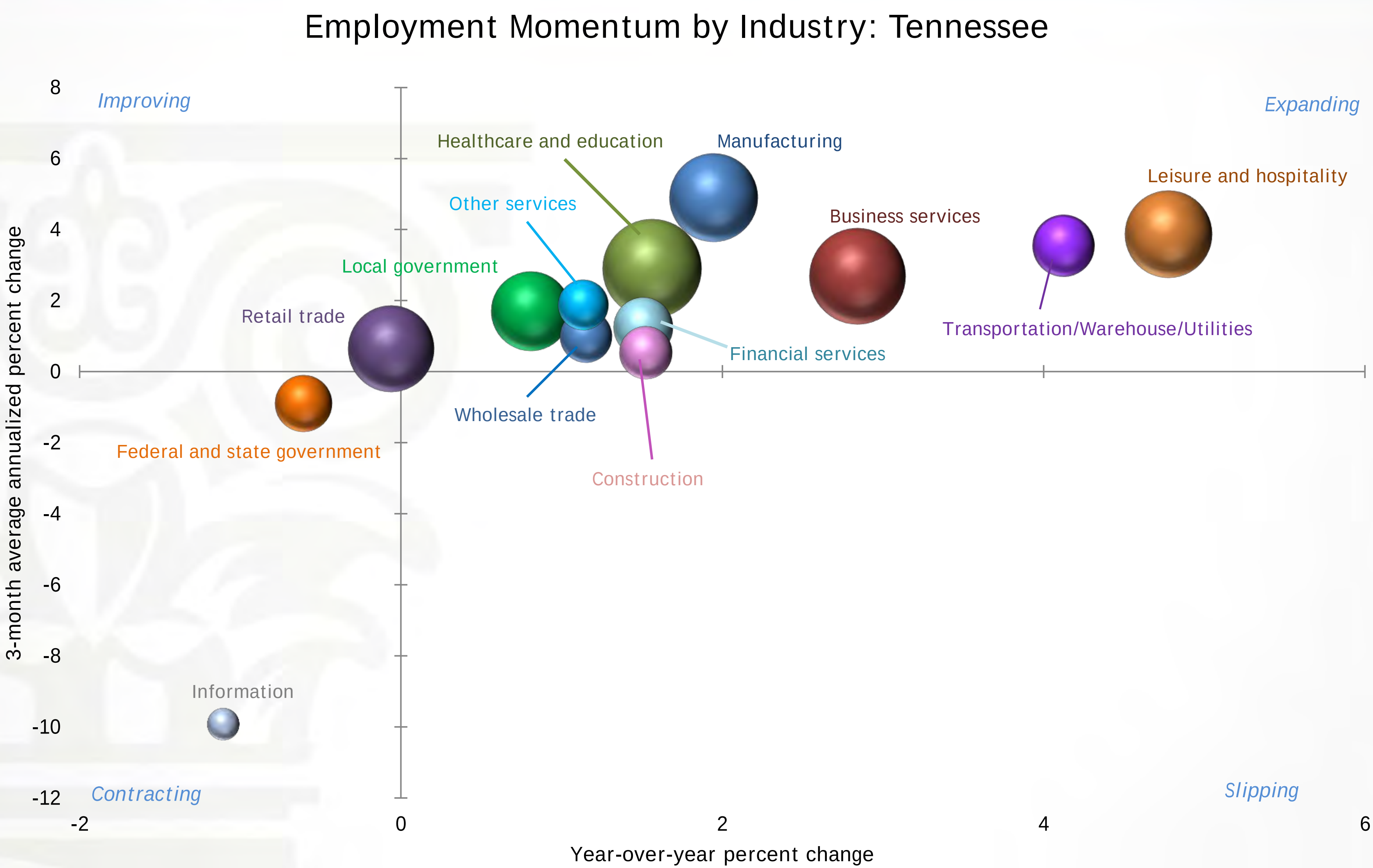
The U.S. economy added a net 250,000 jobs in October, well above the threshold needed to continue to make progress in the labor market.



Sources: Bureau of Labor Statistics, FRB staff calculations; Haver Analytics

data through October 2018

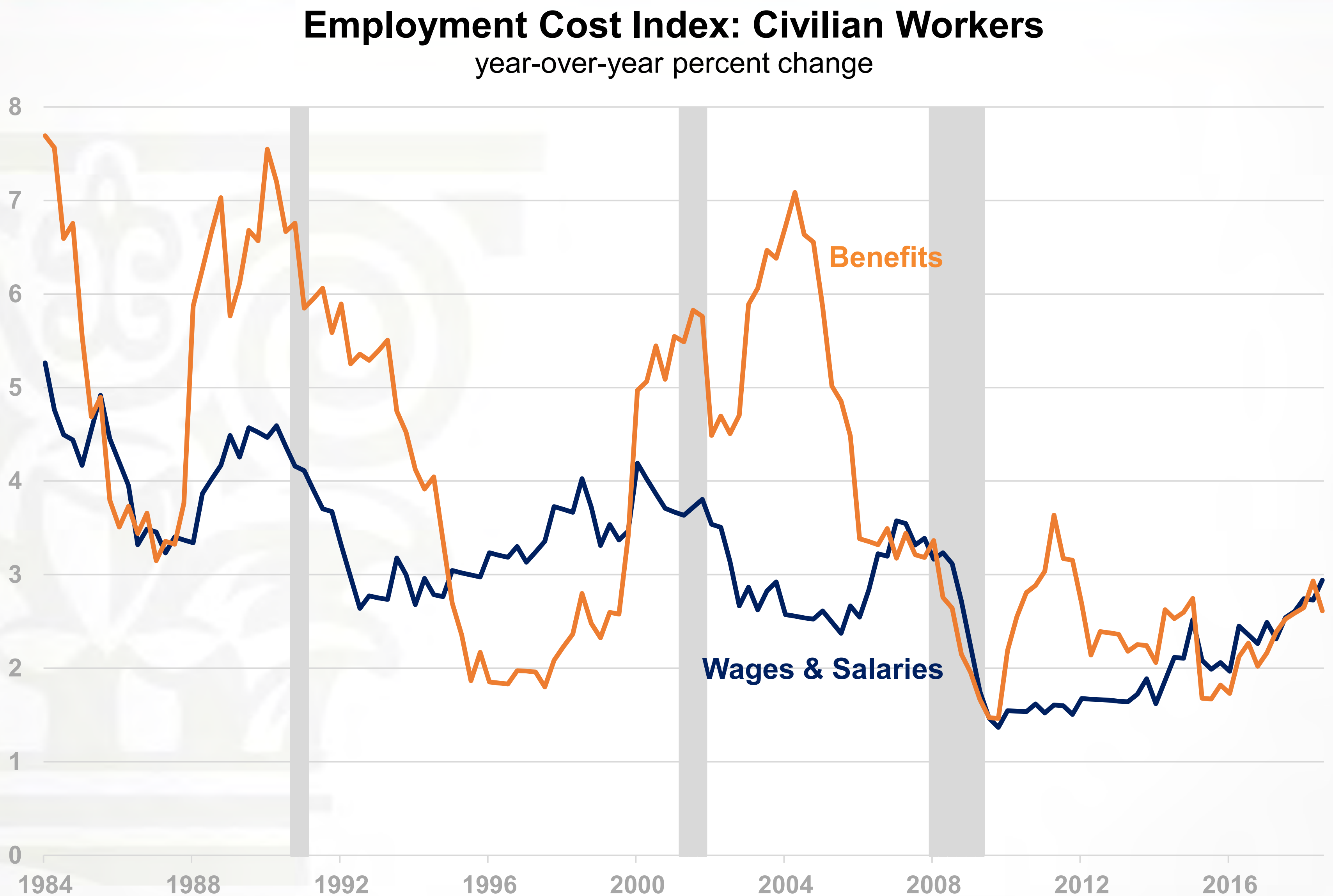
Employment growth momentum in Tennessee has been positive, with employment in most industries expanding over both the past 3 and 12 months.



Source: U.S. Bureau of Labor Statistics; Haver Analytics

data through September 2018

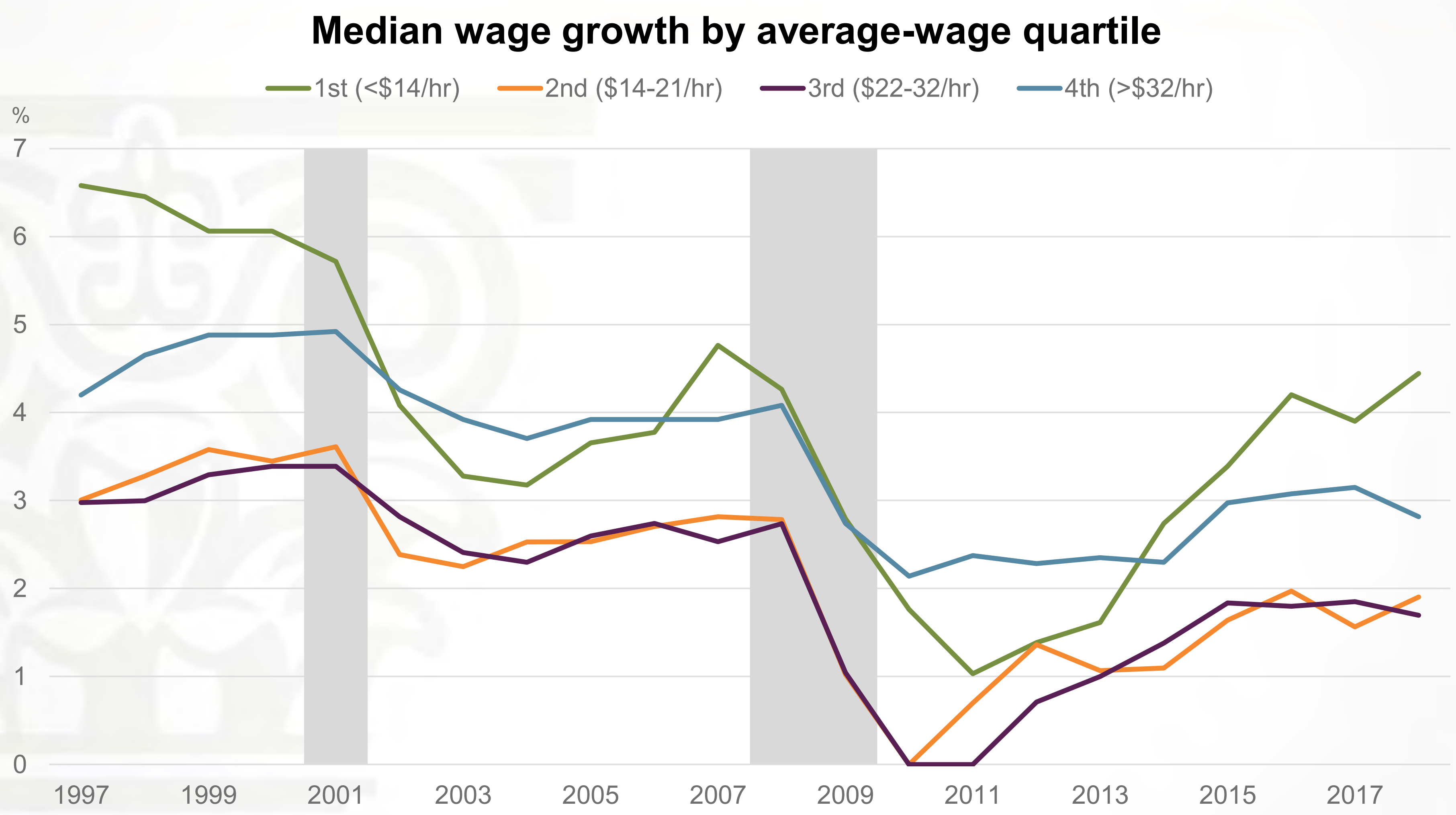
Wage growth has picked up, but still remains relatively muted historically. Contrary to much of the history of the series, benefits growth appears to be in-line with the growth of wages & salaries.



Source: Bureau of Labor Statistics; Haver Analytics

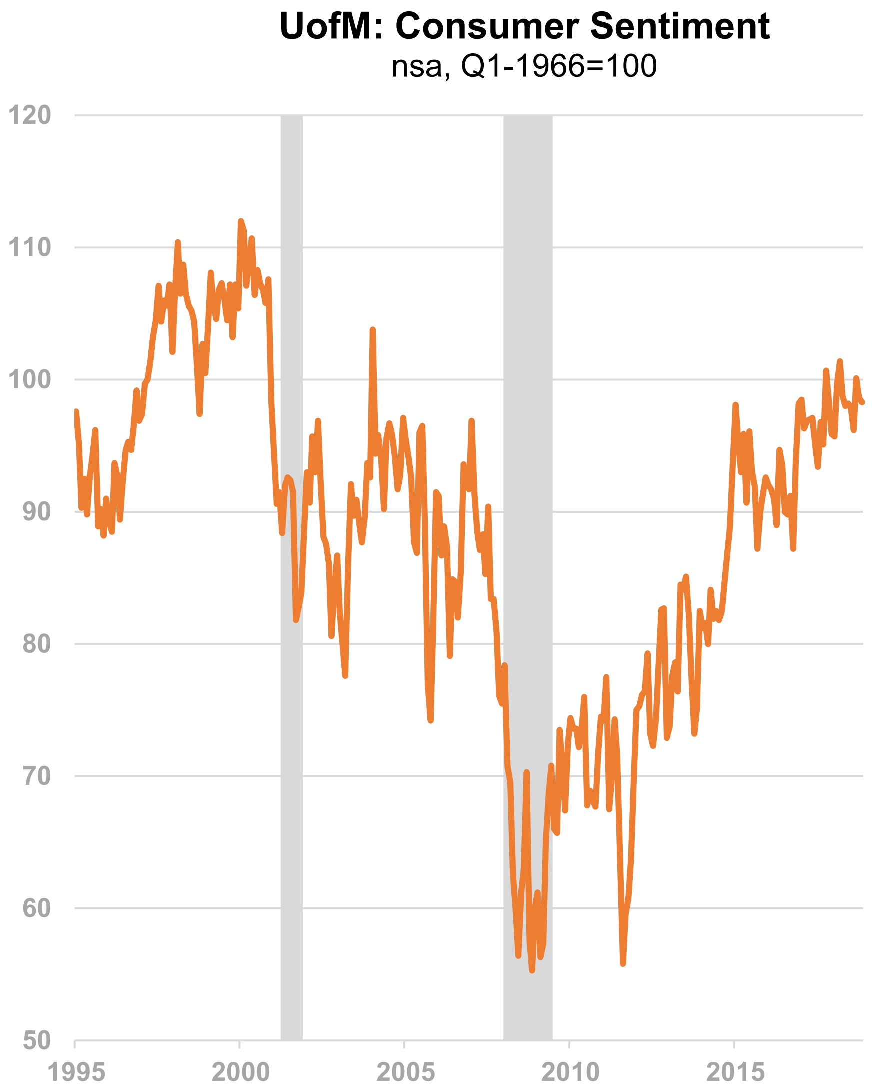
data through Q3-2018

The acceleration in wage growth has generally been focused on the low- and high-wage earners, while growth for middle income earners has been more modest.



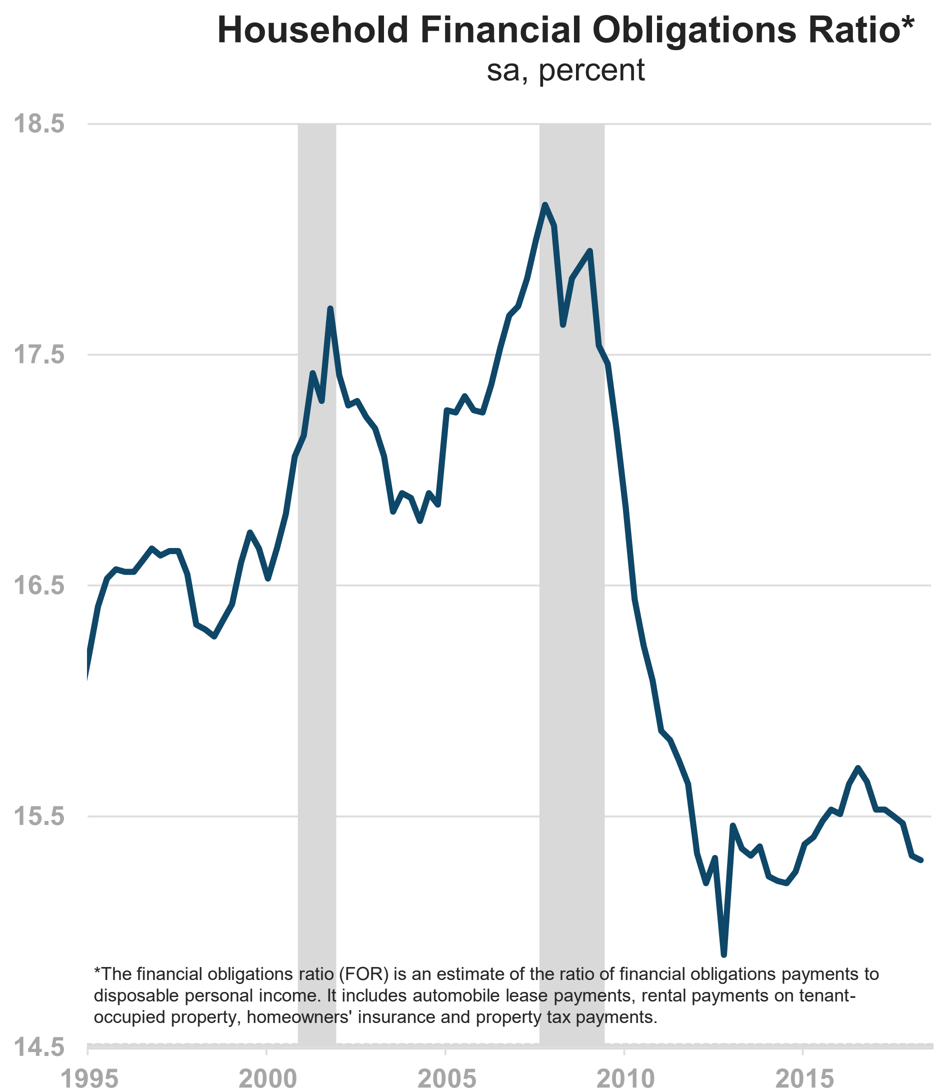
Source: Current Population Survey, Bureau of Labor Statistics, and author calculations

Consumer attitudes remain favorable and a broad measure of household indebtedness suggests that households are in a relatively solid fiscal position.



Source: University of Michigan; Haver Analytics

data through November 2018

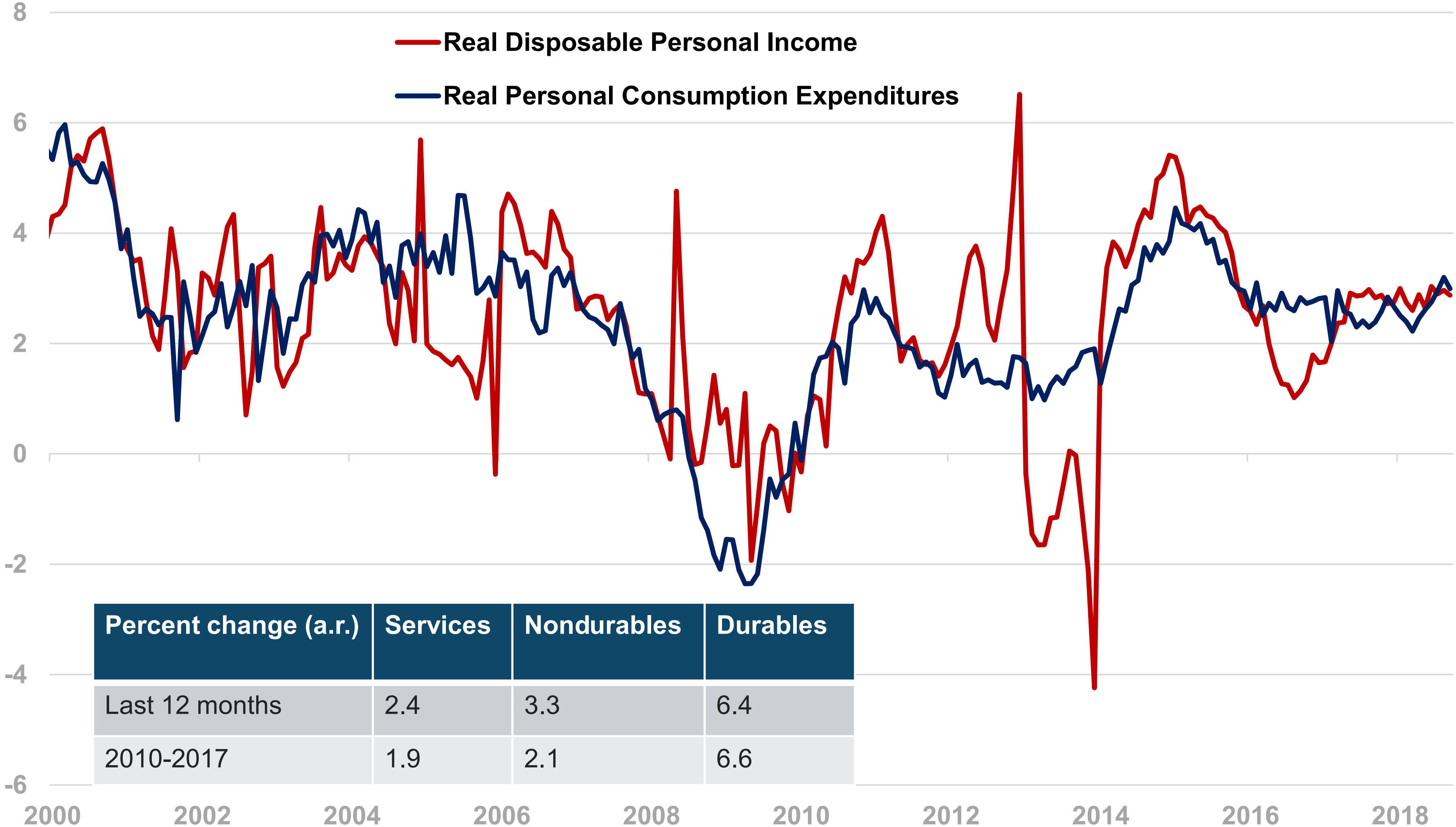


Source: Federal Reserve Board; Haver Analytics

data through Q2-2018

Consumer spending appears to be growing in line with income growth.

Real PCE and Disposable Personal Income

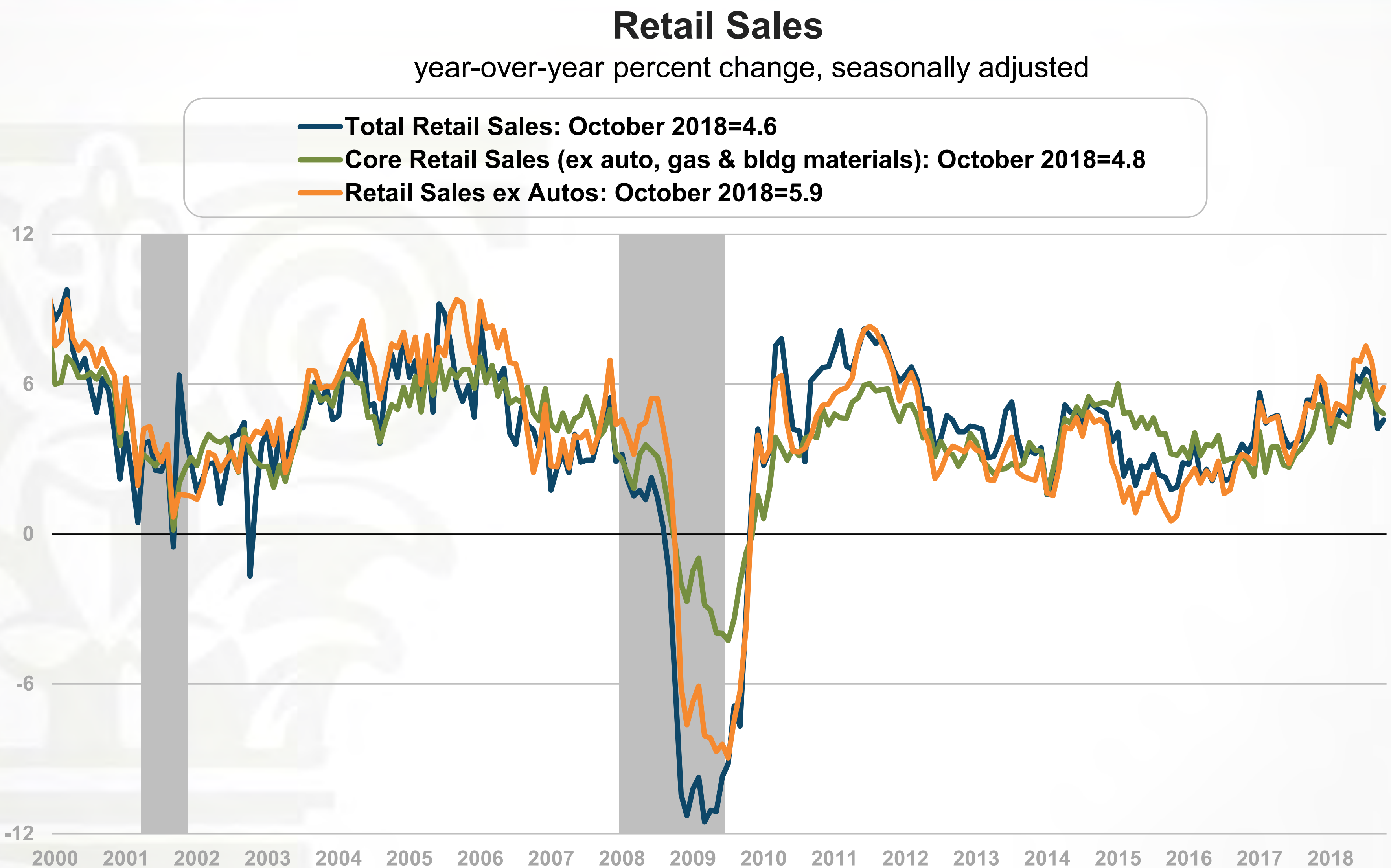


Percent change (a.r.)	Services	Nondurables	Durables
Last 12 months	2.4	3.3	6.4
2010-2017	1.9	2.1	6.6

Source: Bureau of Economic Analysis; Haver Analytics

data through September 2018

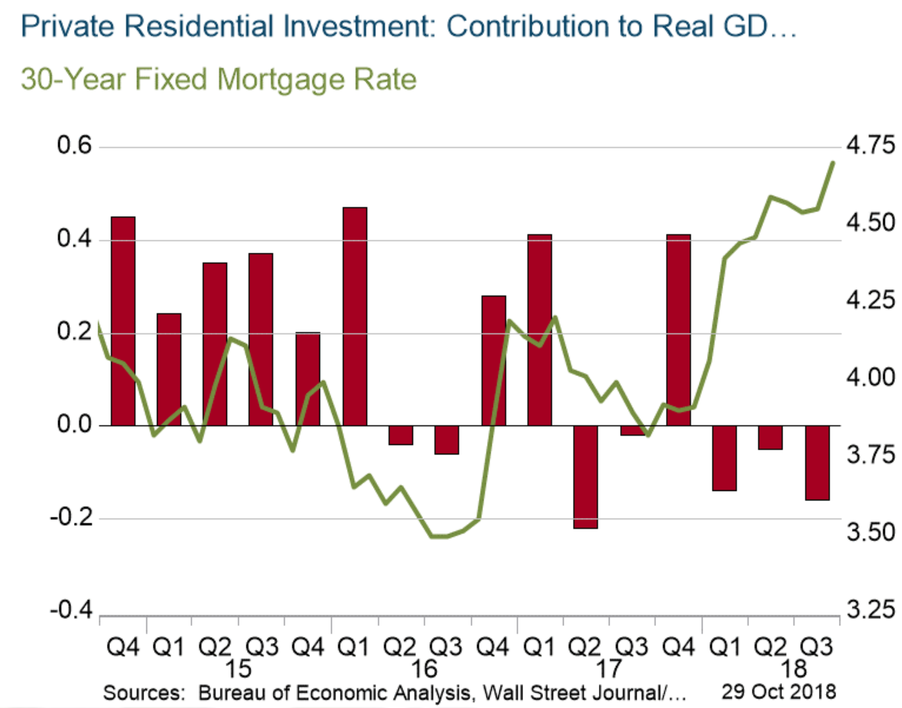
Retail sales growth has been on an upward trend over the past couple of years, with much of the recent strength appearing to be relatively broad based.



Source: U.S. Census Bureau/Haver Analytics

data through October 2018

Residential investment has been a drag on 2018 growth, with housing affordability becoming an increased challenge.

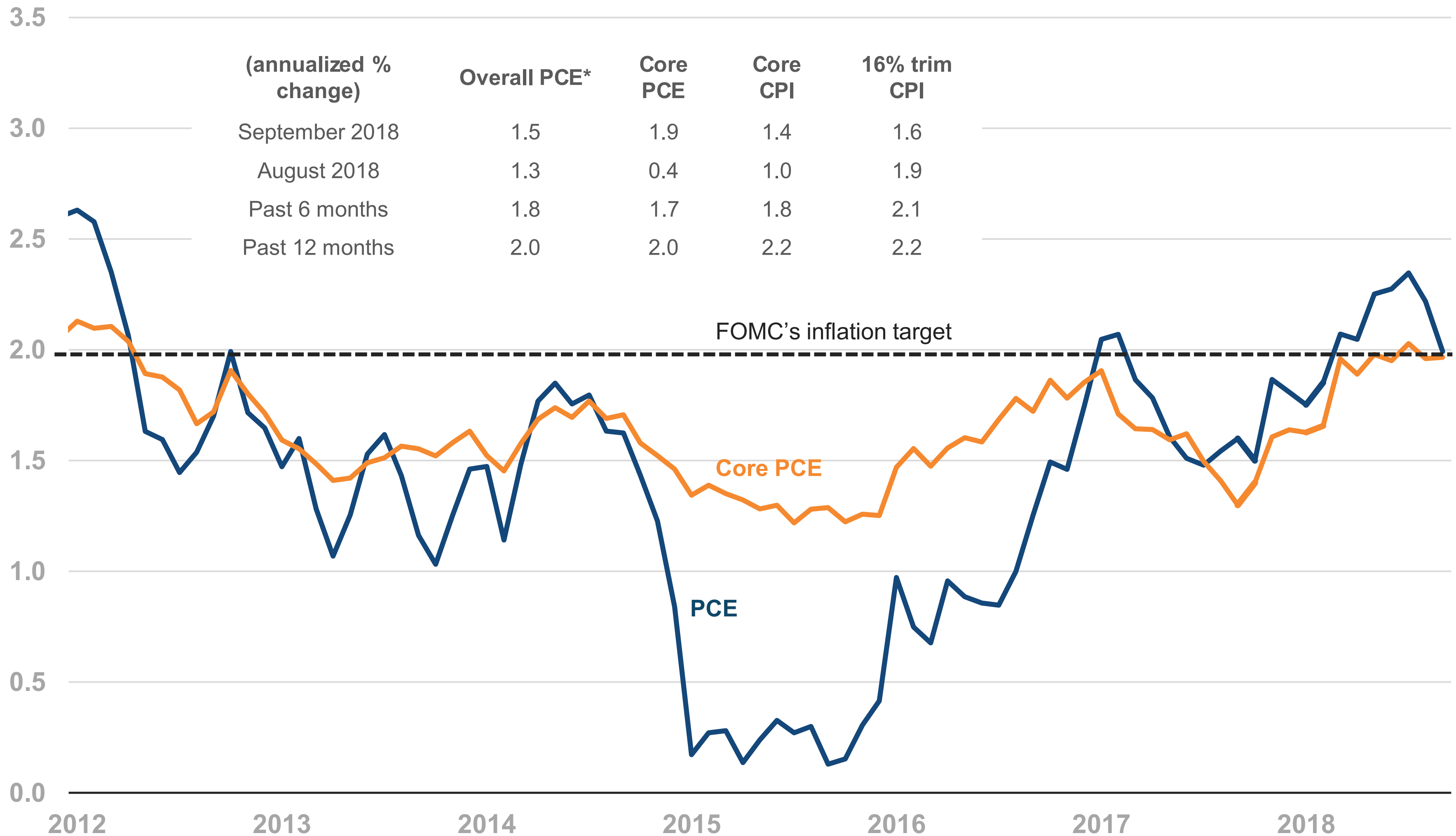


Recent inflation readings have been consistent the FOMC’s 2% target.

PCE Price Index

year-over-year percent change, monthly

(annualized % change)	Overall PCE*	Core PCE	Core CPI	16% trim CPI
September 2018	1.5	1.9	1.4	1.6
August 2018	1.3	0.4	1.0	1.9
Past 6 months	1.8	1.7	1.8	2.1
Past 12 months	2.0	2.0	2.2	2.2

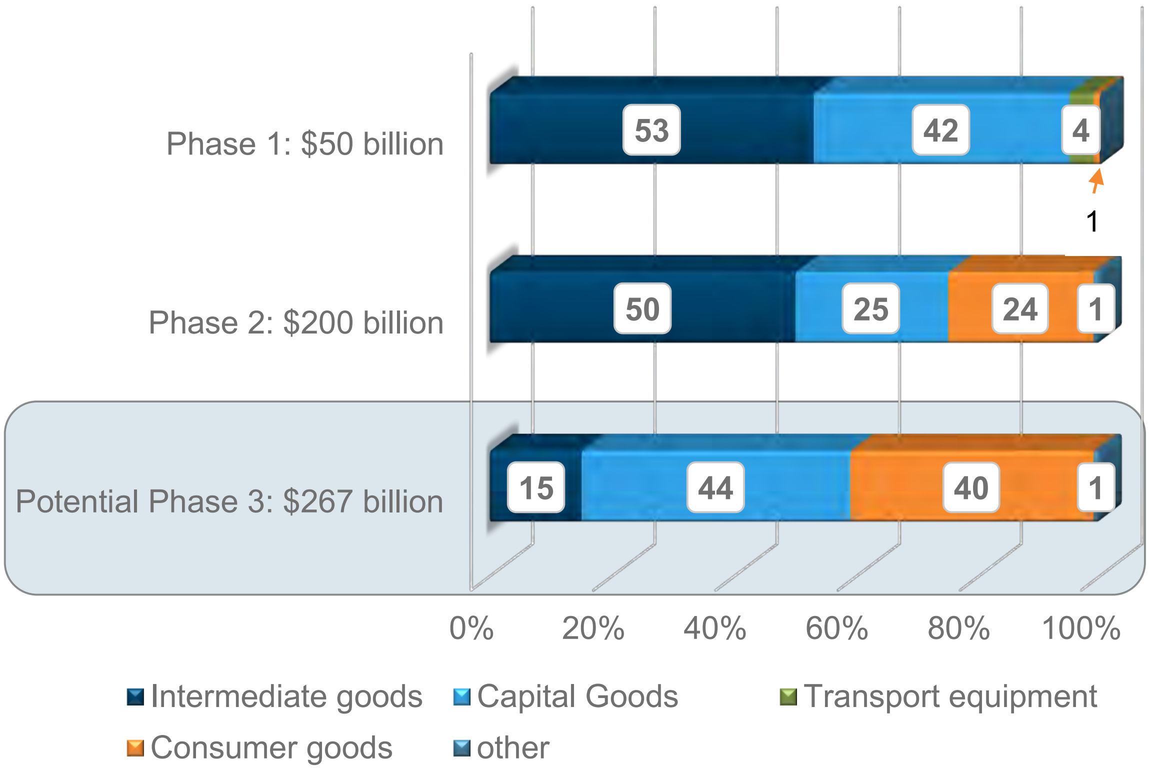


Sources: Bureau of Economic Analysis; Haver Analytics

data through September 2018

The latest round of tariffs on Chinese imports targeted a greater share of final consumer goods. A significant share of overall US imports of consumer goods such as furniture and electronics come from China.

Composition of US tariffs on Chinese imports



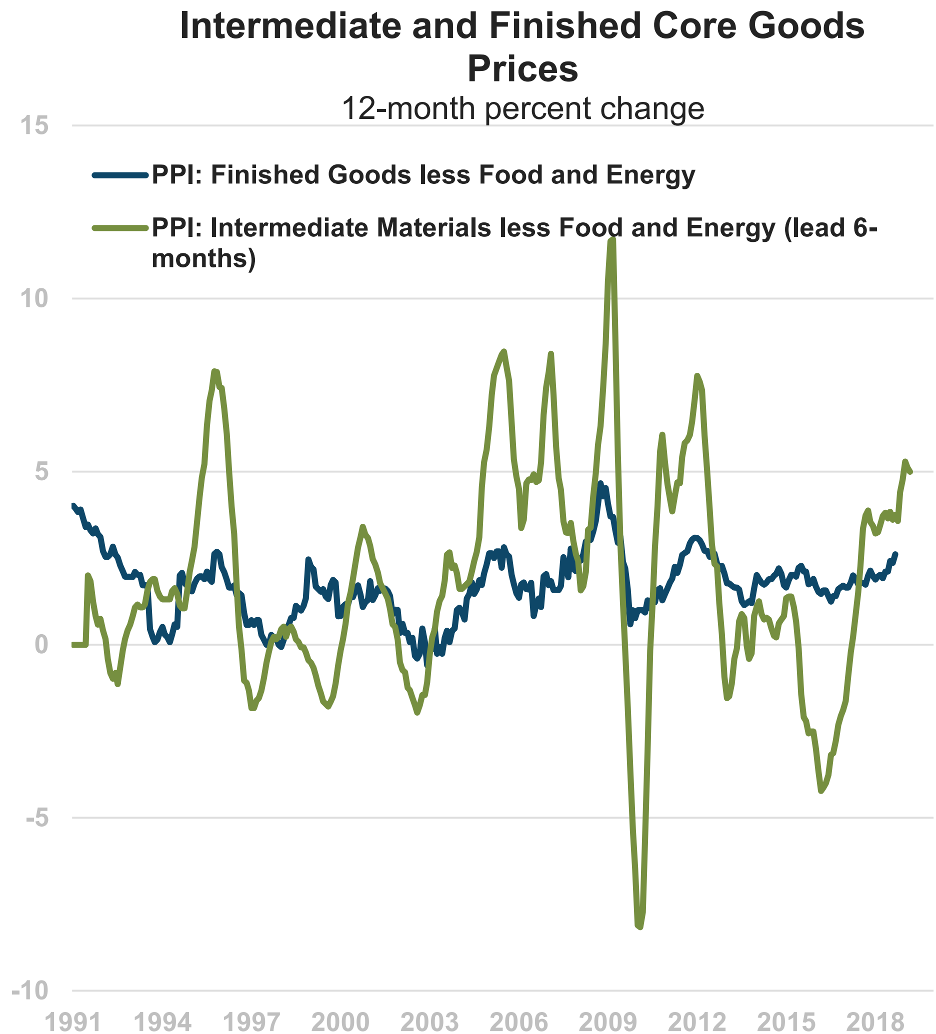
Source: Peterson Institute for International Economics (PIIE), International Trade Centre

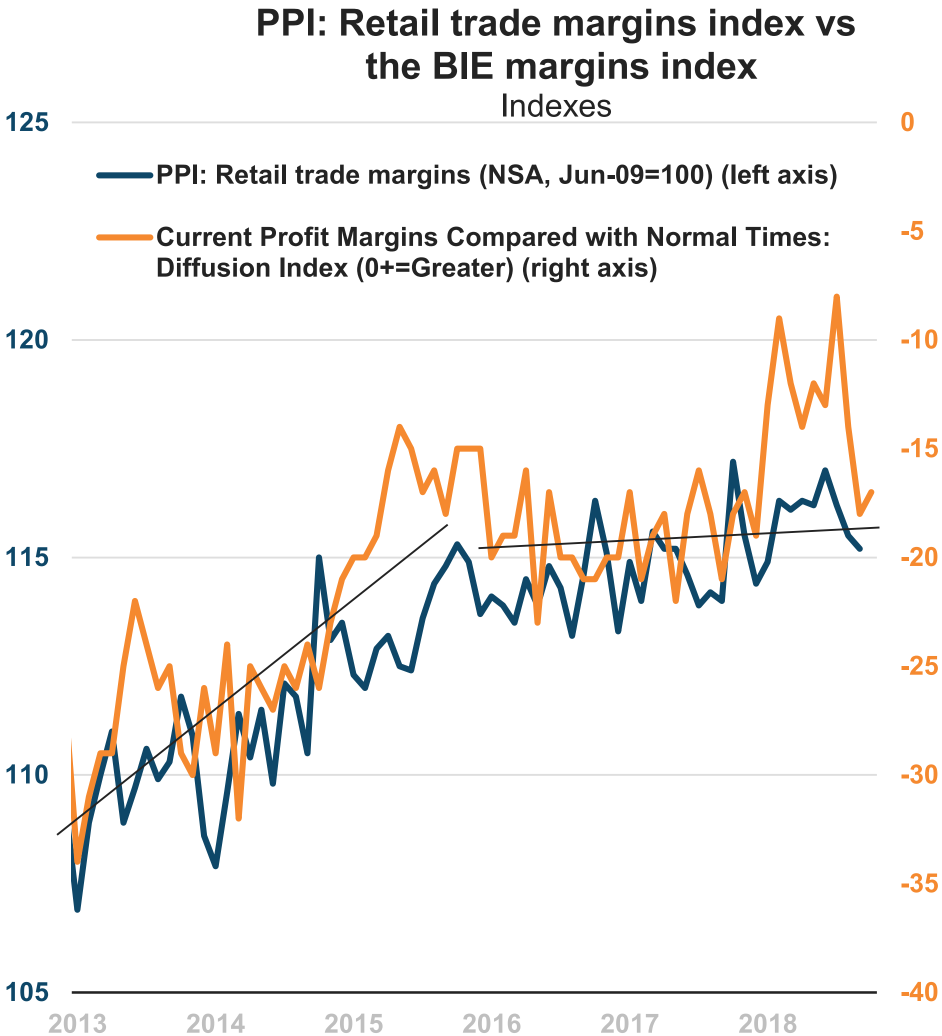
China's share of total US imports
(2017, share of customs value)

Total	**21.7**
Furniture & Fixtures	56.0
Textile Mill Products	54.2
Leather & Allied Products	53.5
Print Matter	50.7
Computer & Electronic Products	46.2
Elec Equip/Appliance/Component	39.4
Apparel & Accessories	34.9
Nonmetallic Mineral Products	34.3
Misc. Mfg Commodities	34.0
Fabricated Metal Products	32.9
Plastics & Rubber Products	32.8

Source: Census Bureau, staff calculations

One potential implication of recent tariffs is that they could push up costs. The key question here is whether firms still have room to squeeze margins before passing on these prices to the final consumer. Margins have improved since early in the recovery, but the pace of that improvement appears to have stalled out.





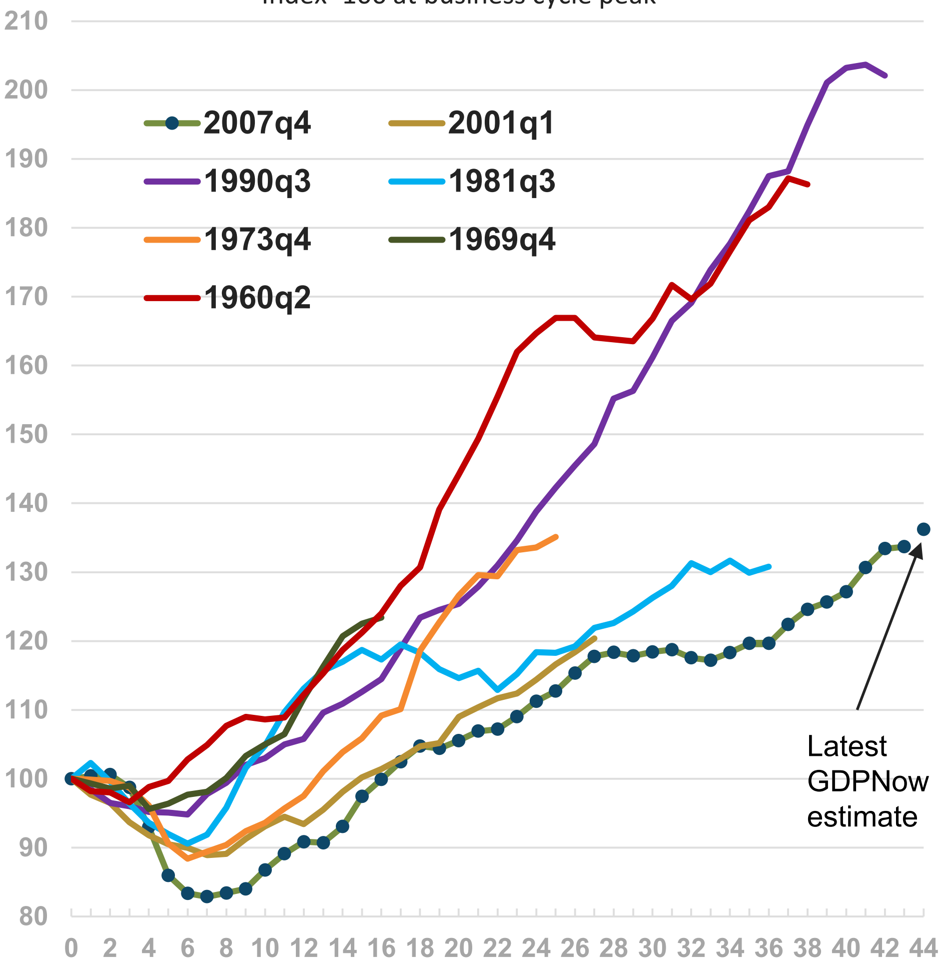
Sources: Federal Reserve Bank of Atlanta, *Business Inflation Expectations Survey;* Bureau of Labor Statistics; Producer Price Index program staff, "Wholesale and retail Producer Price Indexes: margin prices," *Beyond the Numbers: Prices & Spending*, vol. 1, no. 8 (U.S. Bureau of Labor Statistics, August 2012)

BLS data thru Sept. 2018; FRBA data thru Oct.2018

43 quarters after the onset of the 2007-09 recession, we are now in the longest post-war peak-to-peak business cycle on record. However, the current cycle also been the slowest, especially for business investment and household consumption growth.

Business Fixed Investment: Business Cycle Graph

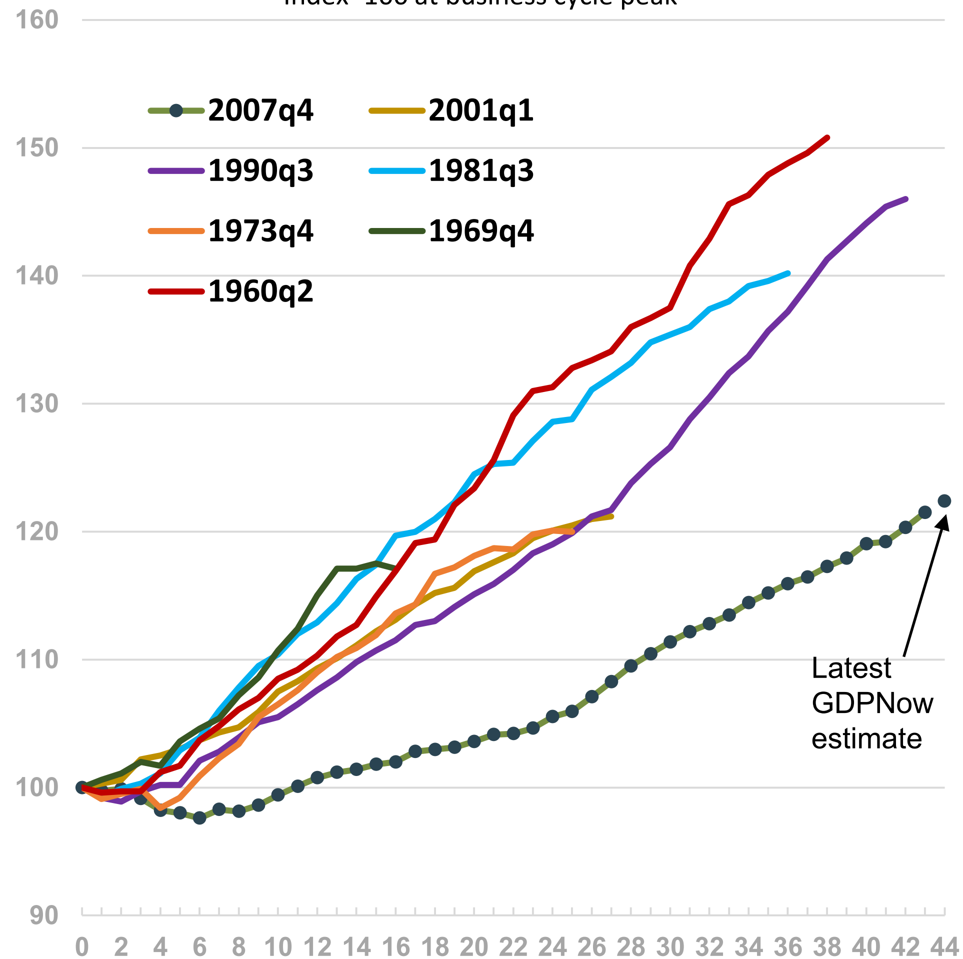
Index=100 at business cycle peak



Note: Business cycles (length of line is equal to the number of quarters between "peaks")

Real Personal Consumption Expenditures: Business Cycle Graph

Index=100 at business cycle peak

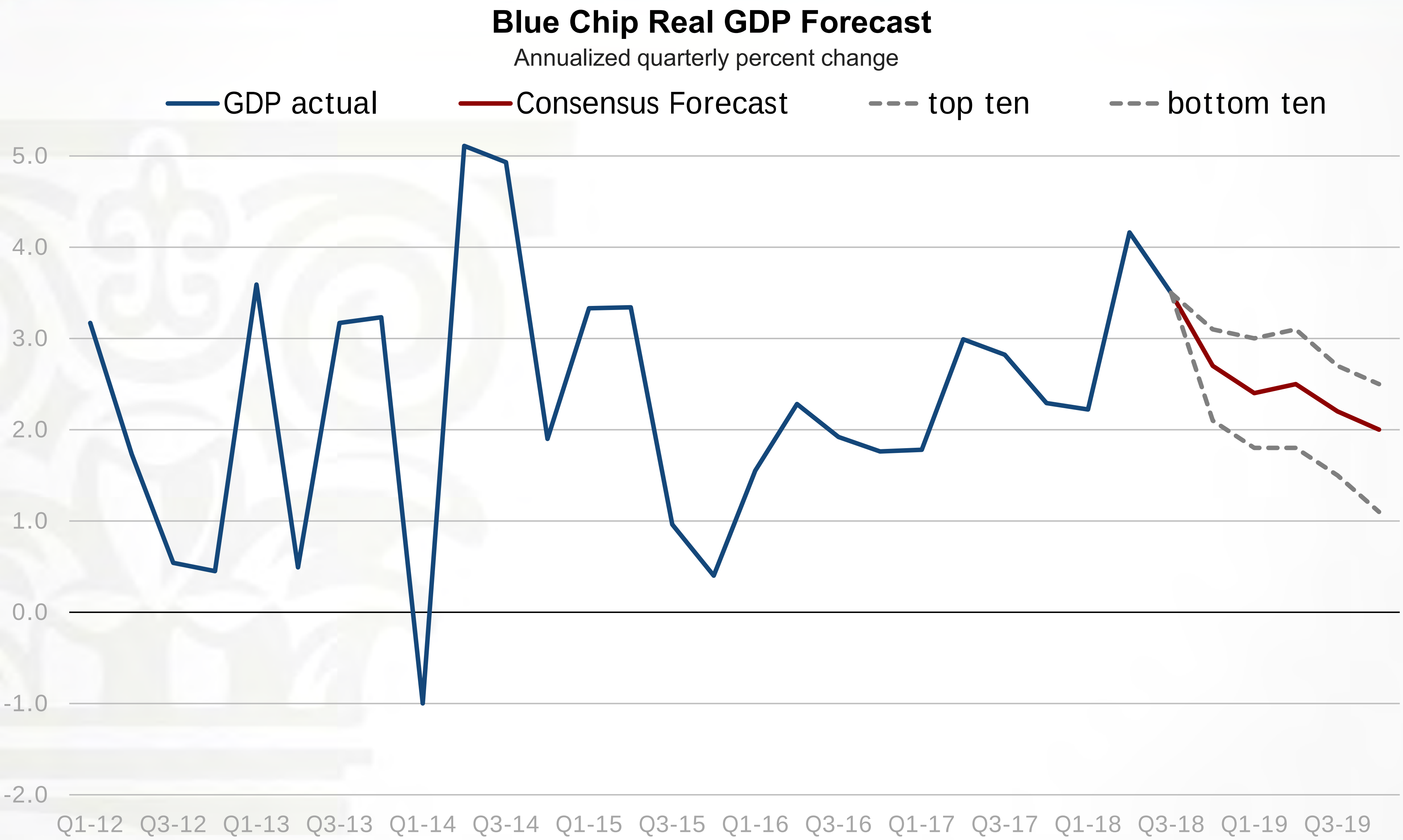


Note: Business cycles (length of line is equal to the number of quarters between "peaks")

Source: Bureau of Economic Analysis, FRBA staff calculations; Haver Analytics

data through Q3-2018

With respect to the outlook for the economy going forward, private economists expect GDP to gradually return to a more modest rate of growth, following above-trend growth in 2018.



Source: Blue Chip panel of economists, November 10, 2018

What we're hearing anecdotally from Tennessee business contacts:

On balance, Tennessee businesses contacts are optimistic about the growth of activity next year, though there is a rising sense of caution about the out-years.

Specifically:

- Firms that derive most of their sales domestically are generally more optimistic than those dependent on foreign demand.
- Travel and tourism activity remains a bright spot.
- Housing affordability is an increasing concern for employers.
- Many businesses have reported success passing rising input prices on to their customers. There remain questions about how much more prices can increase without dampening consumer demand.
- Employment trends continue to suggest that the economy is very near its maximum employment capacity– though trends continue to vary by geography, industry, and job type.

FEDERAL RESERVE BANK *of* ATLANTA

Tennessee State Funding Board

November 20, 2018

Laurel Graefe

Regional Executive - Tennessee

Tennessee Economic Outlook
and
Revenue Forecast - 2018

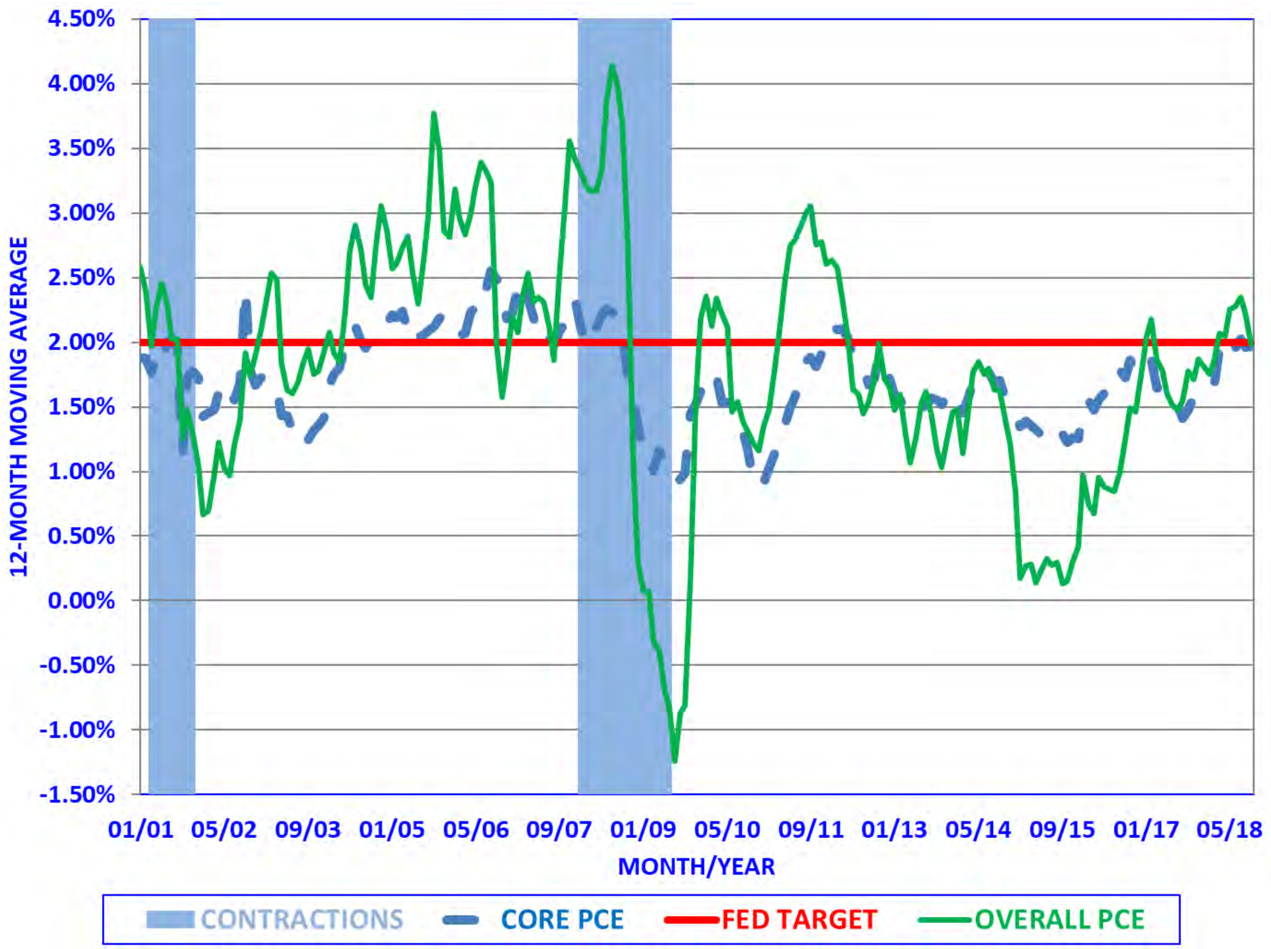
Jon L. Smith, Director
Bureau of Business and Economic Research

W. Fred Mackara, Department of Economics and Finance

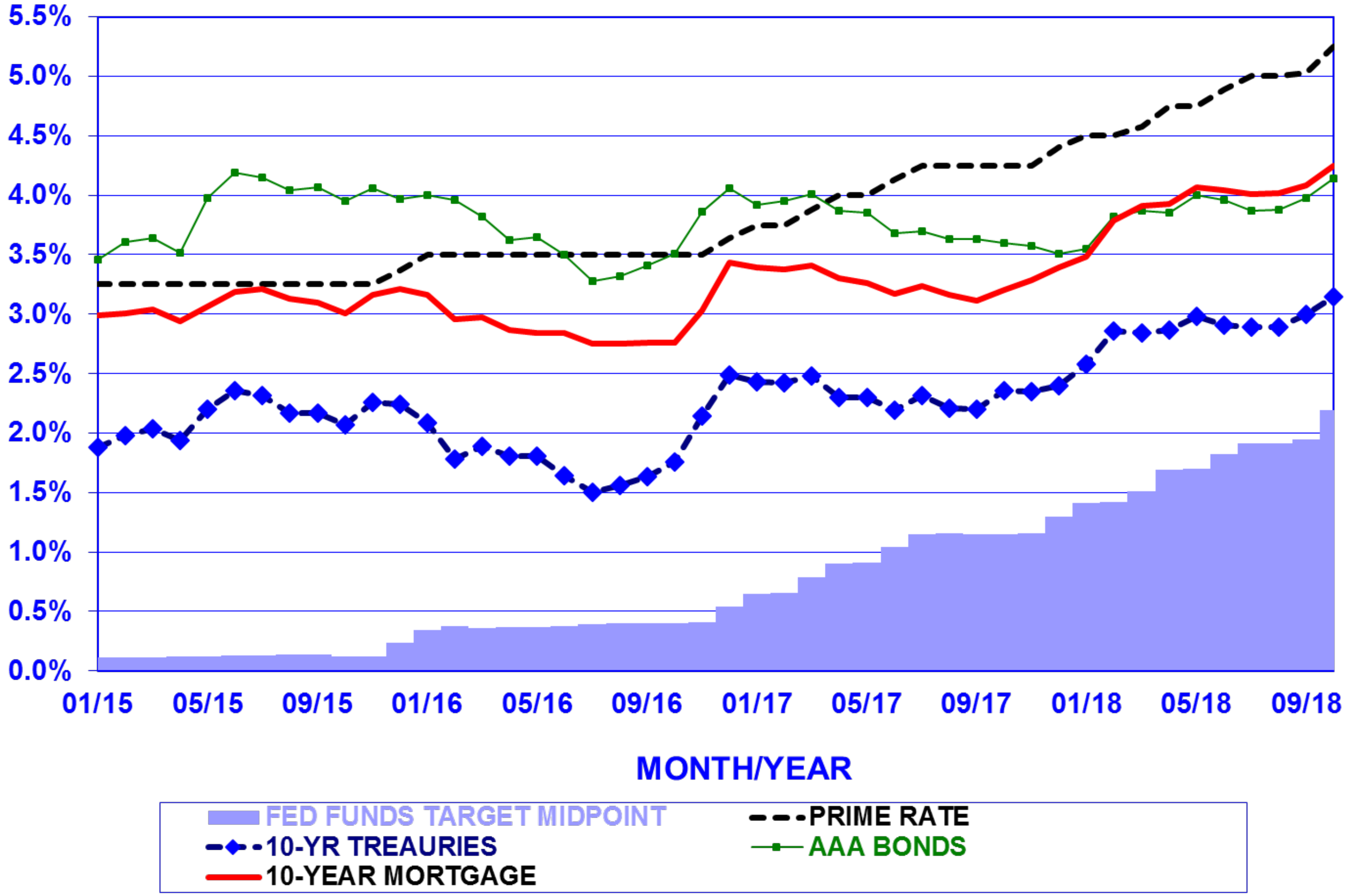
Joseph Newhard, Assistant Professor
Department of Economics and Finance

National the Economy

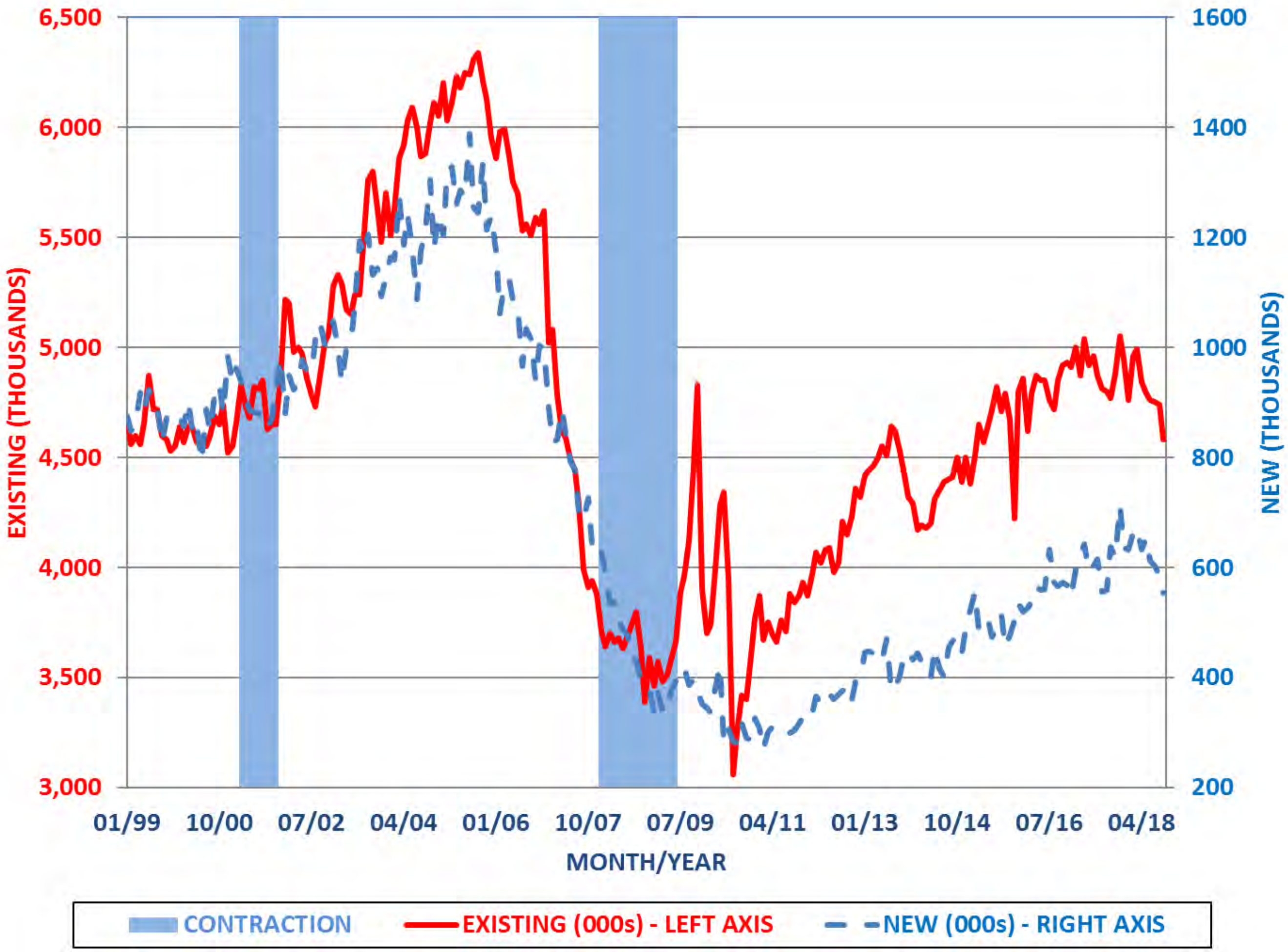
ACTUAL vs. FED TARGET INFLATION
(LAST MONTH PLOTTED, 9/18)



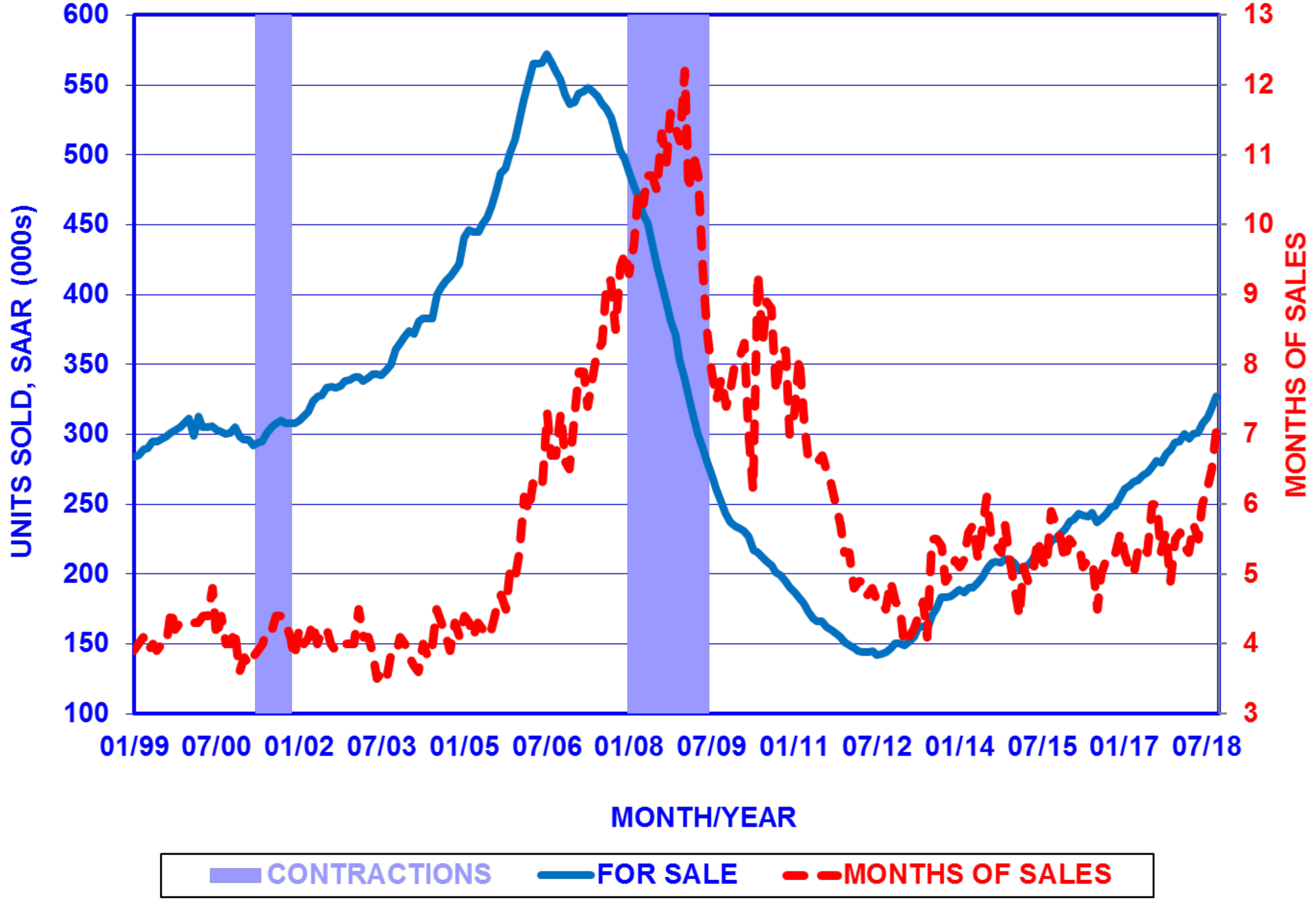
INTEREST RATES & YIELDS
(LAST MONTH PLOTTED, 10/18)



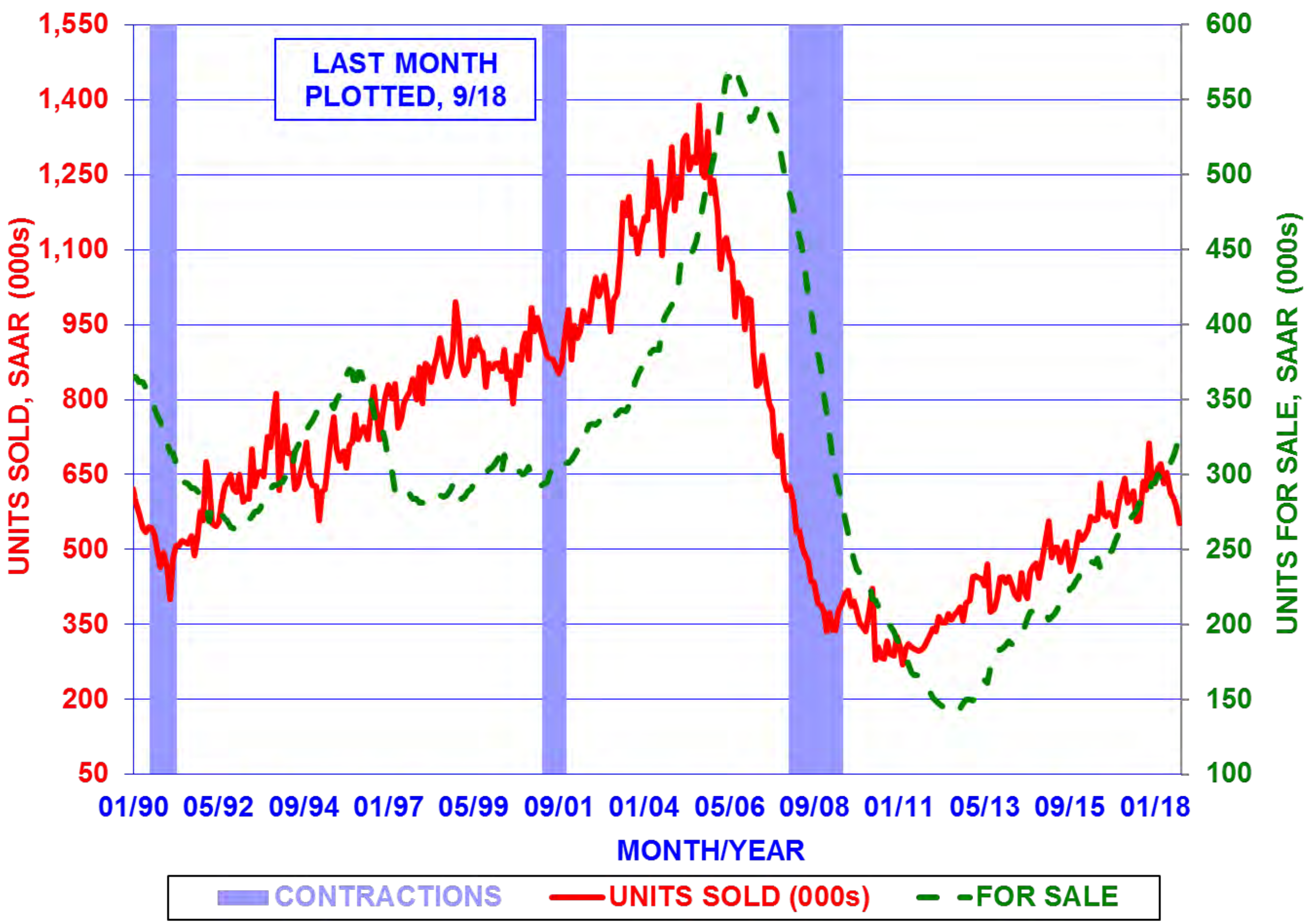
NEW & EXISTING HOME SALES, SAAR
(LAST MONTH PLOTTED, 09/18)



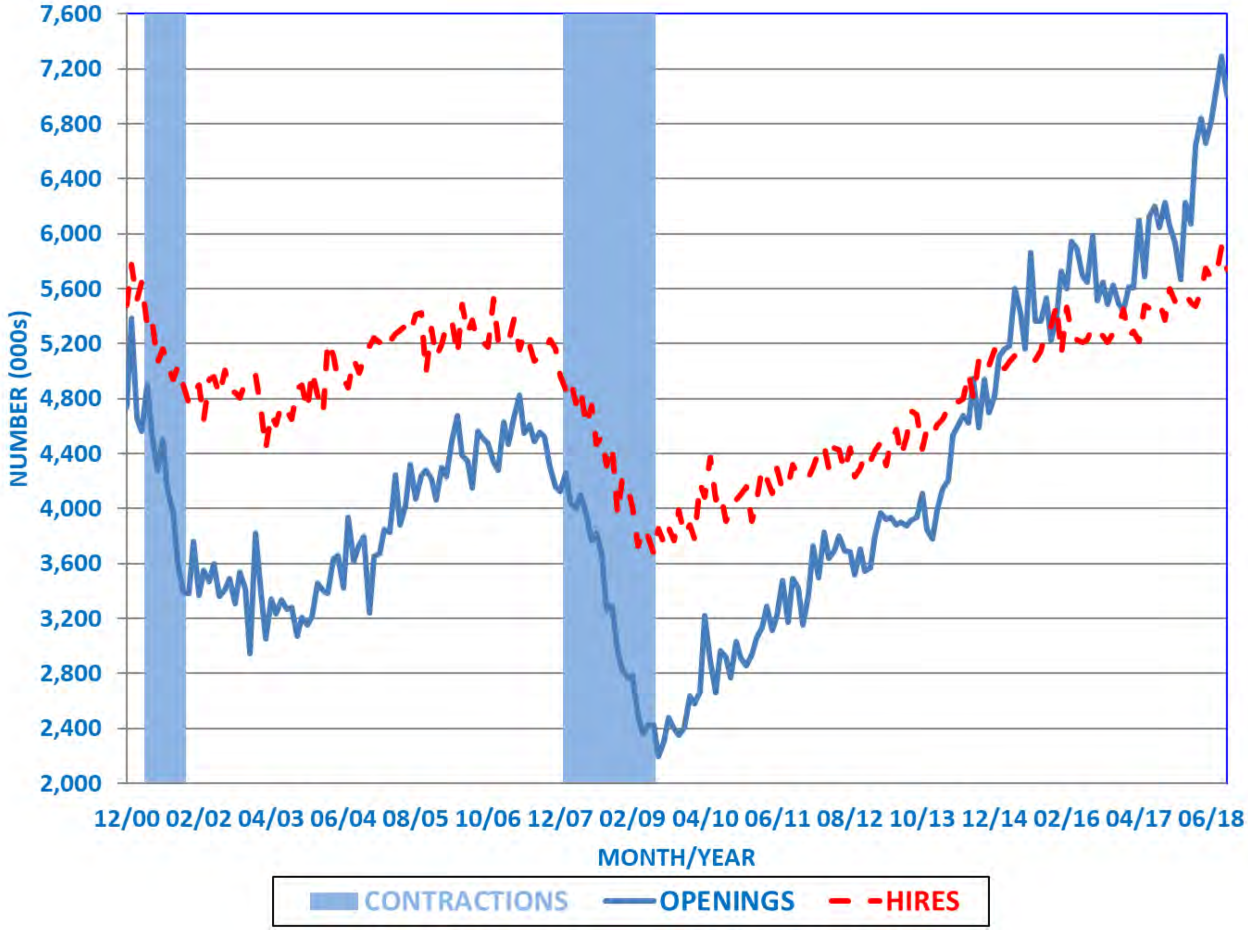
INVENTORY OF NEW HOMES FOR SALE
(LAST MONTH PLOTTED, 9/18)



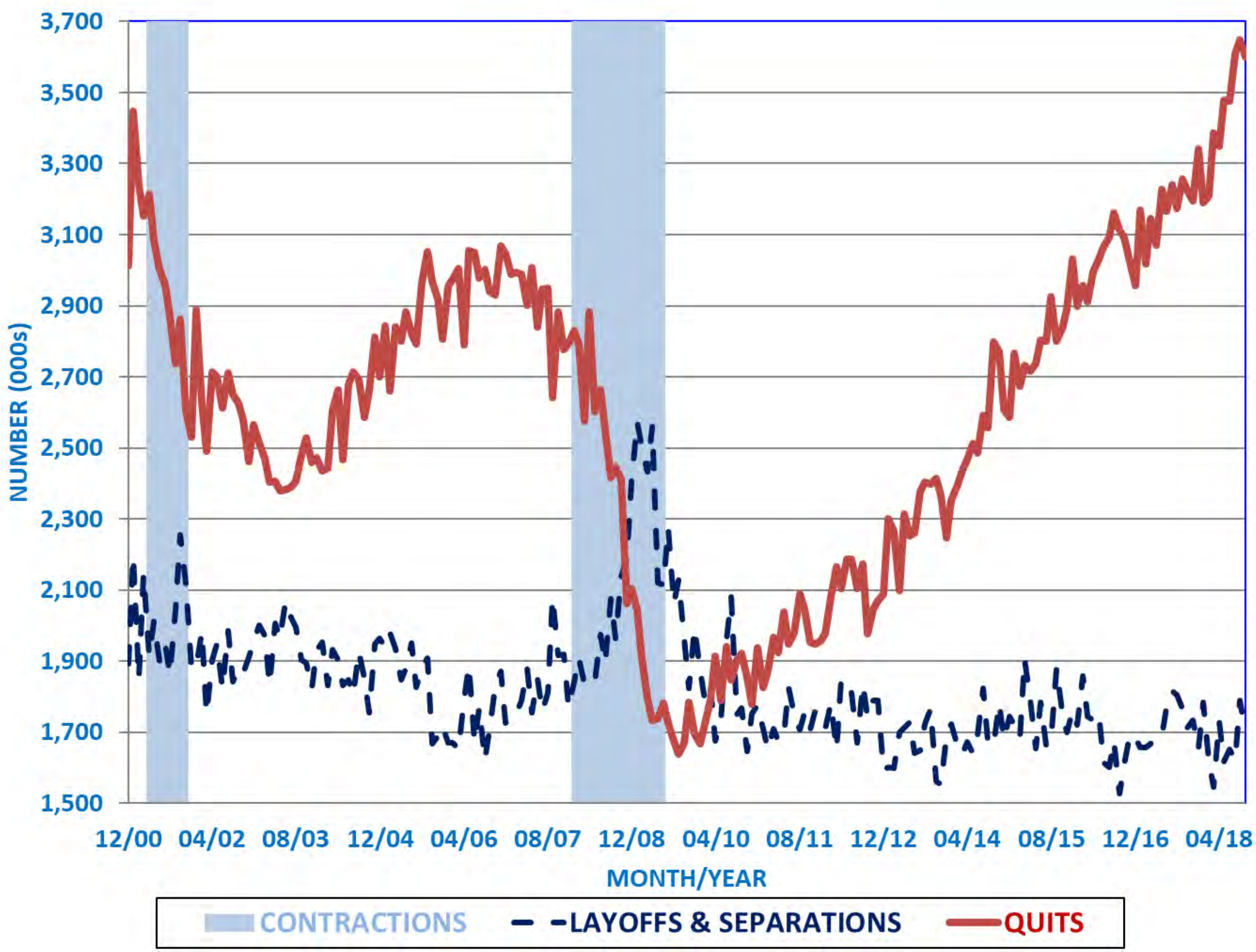
NEW HOME SALES vs. NEW HOMES FOR SALE
(LAST MONTH PLOTTED, 9/18)



JOB OPENINGS vs. HIRES
(J.O.L.T.S., 9/18)



LAYOFFS vs. QUITS
(J.O.L.T.S., 9/18)



NFIB SMALL BUSINESS OPTIMISM INDEX
SEPTEMBER 2018

- “87% of [Survey Respondents] who were hiring or trying to hire workers reported few or no qualified applicants for the positions they were trying to fill”

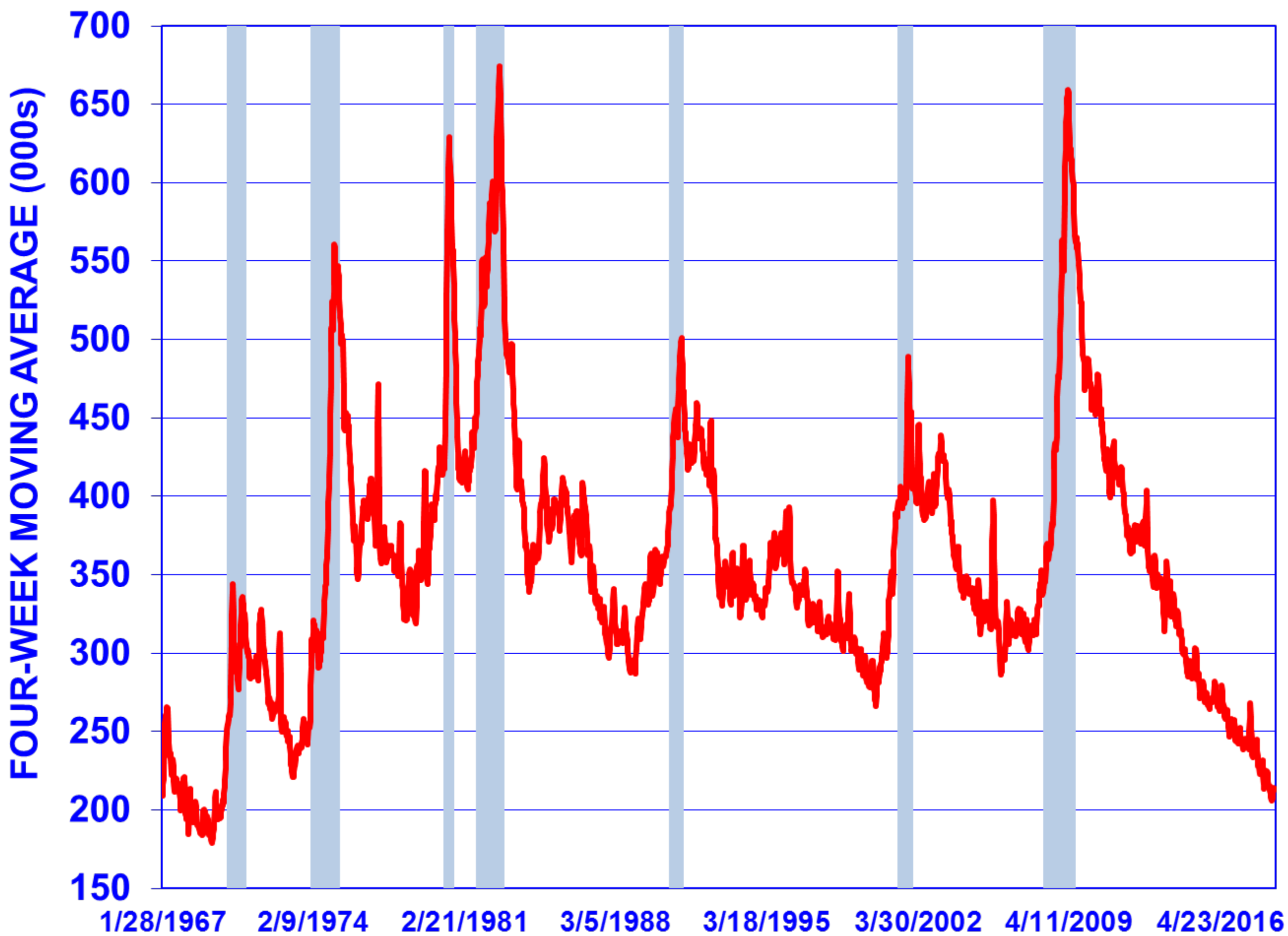
“Single Most Important Problem Facing Small Businesses”

#1 Quality of Labor

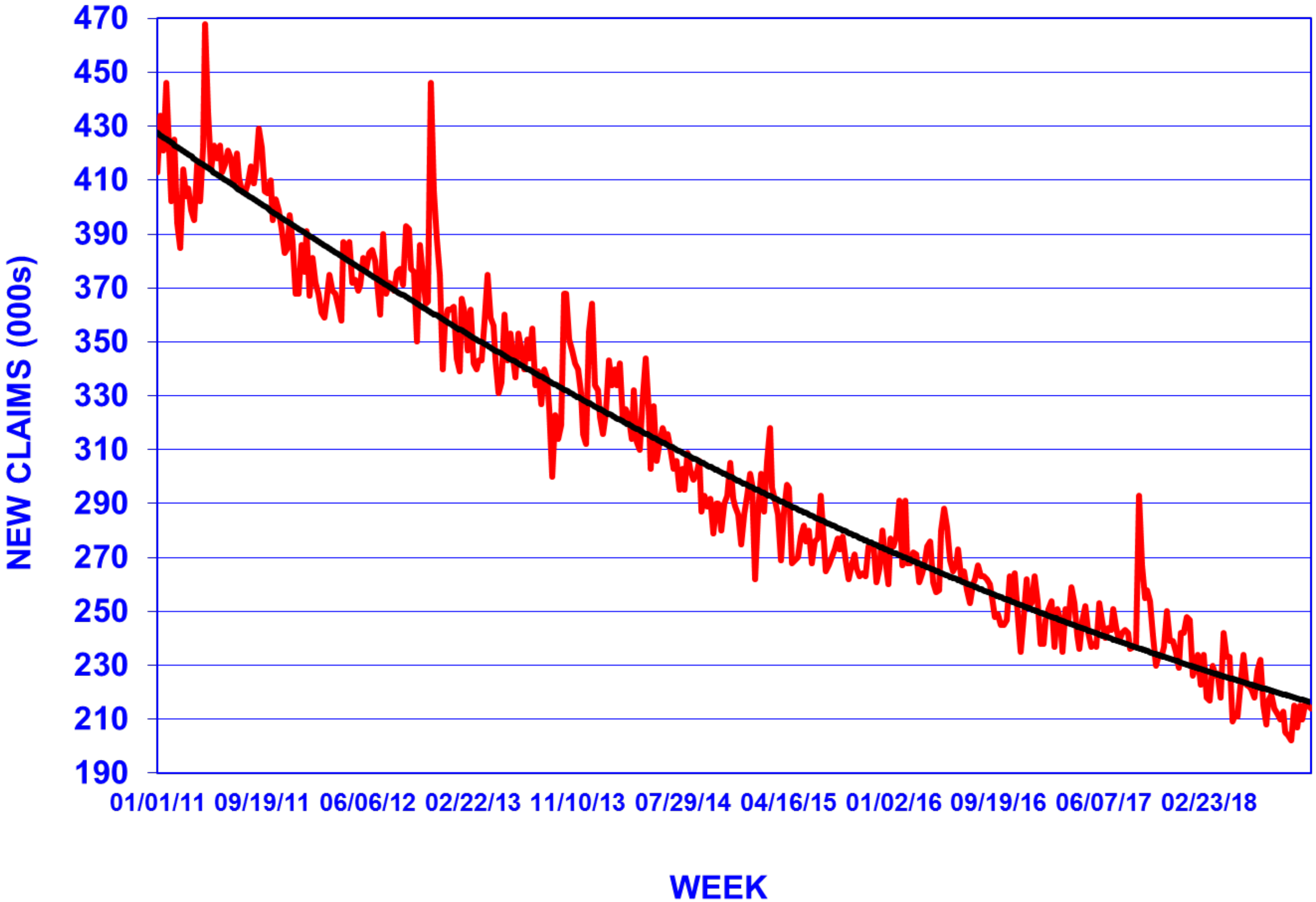
#2 Taxes

#3 Government Regulations & Red Tape

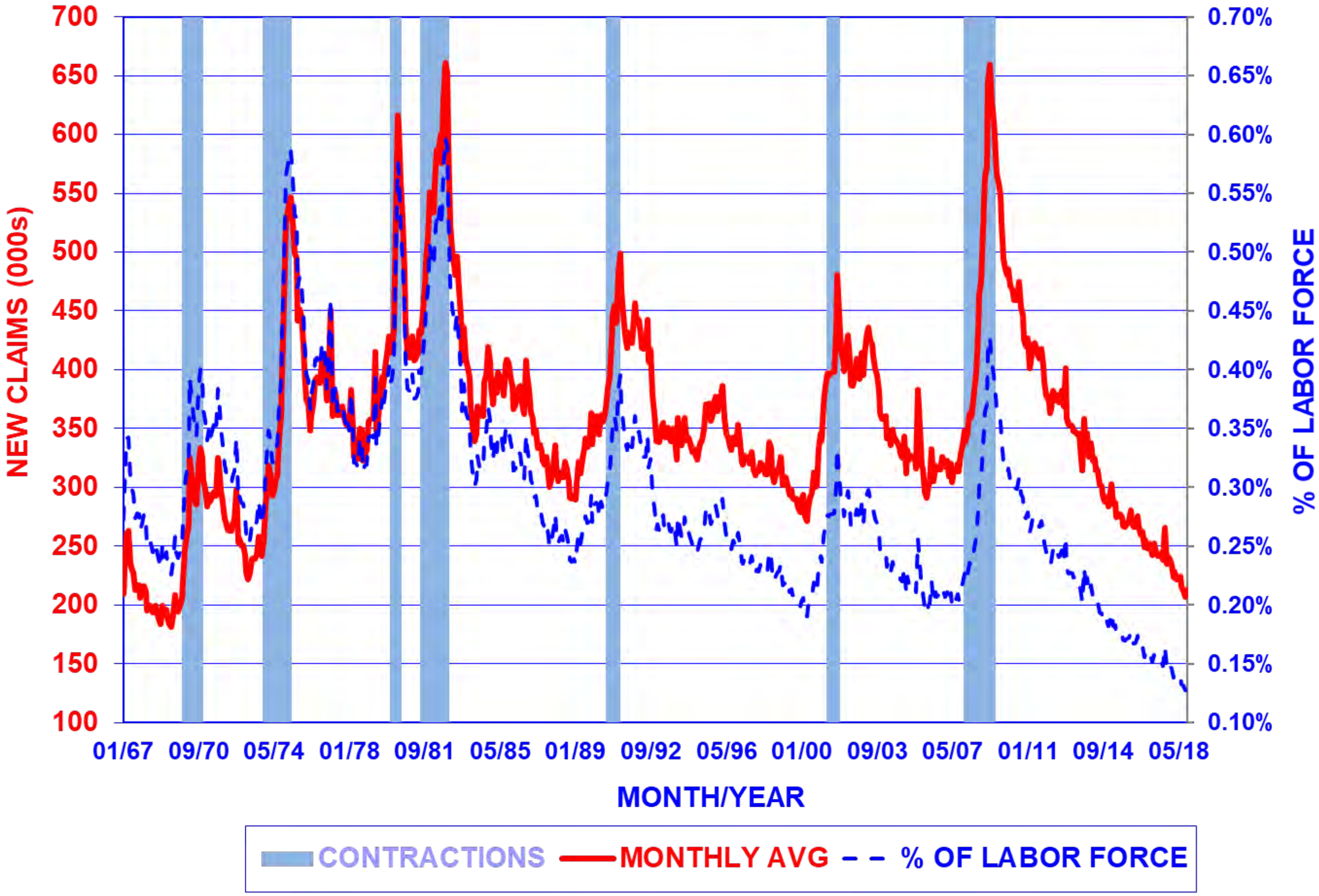
WEEKLY NEW CLAIMS FOR UNEMPLOYMENT BENEFITS
(LAST WEEK PLOTTED, 11/3/18)



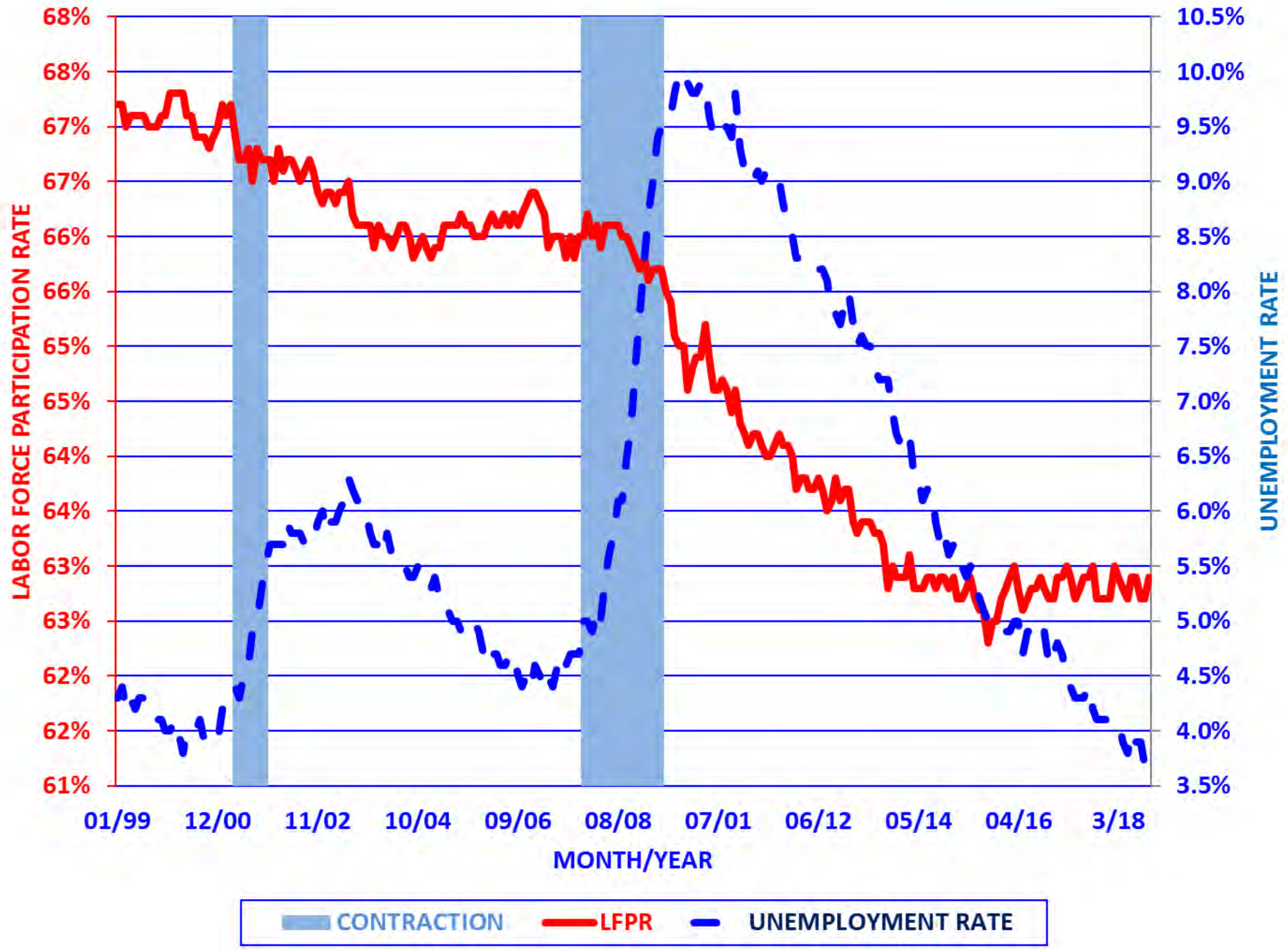
WEEKLY NEW CLAIMS TREND
(LAST WEEK PLOTTED, 11/3/18)



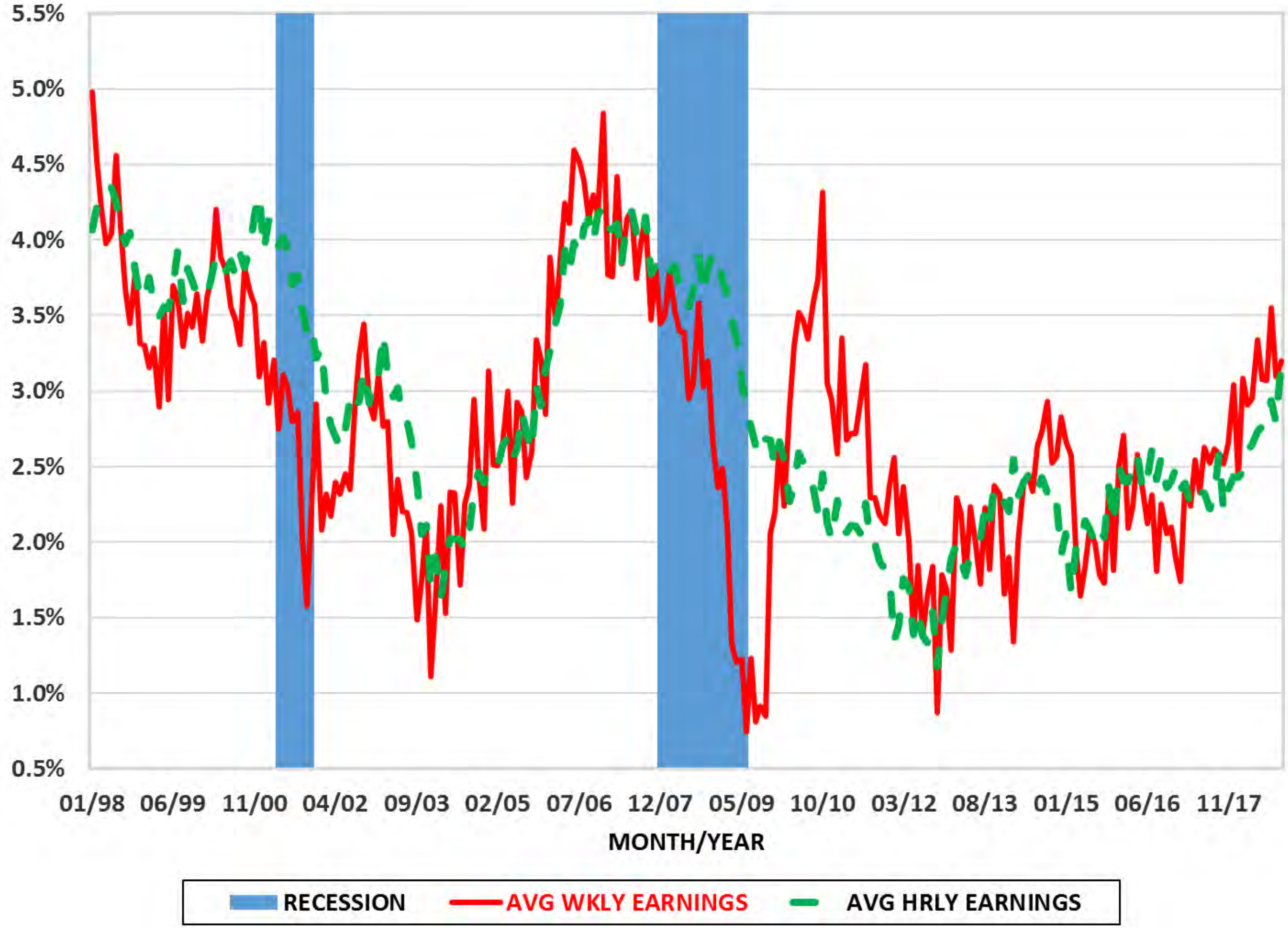
NEW CLAIMS FOR UNEMPLOYMENT BENEFITS AS PERCENT OF LABOR FORCE
(LAST MONTH PLOTTED, 10/18)



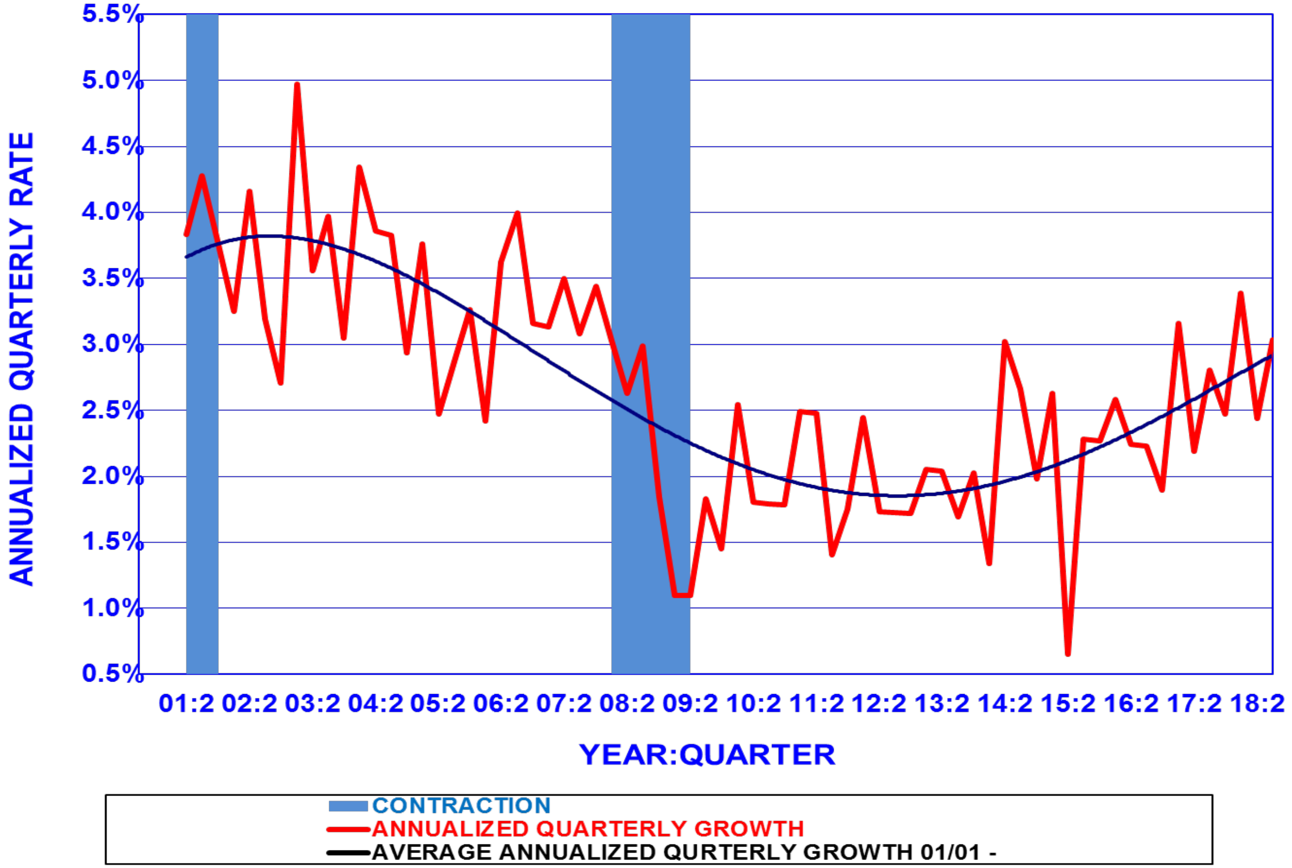
LABOR FORCE PARTICIPATION RATE (LFPR) & UNEMPLOYMENT RATE (LAST MONTH PLOTTED, 10/18)



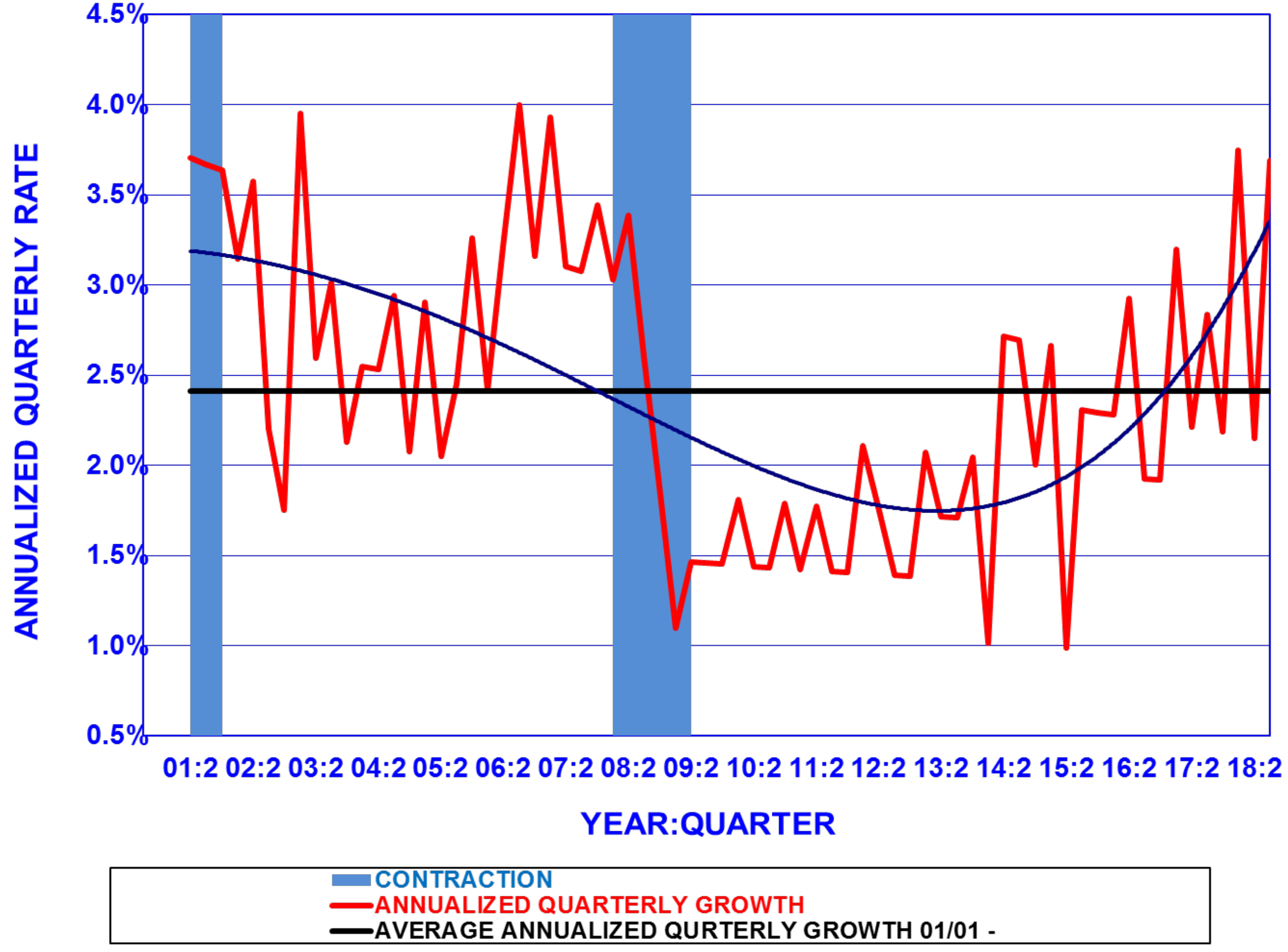
ANNUALIZED MONTHLY GROWTH
AVG. WEEKLY & HOURLY EARNINGS OF NON-SUPERVISORY PRODUCTION WORKERS
(LAST MONTH PLOTTED, 10/18)



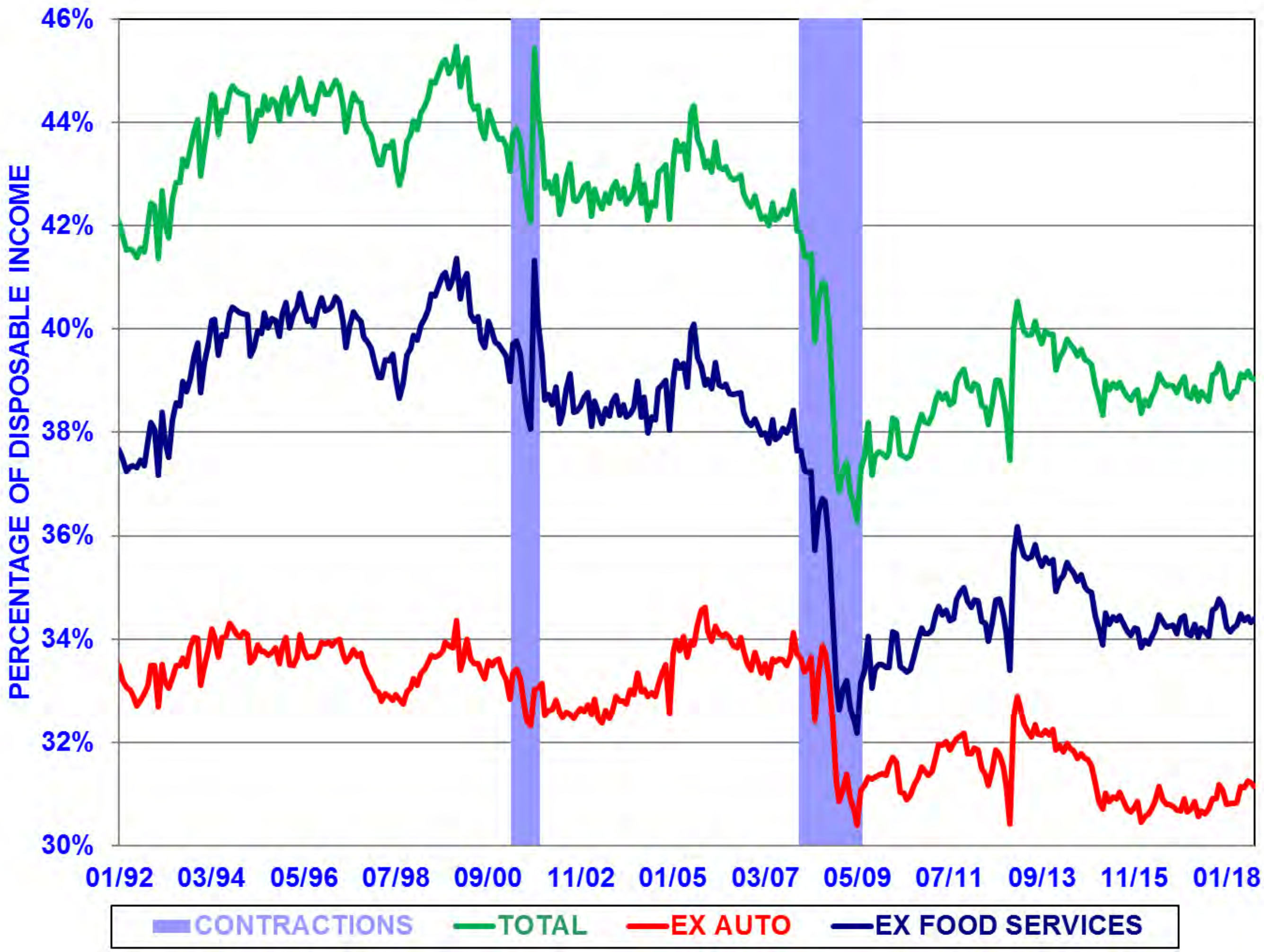
EMPLOYMENT COST INDEX:
TOTAL COMPENSATION GROWTH
ALL CIVILIAN WORKERS
(LAST MONTH PLOTTED, 2018:Q3)



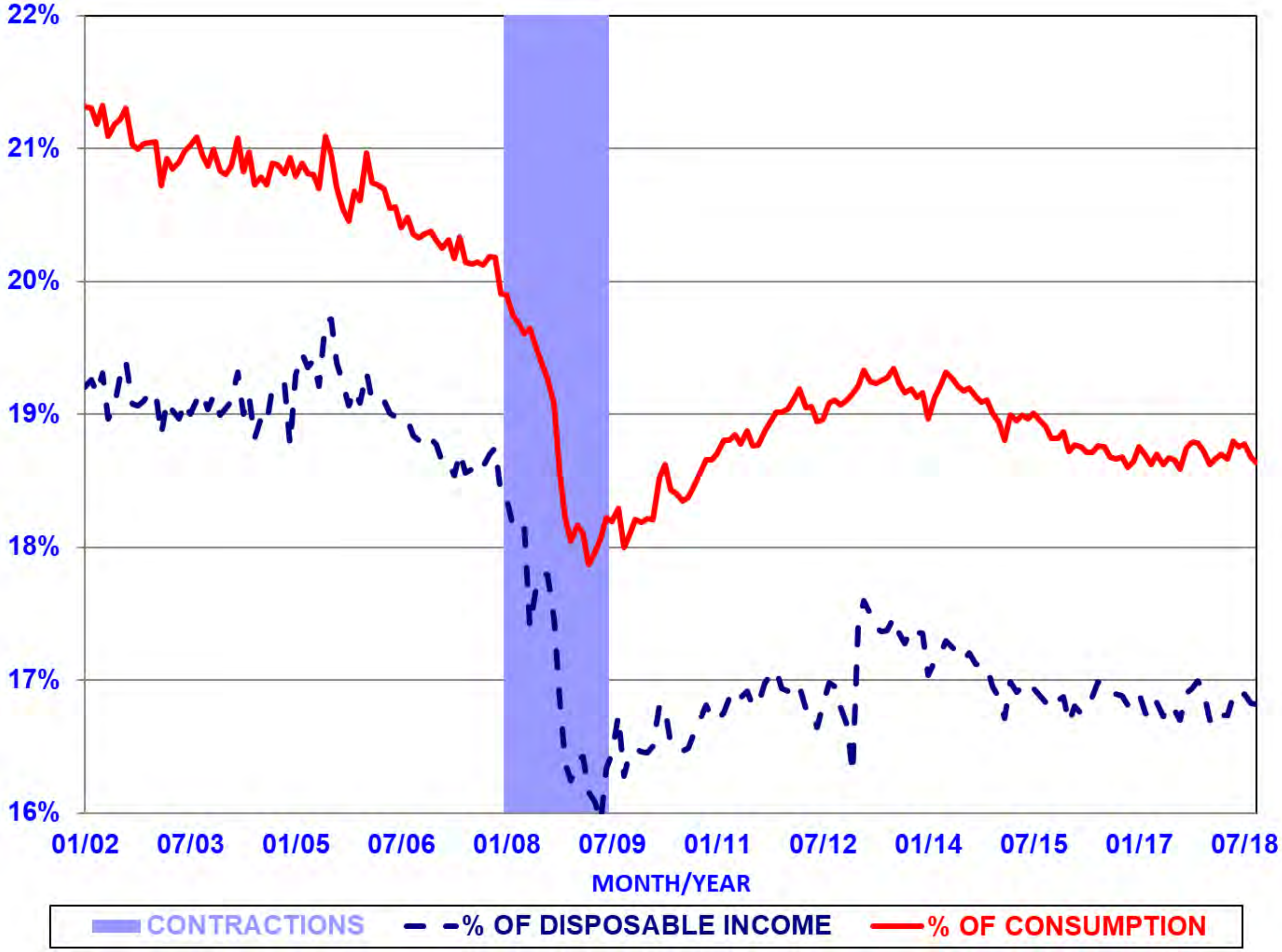
EMPLOYMENT COST INDEX: WAGES & SALARY GROWTH
ALL CIVILIAN WORKERS
(LAST MONTH PLOTTED, 2018:Q3)



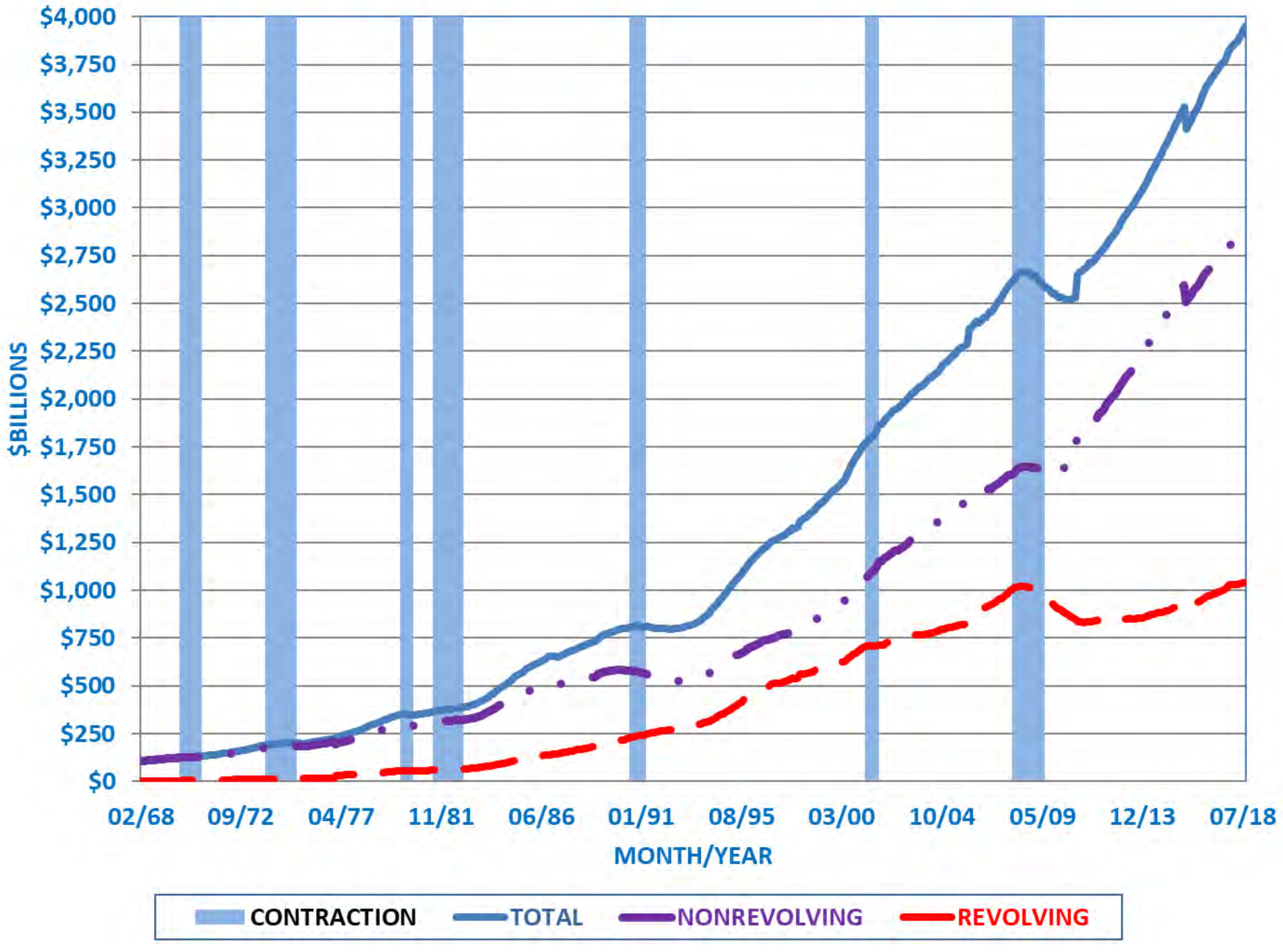
RETAIL SALES AS PERCENTAGE OF DISPOSABLE INCOME
(LAST MONTH PLOTTED, 9/18)



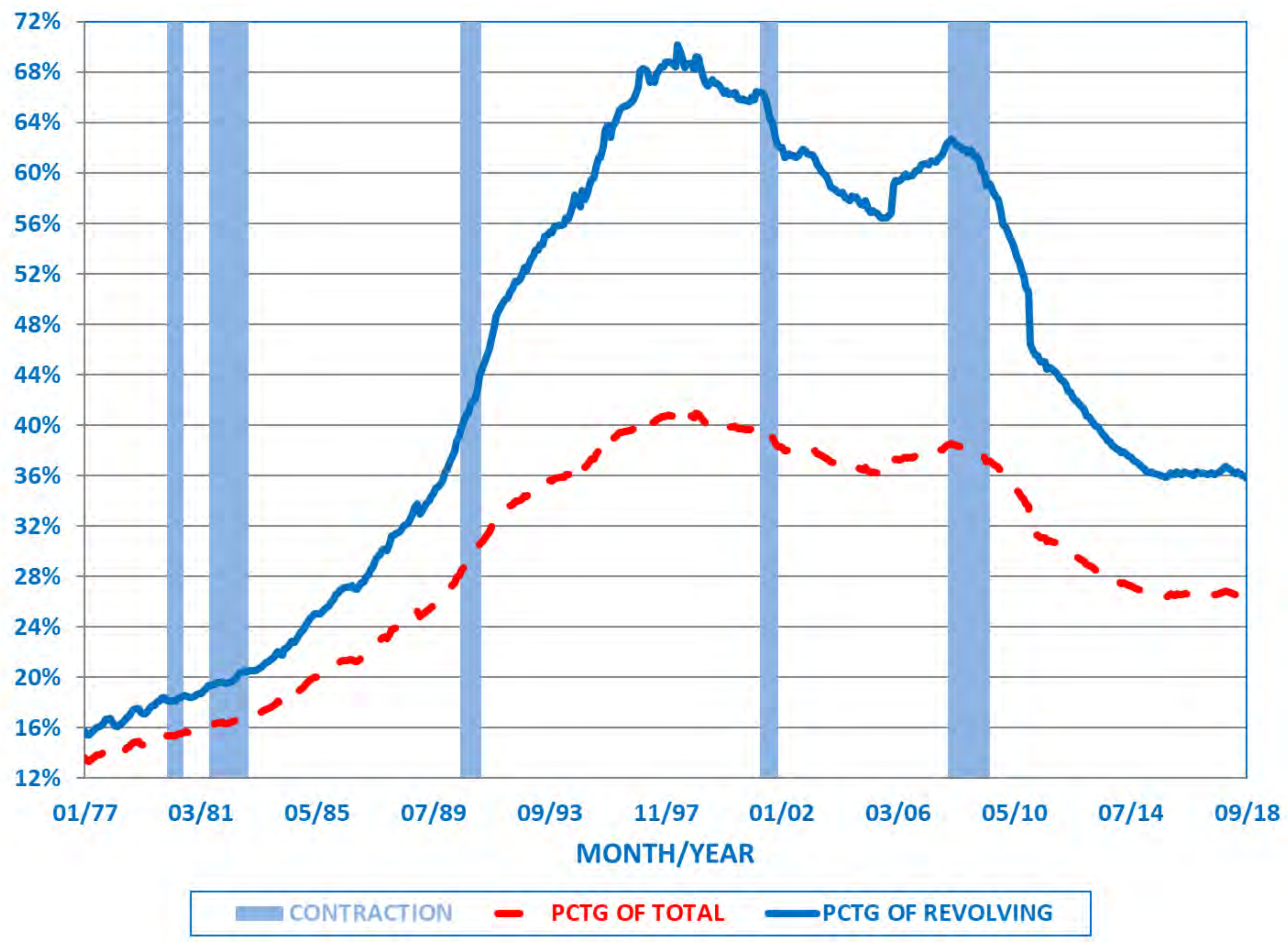
INFLATION-ADJUSTED RETAIL SALES AS PERCENTAGE OF DISPOSABLE INCOME & PERSONAL CONSUMPTION
(LAST MONTH PLOTTED, 9/18)



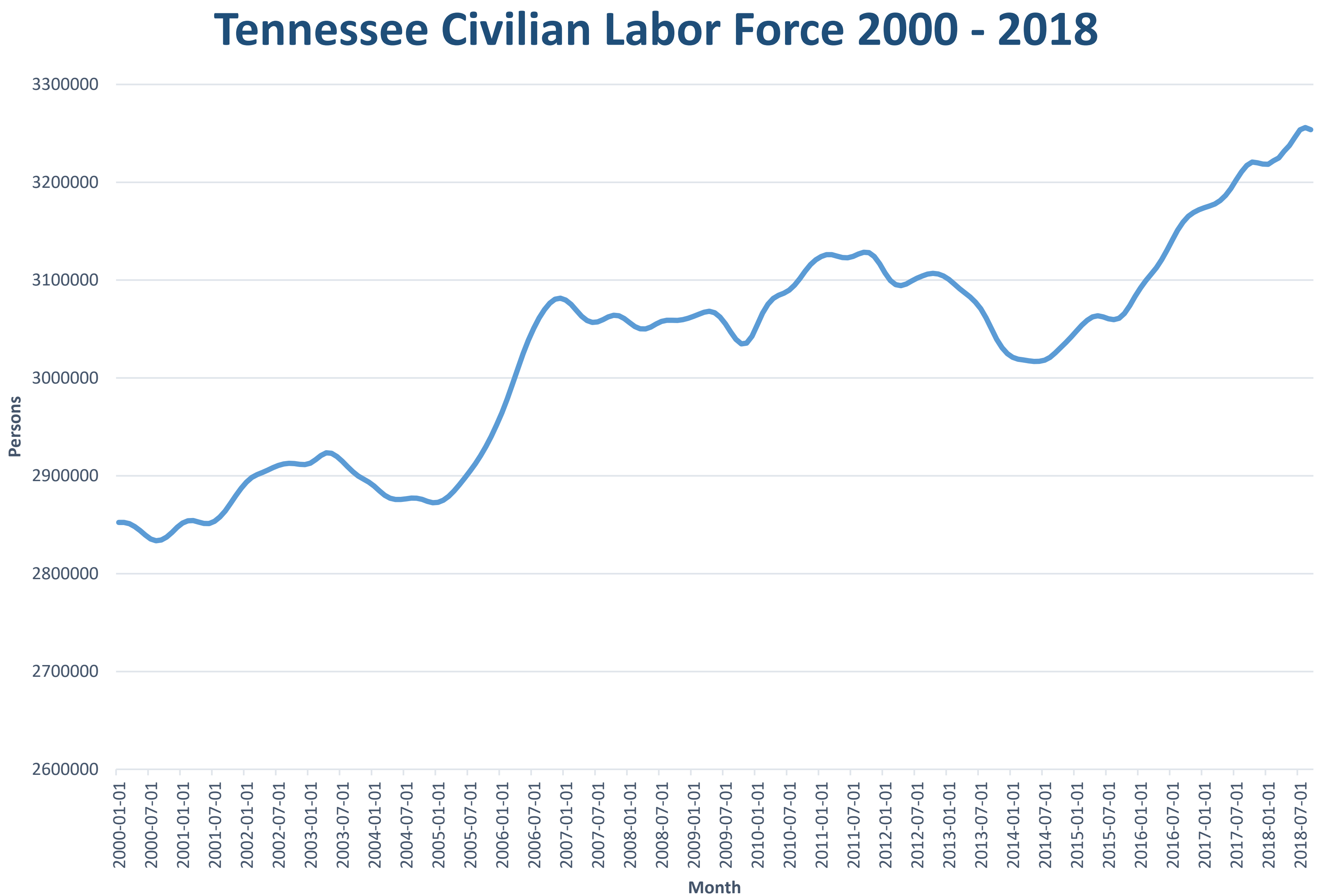
CONSUMER CREDIT – TOTAL OUTSTANDING
(LAST MONTH PLOTTED, 9/18)



CONSUMER CREDIT: PERCENT REVOLVING
(LAST MONTH PLOTTED, 9/18)



Tennessee State
and
Metro Economy


Tennessee Civilian Labor Force 2000 - 2018
3300000
3200000
3100000
3000000
2900000
2800000
2700000
2600000
Persons
2000-01-01
2000-07-01
2001-01-01
2001-07-01
2002-01-01
2002-07-01
2003-01-01
2003-07-01
2004-01-01
2004-07-01
2005-01-01
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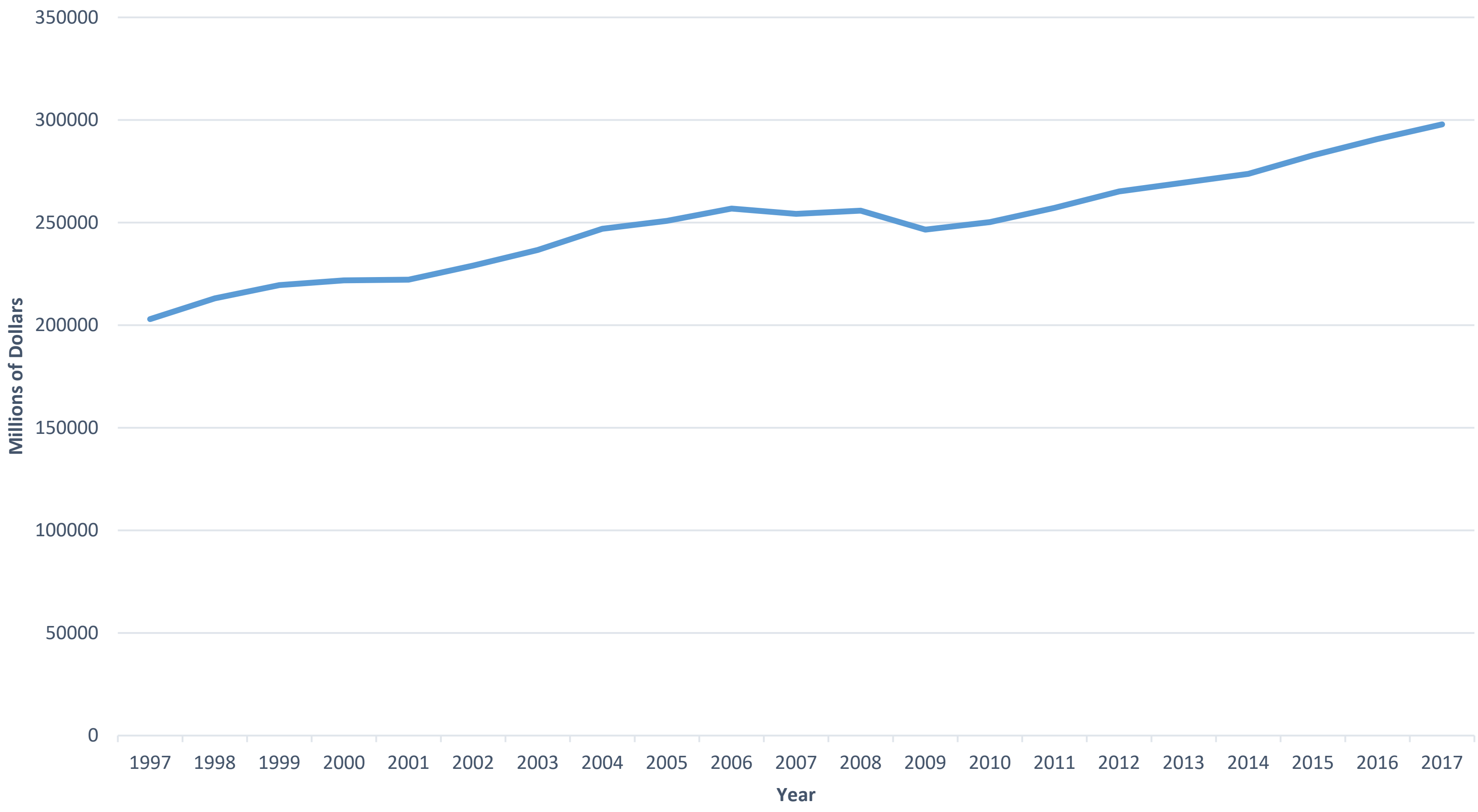
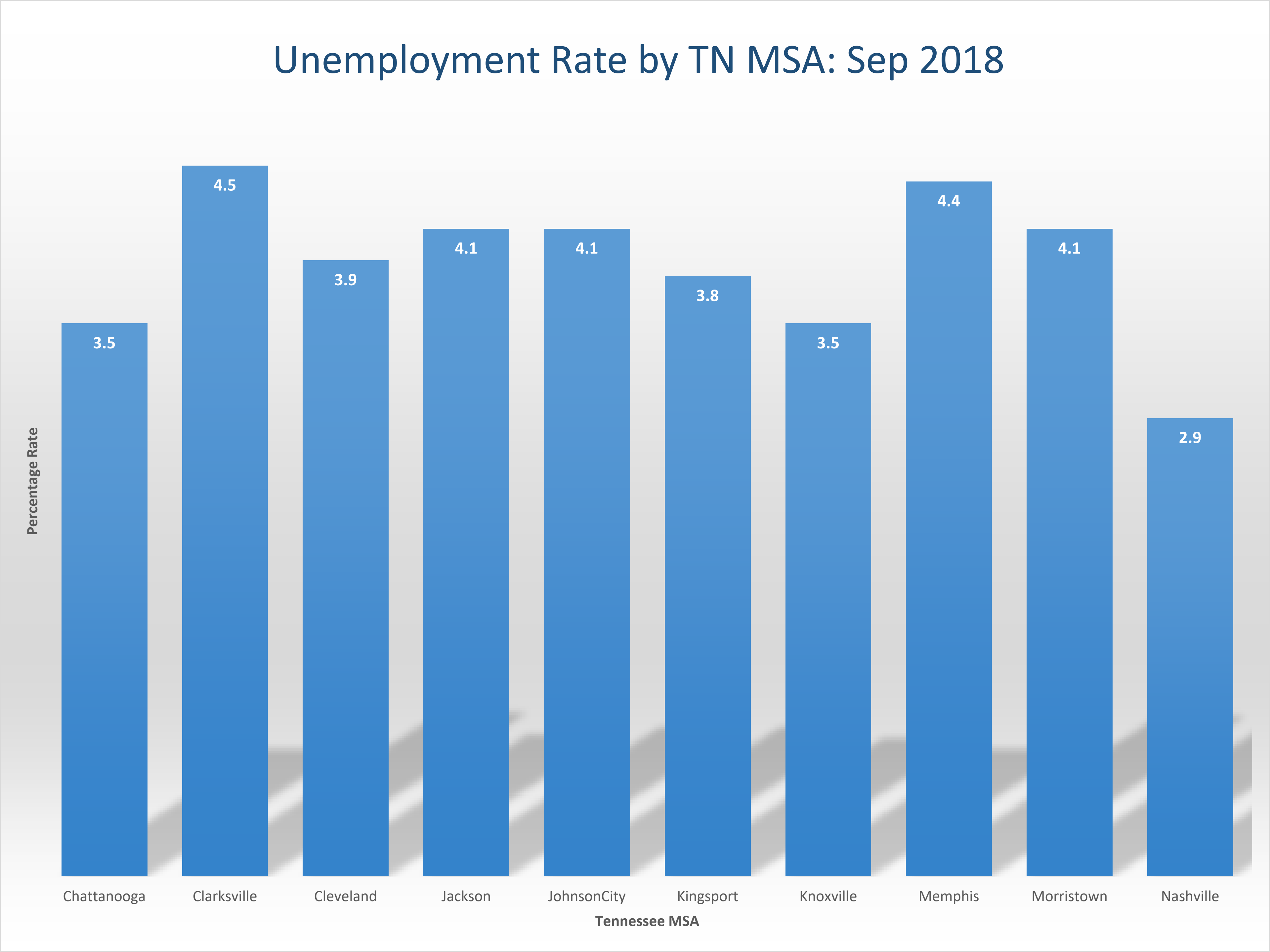
2013-01-01
2013-07-01
2014-01-01
2014-07-01
2015-01-01
2015-07-01
2016-01-01
2016-07-01
2017-01-01
2017-07-01
2018-01-01
2018-07-01
Month

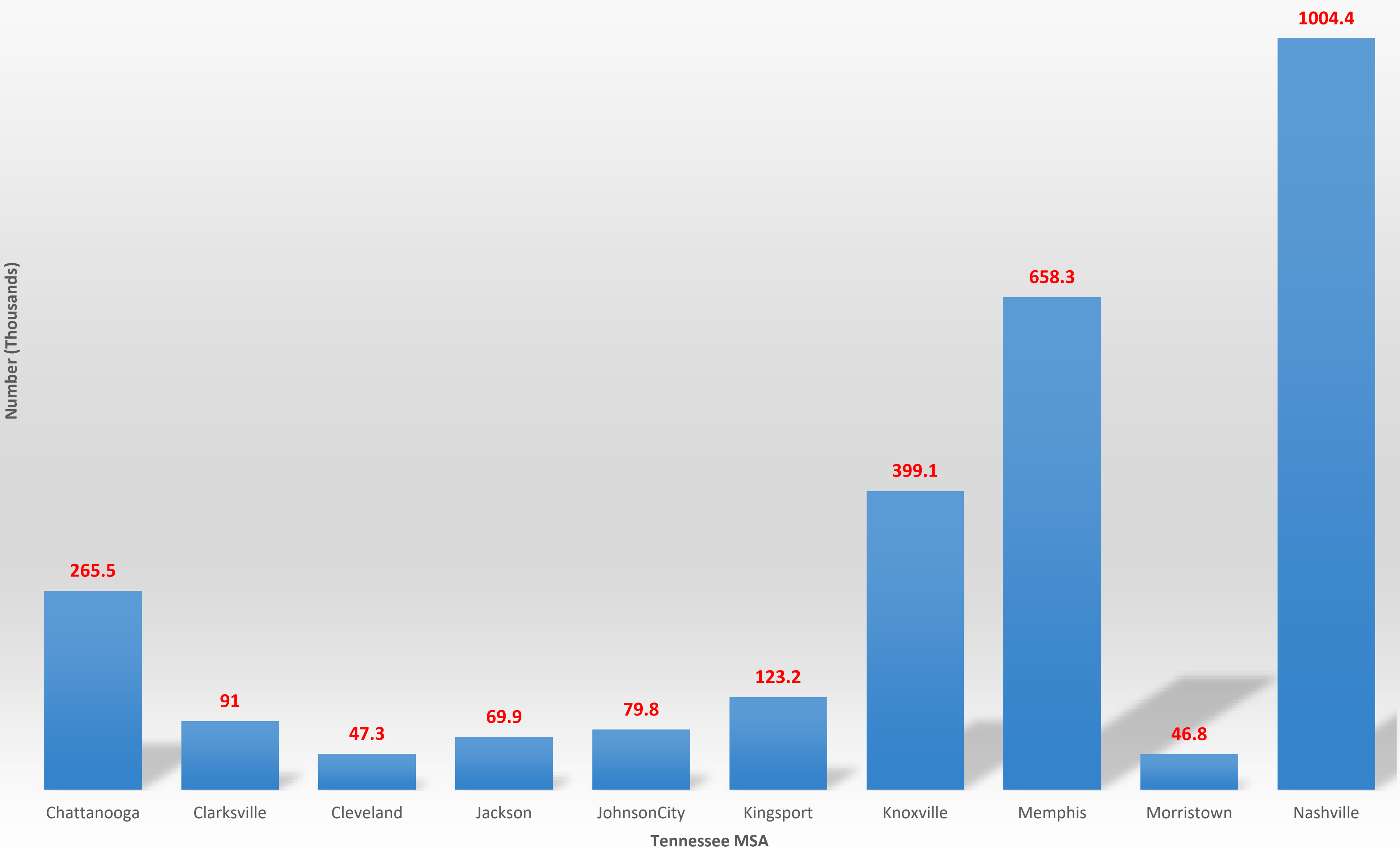
Tennessee Real Domestic Product, 1997 - 2018

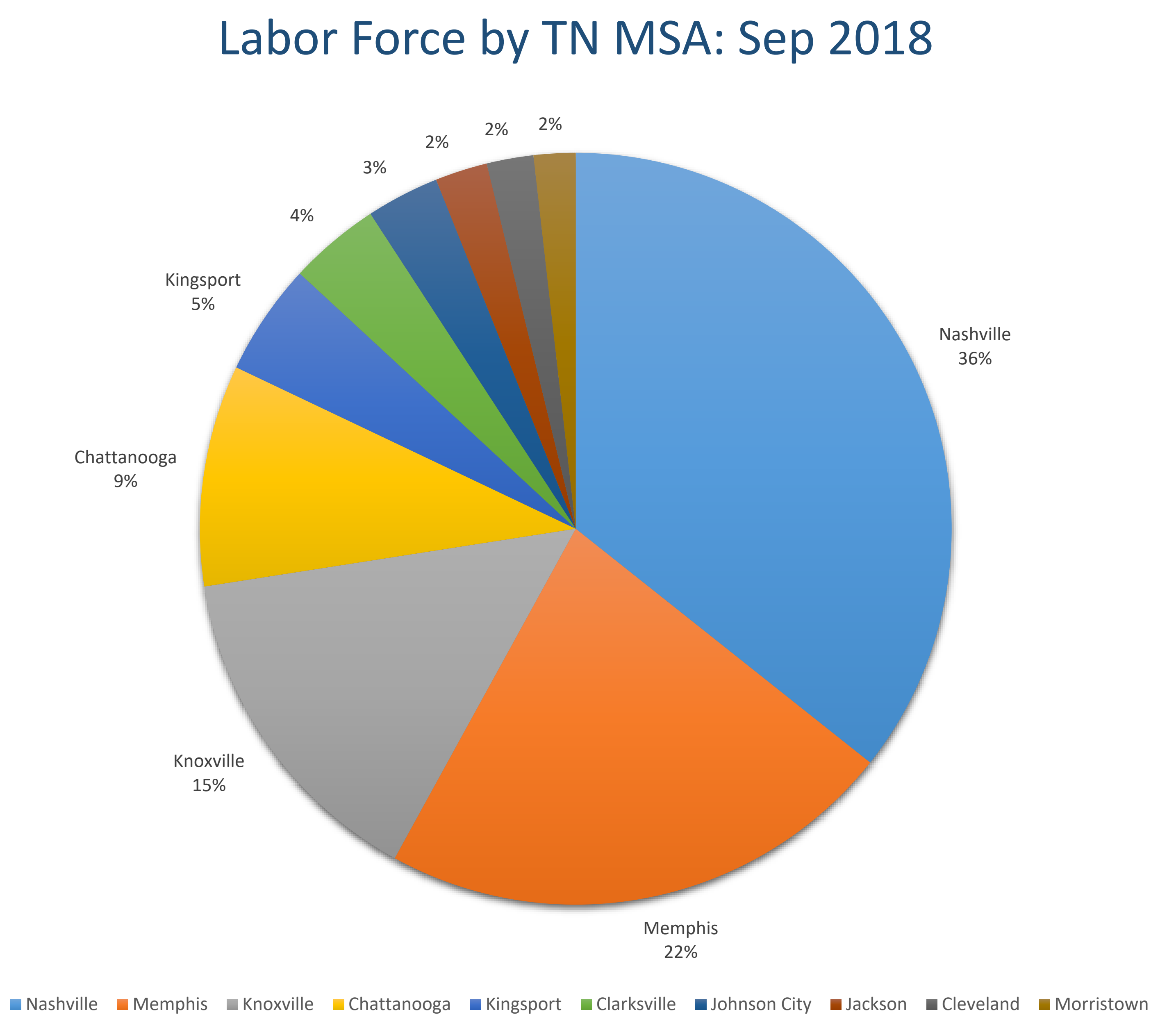
(2009 Dollars)

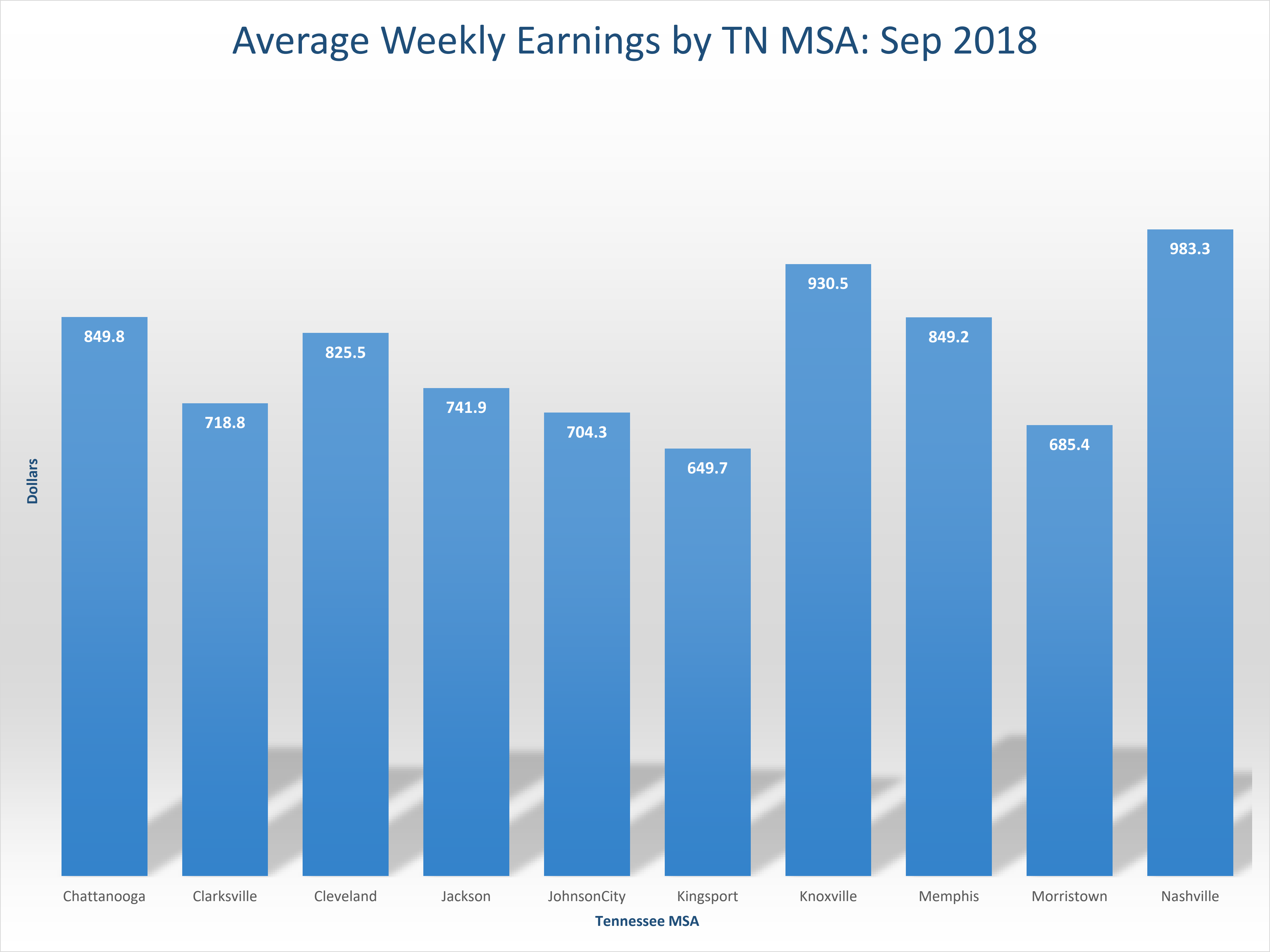



Unemployment Rate by TN MSA: Sep 2018
Percentage Rate
3.5
4.5
3.9
4.1
4.1
3.8
3.5
4.4
4.1
2.9
Chattanooga
Clarksville
Cleveland
Jackson
JohnsonCity
Kingsport
Knoxville
Memphis
Morristown
Nashville
Tennessee MSA

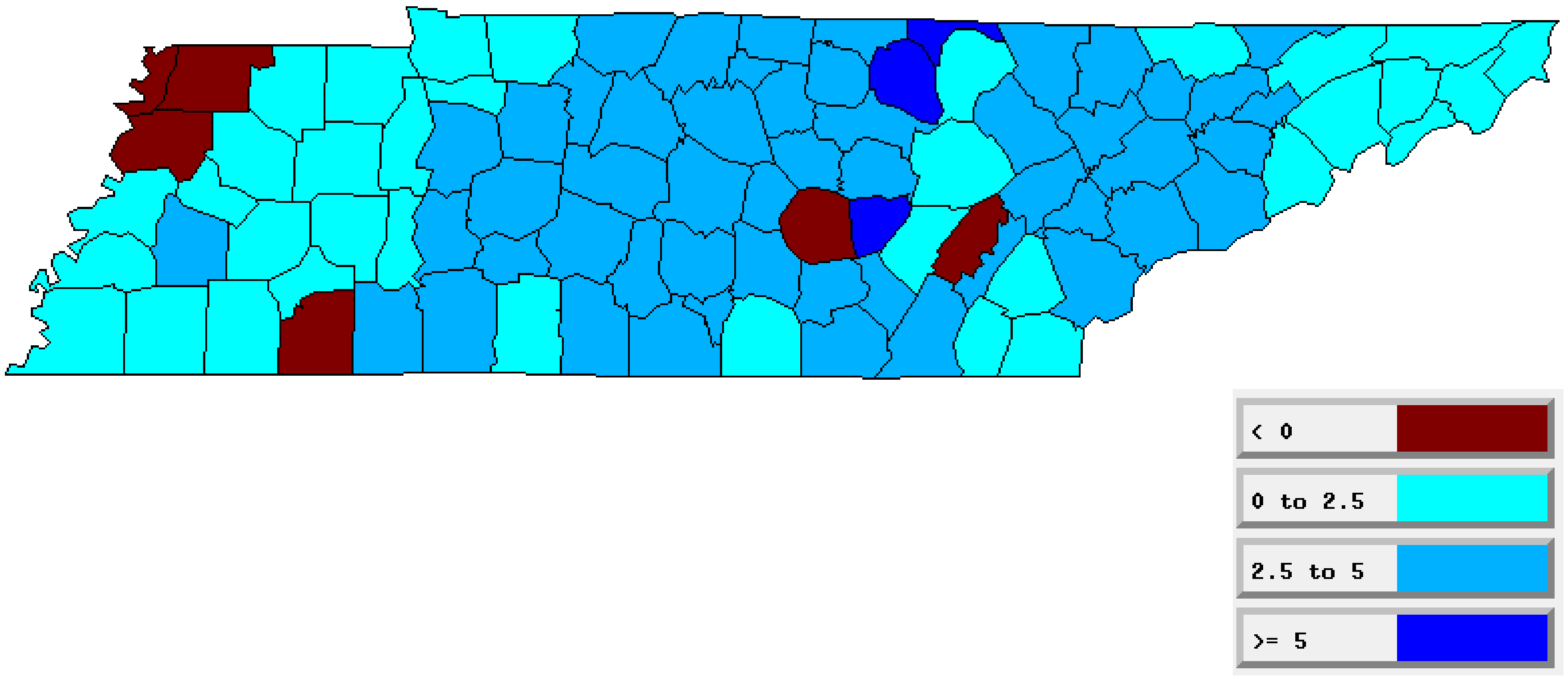
Total Nonfarm Employees by TN MSA: Sep 2018



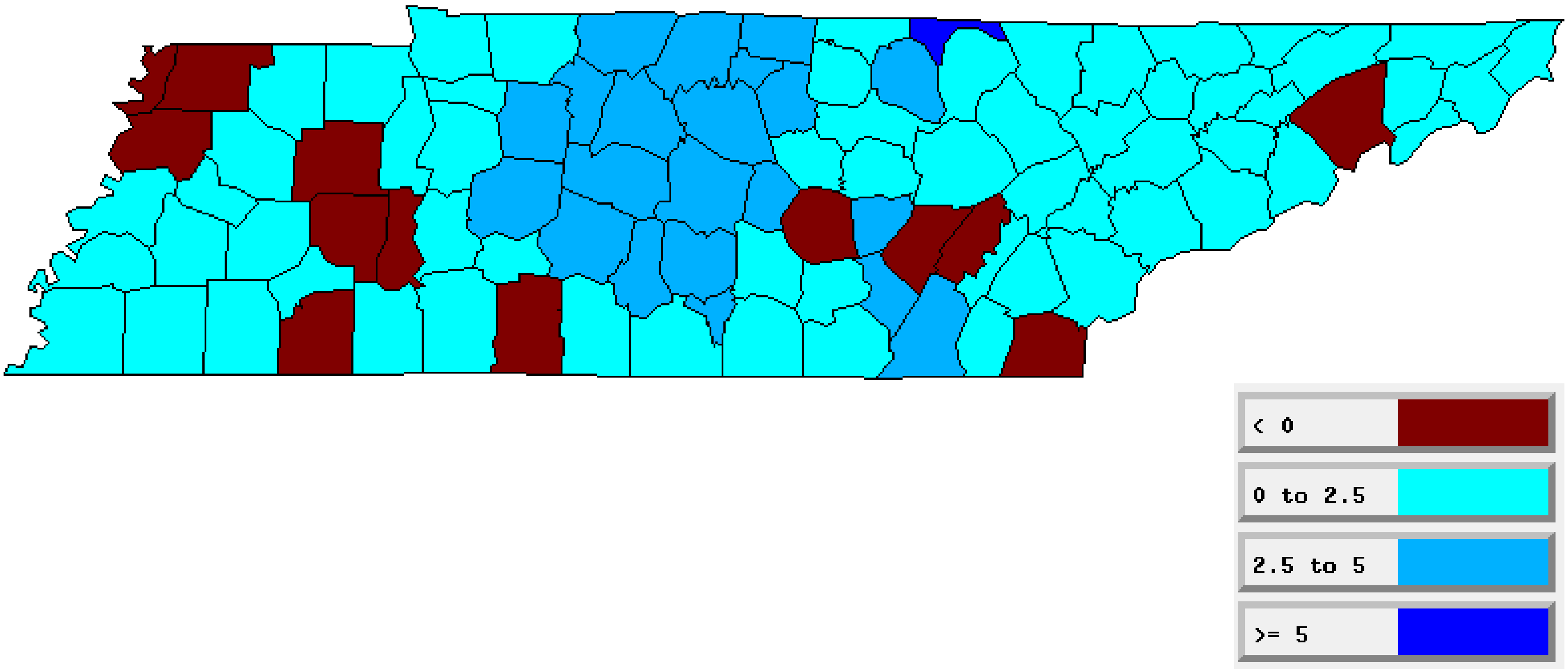

Labor Force by TN MSA: Sep 2018
Nashville 36%
Memphis 22%
Knoxville 15%
Chattanooga 9%
Kingsport 5%
4%
3%
2%
2%
2%
Nashville
Memphis
Knoxville
Chattanooga
Kingsport
Clarksville
Johnson City
Jackson
Cleveland
Morristown


Average Weekly Earnings by TN MSA: Sep 2018
Dollars
849.8
718.8
825.5
741.9
704.3
649.7
930.5
849.2
685.4
983.3
Chattanooga
Clarksville
Cleveland
Jackson
JohnsonCity
Kingsport
Knoxville
Memphis
Morristown
Nashville
Tennessee MSA

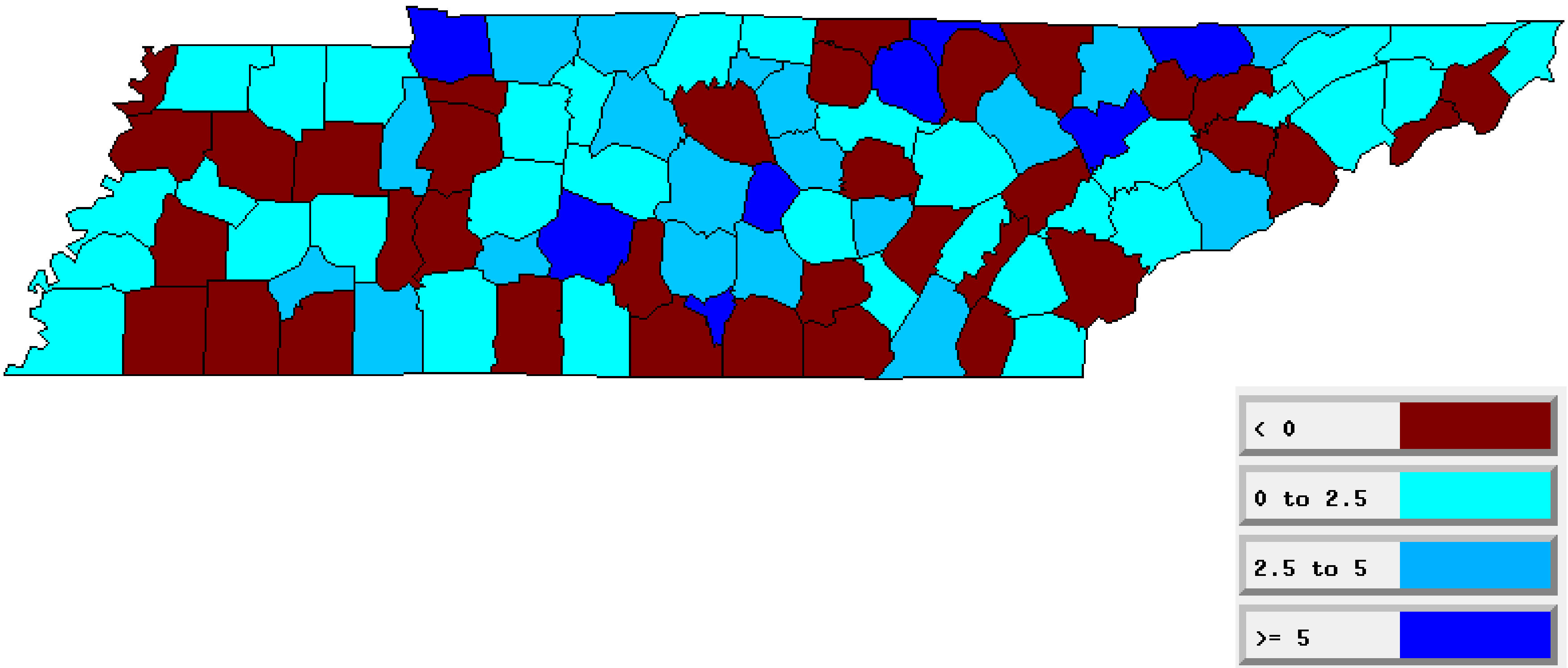
PERCENT CHANGES IN COUNTY EMPLOYMENT
2017 - 2018



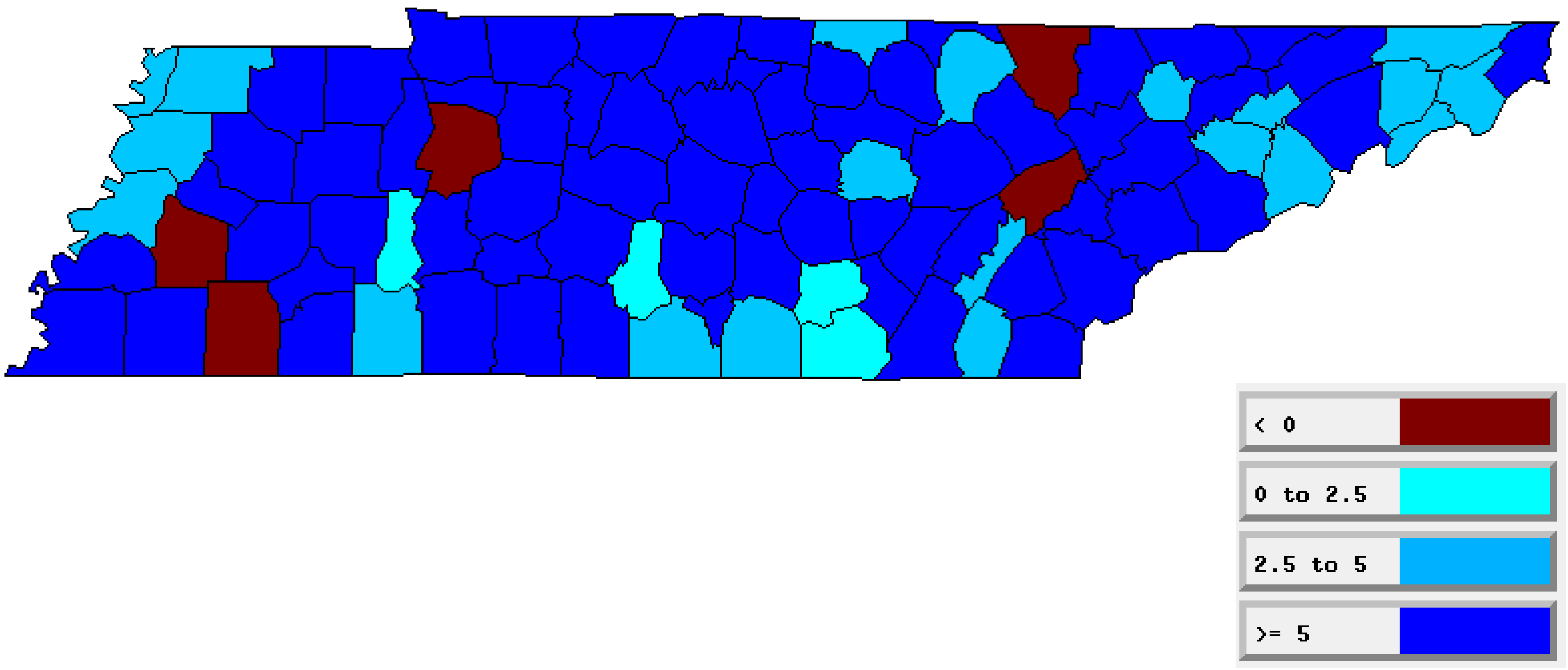
CHANGES IN COUNTY LABOR FORCE
2017 - 2018



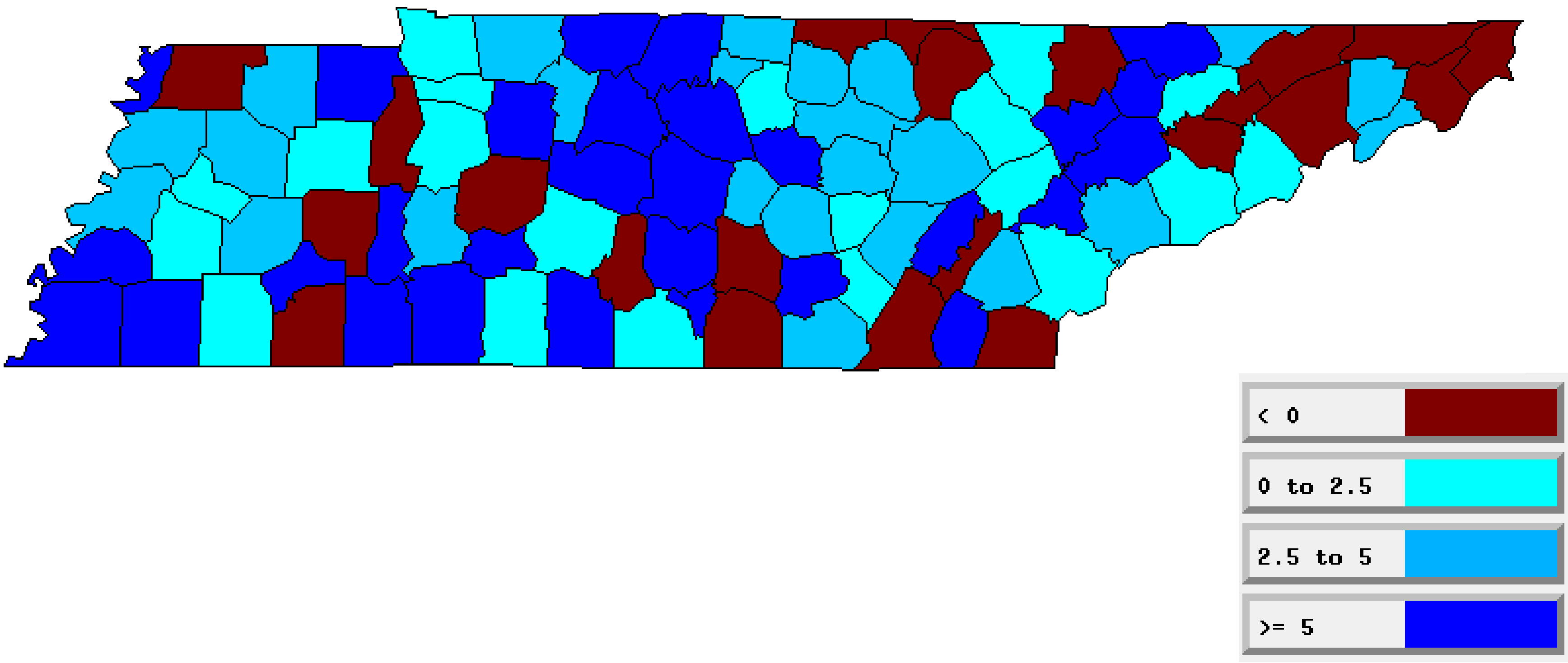
CHANGES IN COUNTY STATE SALES TAX COLLECTIONS 2017 - 2018



CHANGES IN COUNTY LOCAL SALES TAX COLLECTIONS 2017 - 2018



CHANGES IN COUNTY BANK DEPOSITS
2017 - 2018



FY 2018 – 2019 REVENUE FORECAST

ACCRUAL YEAR BASIS	FY 17 - 18	FY 18 - 19		FY 19 - 20		FY 20 - 21	
SOURCE OF REVENUE	AMOUNT	AMOUNT	PERCENT CHANGE OVER PERVIOUS YEAR	AMOUNT	PERCENT CHANGE OVER PERVIOUS YEAR	AMOUNT	PERCENT CHANGE OVE PERVIOUS YEA
SALES & USE[1]	$8,835,187,100	$9,035,120,000	2.26%	$9,318,100,000	3.13%	$9,560,400,000	2.60%
GASOLINE TAX	$807,686,700	$853,000,000	5.61%	$890,000,000	4.34%	$930,000,000	4.49%
MOTOR FUEL TAX	$222,690,400	$273,500,000	22.82%	$292,300,000	6.87%	$313,400,000	7.22%
GASOLINE INSPECTION TAX	$68,964,800	$69,630,000	0.96%	$70,370,800	1.06%	$71,400,000	1.46%
MOTOR VEHICLE REGISTRATION TAX	$327,417,400	$353,800,000	8.06%	$362,050,000	2.33%	$376,200,000	3.91%
INCOME TAX	$245,979,600	$179,000,000	-27.23%	$143,800,000	-19.66%	$78,300,000	-45.55%
PRIVILEGE TAX[2]	$360,069,900	$374,450,000	3.99%	$415,800,000	11.04%	$453,300,000	9.02%
GROSS RECEIPTS TAX	$343,562,100	$342,110,000	-0.42%	$345,320,000	0.94%	$352,750,000	2.15%
GROSS RECEIPTS TAX - OTHER	$24,809,400	$26,800,000	8.02%	$27,500,000	2.61%	$28,000,000	1.82%
BEER TAX	$16,663,400	$17,700,000	6.22%	$17,750,000	0.28%	$17,720,000	-0.17%
ALCOHOLIC BEVERAGE TAX	$66,676,800	$71,810,000	7.70%	$73,500,000	2.35%	$76,800,000	4.49%
FRANCHISE & EXCISE TAX	$2,570,771,100	$2,681,450,000	4.31%	$2,716,150,000	1.29%	$2,820,000,000	3.82%
INHERITANCE TAX	-$731,900	-	-	-	-	-	-
TOBACCO TAX	$248,160,900	$251,520,000	1.35%	$254,470,000	1.17%	$259,000,000	1.78%
MOTOR VEHICLE TITLE FEES	$25,194,900	$26,100,000	3.59%	$26,150,000	0.19%	$26,550,000	1.53%
MIXED DRINK TAX	$119,340,900	$133,400,000	11.78%	$142,000,000	6.45%	$158,300,000	11.48%
BUSINESS TAX	$198,268,600	$193,896,500	-2.21%	$190,010,000	-2.00%	$188,200,000	-0.95%
SEVERANCE TAX	$1,022,000	$1,100,000	7.63%	$1,150,000	4.55%	$1,200,000	4.35%
COIN AMUSEMENT TAX	$288,500	$301,500	4.51%	$400,900	32.97%	$416,000	3.77%
UNAUTHORIZED SUBSTANCE TAX	$100	$100	0%	$100	0%	$100	0%
TOTAL	$14,482,022,700	$14,884,688,100	2.78%	$15,286,821,800	2.70%	$15,711,936,100	2.78%

cludes $112 million estimated earmarked fees
ected for E911 service

cludes $52 million estimated earmarked funds

Distribution of Budgeted Revenue Estimate by Fund

Fiscal Year 2018 - 2019

	Total Revenue	General Fund & Education Fund	Highway Fund	Debt Service Fund	Cities & Counties
Sales and Use Tax	$9,035,120,000	$8,490,220,000	$15,400,000	$64,200,000	$465,300,000
Gasoline Tax	$853,000,000	$14,200,000	$433,500,000	$80,200,000	$325,100,000
Motor Fuel Tax	$273,500,000	$4,100,000	$197,700,000	-	$71,700,000
Gasoline Inspection tax	$69,630,000	$20,500,000	$37,130,000	-	$12,000,000
MotorVehicle Registration Tax	$353,800,000	$57,700,000	$296,100,000	-	
Income Tax	$179,000,000	$118,000,000	-	-	$61,000,000
Privilege Tax	$374,450,000	$368,800,000.00	-	-	$5,650,000
Gross Receipts Tax - TVA	$342,110,000	$188,200,000.00	-	-	$153,910,000
Gross Receipts Tax - Other	$26,800,000	$22,100,000.00	$4,700,000.00	-	
Beer Tax	$17,700,000	$11,800,000.00	$2,250,000.00	-	$3,650,000
Alcoholic Beverage Tax	$71,810,000	$59,400,000.00	-	-	$12,410,000
Franchise & Excise Tax	$2,681,450,000	$2,426,450,000.00	-	$215,000,000	$40,000,000
Inheritance and Estate Tax	-	-	-	-	-
Tobacco Tax	$251,520,000	$251,520,000	-	-	-
Motor Vehicle Title fees	$26,100,000	$23,400,000	-	$2,700,000	-
Mixed Drink Tax	$133,400,000	$66,700,000	-	-	$66,700,000
Business Tax	$193,900,000	$193,900,000	-	-	
Severance Tax	$1,100,000	$300,000	-	-	$800,000
Coin-operated Amusement Tax	$301,500	$301,500	-	-	-
Unauthorized Substance Tax	-	-	-	-	-

Estimated State Tax Revenue

November 20, 2018

Fiscal Year 2018 Tax Revenue

COMPARISON OF ACCRUAL STATE TAX REVENUE

DEPARTMENT OF REVENUE TAXES

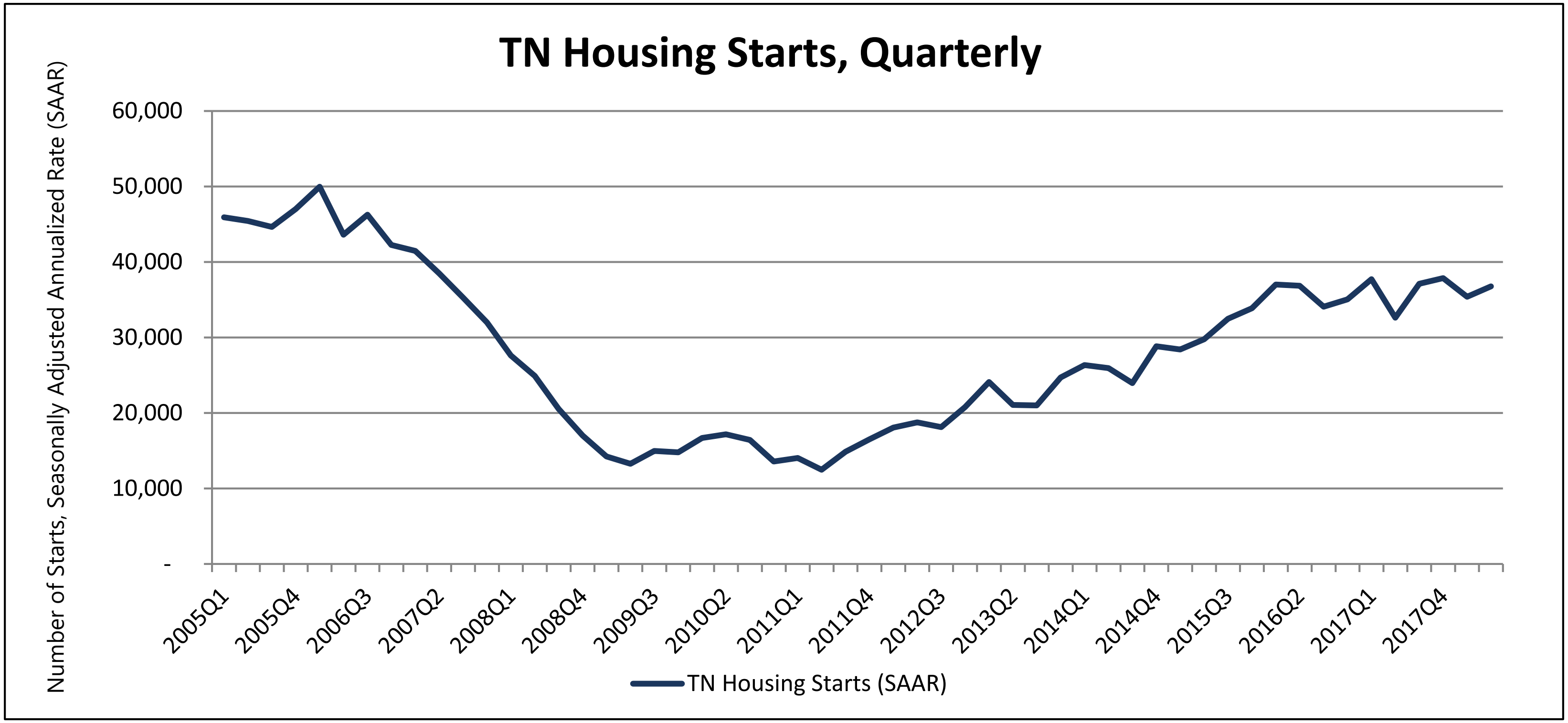
YEAR OVER YEAR COMPARISON

	Fiscal Year 2017	Fiscal Year 2018	% Change	Tax Weight	Total % Point Contribution
Sales and Use Tax	$8,556,773,600	$8,835,187,100	3.25%	60.96%	1.98%
Hall Income Tax	250,126,200	245,979,600	-1.66%	1.78%	-0.03%
Corporate Franchise and Excise Tax	2,620,205,200	2,570,771,100	-1.89%	18.67%	-0.35%
Gasoline Tax	669,631,000	807,686,700	20.62%	4.77%	0.98%
Other	1,940,348,565	2,022,398,200	4.23%	13.82%	0.58%
TOTAL ACCRUAL REVENUE	**$14,037,084,565**	**$14,482,022,700**	**3.17%**	**100%**	**3.17%**

*Data from F&A

Housing

- Housing starts increased 5.5% from FY 2017 – FY 2018
- By the end of FY 2019, housing starts are expected to increase 4.6% from a year earlier



Note: Data from the U.S. Census Bureau, forecast from Moody's Analytics

Tax Implications

Direct Revenue Implications of Increased Housing Activity (Most Recent 6 Month Data)
Growth is presented as year over year (YOY)

Sales Tax Collections from Building Materials

	Collections	YOY % Growth	YOY $ Growth
May	$48,027,994	3.60%	$1,667,192
June	$50,064,368	11.59%	$5,198,323
July	$50,802,192	10.83%	$4,963,856
August	$47,009,718	12.27%	$5,136,737
September	$43,943,296	12.84%	$5.001,301
October	$43,609,296	4.31%	$1,803,357
		6.62%	**$18,769,465**

Privilege Tax Collections from Realty Transfer

	Collections	YOY % Growth	YOY $ Growth
May	$15,091,394	18.42%	$2,347,763
June	$16,656,704	6.06%	$951,148
July	$17,543,011	10.24%	$1,629,246
August	$16,493,846	9.54%	$1,436,016
September	$17,059,054	11.37%	$1,741,274
October	$11,548,020	-19.13%	-$2,732,431
		5.69%	**$5,373,016**

Privilege Tax Collections from Realty Mortgage

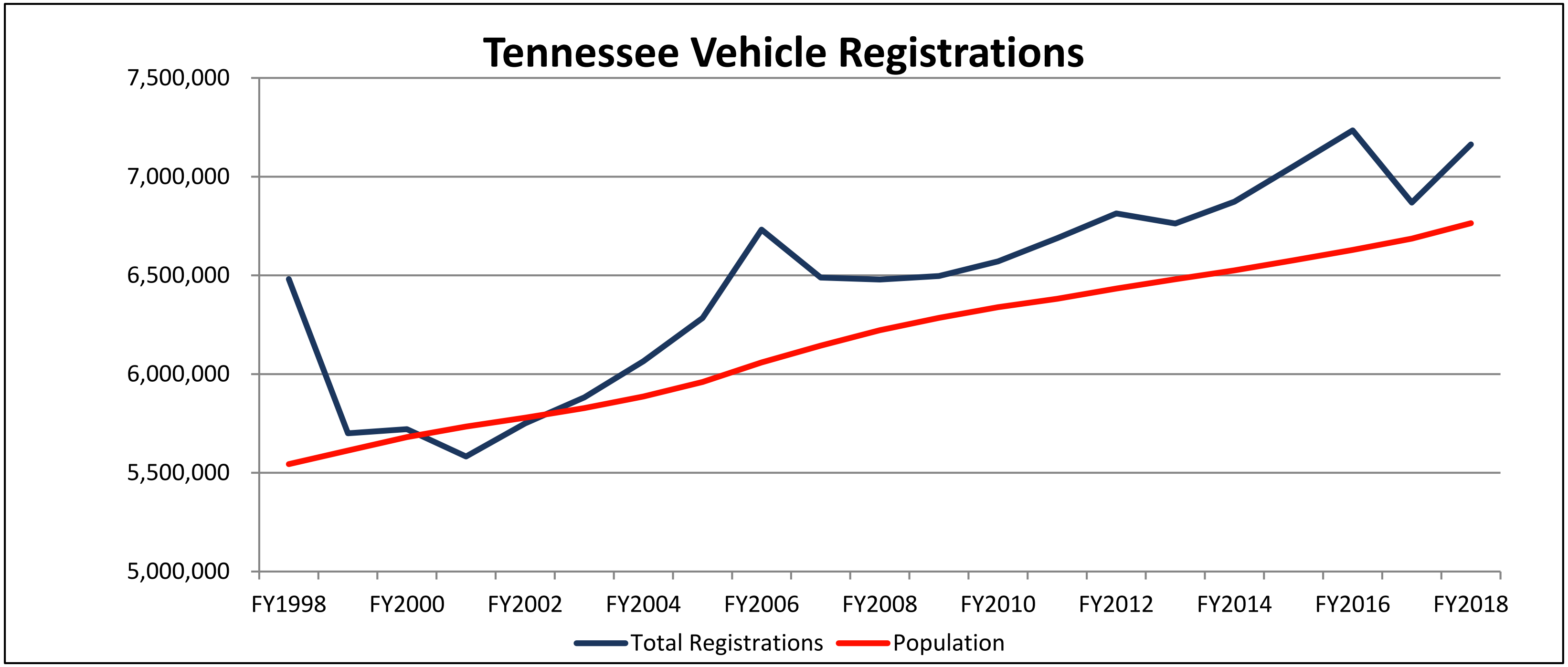
	Collections	YOY % Growth	YOY $ Growth
May	$6,100,895	14.30%	$763,429
June	$6,691,389	-2.43%	-$166,418
July	$6,290,695	2.98%	$181,901
August	$6,081,009	5.34%	$308,395
September	$6,389,868	6.96%	$415,761
October	$4,540,280	-18.92%	-$1,059,424
		1.23%	**$443,644**

6 Month Total Growth	**5.94%**	**$24,586,125**

TN Department of Revenue

Automotive

- Tennessee vehicle registrations increased 4.3% from FY 2017 – FY 2018
- By the end of FY 2019, vehicle registrations are expected to increase 2.5% from a year earlier



Note: Registration data and forecast from the Department of Revenue, population data from the U.S. Census Bureau

Tax Implications

Direct Revenue Implications of Increased Automotive Activity (Most Recent 6 Month Data)

Growth is presented as year over year (YOY)

Sales Tax Collections from Motor Vehicle Dealers, New & Used

	Collections	YOY % Growth	YOY $ Growth
May	$52,406,867	-2.14%	-$1,145,211
June	$59,791,214	2.55%	$1,486,304
July	$58,185,929	5.30%	$2,928,418
August	$58,637,035	3.96%	$2,232,826
September	$60,601,519	3.72%	$2,172,777
October	$53,861,144	-1.78%	-$977,431
		1.95%	**$6,697,683**

Sales Tax Collections from Motor Vehicle Dealers, Used

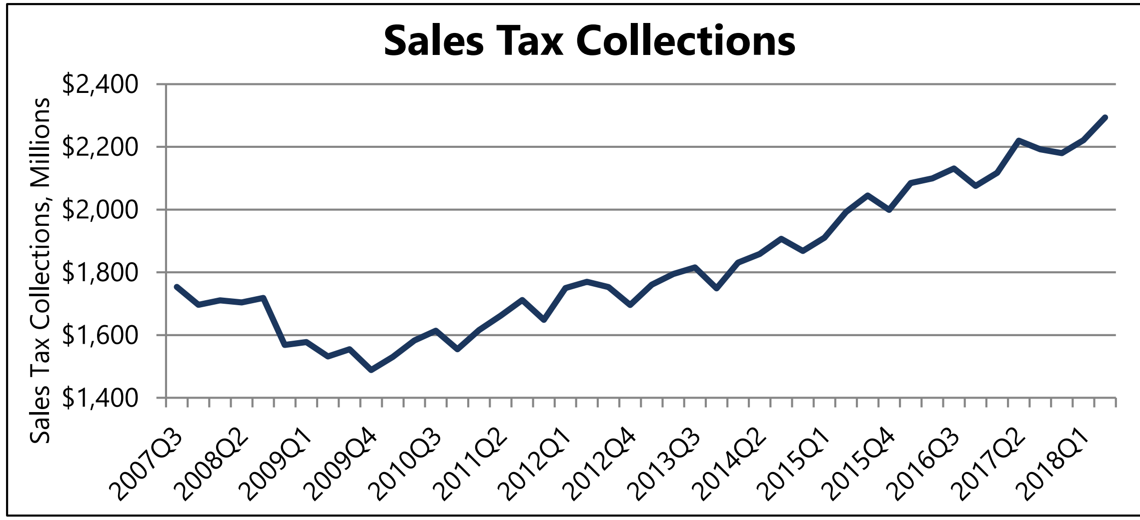
	Collections	YOY % Growth	YOY $ Growth
May	$15,999,900	-2.29%	-$374,308
June	$16,775,125	-0.15%	-$25,884
July	$15,928,812	0.90%	$141,555
August	$15,484,122	-0.86%	-$134,428
September	$16,236,083	0.07%	$10,623
October	$14,298,882	-3.30%	-$487,310
		-0.92%	**-$869,752**

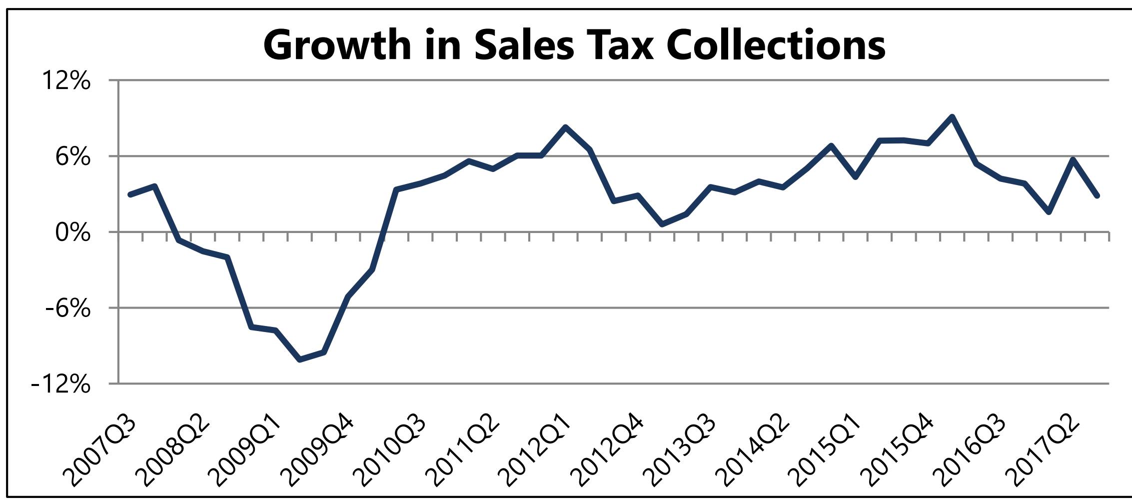
Sales Tax Collections from Auto Repair, Services, and Parking

	Collections	YOY % Growth	YOY $ Growth
May	$17,818,579	2.79%	$483,580
June	$19,337,507	4.54%	$839,933
July	$17,543,079	-7.41%	-$1,404,777
August	$21,146,200	17.46%	$3,143,261
September	$19,869,636	5.52%	$1,040,080
October	$17,766,577	-1.58%	-$285,191
		3.36%	**$3,816,886**
	6 Month Total Growth	**1.75%**	**$9,644,818**

Sales

- State sales tax collections increased 3.25% from FY 2017 – FY 2018
- By the end of FY 2019, sales tax collections are expected to increase 4.40% from a year earlier





Note: Data and forecast from the Department of Revenue

Tax Implications

Direct Revenue Implications of Increased Sales Activity (Most Recent 6 Month Data)

Growth is presented as year over year (YOY)

Sales Tax Collections from Eating & Drinking Places

	Collections	YOY % Growth	YOY $ Growth
May	$73,759,115	0.42%	$331,198
June	$74,227,240	-0.55%	-$408,668
July	$76,735,789	5.18%	$3,781,767
August	$73,556,536	2.26%	$1,625,439
September	$72,129,977	4.37%	$3,017,556
October	$72,503,731	2.18%	$1,548,362
		2.23%	**$9,895,654**

Sales Tax Collections from Hotels & Lodging Places

	Collections	YOY % Growth	YOY $ Growth
May	$21,105,884	2.53%	$520,693
June	$21,631,328	0.74%	$158,994
July	$24,478,386	3.82%	$901,209
August	$22,052,418	-2.64%	-$596,941
September	$20,276,031	-2.51%	-$521,124
October	$22,363,007	0.60%	$133,748
		0.45%	**$596,579**

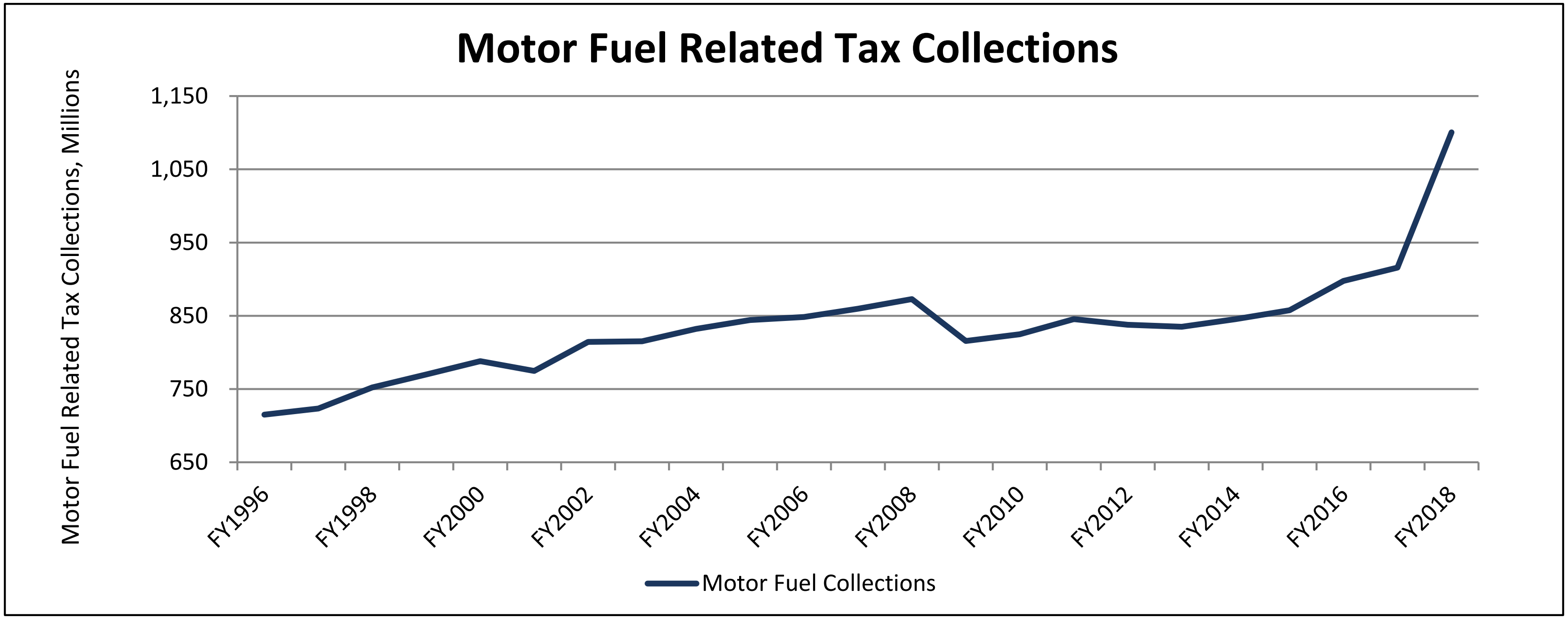
Mixed Drink (Liquor-by-the-Drink) Tax Collections

	Collections	YOY % Growth	YOY $ Growth
May	$10,768,784	13.19%	$1,255,269
June	$11,033,137	12.21%	$1,200,895
July	$11,079,432	14.72%	$1,421,482
August	$10,363,237	12.98%	$1,190,225
September	$10,953,920	19.55%	$1,791,262
October	$11,316,146	16.41%	$1,594,964
		12.90%	**$8,454,097**

6 Month Total Growth	**2.96%**	**$18,946,331**

Motor Fuel Related Collections*

- Motor fuel related tax collections increased 20.15% from FY 2018 – FY 2019
- By the end of FY 2020, collections are expected to increase 7.40% from a year earlier



*Motor fuel related tax collections include collections from the gasoline tax, the motor fuel tax, and the petroleum special tax.

Note: Data and forecast from the Department of Revenue

TN Department of Revenue

Tax Implications

Direct Revenue Implications of Increased Motor Fuel Related Activity (Most Recent 6 Month Data)
Growth is presented as year over year (YOY)

Sales Tax Collections from Gasoline Services Stations

	Collections	YOY % Growth	YOY $ Growth
May	$12,200,774	-4.31%	-$550,056
June	$13,416,142	1.10%	$145,486
July	$13,091,563	-1.67%	-$222,003
August	$13,245,975	0.71%	$93,909
September	$13,043,670	0.55%	$71,474
October	$12,377,094	-2.90%	-$369,264
		-1.07%	**-$830,454**

Gasoline Tax Collections

	Collections	YOY % Growth	YOY $ Growth
May	$68,882,384	15.07	$9,022,760
June	$72,284,857	29.06%	$16,277,653
July	$68,041,668	13.20%	$7,932,964
August	$76,730,337	7.69%	$5,479,778
September	$74,584,201	1.45%	$1,069,337
October	$69,802,765	-3.37%	-$2,437,021
		8.68%	**$37,345,471**

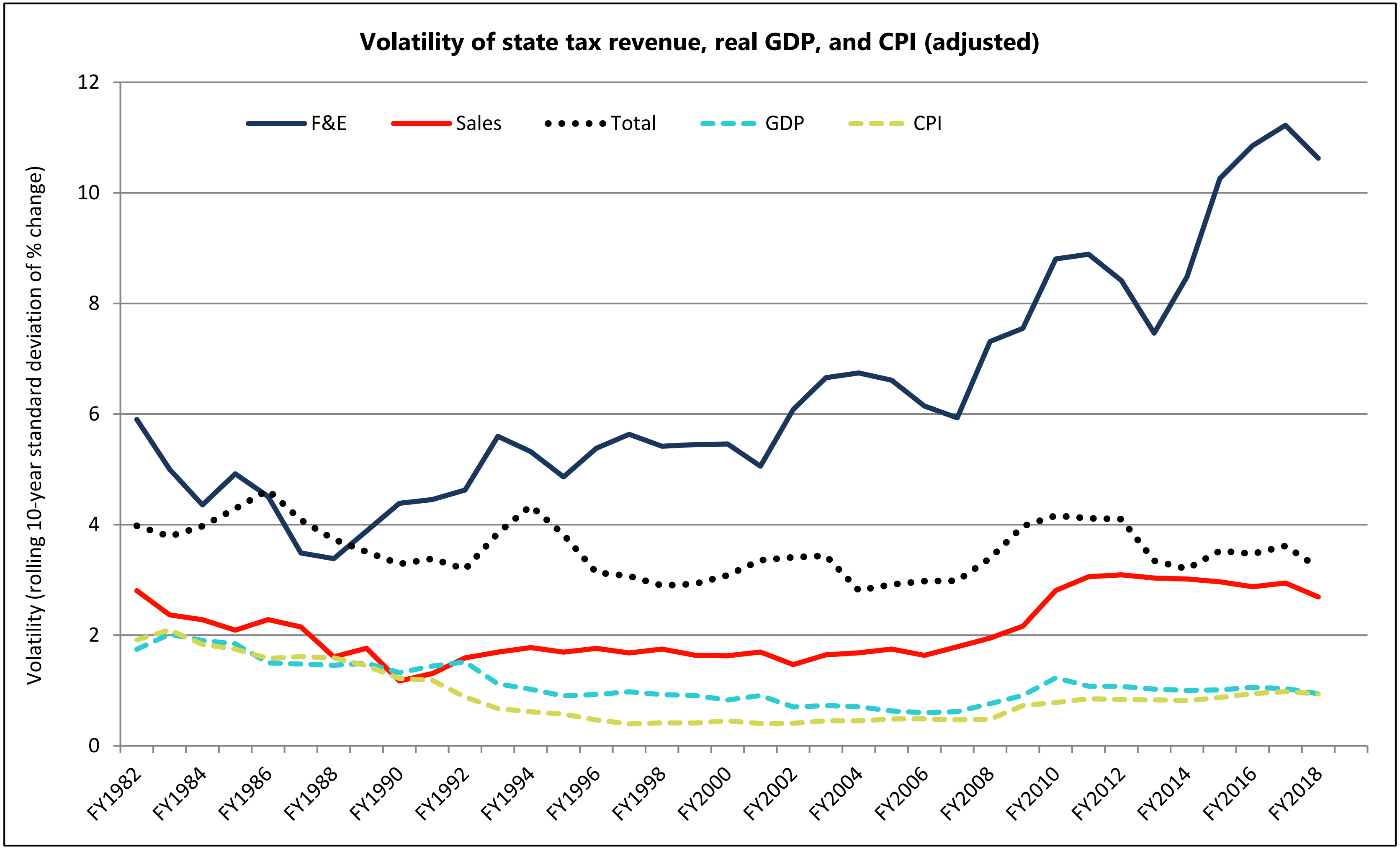
Motor Fuel Tax Collections

	Collections	YOY % Growth	YOY $ Growth
May	$16,525,782	17.92%	$2,511,928
June	$20,854,416	42.41%	$6,210,094
July	$21,176,045	32.29%	$5,168,496
August	$18,883,819	22.77%	$3,501,749
September	$22,637,320	8.09%	$1,694,875
October	$23,311,132	18.02%	$3,558,687
		18.35%	**$22,645,829**

6 Month Total Growth	**9.37%**	**$59,160,846**

TN Department of Revenue

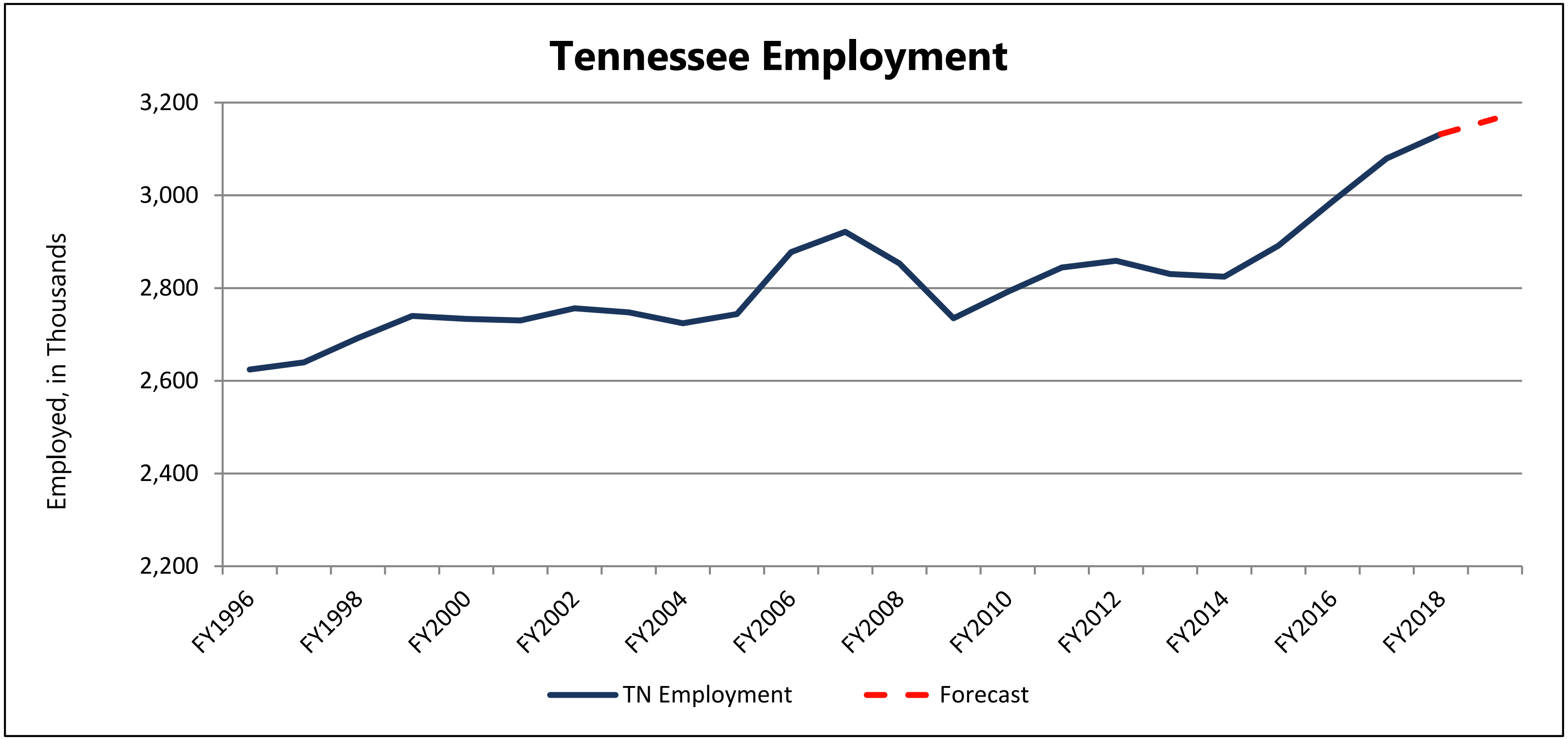
Tennessee Tax Volatility Comparison



TN Department of Revenue

Tennessee Employment

- Strong growth in employment
- Steady employment growth is expected over the forecast horizon

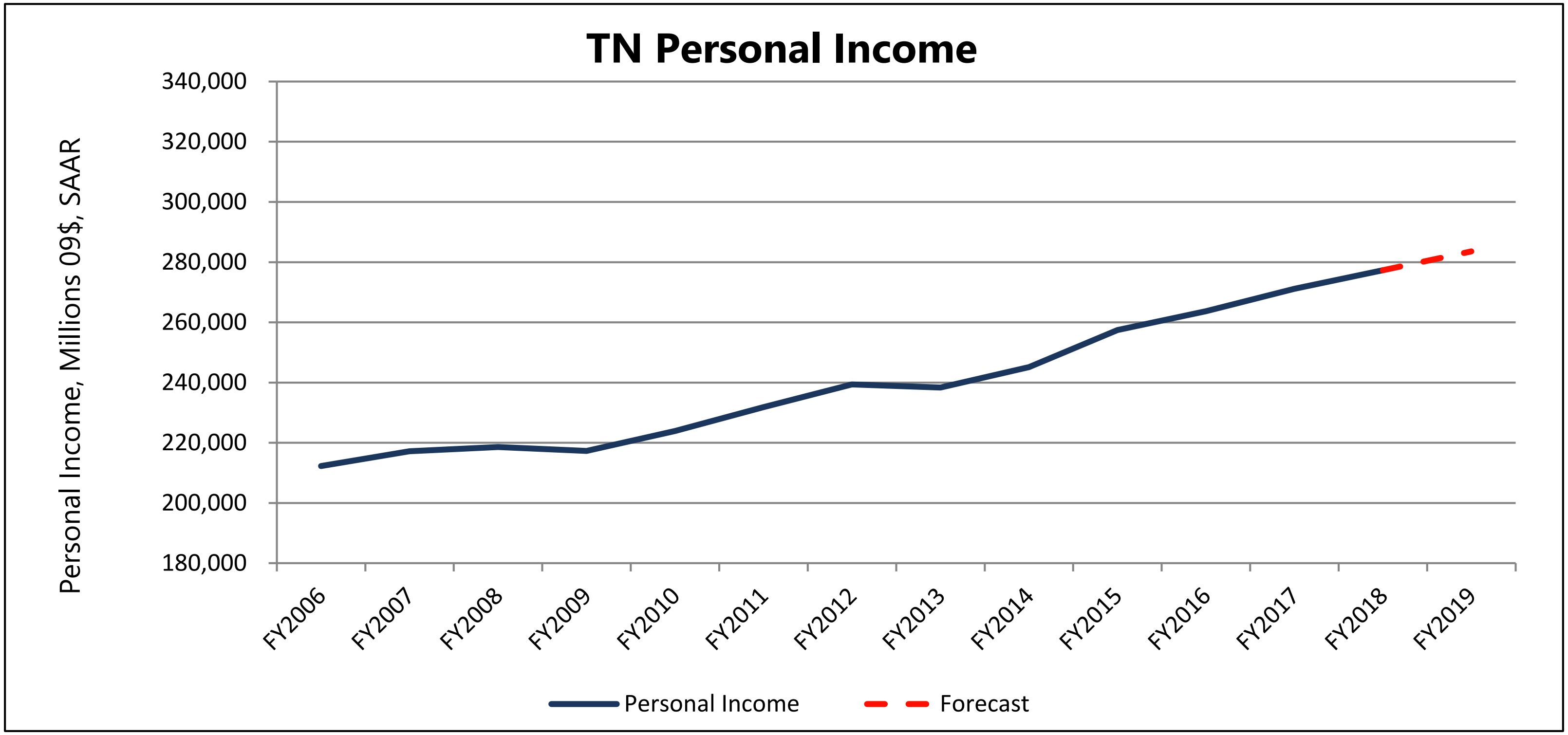


TN Department of Revenue

Note: Data from the Bureau of Labor Statistics, forecast from Moody's Analytics

Tennessee Personal Income

- Personal income gains of 2.27% for FY 2018
- Personal income gains of 2.26% are expected for FY 2019, led by growth in wages and salaries



TN Department of Revenue

Note: Data from the Bureau of Economic Analysis, forecast from Moody's Analytics

Non-Recurring Items

- Analyze daily tax revenue collections relative to previous years and budget estimates.
- Identify extraordinary or unusual payments using the Department of Revenue Business Intelligence tool and SAS programs.
- Focus analysis at the taxpayer level to identify the nature of payments and possible implications to total tax collections for the month.
- Maintain a list of one-time events and analyze any impact these payments may have on the following fiscal year.

Public Chapter 92 of 2015

- There are no known non-recurring items included in the estimates for fiscal year 2019 and the Department is not aware of any upcoming non-recurring payments in FY 2019.

- The fiscal year 2019 estimates do not include revenue estimates for any proposed or potential rule changes.

TN Department of Revenue

REVENUE COLLECTION ESTIMATES
STATE FUNDING BOARD MEETING - 11/20/2018
Accrual year basis (USD)

SOURCE OF REVENUE

		Official	FY 2019		FY 2020	
Department of Revenue	Accrual Revenues FY 2018 Actual	Revenue Estimates FY2019	Revised Estimates FY 2019	% change[3] over FY 2018	Revenue Estimates FY 2020	% change[3] over FY 2019
Sales and Use Tax[1]	$8,835,200,000	$9,025,500,000	9,223,900,000	4.40%	9,596,500,000	4.04%
Gasoline Tax	807,700,000	849,000,000	842,200,000	4.27%	876,600,000	4.08%
Motor Fuel Tax	222,700,000	254,200,000	260,700,000	17.06%	299,100,000	14.73%
Gasoline Inspection Tax	69,000,000	69,600,000	69,800,000	1.16%	70,600,000	1.15%
Motor Vehicle Registration Tax	327,400,000	314,800,000	337,500,000	3.08%	347,200,000	2.87%
Income Tax	246,000,000	157,900,000	152,200,000	-38.13%	103,200,000	-32.19%
Privilege Tax[2]	360,100,000	372,600,000	376,300,000	4.50%	395,400,000	5.08%
Gross Receipts Tax - TVA	343,600,000	349,500,000	360,300,000	4.86%	363,900,000	1.00%
Gross Receipts Tax - Other	24,800,000	32,500,000	28,500,000	14.92%	29,100,000	2.11%
Beer Tax	16,700,000	18,100,000	16,800,000	0.60%	16,800,000	0.00%
Alcoholic Beverage Tax	66,700,000	71,200,000	69,400,000	4.05%	72,000,000	3.75%
Franchise & Excise Tax	2,570,800,000	2,523,900,000	2,716,300,000	5.66%	2,826,300,000	4.05%
Inheritance and Estate Tax	-700,000	-	-	-	-	-
Tobacco Tax	248,200,000	250,500,000	234,800,000	-5.40%	229,800,000	-2.13%
Motor Vehicle Title Fees	25,200,000	24,400,000	26,200,000	3.97%	27,300,000	4.20%
Mixed Drink Tax	119,300,000	122,200,000	132,100,000	10.73%	144,200,000	9.16%
Business Tax	198,300,000	179,100,000	213,800,000	7.82%	221,900,000	3.79%
Severance Tax	1,000,000	1,100,000	800,000	-20.00%	700,000	-12.50%
Coin-operated Amusement Tax	300,000	200,000	300,000	0.00%	300,000	0.00%
Total Department of Revenue	**$14,482,300,000**	**$14,616,300,000**	**$15,061,900,000**	**4.00%**	**$15,620,900,000**	**3.71%**
General Fund Only	**$12,023,600,000**	**$12,124,700,000**	**$12,500,400,000**	**3.97%**	**$12,952,900,000**	**3.62%**

[1]Excludes $112.0 million estimated earmarked fees collected under sales tax for E911 telecommunications service (2016 PC 1047).
[2]Privilege excludes $52.0 million dollar earmark not included by F&A
[3]Percent change in revenue for each tax is the calculated percentage change *after* rounding to nearest $100,000
Note: Totals may differ due to rounding

Definitions and Sources

- SAAR = Seasonally Adjusted Annualized Rate
- FY = Fiscal Year
- TN = Tennessee
- Data Sourced From:
  - Moody's Analytics (Fall, 2018)
  - BEA (Fall, 2018)
  - BLS (Fall, 2018)
  - U.S. Census Bureau (Fall, 2018)
  - TN Department of Revenue (Fall, 2018)
  - TN Department of Finance & Administration (Fall, 2018)

FY18-19 & FY19-20
Tax Revenue Estimates

Fiscal Review Committee Staff

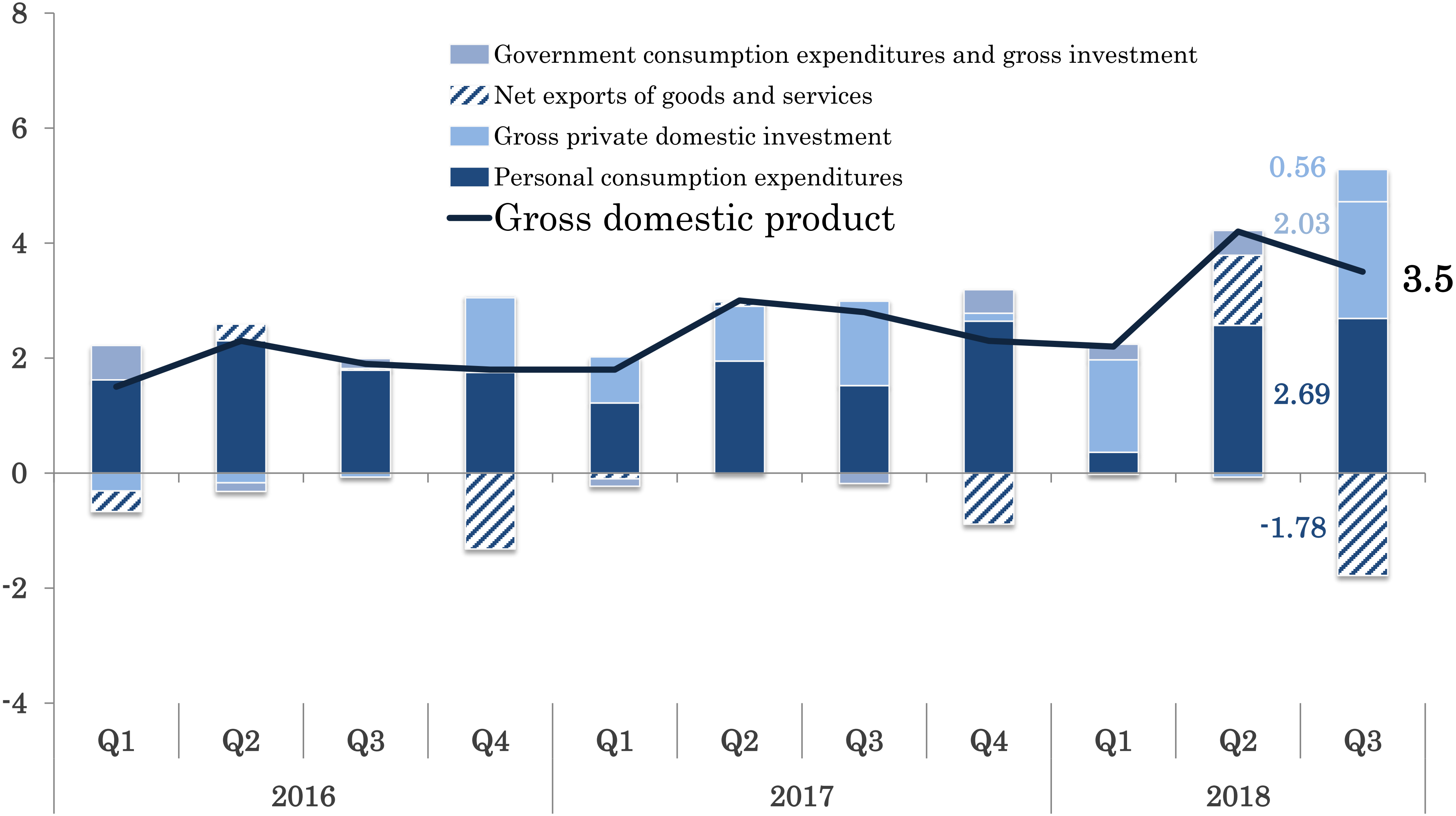
November 20, 2018

Overview

- Strong U.S. and TN economic conditions…currently
- Robust job creation supported by rising incomes
- Tight labor market
  - Expected continuous declines in unemployment rate as growth will exceed the sum of labor force and productivity gains
- Inflation will remain close to the target for the forecasting period (2.0% to 2.5%)
- Federal Reserve will continue to remove policy accommodations
  - Result: more modest economic growth
- Housing sector warning signs
- Diminishing fiscal stimulus in 2019
- Trade disputes: minimal economic impact in the near term; larger uncertainty in the mid to long term
- Demographics

U.S. Real GDP

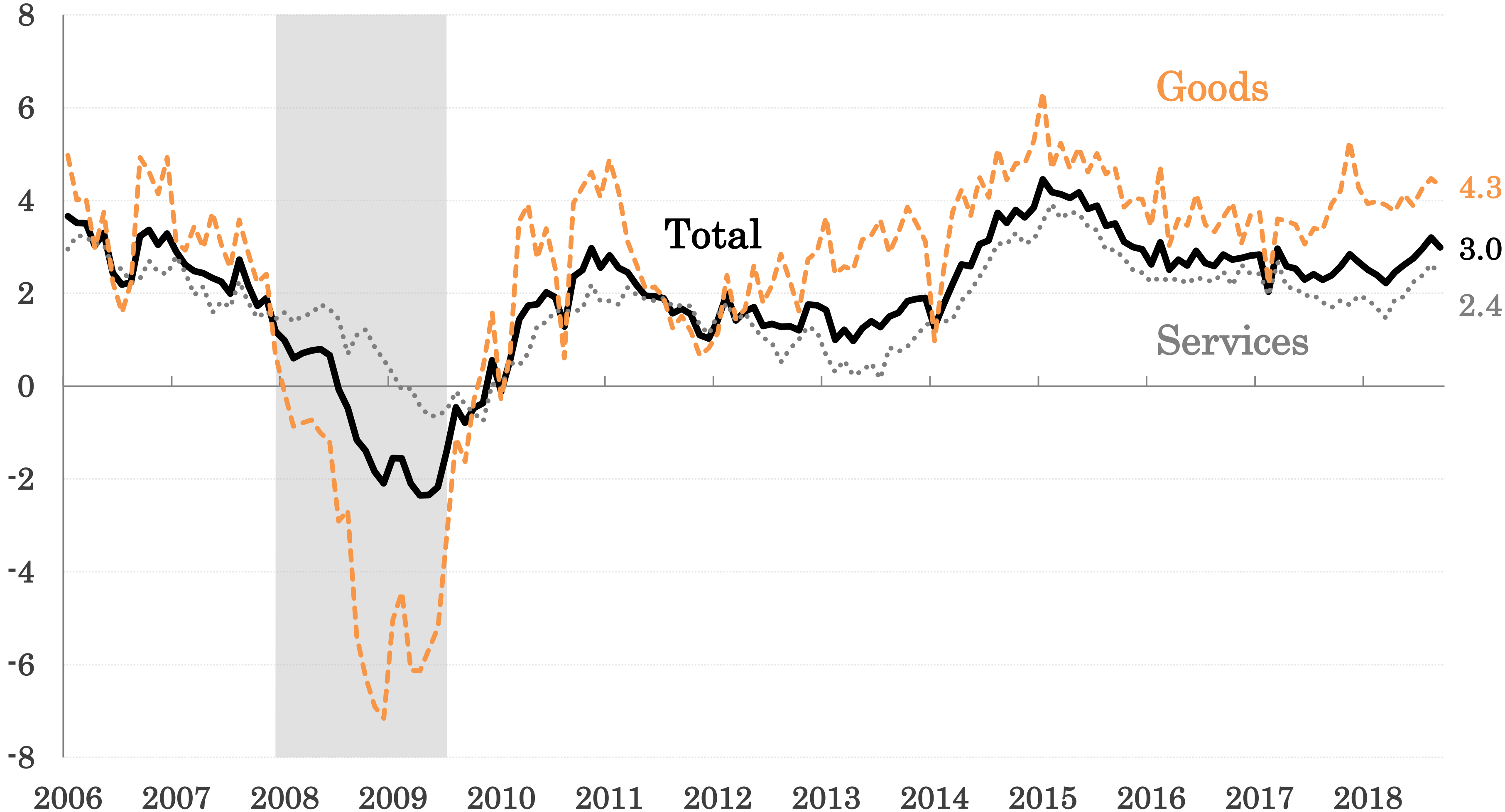
Contributions to % Change in Real GDP (SAAR)



Source: U.S. Bureau of Economic Analysis, November 6, 2018.

Real PCE and its Components

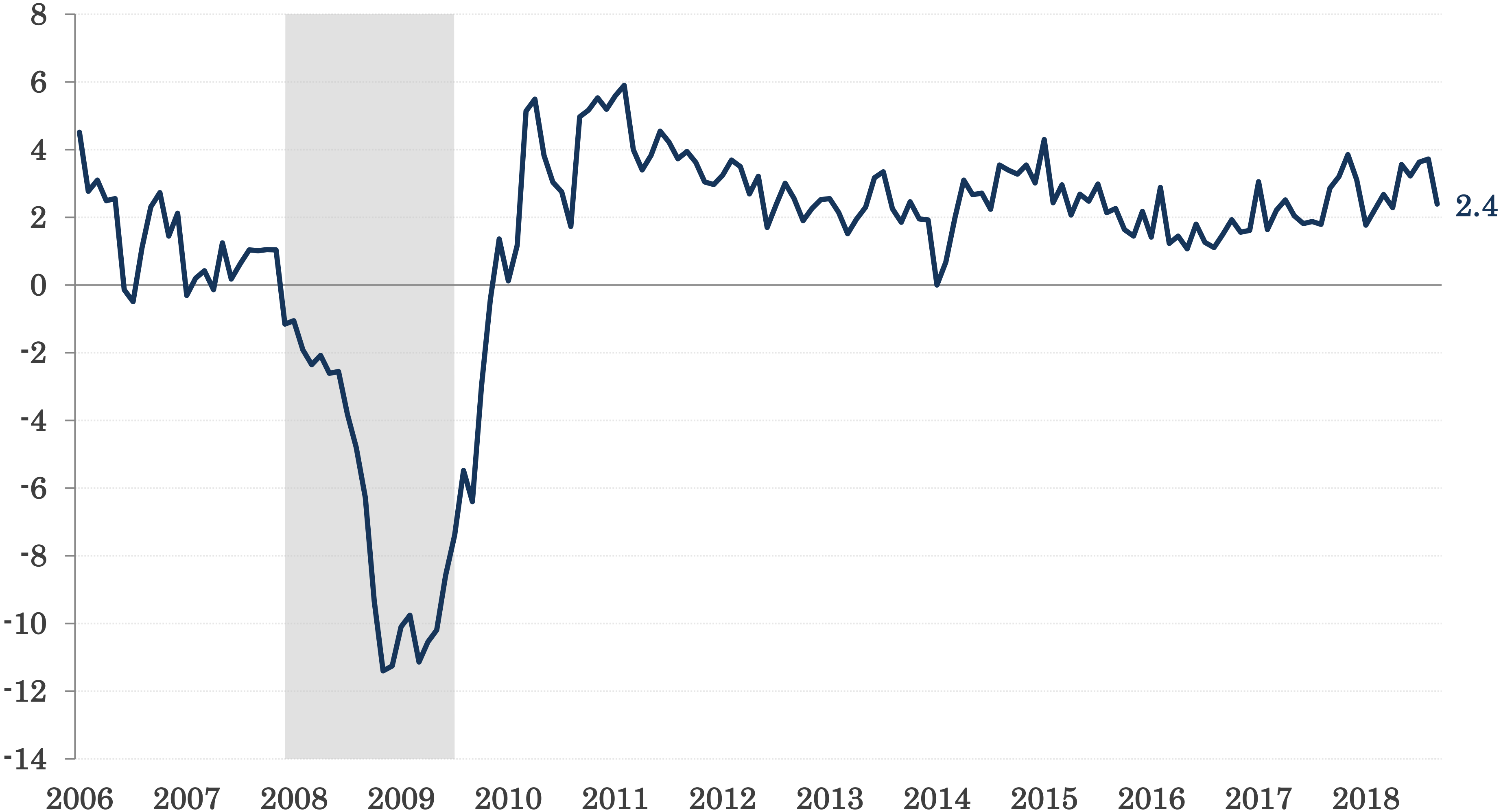
Year-over-Year % Change (Monthly, SAAR)



Source: U.S. Bureau of Economic Analysis; retrieved from FRED, Federal Reserve Bank of St. Louis, November 6, 2018.

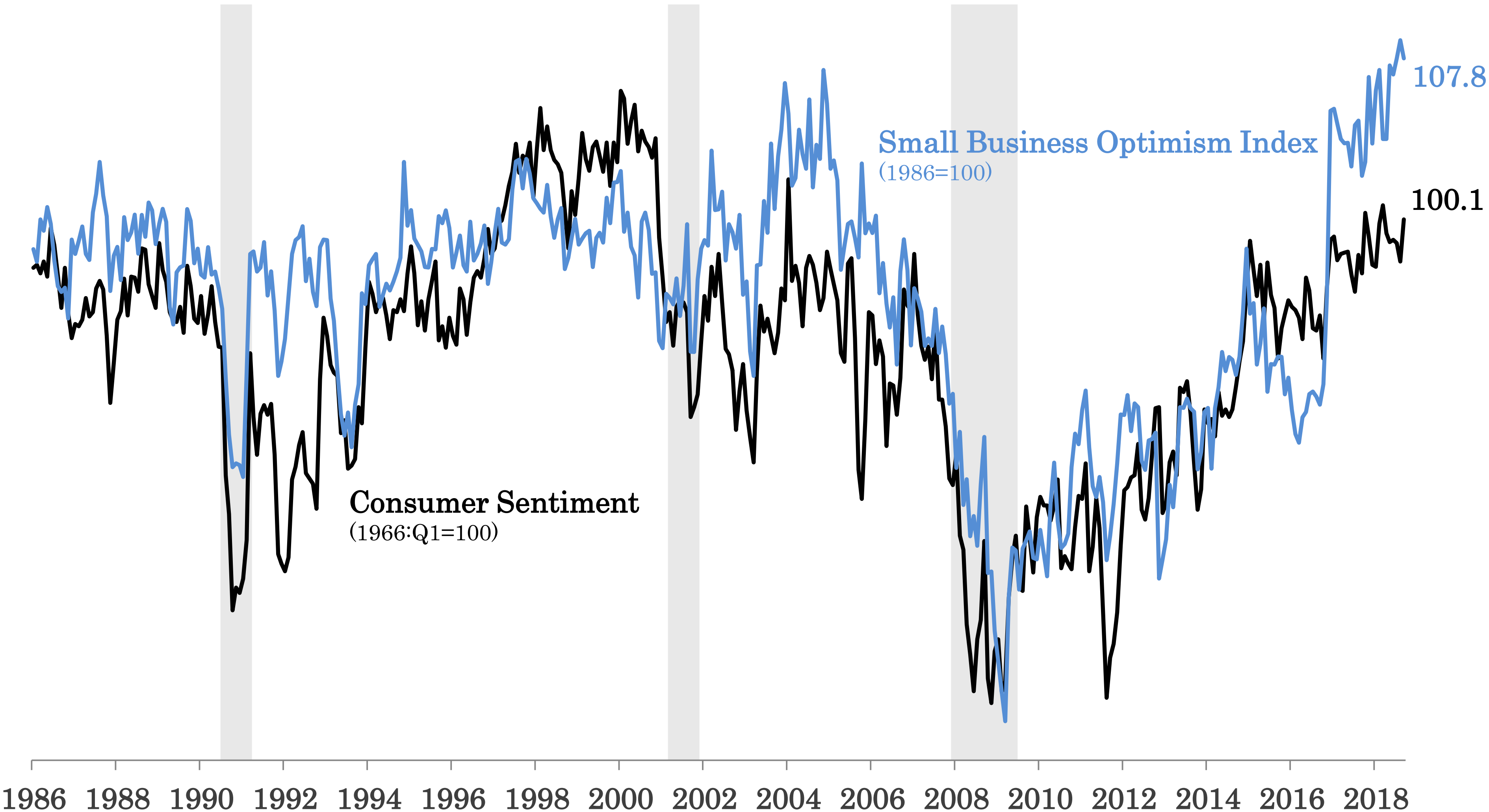
Advance Real Retail and Food Service Sales

Year-over-Year % Change (Monthly, SA)



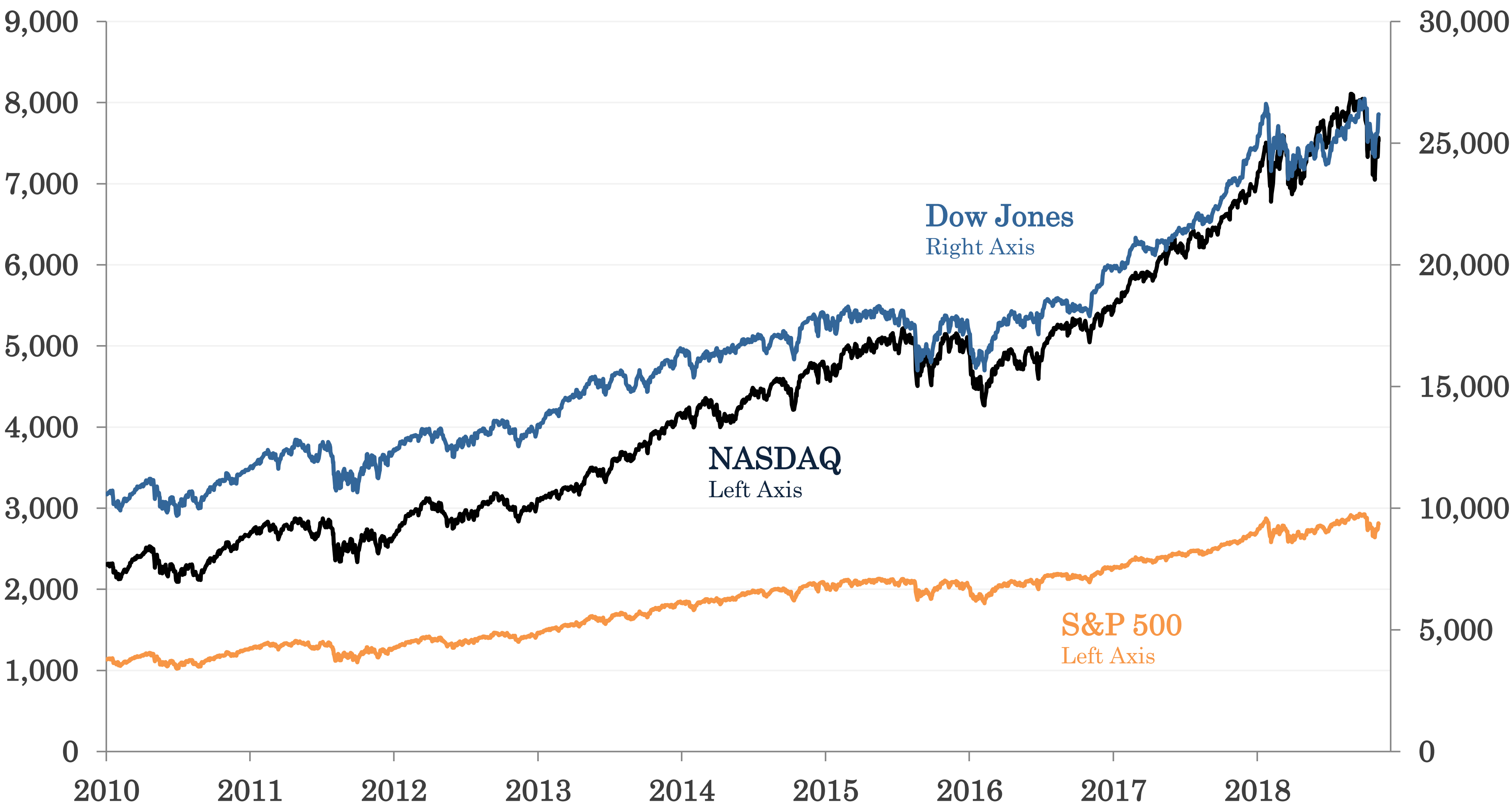
Source: Federal Reserve Bank of St. Louis, November 19, 2018.

Consumer Sentiment & Small Business Optimism



Sources: UofM, retrieved from FRED, Federal Reserve Bank of St. Louis; NFIB, retrieved from nfib-sbet.org, November 7, 2018.

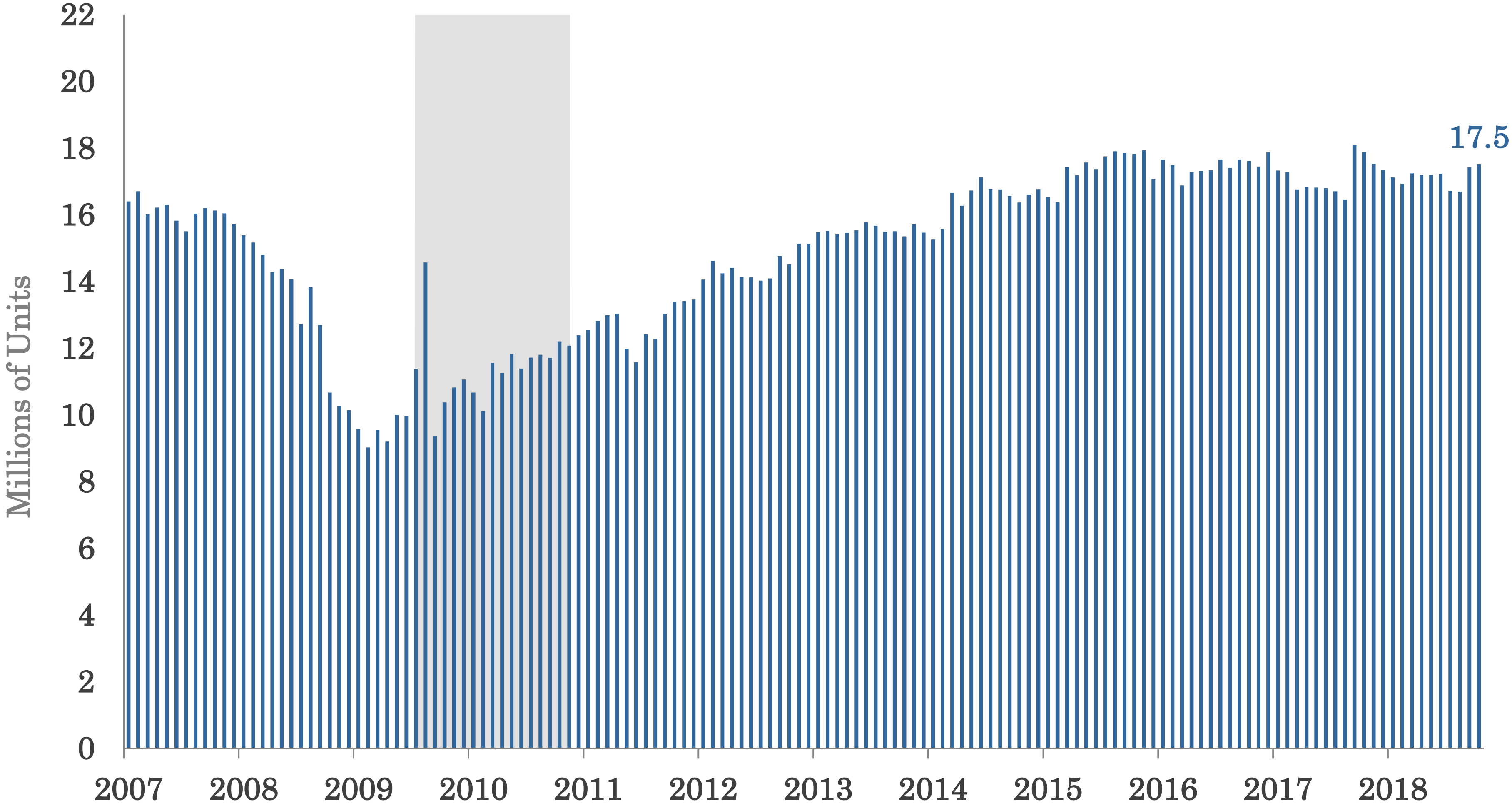
Stock Market



Sources: S&P Dow Jones Indices LLC; NASDAQ OMX Group; retrieved from FRED, Federal Reserve Bank of St. Louis, November 9, 2018.

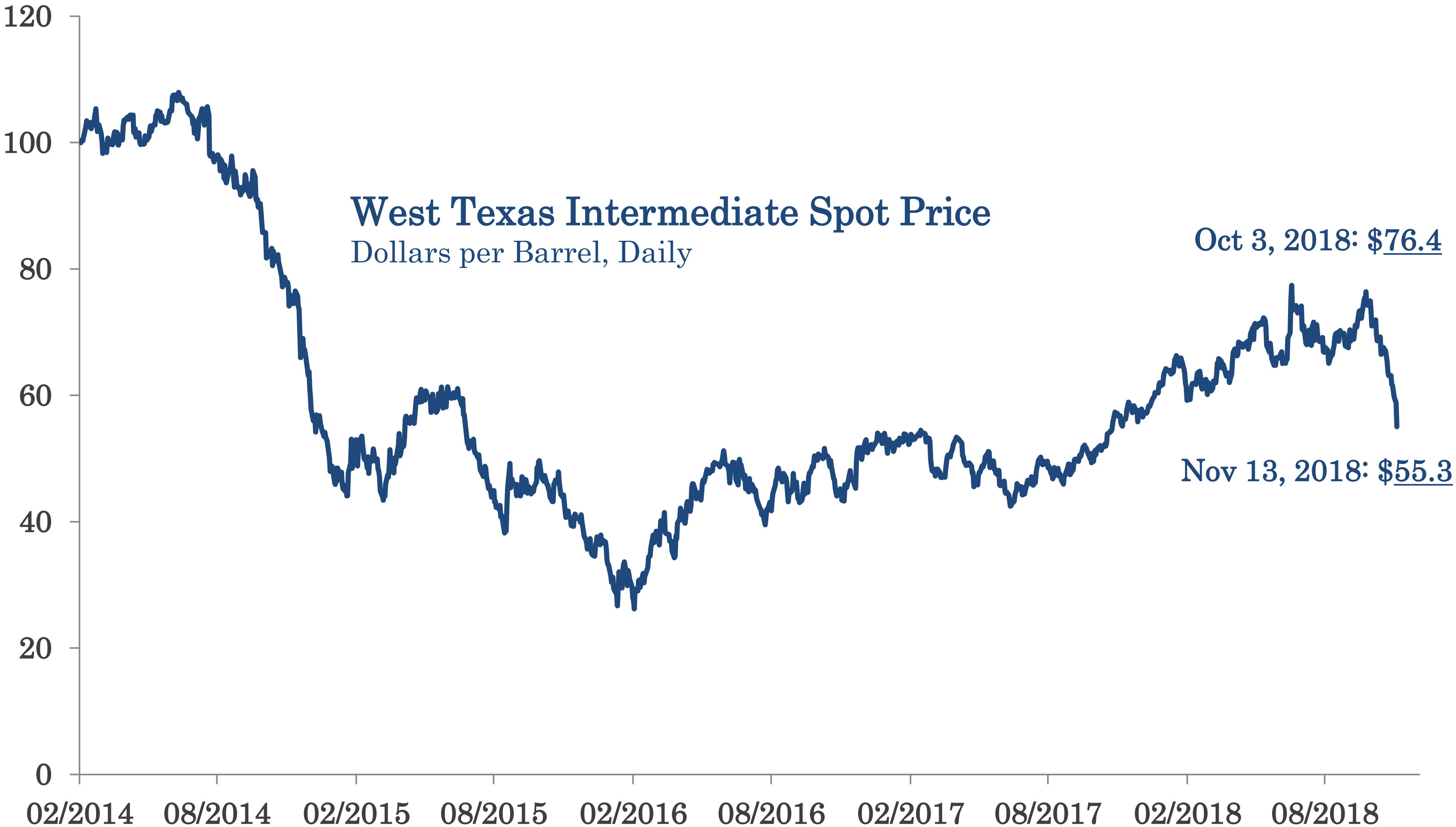
Auto Sector

U.S. Light Weight Vehicle Sales (Millions, SAAR)



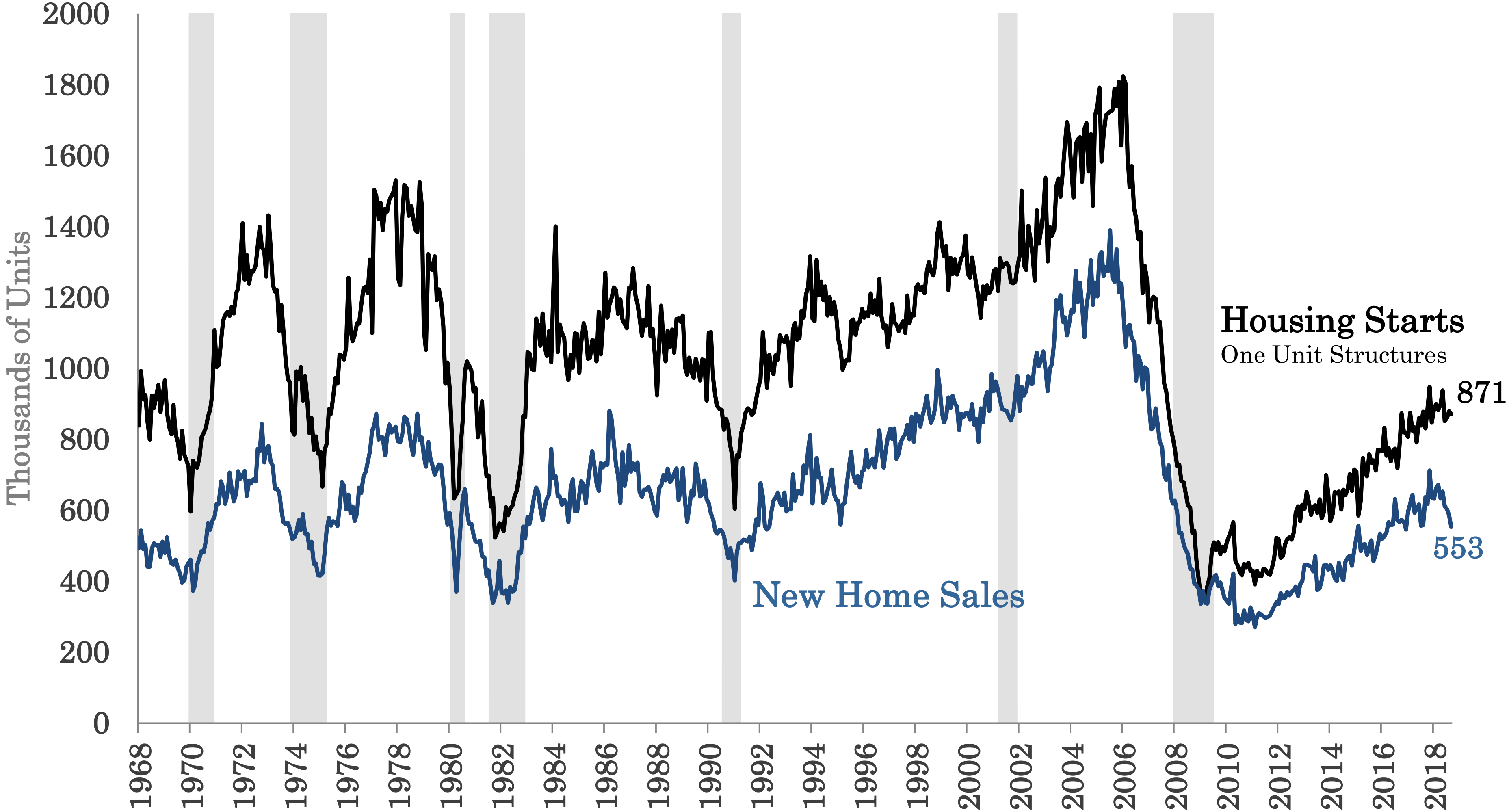
Source: U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

Oil Market



Source: Energy Information Administration, November 13, 2018.

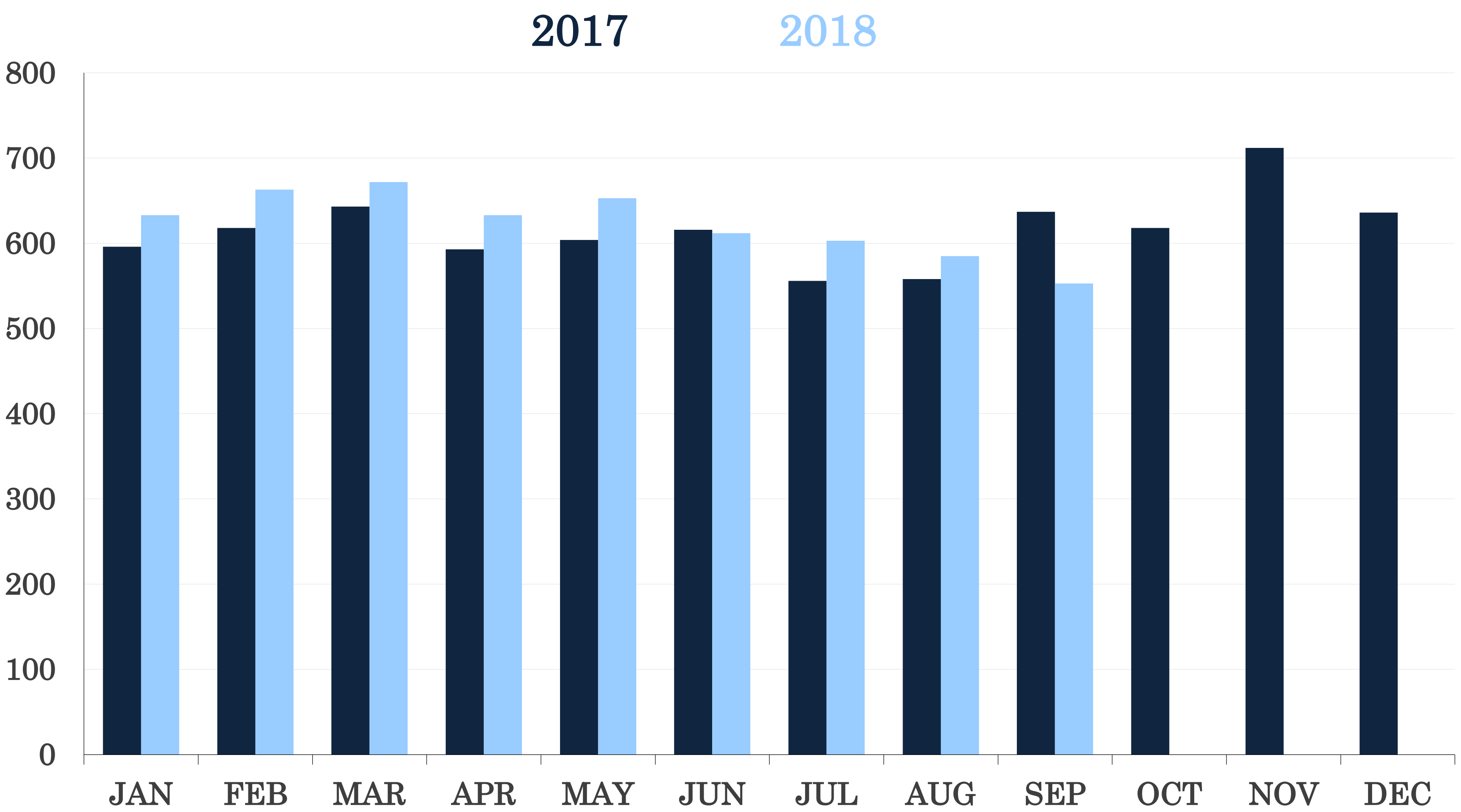
Housing Sector



Source: U.S. Bureau of the Census, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

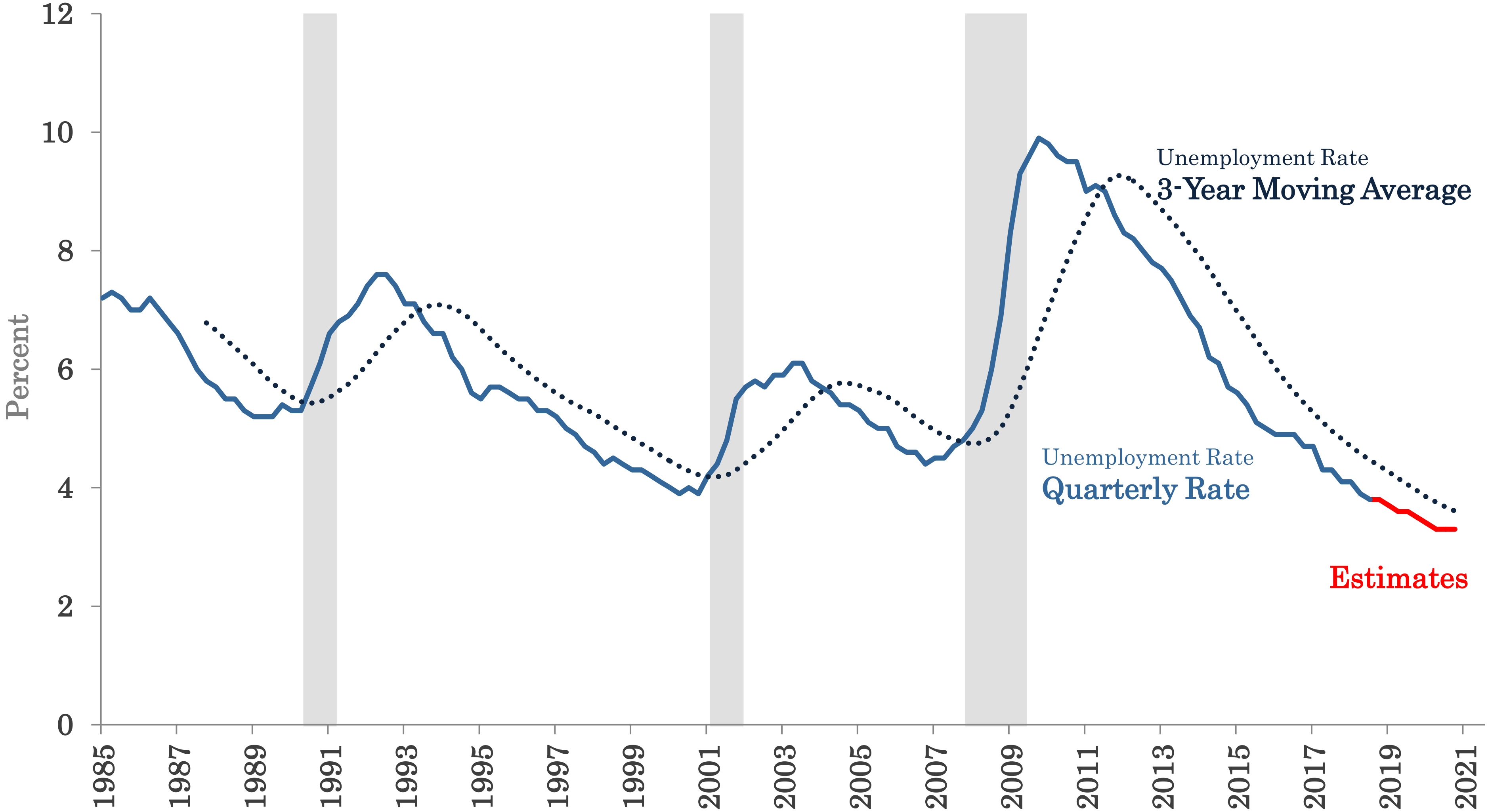
Housing Sector

New Home Sales (Thousands, SAAR)



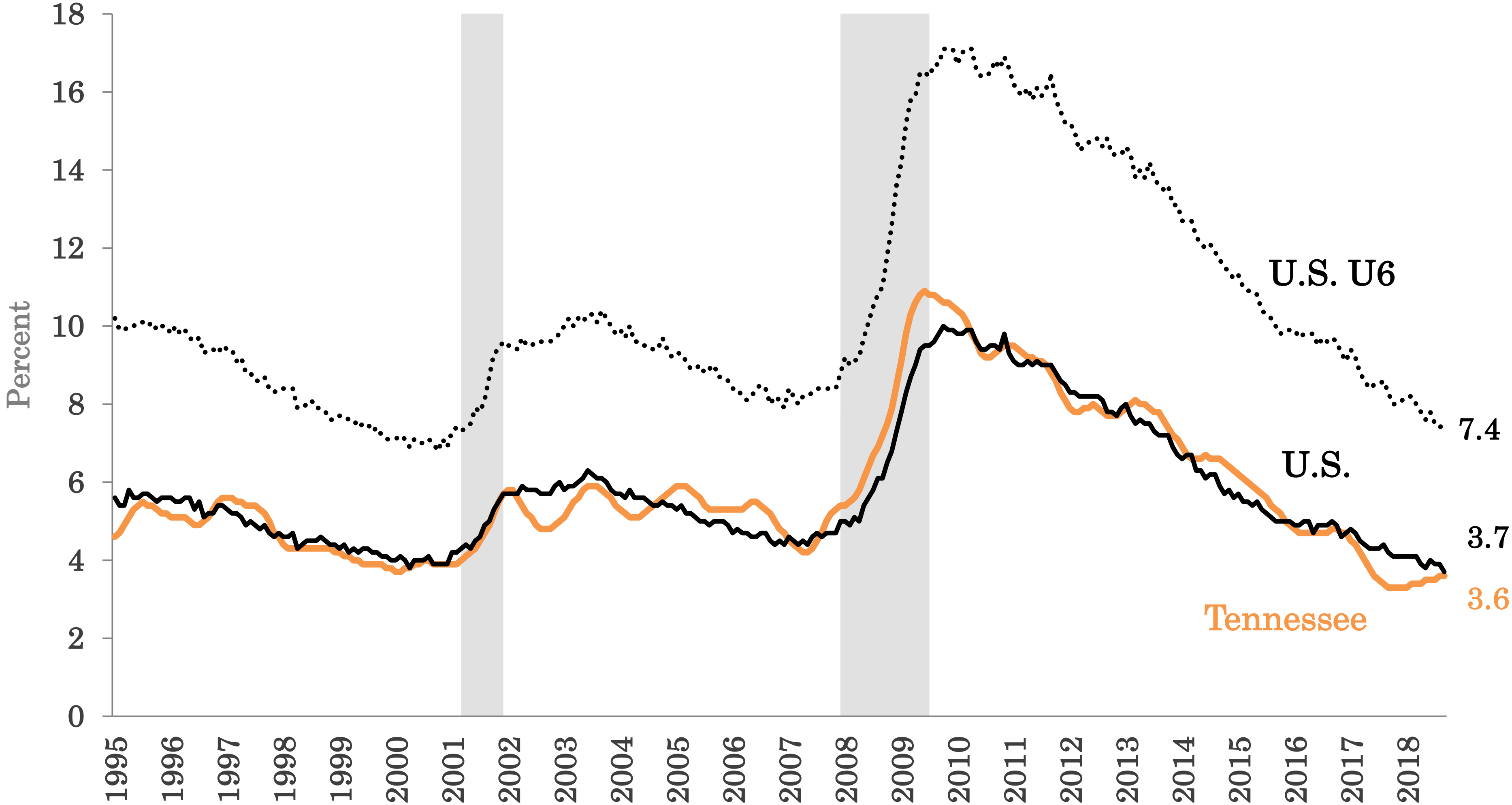
Source: U.S. Bureau of the Census, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

U.S. Unemployment Rate



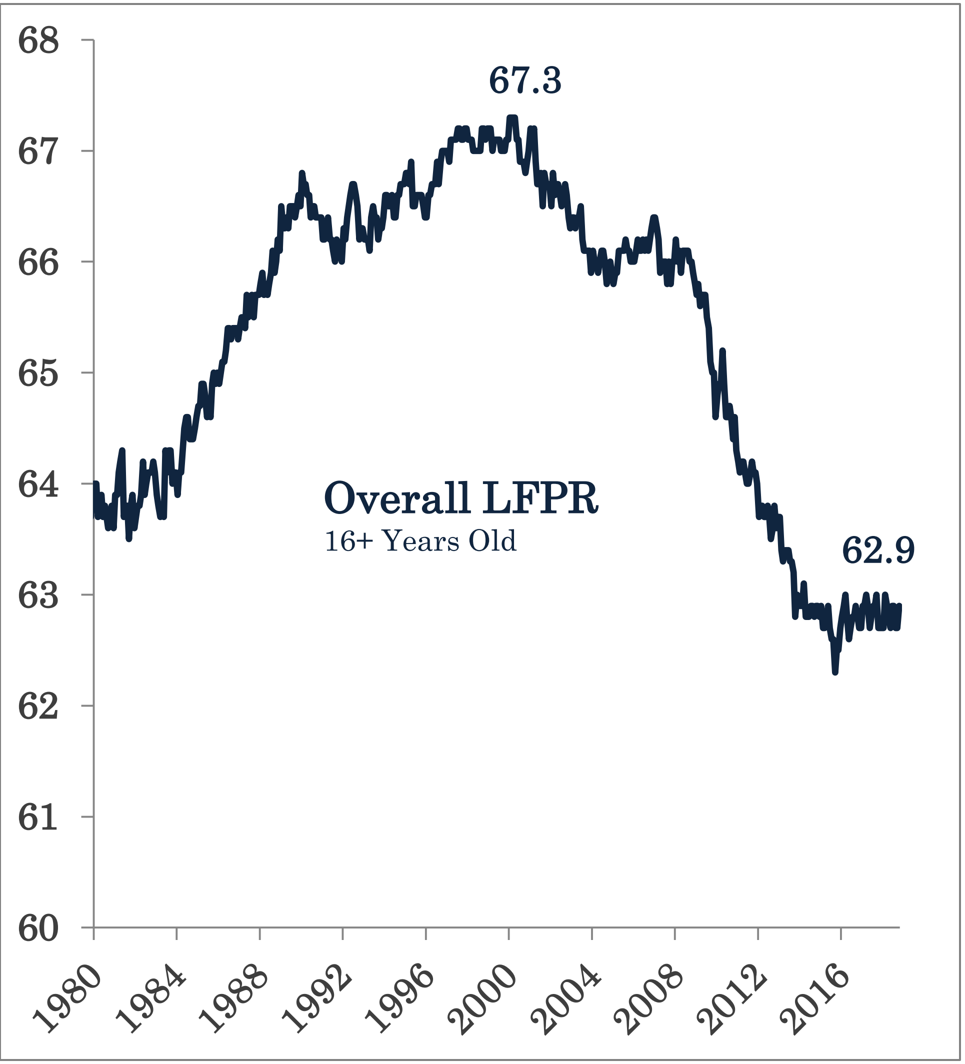
Source: U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis; Wells Fargo, retrieved from wellsfargo.com November 18, 2018.

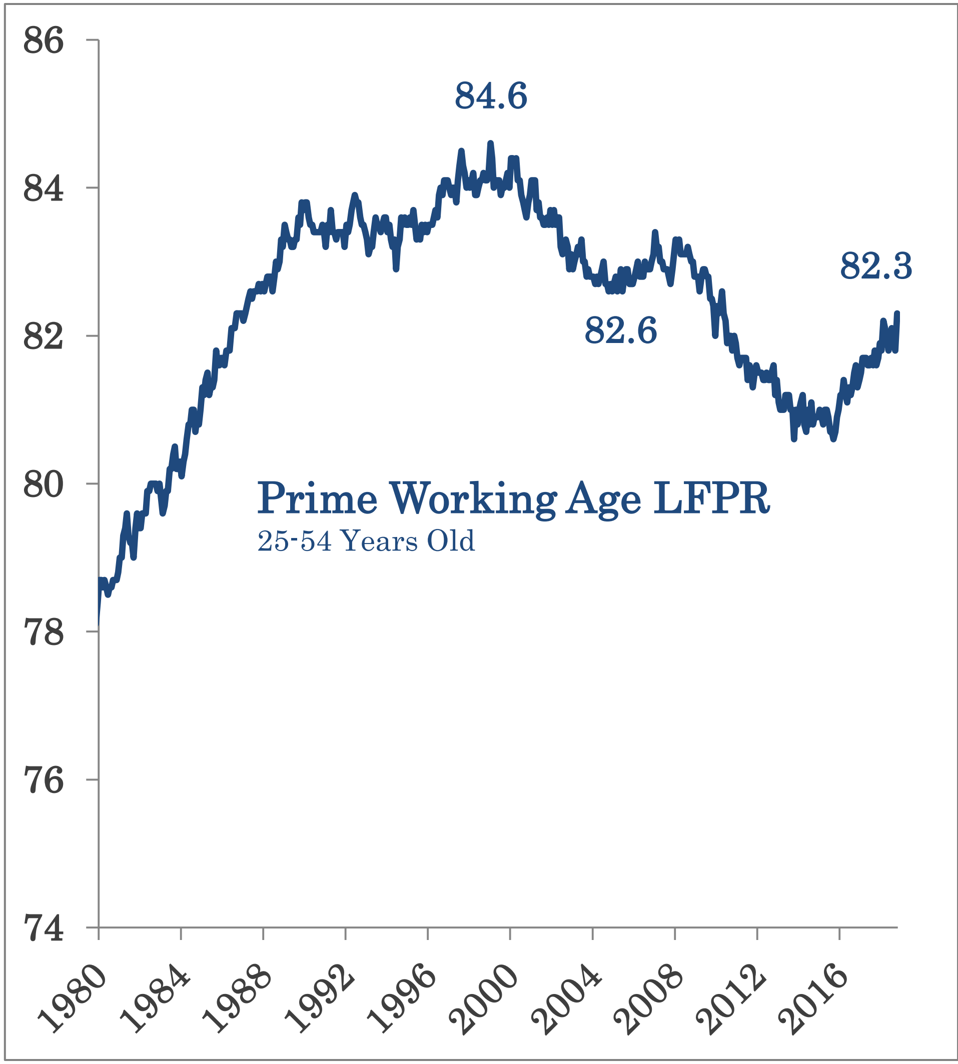
Unemployment Rates



Source: U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

Labor Force Participation Rates

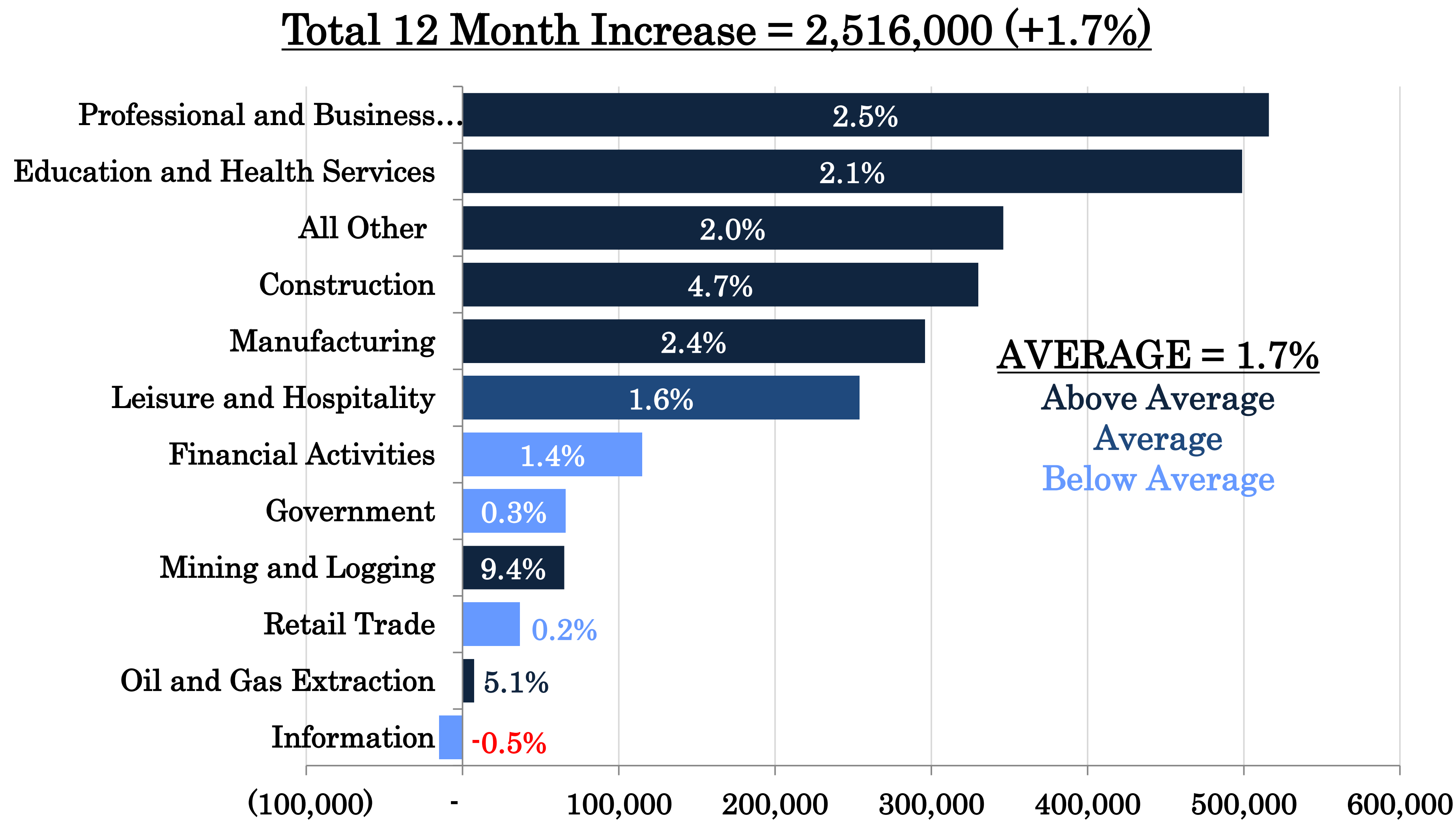




Source: U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

U.S. Job Growth

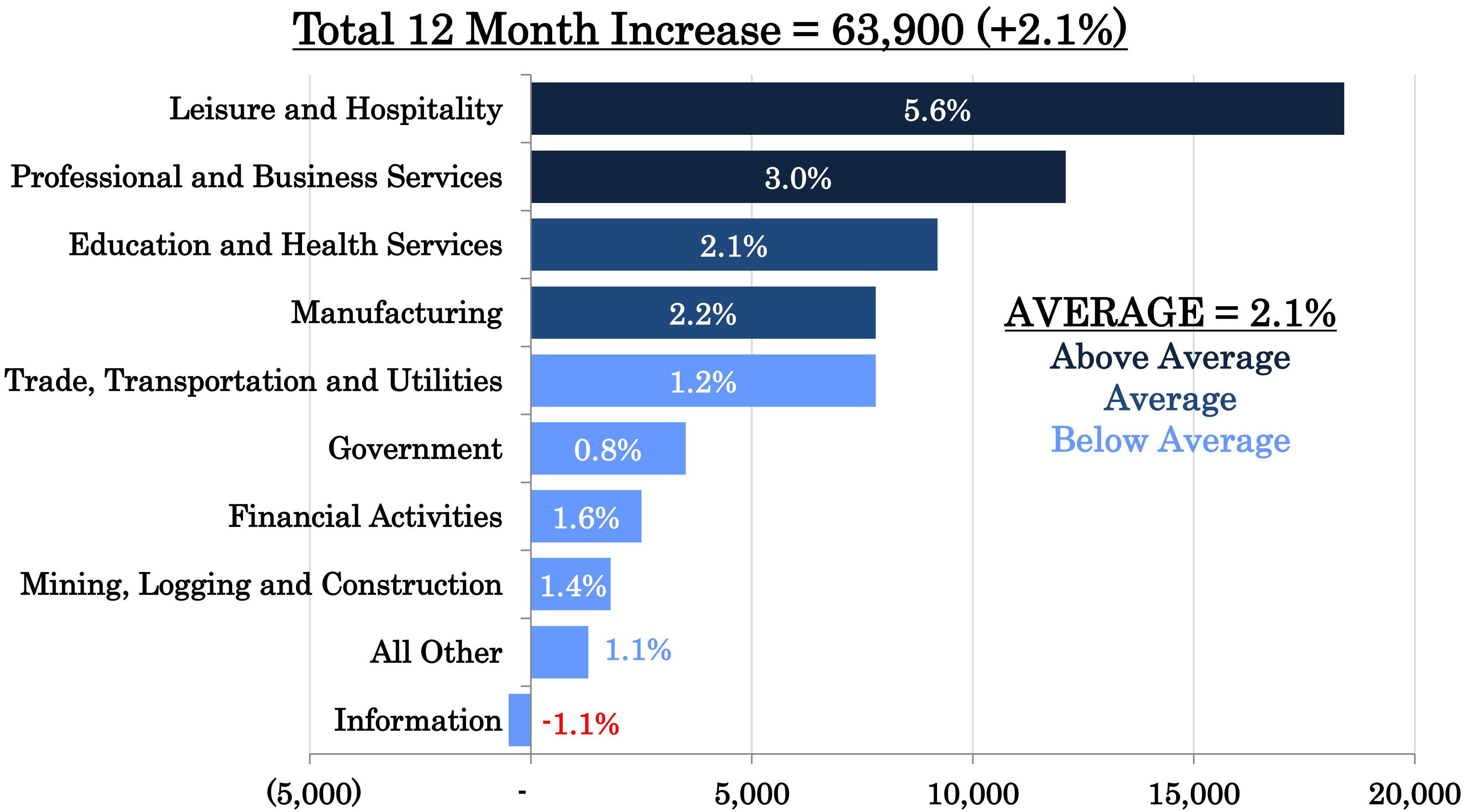
October 2018 vs. October 2017



Source: U.S. Bureau of Labor Statistics, November 12, 2018.

Tennessee Job Growth

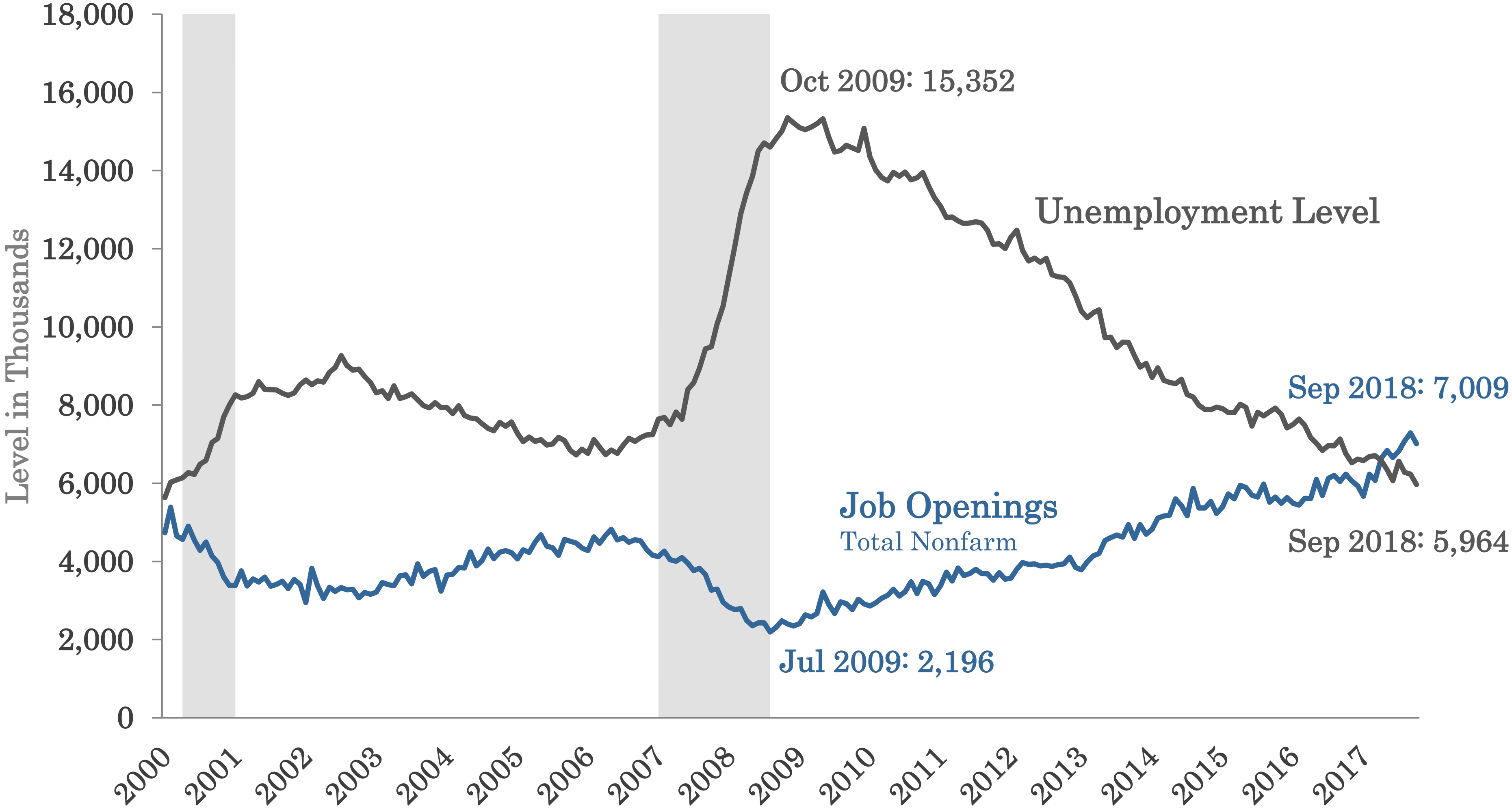
September 2018 vs. September 2017



Source: U.S. Bureau of Labor Statistics, November 12, 2018.

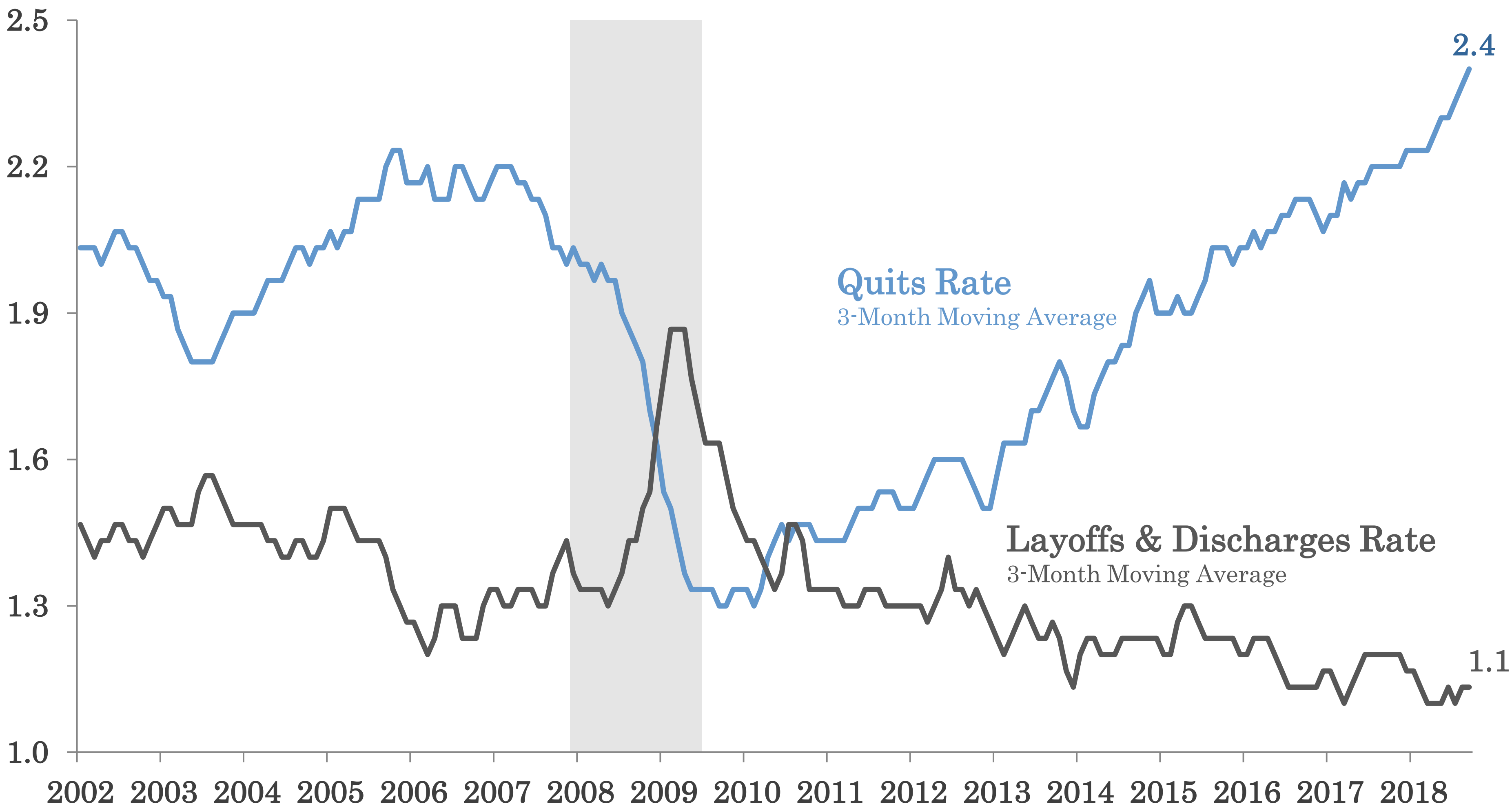
Job Openings & Unemployment

Monthly, SA



Source: U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

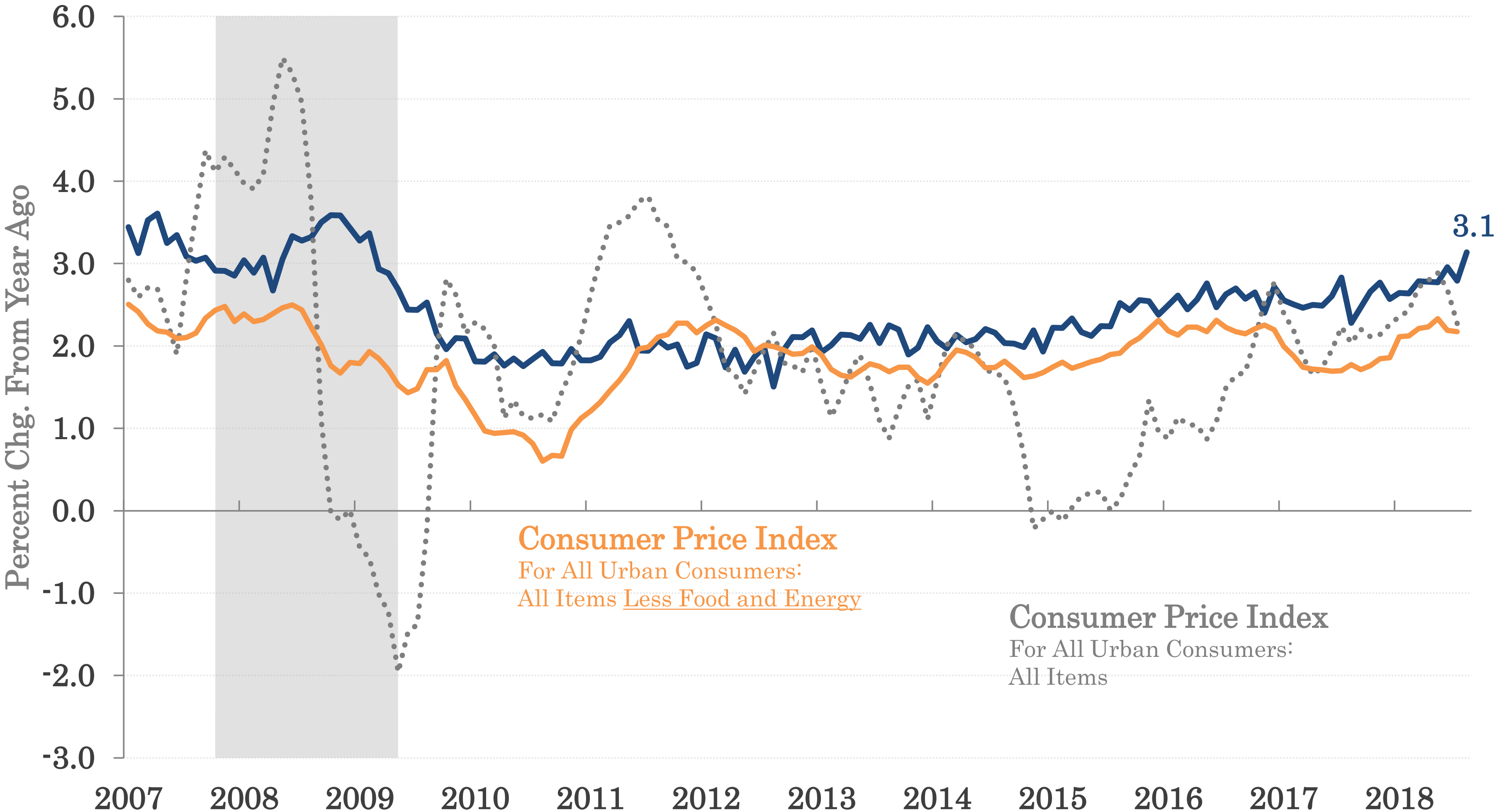
Quits, Layoffs & Discharges



Source: U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

Earnings & Inflation

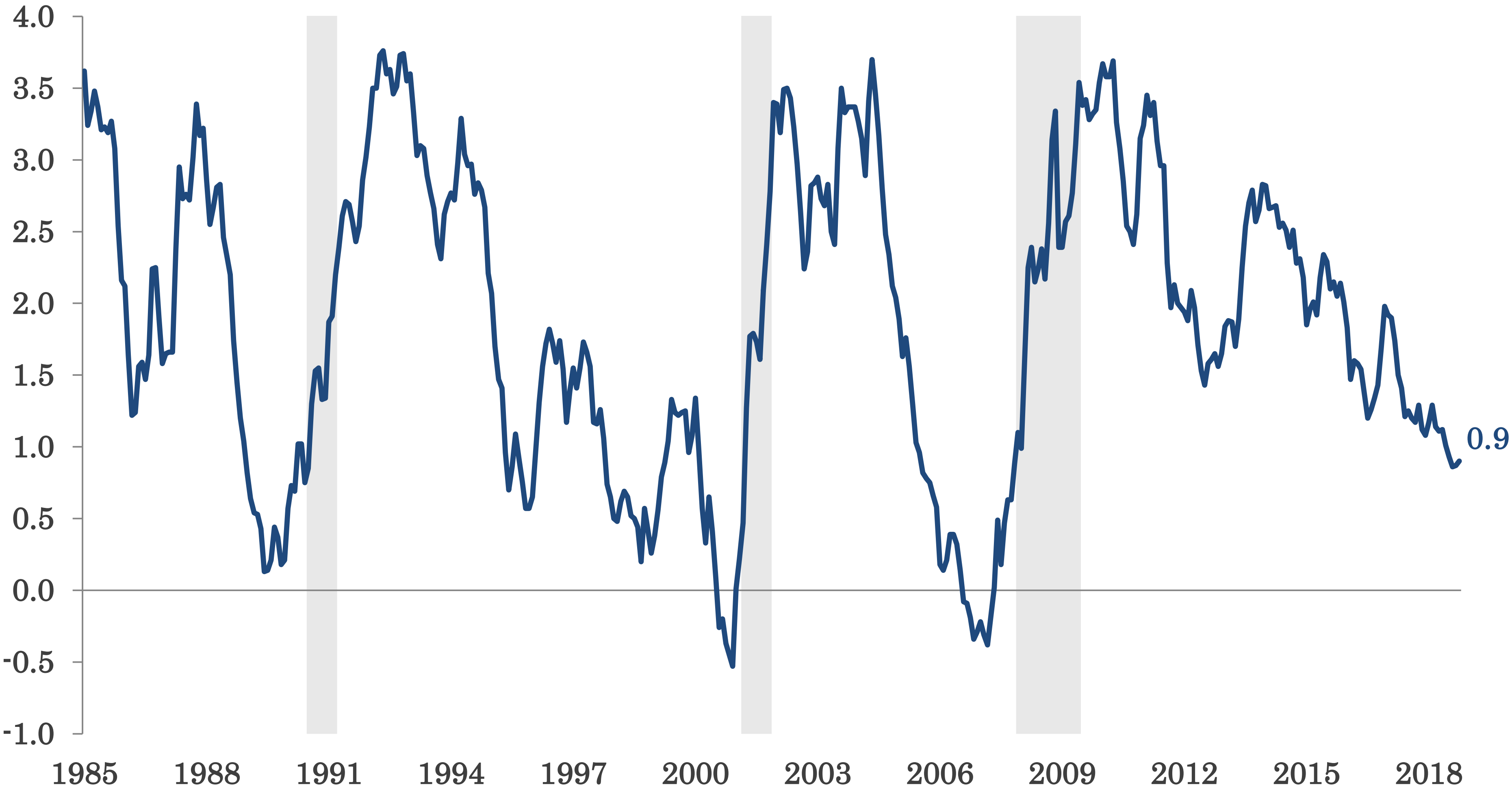
Monthly, SA



Sources: U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis , retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

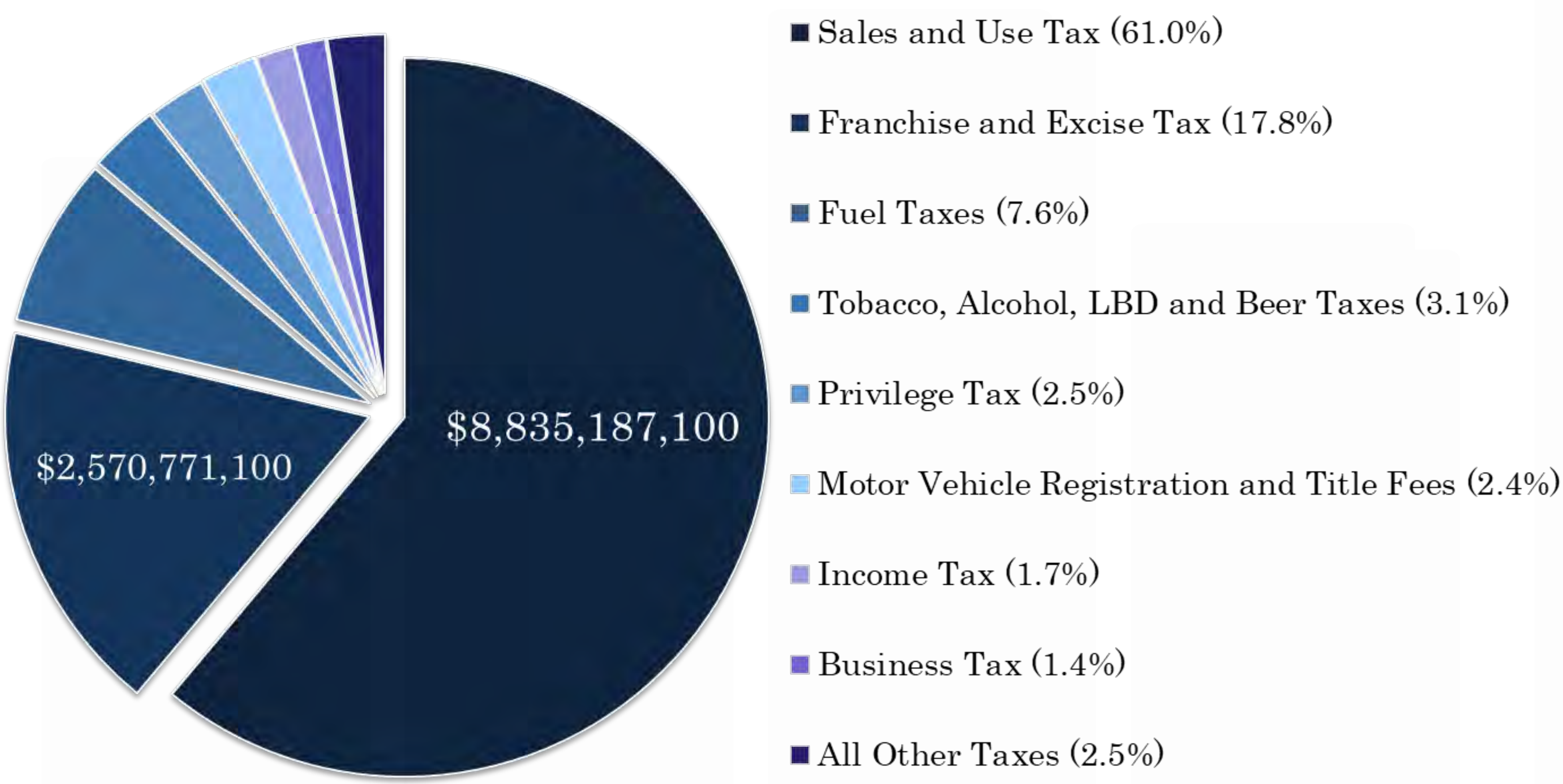
The Yield Spread

10-Year Treasury Rate Less 3-Month Treasury Bill



Source: Board of Governors of the Federal Reserve System, retrieved from FRED, Federal Reserve Bank of St. Louis, November 8, 2018.

Revenue by Tax Source



FY17-18 Accrual Collections: $14,482,022,700

Legislative Impact

REVENUE SOURCE	ACTUAL CASH COLLECTIONS FY17-18	ESTIMATED LEGISLATIVE IMPACT ON FY18-19 vs. FY17-18 CASH COLLECTIONS	ESTIMATED LEGISLATIVE IMPACT ON FY19-20 vs. FY17-18 CASH COLLECTIONS
SALES AND USE TAX	$8,939,488,300	($4,013,000)	($4,505,900)
GASOLINE TAX	$808,198,900	$34,220,000	$68,440,000
MOTOR FUEL TAX	$223,295,800	$32,250,800	$64,615,200
GASOLINE INSPECTION TAX	$68,951,200	$0	$0
MOTOR VEHICLE REGISTRATION TAX	$330,962,500	($332,900)	($332,900)
INCOME TAX	$246,256,600	($55,470,000)	($110,846,700)
PRIVILEGE TAX	$417,291,500	($577,700)	($1,527,700)
GROSS RECEIPTS TAX - TVA	$343,305,300	$0	$0
GROSS RECEIPTS TAX - OTHER	$24,806,600	$0	$0
BEER TAX	$17,509,300	$0	$0
ALCOHOLIC BEVERAGE TAX	$68,255,200	$911,000	$1,105,400
FRANCHISE AND EXCISE TAX	$2,547,666,300	($22,185,300)	($24,979,400)
INHERITANCE TAX	($78,200)	Phased Out	Phased Out
TOBACCO TAX	$248,781,400	$0	$0
MOTOR VEHICLE TITLE FEES	$25,194,900	$0	$0
MIXED DRINK TAX	$119,158,000	$0	$0
BUSINESS TAX	$187,927,500	$3,229,000	$3,690,800
SEVERANCE TAX	$1,022,300	$0	$0
AMUSEMENT TAX	$313,500	$0	$0
UNAUTHORIZED SUBSTANCE TAX	$100	$0	$0
TOTAL REVENUE	**$14,618,307,000**	**($11,968,100)**	**($4,341,200)**

FY18-19 & FY19-20 Estimates

REVENUE SOURCE	ACTUAL ACCRUED COLLECTIONS FY17-18	FRC STAFF TAX REVENUE ESTIMATES FY18-19	PERCENT INCREASE OVER FY17-18	FRC STAFF TAX REVENUE ESTIMATES FY19-20	PERCENT INCREASE OVER FY18-19
SALES AND USE TAX - LESS EARMARKED*	$8,835,187,100	$9,218,000,000	4.33%	$9,568,000,000	3.80%
GASOLINE TAX	$807,686,700	$855,000,000	5.86%	$915,000,000	7.02%
MOTOR FUEL TAX	$222,690,400	$262,000,000	17.65%	$302,000,000	15.27%
GASOLINE INSPECTION TAX	$68,964,800	$70,300,000	1.94%	$71,500,000	1.71%
MOTOR VEHICLE REGISTRATION TAX	$327,417,400	$352,000,000	7.51%	$364,000,000	3.41%
INCOME TAX	$245,979,600	$170,000,000	-30.89%	$125,000,000	-26.47%
PRIVILEGE TAX - LESS EARMARKED**	$360,069,900	$393,000,000	9.15%	$412,000,000	4.83%
GROSS RECEIPTS TAX - TVA	$343,562,100	$360,300,000	4.87%	$362,100,000	0.50%
GROSS RECEIPTS TAX - OTHER	$24,809,400	$29,000,000	16.89%	$29,000,000	0.00%
BEER TAX	$16,663,400	$17,900,000	7.42%	$18,000,000	0.56%
ALCOHOLIC BEVERAGE TAX	$66,676,800	$71,400,000	7.08%	$74,500,000	4.34%
FRANCHISE AND EXCISE TAX	$2,570,771,100	$2,562,000,000	-0.34%	$2,550,000,000	-0.47%
INHERITANCE TAX	($731,900)	$0	-100.00%	$0	N/A
TOBACCO TAX	$248,160,900	$243,000,000	-2.08%	$238,700,000	-1.77%
MOTOR VEHICLE TITLE FEES	$25,194,900	$26,300,000	4.39%	$27,300,000	3.80%
MIXED DRINK TAX	$119,340,900	$133,500,000	11.86%	$147,400,000	10.41%
BUSINESS TAX	$198,268,600	$202,000,000	1.88%	$215,000,000	6.44%
SEVERANCE TAX	$1,022,000	$1,100,000	7.63%	$1,100,000	0.00%
AMUSEMENT TAX	$288,500	$310,000	7.45%	$300,000	-3.23%
UNAUTHORIZED SUBSTANCE TAX	$100	$0	-100.00%	$0	N/A
TOTAL REVENUE	**$14,482,022,700**	**$14,967,110,000**	**3.35%**	**$15,420,900,000**	**3.03%**

*Sales and Use Tax has been reduced by $118.1 million in FY17-18 and $112.0 million in FY18-19 and FY19-20 for the earmarked portion of the tax.

**Privilege Tax has been reduced by $56.5 million in FY17-18 and $52.0 million in FY18-19 and FY19-20 for the earmarked portion of the tax.

FY18-19: All Funds and GF

REVENUE SOURCE	ALL FUNDS FY18-19	GENERAL FUND FY18-19
SALES AND USE TAX	$9,218,000,000	$8,661,887,000
GASOLINE TAX	$855,000,000	$14,200,000
MOTOR FUEL TAX	$262,000,000	$3,710,000
GASOLINE INSPECTION TAX	$70,300,000	$20,706,000
MOTOR VEHICLE REGISTRATION TAX	$352,000,000	$57,474,000
INCOME TAX	$170,000,000	$111,754,000
PRIVILEGE TAX	$393,000,000	$387,093,000
GROSS RECEIPTS TAX – TVA	$360,300,000	$198,242,000
GROSS RECEIPTS TAX – OTHER	$29,000,000	$23,914,000
BEER TAX	$17,900,000	$11,966,000
ALCOHOLIC BEVERAGE TAX	$71,400,000	$59,065,000
FRANCHISE AND EXCISE TAX	$2,562,000,000	$2,318,400,000
INHERITANCE TAX	$0	$0
TOBACCO TAX	$243,000,000	$243,000,000
MOTOR VEHICLE TITLE FEES	$26,300,000	$23,600,000
MIXED DRINK TAX	$133,500,000	$66,750,000
BUSINESS TAX	$202,000,000	$202,000,000
SEVERANCE TAX	$1,100,000	$300,000
AMUSEMENT TAX	$310,000	$310,000
UNAUTHORIZED SUBSTANCE TAX	$0	$0
TOTAL REVENUE	**$14,967,110,000**	**$12,404,371,000**

FRC Estimates vs. FY17-18 and Current Budgeted Estimates

	ACTUAL FY17-18 ACCRUALS	CURRENT BUDGETED ESTIMATES FOR FY18-19	FRC ESTIMATES FOR FY18-19	INCREASE/ (DECREASE) OVER FY17-18	INCREASE/ (DECREASE) OVER CURRENT BUDGETED ESTIMATES
SALES AND USE*	$8,835,187,100	$9,025,500,000	$9,218,000,000	$382,812,900	$192,500,000
FRANCHISE AND EXCISE	$2,570,771,100	$2,523,900,000	$2,562,000,000	($8,771,100)	$38,100,000
ALL FUNDS	$14,482,022,700	$14,616,300,000	$14,967,110,000	$485,087,300	$350,810,000
GENERAL FUND	$12,023,596,600	$12,124,700,000	$12,404,371,000	$380,774,400	$279,671,000

*Sales and Use tax has been reduced by $118.1 million in FY17-18 and $112.0 million in FY18-19 for the earmarked portion of the tax.

FY19-20: All Funds and GF

REVENUE SOURCE	ALL FUNDS FY19-20	GENERAL FUND FY19-20
SALES AND USE TAX	$9,568,000,000	$8,990,771,000
GASOLINE TAX	$915,000,000	$15,196,000
MOTOR FUEL TAX	$302,000,000	$4,277,000
GASOLINE INSPECTION TAX	$71,500,000	$21,060,000
MOTOR VEHICLE REGISTRATION TAX	$364,000,000	$59,433,000
INCOME TAX	$125,000,000	$82,172,000
PRIVILEGE TAX	$412,000,000	$405,808,000
GROSS RECEIPTS TAX – TVA	$362,100,000	$199,233,000
GROSS RECEIPTS TAX – OTHER	$29,000,000	$23,914,000
BEER TAX	$18,000,000	$12,033,000
ALCOHOLIC BEVERAGE TAX	$74,500,000	$61,630,000
FRANCHISE AND EXCISE TAX	$2,550,000,000	$2,306,400,000
INHERITANCE TAX	$0	$0
TOBACCO TAX	$238,700,000	$238,700,000
MOTOR VEHICLE TITLE FEES	$27,300,000	$24,600,000
MIXED DRINK TAX	$147,400,000	$73,700,000
BUSINESS TAX	$215,000,000	$215,000,000
SEVERANCE TAX	$1,100,000	$300,000
AMUSEMENT TAX	$300,000	$300,000
UNAUTHORIZED SUBSTANCE TAX	$0	$0
TOTAL REVENUE	**$15,420,900,000**	**$12,734,527,000**

Thank You

Fiscal Review Committee Staff

FY 2020 Revenue Model

Preliminary Revenue Assessment

FY 2014-2018 Actual Revenues

FY 2019 Budget

FY 2020 Forecast

City of Franklin, Tennessee - **FY 2020 Budget**
Revenue Model

Outline

- Overview & Assumptions
- All Funds Summary
- General Fund Summary
- Select Category / Fund Breakouts

- General Fund: Local Sales Tax
- General Fund: State Shared Taxes
- General Fund: Property Tax
- Street Aid Fund
- Sanitation Fund
- Road Impact Fund
- Other Development-Related Funds
- Hotel/Motel Tax Fund
- Debt Service
- Water & Sewer Fund

- Summary & Next Steps

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

Overview & Assumptions

- Composite Revenue Model showing all 14 funds for which budgets are annually approved.

- Low, medium and high values presented; medium is recommendation shown.

- Preliminary Revenue Assessment based primarily upon the FY 19-20 composite revenue assessment made by Tennessee State Funding Board (November 2018), historical performance, and economic trends.

- January model is always *prudently conservative* – future forecasts will be refined.

City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

Overview & Assumptions

- *Positively…*
- The national, state and local economy remains quite strong
- Local unemployment (Franklin) remains historically low – 2.6% as of October 2018, while State and National ranks were at 3.7%
- Interest rates have risen from the Fed – a sign of continued confidence in a growing and stable economy
- Wage growth for most earners has started in earnest, though still most among low and high earning individuals

City of Franklin, Tennessee - **FY 2020 Budget**

Revenue Model

Overview & Assumptions

- *But…*

- Stock market volatility is as intense as it has been in quite sometime, making forecasting – especially for investment earnings and pensions very difficult
- Labor market is very tight, leading to increasing shortages in many sectors, especially for skilled labor
- Federal trade policy is of limited impact on the local economy in the short-term, but it is unclear what impacts will be in medium to long-term
- We are in the second longest period of economic expansion in US history – and if it continues to summer it will be the longest
- Not much more capacity for the economy to grow further

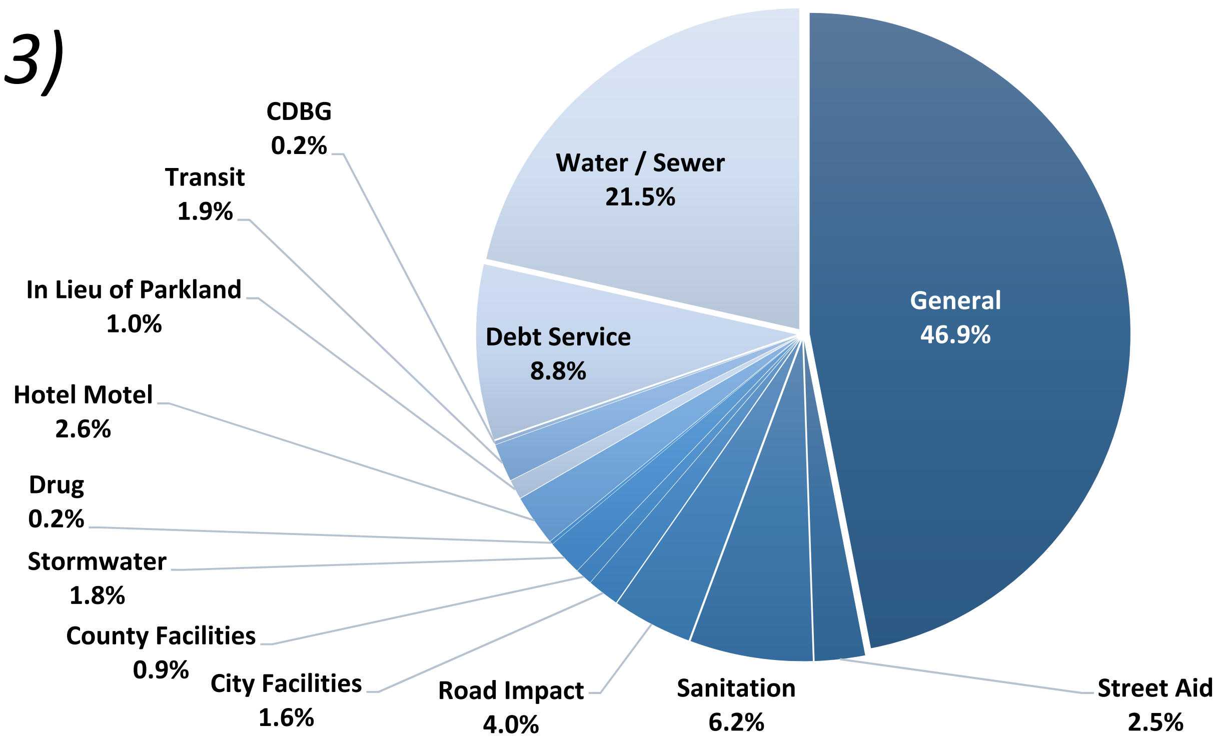
City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

All Funds: *(pg. 3)*

FY 2020:
$152.7 M

FY 2019:
$154.8 M

Decrease:
($2,102,203)
or -1.46%



Largest Fund: General Fund (46.9%)
Smallest Funds: CDBG, Drug Fund (0.2%)

HISTORIC FRANKLIN TENNESSEE

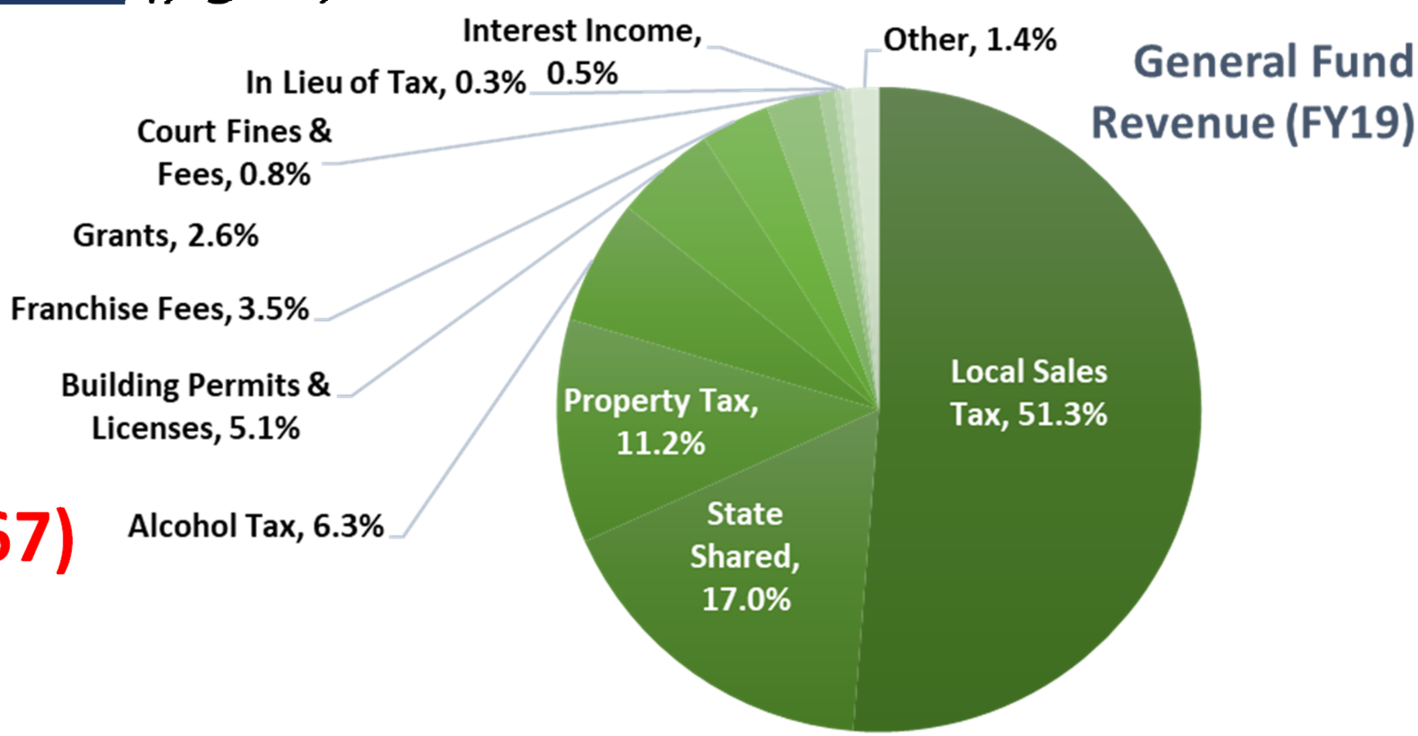
City of Franklin, Tennessee - FY 2020 Budget Revenue Model

General Fund: *(pg. 4)*

FY 2020:
$71.6 M

FY 2019:
$73.7 M

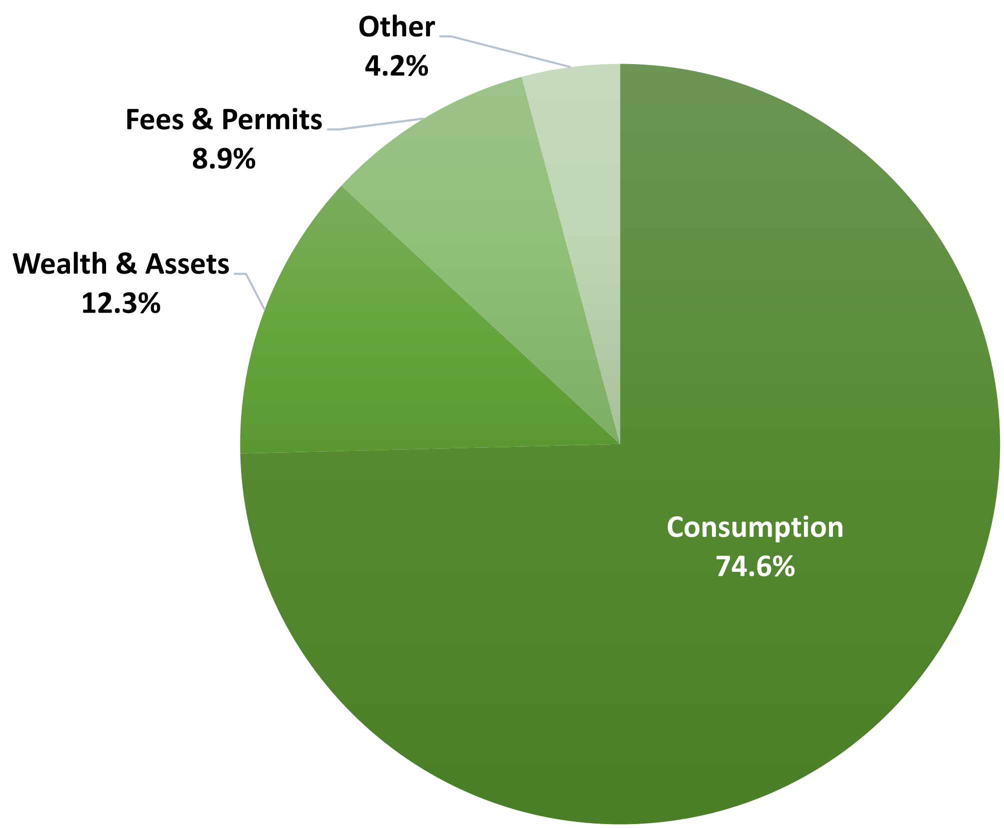
Decrease:
($1,678,467)
or 2.3%



Forecast without one-time use of fund balance for major capital projects: *Increase* of $2,516,709 or 3.7%

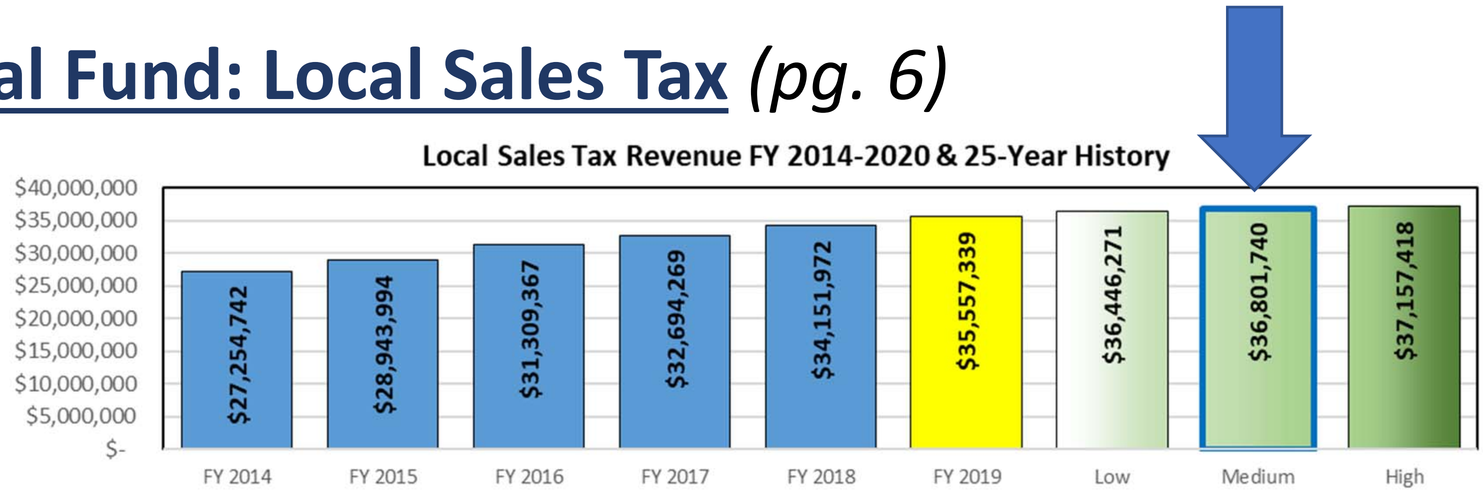
City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

General Fund: Revenue by Source *(pg. 5)*



City of Franklin, Tennessee - **FY 2020 Budget**
Revenue Model

General Fund: Local Sales Tax *(pg. 6)*



FY 2020: $36.8 M FY 2019 Budget: $35.6M

FY 2019 *Estimated*: $35.8 M

Increase Budget to Budget: $1,244,401 (3.5%)

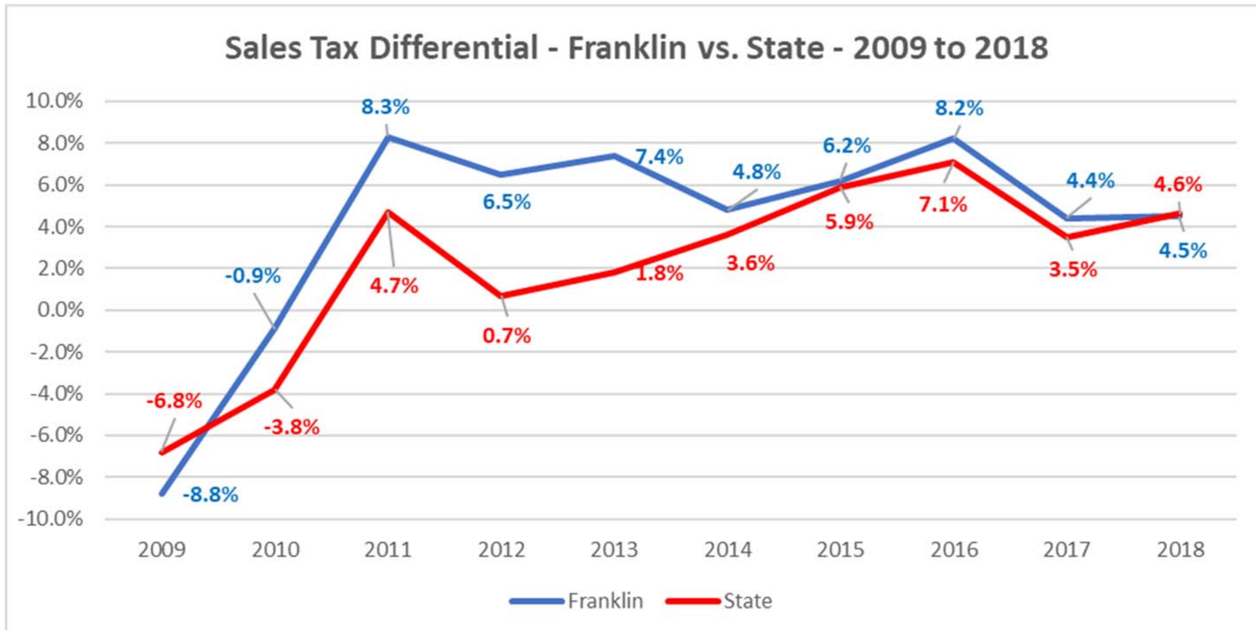
Forecast: Slower rate of growth than years past and state forecast; City forecast for FY 2018 was $660K OVER actual collections

YTD 2019 Collections – Up 6.8% over 2018 (2.1% above budget)

City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

Closer Focus: Local Sales Tax

- Historically, City has averaged about 0.5% higher than state, year in and year out



- Forecast *<u>does not use</u>* that .5% difference between local sales tax growth and state sales tax growth
- State composite estimate is 3.79% for FY 2019

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin, Tennessee - **FY 2020 Budget**

Revenue Model

Closer Focus: Local Sales Tax

- Current Budget in FY 2019: Assumed a 2.4% growth over 2018 Budget, which was a 4.5% growth over FY 2018 actuals

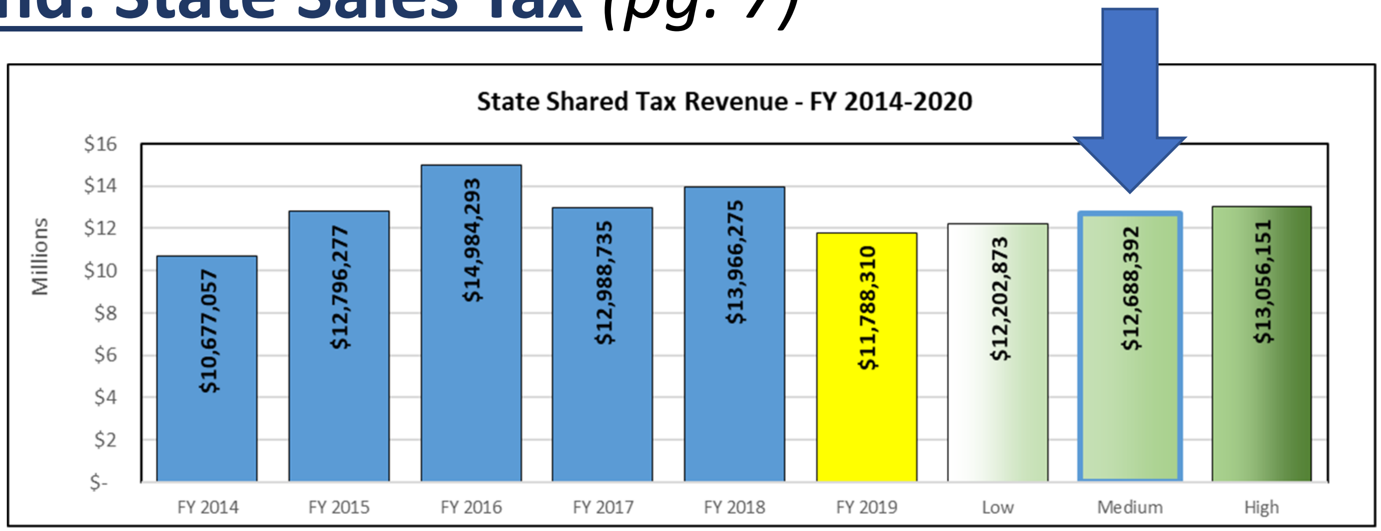
- In reality, current collections for FY 2019 is 6.8% above FY 2018 collections YTD

- As always, *December returns will be key*

- Recommendation is based on a 3.5% increase over the FY 2019 budget estimate. Although collections remain strong, the overestimation in last year's budget and uncertainty warrant conservatism in this vital revenue projection

City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

General Fund: State Sales Tax *(pg. 7)*



FY 2020:
$12.7 M

FY 2019:
$11.8 M

Increase:
$900,082 or 7.6%

Forecast: 3.5% increase over FY 2018 in all but two categories, offset due to the continued reduction in Hall Income Tax receipts, increase in Business Tax.

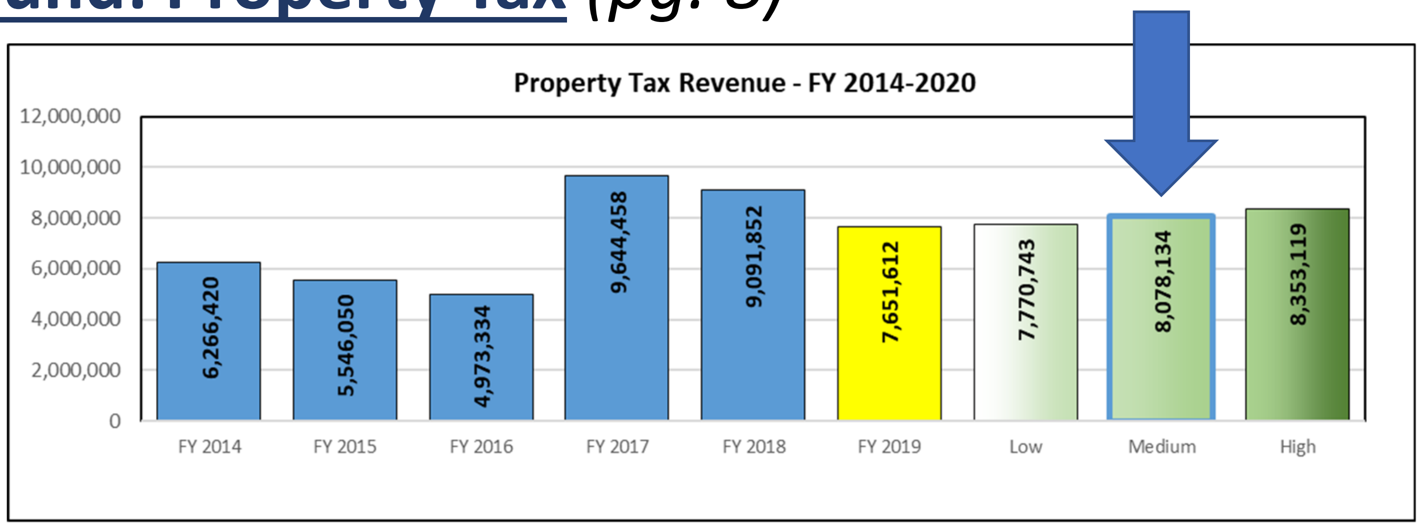
City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

General Fund: Property Tax *(pg. 8)*

FY 2020:
$8.08 M

FY 2019:
$7.65 M

Increase:
$426,521 or 5.5%



Forecast: 2.0% increase over actual tax assessment for FY 2019. Continued growth in community + 2017 tax increase makes 2% increase in collections very obtainable. No increase in the rate is assumed.

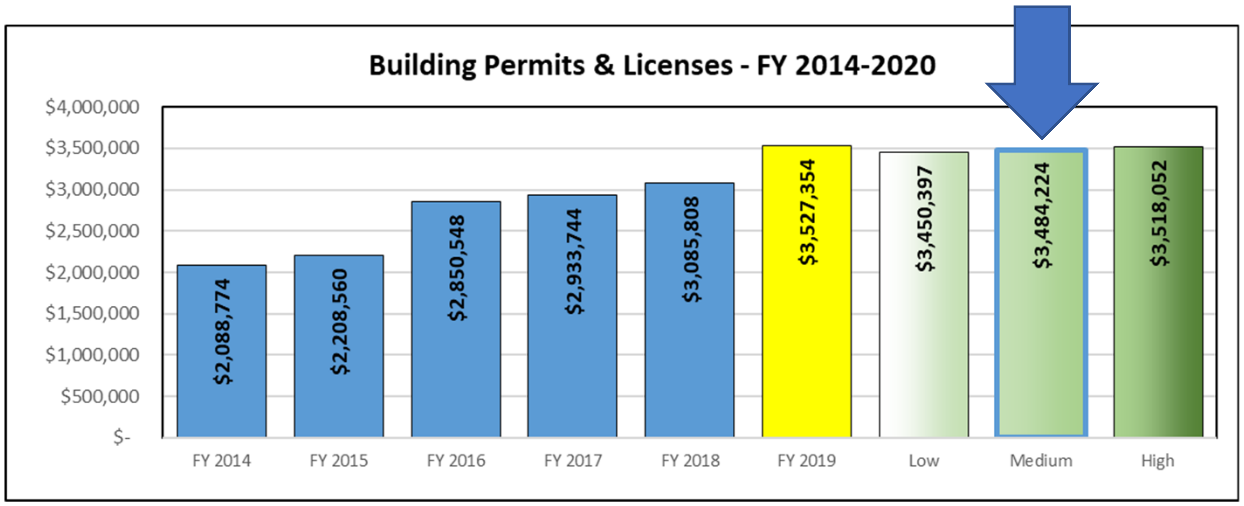
City of Franklin, Tennessee - **FY 2020 Budget**
Revenue Model

General Fund: Building Permits & Licenses *(pg. 10)*

FY 2020:
$3.48 M

FY 2019:
$3.53 M

Decrease:
($43,130) or (1.2%)



Forecast: Decrease caused by correction of where a particular fee is accounted for (Traffic Impact Study Fees). Otherwise, growth in permits & licenses is 3.0% above FY 2019 budget. May be adjusted downward if new building activity slows.

City of Franklin, Tennessee - FY 2020 Budget Revenue Model

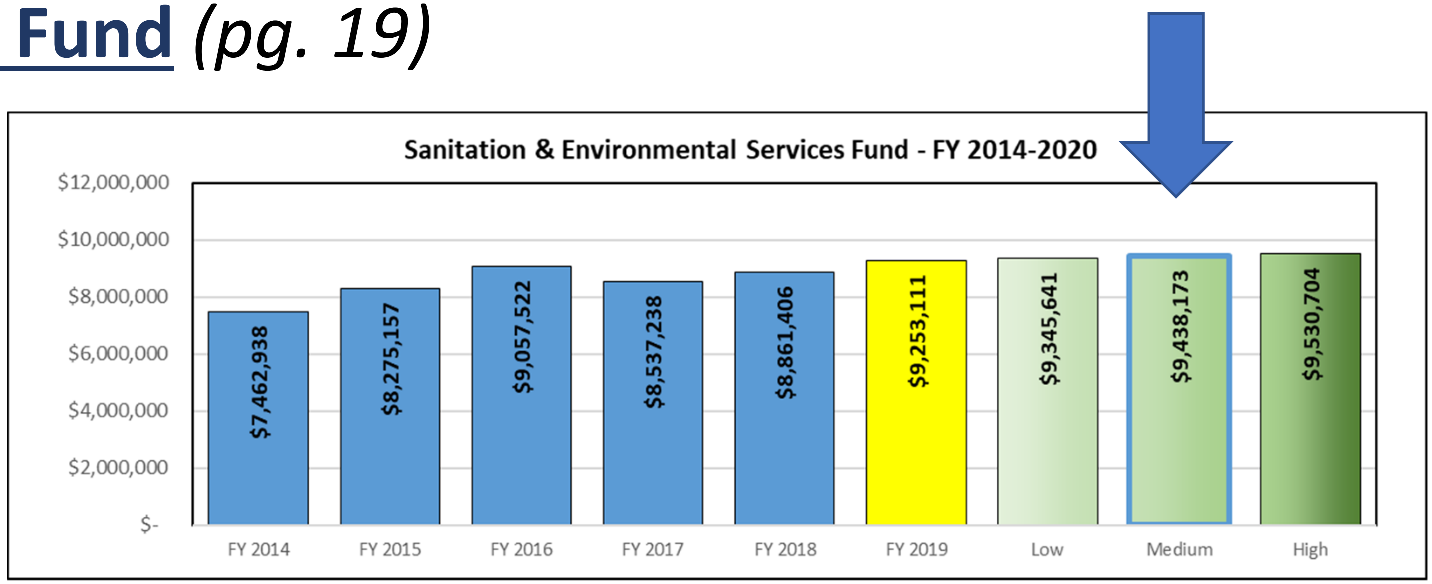
HISTORIC FRANKLIN TENNESSEE

Sanitation Fund *(pg. 19)*

FY 2020:
$9.44 M

FY 2019:
$9.25 M

Increase:
$185,062 or 2%



Forecast: 2% overall over FY 2019 budget due to increase in anticipated residential pickups (new growth). Assumes NO subsidy from General Fund. Will be revised through budget process as SES Fund has a Cost of Service to be presented in Winter 2019.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

Development Related Funds

- Funds include: Road Impact (pg. 20), City Facilities (pg. 21), County Facilities (pg. 22) and In Lieu of Parkland (pg. 26)
- FY 2017 & 2018 actual collections finished at or near historic highs; important to note as funds are forecast to either decline or be level-funded at the FY 2019 budget appropriation at this time.
- Detailed analysis of development projects in the pipeline forthcoming in March; budgets will be revised as well as revenues in April

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee - **FY 2020 Budget**

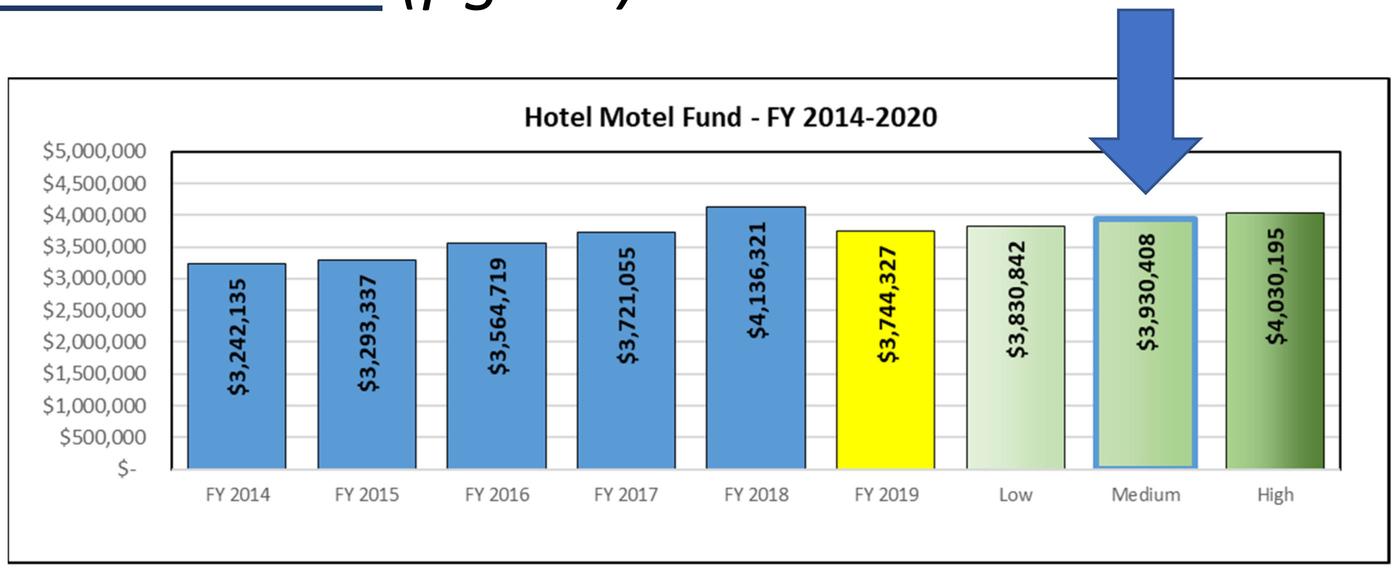
Revenue Model

Hotel/Motel Tax Fund *(pg. 25)*

FY 2020:
$3.93 M

FY 2019:
$3.74 M

Increase:
$186,080



Forecast: Rev/PAR, Occupancy Rates and the Average Daily Rate continue to be strong in Franklin and greater Nashville, despite new hotel rooms coming online. FY 2018 higher than normal as a result of special audit. The FY 2020 Forecast is an increase of 5% over FY 2019 budget.

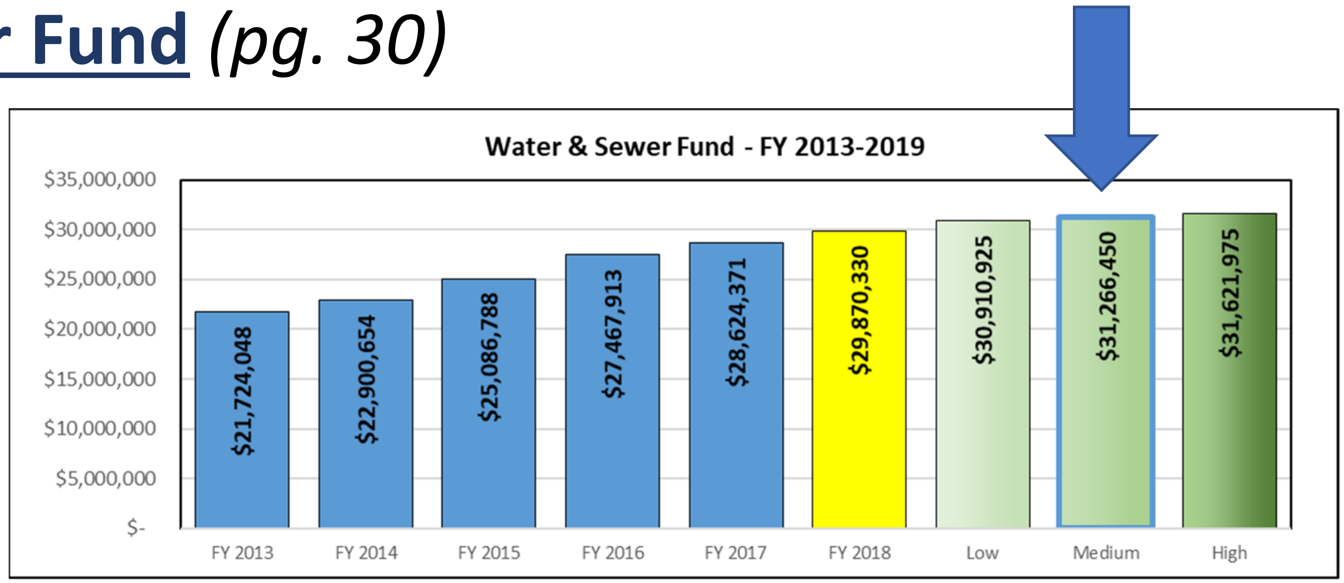
City of Franklin, Tennessee - **FY 2020 Budget**
Revenue Model

Water/Sewer Fund *(pg. 30)*

FY 2020:
$32.80 M

FY 2018:
$31.77 M

Increase*:
$1,028,928 or 3.2% *(operations only)*



Forecast: Rates are approved to increase by 2.9% for Water and 3.5% for Sewer for CY 2019 and again in CY 2020 as per BOMA vote on October 23, 2018. These increases are consistent with the latest five-year rate plan.

City of Franklin, Tennessee - FY 2020 Budget
Revenue Model

Summary and Next Steps

- Initial forecast is lower than FY 2019; conservative approach is necessary due to early date of this forecast and economic factors
- Budget requests are due from all departments by January 18
- Departmental Budget Reviews will start in February and run through April
- Revised revenue projections will accompany budget recommendations in May as well as three-year forecasts

CITY OF FRANKLIN

1ST QUARTER REPORT

FY 2019

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

TABLE OF CONTENTS

Executive Summary

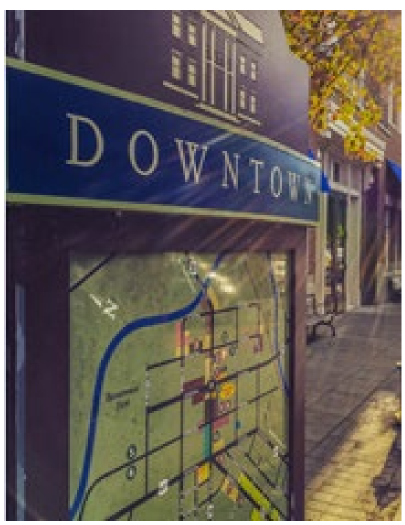
Quarter Ended September 30, 2018

- Consistent with the 1st quarter of prior years, the General Fund shows a current year deficit, as property tax billings do not occur until the 2nd quarter (October 1).
- In July, a general pay increase of 2.5% plus an additional performance-based pay increase up to an additional 2.5% was implemented.
- In the General Fund, local sales taxes are 4.5% higher over last year.
- In the General Fund, higher interest rates are resulting in additional interest income.
- For development fees that are dependent on timing and type of development are being compared to 2018, a year with high collections:
    - building permit revenue is 33% less than 2018.
    - road impact fees are 18% less than last year.
    - facilities taxes are 43% less than last year.
- In the Street Aid Fund, gasoline taxes are 2% higher. Higher amounts were anticipated with the new State Law for fuel tax that started last year.

All Funds Summary

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Change	Fund Summary on Page
General	$49,459,971	$12,533,115	$17,881,066	$44,112,020	($5,347,951)	3
Street Aid	$645,435	$685,370	$1,009,398	$321,407	($324,028)	4
Sanitation & Envir. Services.	$1,160,474	$2,315,925	$2,179,216	$1,297,183	$136,709	5
Road Impact	$11,339,848	$2,723,092	$845,857	$13,217,083	$1,877,235	6
Facilities Tax	$14,410,218	$905,723	$25,160	$15,290,781	$880,563	7
County Facilities Tax	$4,804,517	$218,844	$0	$5,023,361	$218,844	8
Stormwater	$4,171,436	$680,628	$679,711	$4,172,353	$917	9
Drug	$508,522	$42,192	$8,006	$542,708	$34,186	10
Hotel/Motel	$5,722,086	$1,035,408	$608,852	$6,148,642	$426,556	11
In Lieu of Parkland	$6,141,130	$76,645	$0	$6,217,775	$76,645	12
Transit	$817,649	$598,345	$598,346	$817,648	($1)	13
CDBG	$89,691	$46,280	$45,362	$90,609	$918	14
Debt Service	$106,587	$1,369,563	$2,661,047	($1,184,897)	($1,291,484)	15
Capital Projects	$6,212,614	$863,469	$435,367	$6,640,716	$428,102	16
Water & Wastewater Operations	*	$9,099,048	$6,853,302	*	$2,245,746	17
Water & Wastewater Dev. Fees	*	$1,058,377	$458,779	*	$599,598	18

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



General Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Local Sales Tax	$8,593,398	$8,223,993	104.5%	$35,557,339	24.2%
State Shared Taxes	1,721,579	1,935,581	88.9%	11,775,152	14.6%
Property Taxes	14,859	25,436	58.4%	7,670,785	0.2%
Alcohol Taxes	1,068,804	1,097,700	97.4%	4,321,823	24.7%
Grants	7,889	381,940	2.1%	1,829,190	0.4%
Franchise Fees	157,334	161,542	97.4%	2,392,929	6.6%
Building Permits & Fees	610,446	912,006	66.9%	3,382,744	18.0%
Court Fines & Fees	79,560	113,099	70.3%	486,437	16.4%
In Lieu of Tax (Local)	0	0	0.0%	217,979	0.0%
Interest Income	124,866	99,631	125.3%	384,464	32.5%
Other Revenues	154,380	126,434	122.1%	2,531,217	6.1%
Total Revenues	***12,533,115***	***13,077,362***	***95.8%***	***70,550,059***	***17.8%***
Expenditures:					
Salaries & Wages	8,161,908	7,630,232	107.0%	36,069,896	22.6%
Employee Benefits	4,637,206	3,168,869	146.3%	15,195,407	30.5%
Utilities	525,511	500,135	105.1%	2,276,019	23.1%
Contractual Services	1,276,202	895,740	142.5%	4,126,211	30.9%
Repair & Maintenance Services	539,073	627,699	85.9%	2,497,332	21.6%
Debt Service & Lease Payments	141,690	757,835	18.7%	754,419	18.8%
Reimbursement from Other Funds	(816,234)	(701,383)	116.4%	(3,264,935)	25.0%
Transfers To Other Funds	525,466	792,761	66.3%	985,171	53.3%
Capital (>$25,000)	438,262	945,504	46.4%	3,746,000	11.7%
Other Expenditures	2,451,982	2,593,915	94.5%	8,164,539	30.0%
Total Expenditures	***17,881,066***	***17,211,307***	***103.9%***	***70,550,059***	***25.3%***
Total Unallocated Funds	***(5,347,951)***	***(4,133,945)***	***129.4%***	***0***	***0.0%***

FUND SUMMARY

- Consistent with the 1st quarter of prior years, the General Fund shows a current year deficit, as property tax billings do not occur until the 2nd quarter (October 1).
- In July, a general pay increase of 2.5% plus an additional performance-based pay increase up to an additional 2.5% was implemented.
- Local sales taxes are 4.5% higher over last year.
- Higher interest rates are resulting in additional interest income.
- Building permit revenue is 33% less than 2018. (Development fees that are dependent on timing and type of development are being compared to 2018, a year with high collections.)

Street Aid Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$645,435	$502,481	128.4%	$0	0.0%
State Shared Taxes	683,484	669,331	102.1%	2,707,855	25.2%
Property Taxes	0	0	0.0%	1,002,130	0.0%
Interest Income	1,886	403	467.5%	2,000	94.3%
Total Revenues	***1,330,805***	***1,172,215***	***113.5%***	***3,711,985***	***35.9%***
Expenditures:					
Repair & Maintenance Services	1,009,079	1,193,647	84.5%	4,194,000	24.1%
Other Expenditures	319	319	100.0%	600	53.1%
Total Expenditures	***1,009,398***	***1,193,966***	***84.5%***	***4,194,600***	***24.1%***
Total Unallocated Funds	***321,407***	***(21,751)***	***(1,477.7%)***	***(482,615)***	***(66.6%)***

FUND SUMMARY

- In the Street Aid Fund, gasoline taxes are 2% higher. Higher amounts were anticipated with the new State Law for fuel tax that started in 2018.
- Expenditures are for the paving activity in the 1st quarter.

Sanitation Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$1,160,474	$687,099	168.9%	$0	0.0%
Interest Income	2,216	81	2,742.4%	0	0.0%
Sanitation Collection Services	1,556,899	1,407,498	110.6%	6,237,573	25.0%
Tipping Fees	726,620	619,019	117.4%	2,831,540	25.7%
Transfer From General Fund	0	250,000	0.0%	0	0.0%
Other Revenues	30,190	27,988	107.9%	183,998	16.4%
Total Revenues	***3,476,399***	***2,991,685***	***116.2%***	***9,253,111***	***37.6%***
Expenditures:					
Salaries & Wages	511,249	487,077	105.0%	2,283,395	22.4%
Employee Benefits	367,507	336,444	109.2%	1,051,229	35.0%
Utilities	17,552	19,334	90.8%	97,695	18.0%
Contractual Services	8,675	0	0.0%	134,300	6.5%
Repair & Maintenance Services	123,640	151,674	81.5%	719,805	17.2%
Debt Service & Lease Payments	13,818	99,352	13.9%	162,837	8.5%
Transfers To Other Funds	27,325	15,806	172.9%	167,184	16.3%
Capital (>$25,000)	0	0	0.0%	285,000	0.0%
Other Expenditures	1,109,450	966,112	114.8%	4,275,570	25.9%
Total Expenditures	***2,179,216***	***2,075,799***	***105.0%***	***9,177,015***	***23.7%***
Total Unallocated Funds	***1,297,183***	***915,886***	***141.6%***	***76,096***	***1,704.7%***

FUND SUMMARY

- The monthly residential rate increased by $1.50 effective July 2018.
- Collection services revenue is over 10% higher than last year.
- Tipping fee revenue is 17% higher than last year.

Road Impact Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$11,339,848	$5,889,789	192.5%	$0	0.0%
Interest Income	55,298	16,236	340.6%	50,000	110.6%
Road Impact Fees	2,667,794	3,250,993	82.1%	7,984,276	33.4%
Total Revenues	***14,062,940***	***9,157,018***	***153.6%***	***8,034,276***	***175.0%***
Expenditures:					
Contractual Services	259,577	238,005	109.1%	3,000,000	8.7%
Transfers To Other Funds	586,280	2,102,142	27.9%	2,708,651	21.6%
Total Expenditures	***845,857***	***2,340,147***	***36.1%***	***5,708,651***	***14.8%***
Total Unallocated Funds	***13,217,083***	***6,816,871***	***193.9%***	***2,325,625***	***568.3%***

FUND SUMMARY

- Road impact fees are 18% less than last year. (These revenues are dependent on timing and type of development are being compared to 2018, a year with high collections.)
- Higher interest rates are resulting in additional interest income.

Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$14,410,217	$10,441,436	138.0%	$0	0.0%
Interest Income	60,399	33,048	182.8%	18,821	320.9%
Facilities Taxes	845,325	1,487,215	56.8%	2,430,484	34.8%
Total Revenues	***15,315,941***	***11,961,699***	***128.0%***	***2,449,305***	***625.3%***
Expenditures:					
Contractual Services	25,160	90,072	27.9%	0	0.0%
Capital (>$25,000)	0	69,041	0.0%	8,293,792	0.0%
Other Expenditures	0	0	0.0%	278,592	0.0%
Total Expenditures	***25,160***	***159,113***	***15.8%***	***8,572,384***	***0.3%***
Total Unallocated Funds	***15,290,781***	***11,802,586***	***129.6%***	***(6,123,079)***	***(249.7%)***

FUND SUMMARY

- Facilities taxes are 43% less than last year. (These revenues are dependent on timing and type of development and are being compared to 2018, a year of high collections.)
- Higher interest rates are resulting in additional interest income.
- Most of the capital budgeted in 2018 is for fire station 7 construction that has not yet occurred.

County Facilities Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$4,804,518	$3,488,072	137.7%	$0	0.0%
Interest Income	19,782	7,228	273.7%	0	0.0%
Facilities Taxes	199,061	344,891	57.7%	1,250,000	15.9%
Total Revenues	***5,023,361***	***3,840,191***	***130.8%***	***1,250,000***	***401.9%***
Expenditures:					
Total Unallocated Funds	***5,023,361***	***3,840,191***	***130.8%***	***1,250,000***	***401.9%***

FUND SUMMARY

- This fund was created to account for facilities taxes received from the County.
- There are no expenditures currently budgeted for this fund in 2019.

Stormwater Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$4,171,435	$4,687,695	89.0%	$0	0.0%
Building Permits & Fees	46,884	0	0.0%	84,966	55.2%
Interest Income	14,833	8,847	167.7%	9,995	148.4%
Stormwater Fees	610,041	609,686	100.1%	2,546,377	24.0%
Other Revenues	8,871	8,379	105.9%	80,943	11.0%
Total Revenues	***4,852,064***	***5,314,607***	***91.3%***	***2,722,281***	***178.2%***
Expenditures:					
Salaries & Wages	249,819	231,852	107.7%	1,141,535	21.9%
Employee Benefits	153,808	121,166	126.9%	526,995	29.2%
Utilities	5,348	6,663	80.3%	50,775	10.5%
Contractual Services	27,649	18,045	153.2%	168,560	16.4%
Repair & Maintenance Services	33,235	26,306	126.3%	142,851	23.3%
Capital (>$25,000)	42,686	83,256	51.3%	3,506,000	1.2%
Other Expenditures	167,166	126,554	132.1%	551,397	30.3%
Total Expenditures	***679,711***	***613,842***	***110.7%***	***6,088,113***	***11.2%***
Total Unallocated Funds	***4,172,353***	***4,700,765***	***88.8%***	***(3,365,832)***	***(124.0%)***

FUND SUMMARY

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

Drug Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$508,522	$541,205	94.0%	$0	0.0%
Interest Income	2,874	1,789	160.6%	2,176	132.1%
Drug Fines Received	13,579	14,097	96.3%	85,209	15.9%
Other Revenues	25,739	75,161	34.2%	137,201	18.8%
Total Revenues	***550,714***	***632,252***	***87.1%***	***224,586***	***245.2%***
Expenditures:					
Other Expenditures	8,006	42,223	19.0%	72,500	11.0%
Total Expenditures	***8,006***	***42,223***	***19.0%***	***72,500***	***11.0%***
Total Unallocated Funds	***542,708***	***590,029***	***92.0%***	***152,086***	***356.8%***

FUND SUMMARY

- Drug fine collections are almost 4% less than last year. This revenue is dependent on court actions.

Hotel/Motel Tax Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$5,722,086	$3,827,284	149.5%	$0	0.0%
Interest Income	23,513	7,553	311.3%	10,500	223.9%
Hotel/Motel Taxes	1,011,895	1,266,405	79.9%	3,733,827	27.1%
Total Revenues	***6,757,494***	***5,101,242***	***132.5%***	***3,744,327***	***180.5%***
Expenditures:					
Contractual Services	0	17,271	0.0%	25,000	0.0%
Transfers To Other Funds	349,331	355,412	98.3%	1,112,960	31.4%
Capital (>$25,000)	9,475	0	0.0%	439,286	2.2%
Other Expenditures	250,046	250,749	99.7%	979,813	25.5%
Total Expenditures	***608,852***	***623,432***	***97.7%***	***2,557,059***	***23.8%***
Total Unallocated Funds	***6,148,642***	***4,477,810***	***137.3%***	***1,187,268***	***517.9%***

FUND SUMMARY

- Hotel/Motel tax collections are 20% less than last year. (1st quarter 2018 included $185,000 of revenue from the hotel/motel tax audit.)
- 

In Lieu of Parkland Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$6,141,130	$4,584,138	134.0%	$0	0.0%
Interest Income	23,965	12,115	197.8%	10,000	239.6%
In Lieu of Parkland Fees	52,680	0	0.0%	1,430,000	3.7%
Total Revenues	***6,217,775***	***4,596,253***	***135.3%***	***1,440,000***	***431.8%***
Expenditures:					
Total Unallocated Funds	***6,217,775***	***4,596,253***	***135.3%***	***1,440,000***	***431.8%***

FUND SUMMARY

- Over $52,000 of in lieu of funds were collected in the 1st quarter.
- No expenditures are budgeted from this fund in 2019.

Transit Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$817,649	$374,758	218.2%	$0	0.0%
Grants	44,033	24,869	177.1%	1,761,014	2.5%
Interest Income	12,953	3,741	346.3%	0	0.0%
Transit Fares	13,058	20,935	62.4%	132,000	9.9%
Transfer From General Fund	525,466	542,761	96.8%	985,171	53.3%
Other Revenues	2,835	2,400	118.1%	30,700	9.2%
Total Revenues	***1,415,994***	***969,464***	***146.1%***	***2,908,885***	***48.7%***
Expenditures:					
Capital (>$25,000)	0	0	0.0%	400,000	0.0%
Other Expenditures	598,346	587,207	101.9%	2,508,885	23.8%
Total Expenditures	***598,346***	***587,207***	***101.9%***	***2,908,885***	***20.6%***
Total Unallocated Funds	***817,648***	***382,257***	***213.9%***	***0***	***0.0%***

FUND SUMMARY

- Transit has needed 53% of the budgeted operating subsidy in the 1st quarter. Grant revenues are anticipated during the year to stay within the budgeted total transfer.

CDBG Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$89,690	$86,263	104.0%	$0	0.0%
Grants	45,362	41,194	110.1%	255,000	17.8%
Interest Income	919	630	145.8%	306	300.2%
Total Revenues	***135,971***	***128,087***	***106.2%***	***255,306***	***53.3%***
Expenditures:					
Contractual Services	4,410	21,194	20.8%	128,000	3.4%
Repair & Maintenance Services	40,952	20,000	204.8%	120,000	34.1%
Other Expenditures	0	0	0.0%	2,500	0.0%
Total Expenditures	***45,362***	***41,194***	***110.1%***	***250,500***	***18.1%***
Total Unallocated Funds	***90,609***	***86,893***	***104.3%***	***4,806***	***1,885.3%***

FUND SUMMARY

- 18% of budgeted expenditures have been incurred. Grant revenues offset the expenditures incurred.

Debt Service Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$106,587	$90,197	118.2%	$0	0.0%
Property Taxes	0	0	0.0%	8,620,102	0.0%
Interest Income	0	0	0.0%	5,000	0.0%
Rebate on BAB/RZEDB Bonds	406,627	420,836	96.6%	870,720	46.7%
Transfer from Sanitation Fund	27,325	15,806	172.9%	167,184	16.3%
Transfer from Road Impact Fund	586,280	602,142	97.4%	2,708,651	21.6%
Transfer from Hotel/Motel Tax Fund	349,331	355,412	98.3%	1,112,960	31.4%
Transfer from Water & Sewer Fund	0	100,000	0.0%	200,000	0.0%
Total Revenues	***1,476,150***	***1,584,393***	***93.2%***	***13,684,617***	***10.8%***
Expenditures:					
Debt Service & Lease Payments	2,661,047	2,791,670	95.3%	13,764,063	19.3%
Total Expenditures	***2,661,047***	***2,791,670***	***95.3%***	***13,764,063***	***19.3%***
Total Unallocated Funds	***(1,184,897)***	***(1,207,277)***	***98.1%***	***(79,446)***	***1,491.4%***

FUND SUMMARY

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

Capital Projects Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	$6,212,616	$15,508,919	40.1%	$0	0.0%
Grants	840,853	977,460	86.0%	0	0.0%
Interest Income	22,615	64,207	35.2%	0	0.0%
Transfer from Road Impact Fund	0	1,500,000	0.0%	0	0.0%
Total Revenues	***7,076,084***	***18,050,586***	***39.2%***	***0***	***0.0%***
Expenditures:					
Contractual Services	29,370	1,968	1,492.6%	0	0.0%
Repair & Maintenance Services	2,009	314,807	0.6%	0	0.0%
Debt Service & Lease Payments	0	1,250	0.0%	0	0.0%
Capital (>$25,000)	291,517	801,458	36.4%	0	0.0%
Other Expenditures	112,472	2,568,859	4.4%	0	0.0%
Total Expenditures	***435,368***	***3,688,342***	***11.8%***	***0***	***0.0%***
Total Unallocated Funds	***6,640,716***	***14,362,244***	***46.2%***	***0***	***0.0%***

FUND SUMMARY

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

Water/Sewer Operations

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$94,642	$87,302	108.4%	$98,432	96.1%
Customer Service	8,913,397	8,337,681	106.9%	31,643,642	28.2%
Other Revenues	91,009	107,841	84.4%	26,800	339.6%
Total Revenues	***9,099,048***	***8,532,824***	***106.6%***	***31,768,874***	***28.6%***
Expenditures:					
Salaries & Wages	1,030,033	963,706	106.9%	4,906,785	21.0%
Employee Benefits	653,612	576,317	113.4%	2,102,695	31.1%
Utilities	352,029	393,980	89.4%	1,627,962	21.6%
Contractual Services	248,177	521,161	47.6%	1,097,425	22.6%
Repair & Maintenance Services	94,662	164,884	57.4%	394,460	24.0%
Debt Service & Lease Payments	437,468	390,414	112.1%	2,333,281	18.7%
Transfers To Other Funds	0	100,000	0.0%	200,000	0.0%
Capital (>$25,000)	938,973	4,214,272	22.3%	6,727,850	14.0%
Other Expenditures	3,098,348	2,221,260	139.5%	9,338,295	33.2%
Total Expenditures	***6,853,302***	***9,545,994***	***71.8%***	***28,728,753***	***23.9%***
Total Unallocated Funds	***2,245,746***	***(1,013,170)***	***(221.7%)***	***3,040,121***	***73.9%***

FUND SUMMARY

- Customer service revenue is almost 7% higher than last year.

Water/Sewer Development Fees

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	$47,155	$8,540	552.2%	$0	0.0%
Customer Service	14,444	0	0.0%	0	0.0%
Impact Fees	996,778	770,049	129.4%	0	0.0%
Total Revenues	***1,058,377***	***778,589***	***135.9%***	***0***	***0.0%***
Expenditures:					
Debt Service & Lease Payments	341,537	338,315	101.0%	0	0.0%
Capital (>$25,000)	117,242	500,664	23.4%	0	0.0%
Total Expenditures	***458,779***	***838,979***	***54.7%***	***0***	***0.0%***
Total Unallocated Funds	***599,598***	***(60,390)***	***(992.9%)***	***0***	***0.0%***

FUND SUMMARY

- Access fees and system development fees are 29% higher than last year. (These revenues are also dependent on timing and type of development.)

On the Horizon

January

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

February

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

March

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						

Thursday, January 10, 2019	Budget and Finance Committee Meeting. Budget Presentations begin (Budget Calendar and Revenue Preview).
Thursday, February 14, 2019	Budget and Finance Committee Meeting. Budget Presentations continue (Sanitation, Police, Drug Fund, Fire, and Parks).
Thursday, March 21, 2019	Budget and Finance Committee Meeting. Budget Presentations continue (Streets/Traffic/Fleet, Street Aid, Engineering/TOC, Stormwater, Water/Wastewater/Reclaimed, Planning, BNS, and CDBG).

Finance Department

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City of Franklin

Monthly Reports for December 2018 and January 2019

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax

The local sales tax remittance from the State of Tennessee for September 2018 sales (received by the City in November 2018) was $2,933,410 compared to $2,748,694 for the same month in 2017, a monthly year over year increase of $184,716 or 6.7%. In comparison, sales tax collections for the State of Tennessee were up 3.6%.

The local sales tax remittance from the State of Tennessee for October 2018 sales (received by the City in December 2018) was $3,068,712 compared to $2,699,862 for the same month in 2017, a monthly year over year increase of $368,850 or 13.7%. In comparison, sales tax collections for the State of Tennessee were up 9.6%.

The year-to-date increase over last fiscal year is 6.8%.

Schedule 2: Building Permits

2019 year-to-date is less than 2018 by 60.2%, and compared to 2019 budget is less by 58.7%.

Schedule 3: Road Impact Fees *

Combined 2019 year-to-date compared to 2018 is 48.1% less, and compared to 2019 budget is less by 24.7%. By quadrant, Road Impact 2019 year-to-date compared to 2018 is 67.3% less, and compared to 2019 budget is less by 21.5%. Coll Area 1 2019 year-to-date compared to 2019 budget is 27.7% less; Coll Area 2 2019 year-to-date compared to 2019 budget is 158.3% more; Coll Area 3 2019 year-to-date compared to 2019 budget is 41.2% less; Coll Area 4 2019 year-to-date compared to 2019 budget is 99.0% less.

Schedule 4: Facilities Tax (City) *

2019 year-to-date compared to 2018 is 52.4% less, and compared to 2019 budget is more by 10.0%.

Schedule 5: Facilities Tax (County) *

2019 year-to-date compared to 2018 is 36.1% less, and compared to 2019 budget is 50.3% less.

Schedule 6: Gasoline Taxes (State Street Aid Fund)

The gasoline tax remittance from the State of Tennessee for October 2018 sales (received by the City in December 2018) was $220,706 compared to $209,165 for the same month in 2017, an increase of $11,541 or 5.5%.
For budget comparisons, the City anticipated collections of $225,655 for October 2018, a difference of $4,948 less, or 2.2%. The year-to-date increase over last fiscal year is 2.9%.

Schedule 7: Conference Center

The City's ½ share of the profit for October 2018 was $143,486. In October 2017, the City's ½ share of the profit was $76,034.

The City's ½ share of the profit for November 2018 was $63,790. In November 2017, the City's ½ share of the profit was $44,350.

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

City of Franklin

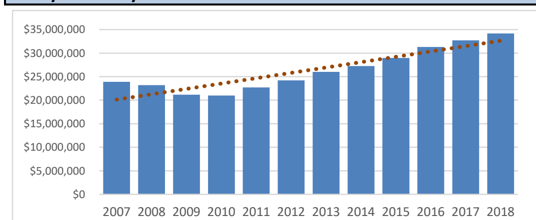
Finance Department - Monthly Reports

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

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

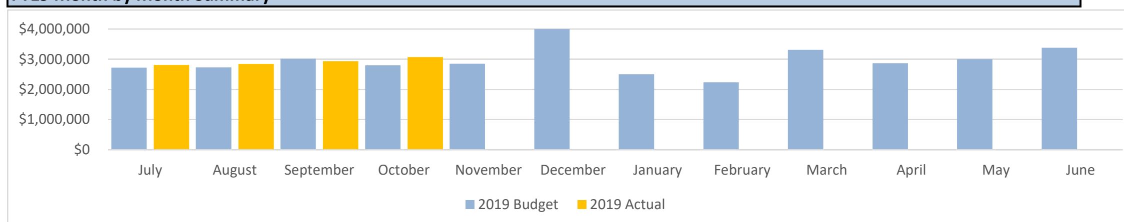
Monthly Report for January 2019: The local sales tax remittance from the State of Tennessee for October 2018 sales (received by the City in December 2018) was $3,068,712 compared to $2,699,862 for the same month in 2017, a monthly year over year increase $368,850, or 13.7%. In comparison, sales tax collections for the State of Tennessee were up 9.6%. December receipts (October sales) are the fourth month of the FY 2019 fiscal year for both the City of Franklin and the State of Tennessee. The additional local option sales tax rate of 0.50%, for a total local rate of 2.75%, became effective April 1, 2018. The City of Franklin has pledged its 2nd half share of this additional tax to School Debt Service for a period of 3 years. For October 2018, the funds foregone by the City and contributed to Schools is $568,736. Total contribution to date to Schools from the City's portion is $3,948,643.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year	Contribution to County School Debt .5% Apr 2018-Mar 2021
2007	$23,885,264	$1,879,561	8.5%	
2008	$23,185,434	($699,830)	-2.9%	
2009	$21,152,554	($2,032,880)	-8.8%	
2010	$20,969,821	($182,733)	-0.9%	
2011	$22,720,666	$1,750,845	8.3%	
2012	$24,197,413	$1,476,747	6.5%	
2013	$25,995,733	$1,798,320	7.4%	
2014	$27,254,742	$1,259,009	4.8%	
2015	$28,943,994	$1,689,252	6.2%	
2016	$31,309,366	$2,365,372	8.2%	
2017	$32,694,268	$1,384,902	4.4%	
2018	$34,151,972	$1,457,704	4.5%	$1,692,308
Average Increase (Decrease)		**$ 1,012,189**	**3.9%**	**$ 1,692,308**

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2018 Budget	% Inc./(Dec.) from 2018 Budget	Contribution to County School Debt .5% Apr 2018-Mar 2021
July	$2,735,435	$2,724,633	$2,811,663	$76,228	2.8%	$87,030	3.2%	$556,794
August	$2,739,864	$2,726,441	$2,848,326	$108,462	4.0%	$121,885	4.5%	$559,579
September	$2,748,694	$3,014,896	$2,933,410	$184,716	6.7%	($81,486)	-2.7%	$571,226
October	$2,699,862	$2,800,288	$3,068,712	$368,850	13.7%	$268,424	9.6%	$568,736
November	$2,934,718	$2,853,971						
December	$3,902,304	$4,141,913						
January	$2,503,594	$2,502,943						
February	$2,315,764	$2,232,457						
March	$2,938,636	$3,310,026						
April	$2,804,120	$2,866,454						
May	$2,864,887	$3,005,021						
June	$2,964,094	$3,378,296						
	$34,151,972	**$35,557,339**	**$11,662,110**	**$184,564**	**6.8%**	**$98,963**	**3.5%**	**$2,256,335**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*	*Total*
				$738,255		**$395,852**		
				Total		*Total*		

City of Franklin

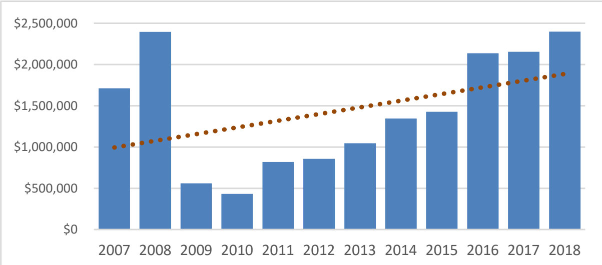
Finance Department - Monthly Reports

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

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

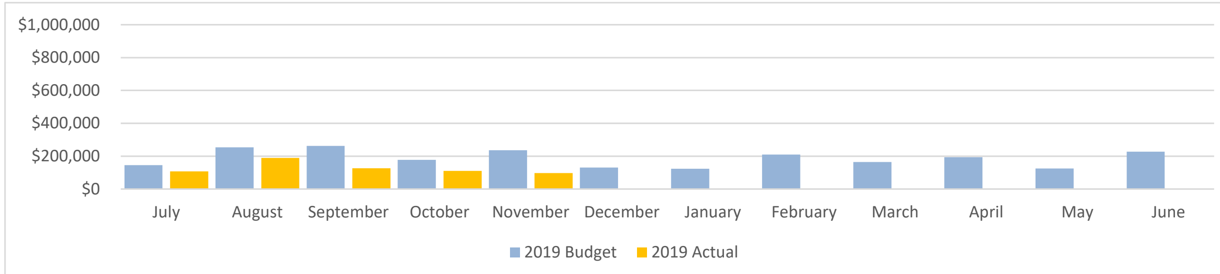
Monthly Report for January 2019: 2019 year-to-date is less than 2018 by 60.2%, and compared to 2019 budget is less by 58.7%.

Yearly Summary



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

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$151,308	$145,855	$107,435	($43,873)	-29.0%	($38,420)	-26.3%
August	$263,053	$253,572	$189,940	($73,113)	-27.8%	($63,632)	-25.1%
September	$272,790	$262,958	$127,084	($145,706)	-53.4%	($135,874)	-51.7%
October	$184,369	$177,724	$110,782	($73,587)	-39.9%	($66,942)	-37.7%
November	$245,485	$236,637	$97,666	($147,819)	-60.2%	($138,971)	-58.7%
December	$135,762	$130,869					
January	$127,933	$123,322					
February	$217,391	$209,556					
March	$170,457	$164,314					
April	$200,312	$193,093					
May	$130,209	$125,516					
June	$240,295	$227,972					
	$2,339,364	**$2,251,388**	**$632,907**	**($96,820)**	**-43.3%**	**($88,768)**	**-41.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($484,098)		**($443,839)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

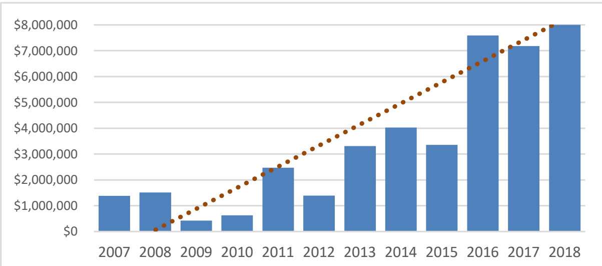
Schedule 3:	Road Impact Fees	Fund	Road Impact	Account:	128-(32800-32804)-00000

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

Monthly Report for January 2019: 2019 year-to-date compared to 2018 is 48.1% less, and compared to 2019 budget is less by 24.7%.

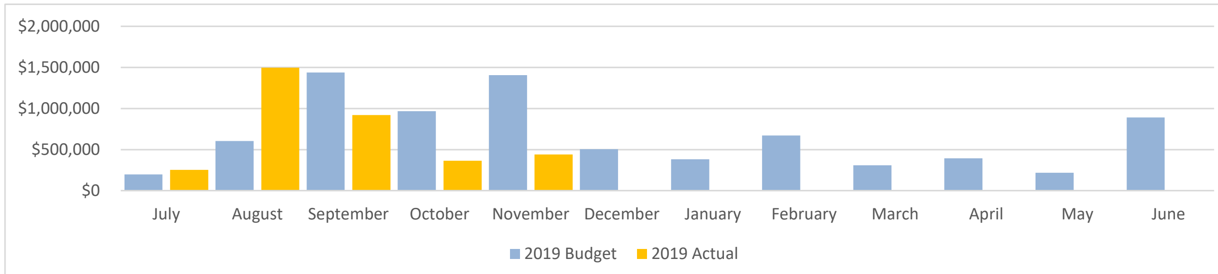
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



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

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$286,769	$197,630	$252,693	($34,076)	-11.9%	$55,063	27.9%
August	$875,735	$603,523	$1,496,451	$620,716	70.9%	$892,928	148.0%
September	$2,088,489	$1,439,305	$918,650	($1,169,839)	-56.0%	($520,655)	-36.2%
October	$1,402,083	$966,261	$365,085	($1,036,998)	-74.0%	($601,176)	-62.2%
November	$2,038,926	$1,405,148	$440,428	($1,598,498)	-78.4%	($964,720)	-68.7%
December	$733,067	$505,201					
January	$554,671	$382,258					
February	$975,568	$672,324					
March	$448,969	$309,412					
April	$571,231	$393,670					
May	$315,984	$217,764					
June	$1,294,008	$891,780					
	$11,585,500 *Total*	**$7,984,276** *Total*	**$3,473,307** *Total*	**($643,739)** *Average* **($3,218,695)** *Total*	**-48.1%** *Average*	**($227,712)** *Average* **($1,138,560)** *Total*	**-24.7%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

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

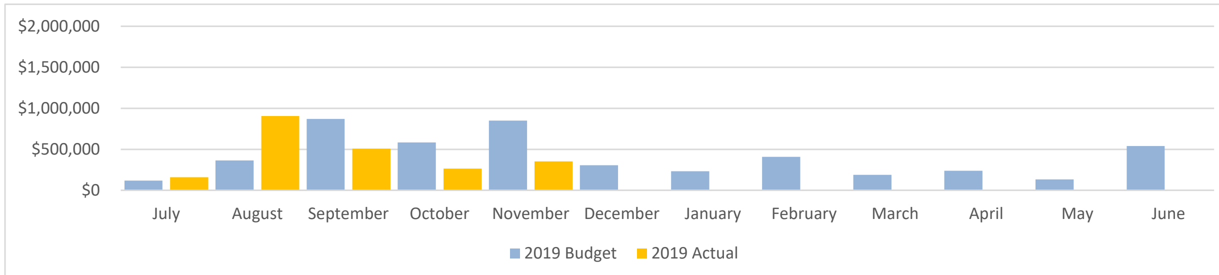
Monthly Report for January 2019: 2019 year-to-date compared to 2018 is 67.3% less, and compared to 2019 budget is less by 21.5%.

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

Yearly Summary

Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007			
2008			
2009			
2010			
2011			
2012	Breakdown between Quadrants began in FY 2019.		
2013			
2014			
2015			
2016			
2017			
2018		$0	
Average Increase (Decrease)	**$ -**		

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$286,769	$119,537	$158,320	($128,449)	-44.8%	$38,783	32.4%
August	$875,735	$365,041	$905,319	$29,584	3.4%	$540,278	148.0%
September	$2,088,489	$870,565	$507,202	($1,581,287)	-75.7%	($363,363)	-41.7%
October	$1,402,083	$584,444	$265,677	($1,136,406)	-81.1%	($318,767)	-54.5%
November	$2,038,926	$849,905	$353,686	($1,685,240)	-82.7%	($496,219)	-58.4%
December	$733,067	$305,571					
January	$554,671	$231,209					
February	$975,568	$406,656					
March	$448,969	$187,148					
April	$571,231	$238,112					
May	$315,984	$131,715					
June	$1,294,008	$539,394					
	$11,585,500	**$4,829,297**	**$2,190,204**	**($900,360)**	**-67.3%**	**($119,858)**	**-21.5%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($4,501,798)		**($599,288)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

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

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

Monthly Report for January 2019: 2019 year-to-date compared to 2019 budget is less by 27.7%.

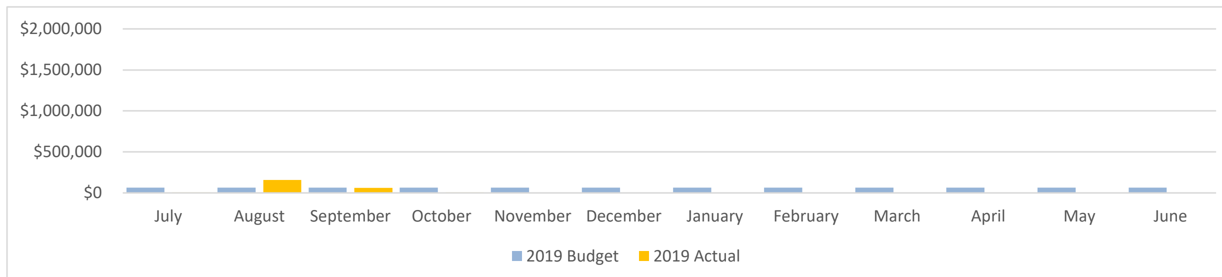
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary

Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	Breakdown between Quadrants began in FY 2019.		
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018		$0	

Average Increase (Decrease) $ -

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$0	$65,729	$6,680	$6,680		($59,049)	-89.8%
August	$0	$65,729	$159,505	$159,505		$93,776	142.7%
September	$0	$65,729	$62,651	$62,651		($3,078)	-4.7%
October	$0	$65,729	$5,352	$5,352		($60,377)	-91.9%
November	$0	$65,729	$3,340	$3,340		($62,389)	-94.9%
December	$0	$65,729					
January	$0	$65,729					
February	$0	$65,729					
March	$0	$65,729					
April	$0	$65,728					
May	$0	$65,728					
June	$0	$65,728					
	$0	**$788,745**	**$237,528**	**$47,506**		**($18,223)**	**-27.7%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$237,528		**($91,117)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

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

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

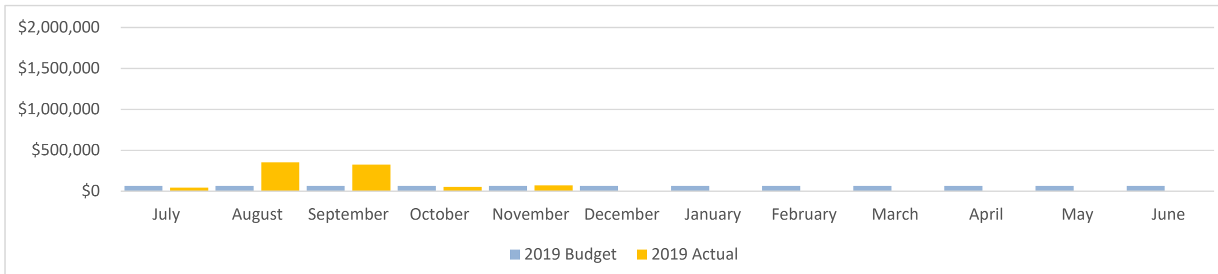
Monthly Report for January 2019: 2019 year-to-date compared to 2019 budget is more by 158.3%.

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

Yearly Summary

Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007			
2008			
2009			
2010			
2011			
2012	Breakdown between Quadrants began in FY 2019.		
2013			
2014			
2015			
2016			
2017			
2018		$0	
Average Increase (Decrease)	$ -		

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$0	$65,729	$44,005	$44,005		($21,724)	-33.1%
August	$0	$65,729	$352,909	$352,909		$287,180	436.9%
September	$0	$65,729	$326,636	$326,636		$260,907	396.9%
October	$0	$65,729	$55,244	$55,244		($10,485)	-16.0%
November	$0	$65,729	$70,042	$70,042		$4,313	6.6%
December	$0	$65,729					
January	$0	$65,729					
February	$0	$65,729					
March	$0	$65,729					
April	$0	$65,728					
May	$0	$65,728					
June	$0	$65,728					
	$0	**$788,745**	**$848,836**	**$169,767**		**$104,038**	**158.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$848,836		**$520,191**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

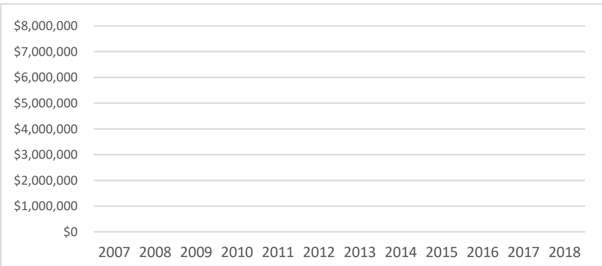
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds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

Coll Area 3 - Area south of New Highway 96W and west of 5th Avenue South adn Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

Monthly Report for January 2019: 2019 year-to-date compared to 2019 budget is less by 41.2%.

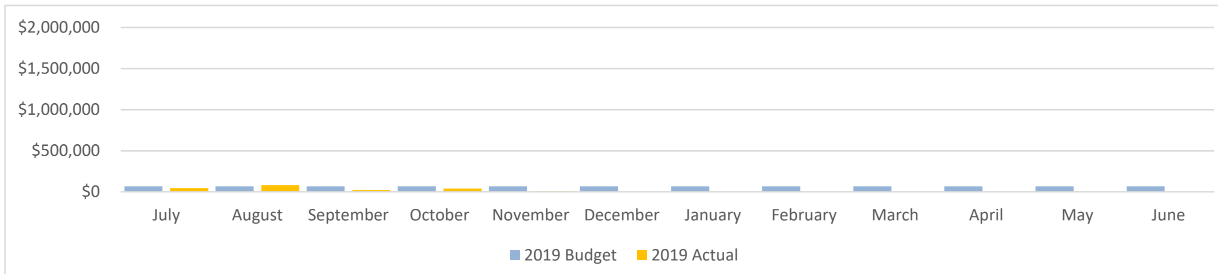
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007	Breakdown between Quadrants began in FY 2019.		
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018		$0	
Average Increase (Decrease)		**$ -**	

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$0	$65,729	$43,688	$43,688		($22,041)	-33.5%
August	$0	$65,729	$78,718	$78,718		$12,989	19.8%
September	$0	$65,729	$22,161	$22,161		($43,568)	-66.3%
October	$0	$65,729	$38,812	$38,812		($26,917)	-41.0%
November	$0	$65,729	$10,020	$10,020		($55,709)	-84.8%
December	$0	$65,729					
January	$0	$65,729					
February	$0	$65,729					
March	$0	$65,729					
April	$0	$65,728					
May	$0	$65,728					
June	$0	$65,728					
	$0	**$788,745**	**$193,399**	**$38,680**		**($27,049)**	**-41.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$193,399		**($135,246)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

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

Coll Area 4 - Area north of New HIghway 96W, 5th Avenue North, Main Street and west of East Main Street and Franklin Road and within the corporate boundaries of the city.

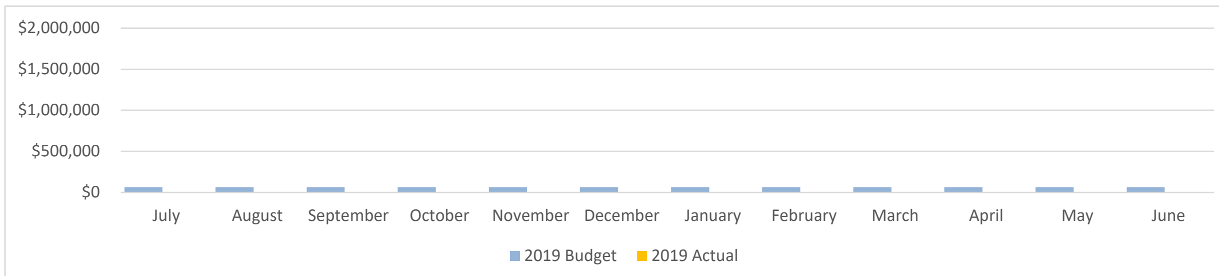
Monthly Report for January 2019: 2019 year-to-date compared to 2019 budget is less by 99.0%.

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

Yearly Summary

Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2007			
2008			
2009			
2010			
2011			
2012	Breakdown between Quadrants began in FY 2019.		
2013			
2014			
2015			
2016			
2017			
2018		$0	
Average Increase (Decrease)	**$ -**		

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$0	$65,729	$0	$0		($65,729)	-100.0%
August	$0	$65,729	$0	$0		($65,729)	-100.0%
September	$0	$65,729	$0	$0		($65,729)	-100.0%
October	$0	$65,729	$0	$0		($65,729)	-100.0%
November	$0	$65,729	$3,340	$3,340		($62,389)	-94.9%
December	$0	$65,729					
January	$0	$65,729					
February	$0	$65,729					
March	$0	$65,729					
April	$0	$65,728					
May	$0	$65,728					
June	$0	$65,728					
	$0	**$788,745**	**$3,340**	**$668**		**($65,061)**	**-99.0%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$3,340		**($325,305)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

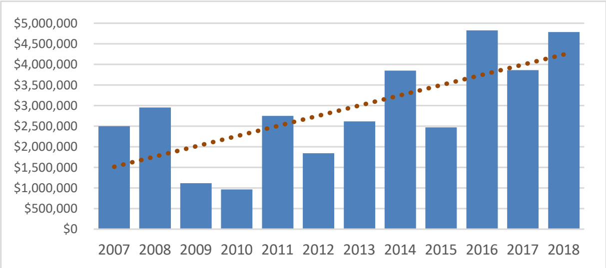
Schedule 4:	Facilities Tax (City)	Fund	Facilities Tax	Account:	130-31600-00000

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

Monthly Report for January 2019: 2019 year-to-date compared to 2018 is 52.4% less, and compared to 2019 budget is more by 10.0%.

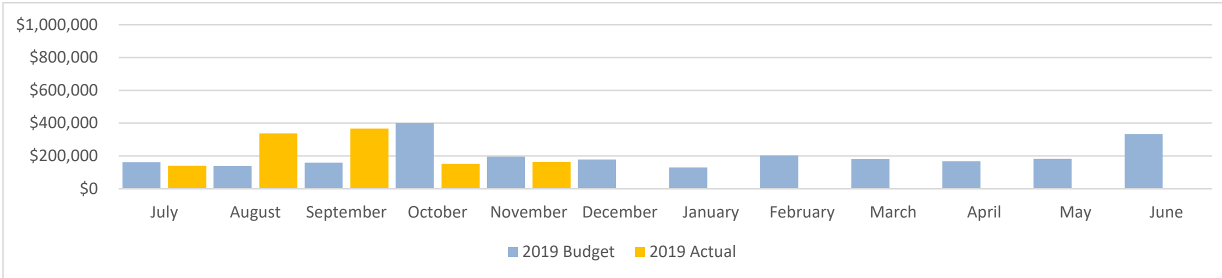
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



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

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$202,536	$161,854	$140,513	($62,023)	-30.6%	($21,341)	-13.2%
August	$649,402	$138,733	$337,384	($312,018)	-48.0%	$198,651	143.2%
September	$635,277	$158,463	$367,428	($267,849)	-42.2%	$208,965	131.9%
October	$437,274	$401,233	$152,305	($284,969)	-65.2%	($248,928)	-62.0%
November	$516,609	$195,071	$163,543	($353,066)	-68.3%	($31,528)	-16.2%
December	$321,669	$177,773					
January	$222,051	$129,410					
February	$470,643	$203,546					
March	$211,194	$180,848					
April	$282,850	$167,370					
May	$163,847	$182,572					
June	$674,690	$333,611					
	$4,788,042	**$2,430,484**	**$1,161,173**	**($255,985)**	**-52.4%**	**$21,164**	**10.0%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($1,279,925)		**$105,819**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

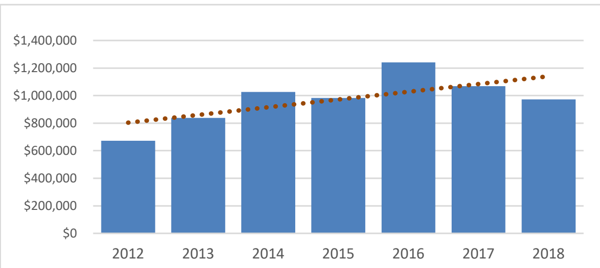
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used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

Monthly Report for January 2019: 2019 year-to-date compared to 2018 is 36.1% less, and compared to 2019 budget is 50.3% less.

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

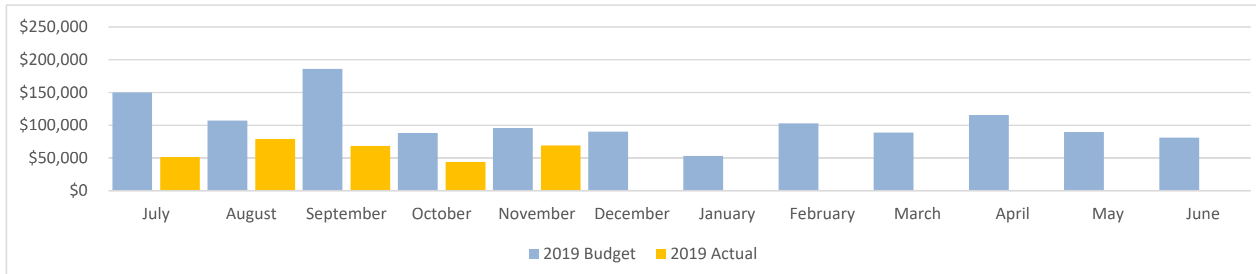
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



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

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2018 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$116,590	$149,964	$51,187	($65,403)	-56.1%	($98,777)	-65.9%
August	$83,476	$107,371	$79,084	($4,392)	-5.3%	($28,287)	-26.3%
September	$144,825	$186,282	$68,790	($76,035)	-52.5%	($117,492)	-63.1%
October	$68,704	$88,371	$43,831	($24,873)	-36.2%	($44,540)	-50.4%
November	$74,568	$95,913	$69,138	($5,430)	-7.3%	($26,775)	-27.9%
December	$70,293	$90,415					
January	$41,526	$53,413					
February	$80,051	$102,966					
March	$69,078	$88,852					
April	$89,893	$115,625					
May	$69,604	$89,528					
June	$63,206	$81,300					
	$971,814	**$1,250,000**	**$312,030**	**($35,227)**	**-36.1%**	**($63,174)**	**-50.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($176,133)		**($315,871)**	
				Total		*Total*	

City of Franklin

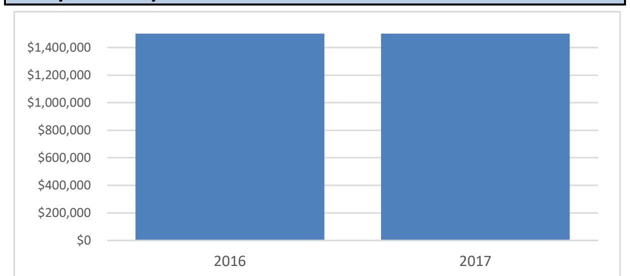
Finance Department - Monthly Reports

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

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

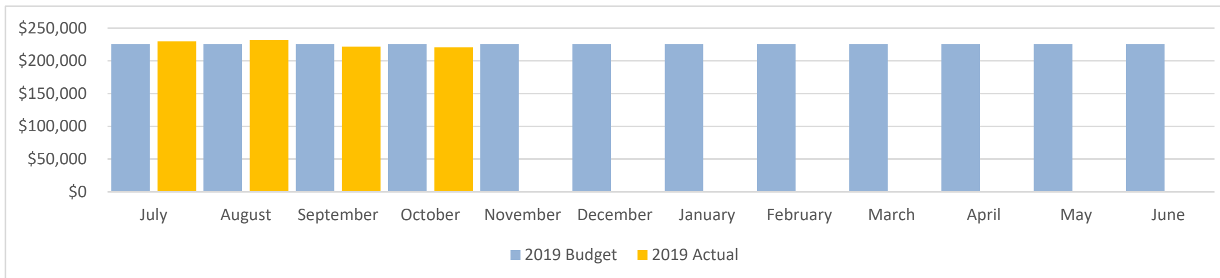
Monthly Report for January 2019: The gasoline tax remittance from the State of Tennessee for October 2018 sales (received by the City in December 2018) was $220,706 compared to $209,165 for the same month in 2017, an increase of $11,541 or 5.5%.
For budget comparisons, the City anticipated collections of $225,655 for October 2018, a difference of $4,948 less, or 2.2%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
	Increase in Gas Tax began July 2017.		
2016	$1,959,796		
2017	$1,971,070	$11,274	0.6%
2018	$2,520,503	$549,433	27.9%

FY19 Month by Month Summary



Month	2018 Actual	2019 Budget	2019 Actual	$ Inc./(Dec.) from 2017 Actual	% Inc./(Dec.) from 2018 Actual	$ Inc./(Dec.) from 2019 Budget	% Inc./(Dec.) from 2019 Budget
July	$214,667	$225,655	$229,765	$15,098	7.0%	$4,110	1.8%
August	$229,773	$225,655	$232,096	$2,323	1.0%	$6,441	2.9%
September	$224,891	$225,655	$221,623	($3,268)	-1.5%	($4,031)	-1.8%
October	$209,165	$225,655	$220,706	$11,541	5.5%	($4,948)	-2.2%
November	$204,013	$225,655					
December	$207,853	$225,655					
January	$183,474	$225,655					
February	$180,219	$225,655					
March	$214,223	$225,655					
April	$210,942	$225,655					
May	$226,246	$225,655					
June	$215,037	$225,655					
	$2,520,503	**$2,707,855**	**$904,190**	**$6,424**	**2.9%**	**$393**	**0.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*

November 14, 2018

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

Dear Ms. Tallent:

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

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

COOL SPRINGS CONFERENCE CENTER
October, 2018

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENE	371,960	225,720	236,773	536,674	434,880	386,468
HOUSE PROFIT	354,423	208,176	219,747	466,526	361,974	318,364
Less: FIXED EXPENSES	15,385	20,269	28,855	46,258	81,076	86,218
NET INCOME	339,039	187,907	190,892	420,268	280,898	232,146
Less: FF&E RESERVE 5%	52,068	39,927	38,823	143,484	131,700	118,273
NET CASH FLOW	286,971	147,980	152,069	276,784	149,198	113,873

TOTAL CURRENT BALANCE DUE TO OWNERS	$286,971
TOTAL DUE TO/(FROM) CITY OF FRANKLIN	$143,486
TOTAL DUE TO/(FROM) WILLIAMSON COUNTY	$143,486

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 Le
Regional Controller

Michael Bennett
General Manager

MARRIOTT

12/17/18

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

Dear Kristine

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

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

COOL SPRINGS CONFERENCE CENTER
November, 2018

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENUE	751,123	677,407	684,854	3,620,805	3,311,386	3,050,318
HOUSE PROFIT	231,952	167,394	193,300	877,588	758,637	720,101
Less: FIXED EXPENSES	66,791	72,753	70,358	292,159	380,284	365,013
NET INCOME	165,161	94,641	122,942	585,429	378,353	355,088
Less: FF&E RESERVE 5%	37,581	33,870	34,243	181,065	165,569	152,516
NET CASH FLOW	127,580	60,771	88,699	404,364	212,784	202,572

TOTAL CURRENT BALANCE DUE TO OWNERS	127,580.00
TOTAL DUE TO CITY OF FRANKLIN	63,790.00
TOTAL DUE TO WILLIAMSON COUNTY	63,790.00

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

Sincerely,

Randy Hansen
Area Controller

Michael Sanders
Regional Manager

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

MARRIOTT

1/9/19

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

Dear Kristine,

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

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

COOL SPRINGS CONFERENCE CENTER
October, 2018

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENUE	1,041,368	798,519	776,464	2,869,682	2,633,979	2,365,464
HOUSE PROFIT	403,784	269,696	277,515	645,637	591,243	526,801
Less: FIXED EXPENSES	64,745	81,795	86,623	225,369	307,531	294,655
NET INCOME	339,039	187,901	190,892	420,268	283,712	232,146
Less: FF&E RESERVE 5%	52,068	39,926	38,823	143,484	131,699	118,273
NET CASH FLOW	286,971	147,975	152,069	276,784	152,013	113,873

TOTAL CURRENT BALANCE DUE TO OWNERS	286,971
TOTAL DUE TO CITY OF FRANKLIN	143,486
TOTAL DUE TO WILLIAMSON COUNTY	143,486

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

Sincerely,

Randy Hansen
Area Controller

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