City of Franklin

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

Meeting Agenda

Budget & Finance Committee

Thursday, January 9, 2025	3:00 PM	Board Room

CALL TO ORDER

SETTING OF THE AGENDA

1. Consideration Of Changes In Agenda And Setting The Agenda
   i. Discussion Of Removal Of Items From Consent/Changes Not Requiring A Vote
   ii. Proposed Changes To The Agenda
   iii. Approval Of Agenda As Submitted Or Changed

CITIZEN COMMENTS (Open for citizens to be heard on any issue or concern, including those related to items on the agenda. Please submit a Speaker Card at the beginning of the meeting if you would like to address the Board/Commission. If you would like to speak on an agenda item, the Chair will hold your comment until the public comment period associated with the item. As provided by law, Boards/Commissions shall make no decisions or consideration of action of citizen comments for items not on the agenda, except to refer the matter to the City Administrator/Staff for administrative consideration, or to a schedule the matter for consideration at a later date. Those addressing the Board/Commission are requested to come to the microphone and identify themselves by name and address for the official record. The Chair may restrict the period for public comment, including the length of the public comment period, the number of individuals who can speak and the length of time each individual may speak. When time allows, the standard individual public comment time is two minutes.)

Comments on agenda items may be made in person at City Hall or by emailing recorder@franklintn.gov before noon on the day of the meeting. Comments will be submitted for the record.

APPROVAL OF MINUTES

2. Consideration Of Approval Of Minutes
   December 5, 2024 Budget & Finance Committee

NEW BUSINESS

3. Consideration Of Resolution 2024-116, A Resolution Authorizing The City Of Franklin, Tennessee To Issue Its General Obligation Bonds In The Aggregate Principal Amount Of Not To Exceed $48,000,000

   Sponsors: Kristine Brock, Margaret Wilson, Michael Walters Young

4. Consideration Of Resolution 2024-117, A Resolution Authorizing The Issuance Of Not To Exceed $48,000,000 In Aggregate Principal Amount Of General Obligation Bonds Of The City Of Franklin, Tennessee; Making Provision For The Issuance, Sale And Payment Of Said Bonds; Establishing The Terms Thereof And The Disposition Of Proceeds Therefrom; And Providing For The Levy Of Taxes For

The Payment Of Principal Of, Premium, If Any, And Interest On The Bonds

Sponsors: Kristine Brock, Margaret Wilson, Michael Walters Young

5. Budget Presentation - FY 2026 Budget Introduction & City Of Franklin Revenue Estimates & Model For Fiscal Year 2025-2026

Sponsors: Michael Walters Young, Dillon Gaster

6. Budget Presentation - Debt Service Fund

Sponsors: Kristine Brock, Michael Walters Young

7. Budget Presentation - Hotel/Motel Fund

Sponsors: Michael Walters Young

8. Budget Presentation - Development Funds (City Facilities, County Facilities, Road Impact, Parkland Dedication)

Sponsors: Michael Walters Young

9. Financial Report For 1st Quarter Of FY 2025

Sponsors: Margaret Wilson

10. Monthly Reports For January 2025

Sponsors: Margaret Wilson

OTHER BUSINESS

ADJOURN

Anyone needing accommodations due to disabilities please contact the ADA Coordinator at 615-791-3277 at least 24 hours prior to the meeting.

109 3rd Ave S
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City of Franklin

Meeting Minutes

Budget & Finance Committee

Thursday, December 5, 2024 | **3:00 PM** | **Board Room**

CALL TO ORDER

Chair Clyde Barnhill called the meeting to order at 03:00 PM

Board Members Present: Patrick Baggett, Clyde Barnhill, Ann Petersen, Jason Potts

Board Members Absent: None

Staff Present: Eric Stuckey, Kristine Brock, Angie Skarp

SETTING OF THE AGENDA

1. **Consideration Of Changes In Agenda And Setting The Agenda**
   i. Discussion Of Removal Of Items From Consent/Changes Not Requiring A Vote
   ii. Proposed Changes To The Agenda
   iii. Approval Of Agenda As Submitted Or Changed

   Sponsors:

   A motion was made by Alderman Jason Potts, seconded by Alderman Ann Petersen to Approve Agenda as Submitted. The motion Passed 4-0.

CITIZEN COMMENTS (Open for citizens to be heard on any issue or concern, including those related to items on the agenda. Please submit a Speaker Card at the beginning of the meeting if you would like to address the Board/Commission. If you would like to speak on an agenda item, the Chair will hold your comment until the public comment period associated with the item. As provided by law, Boards/Commissions shall make no decisions or consideration of action of citizen comments for items not on the agenda, except to refer the matter to the City Administrator/Staff for administrative consideration, or to a schedule the matter for consideration at a later date. Those addressing the Board/Commission are requested to come to the microphone and identify themselves by name and address for the official record. The Chair may restrict the period for public comment, including the length of the public comment period, the number of individuals who can speak and the length of time each individual may speak. When time allows, the standard individual public comment time is two minutes.)

Comments on agenda items may be made in person at City Hall or by emailing recorder@franklintn.gov before noon on the day of the meeting. Comments will be submitted for the record.

APPROVAL OF MINUTES

2. **Consideration Of Approval Of Minutes**
   October 10, 2024 Budget & Finance Committee Meeting

   Sponsors:

   A motion was made by Alderman Ann Petersen, seconded by Alderman Jason Potts to Approve the Minutes. The motion Passed 4-0.

NEW BUSINESS

3. **Election Of Chair And Vice Chair, Effective 2025**

Sponsors:

A motion was made by Alderman Ann Petersen, seconded by Alderman Patrick Baggett to Nominate Clyde Barnhill As Chair. The motion Passed 4-0.
A motion was made by Alderman Jason Potts, seconded by Alderman Patrick Baggett to Nominate Ann Petersen As Vice Chair. The motion Passed 4-0.

4. **Report Of The City's External Auditor, Crosslin, PLLC, And Presentation Of The Fiscal Year 2024 Annual Comprehensive Financial Report**

Sponsors: Kristine Brock, Mike Lowe, Margaret Wilson

The item was acknowledged.

5. **Report Of The City's External Auditor, Crosslin, PLLC, And Presentation Of The Fiscal Year 2024 Annual Comprehensive Financial Report For Cool Springs Conference Center**

Sponsors: Kristine Brock, Mike Lowe, Margaret Wilson

The item was acknowledged.

6. **Consideration Of Ordinance 2024-48, An Ordinance To Amend The Budget Of The City Of Franklin For Fiscal Year 2024-2025**

Sponsors: Eric Stuckey, Michael Walters Young

A motion was made by Alderman Patrick Baggett, seconded by Alderman Jason Potts to Recommend Approval to the Board of Mayor and Aldermen. The motion Passed 4-0.

7. **Consideration Of Resolution 2024-108, A Resolution Of The Board Of Mayor And Aldermen For The City Of Franklin Adopting Budget Goals For The Fiscal Year 2025-2026**

Sponsors: Eric Stuckey, Michael Walters Young

Alderman Patrick Baggett left the meeting at 4:00 pm.
A motion was made by Alderman Jason Potts, seconded by Alderman Ann Petersen to Recommend Approval to the Board of Mayor and Aldermen. The motion Passed 3-0.

8. **Monthly Reports For November 2024**

Sponsors: Mike Lowe, Margaret Wilson

The item was acknowledged.

OTHER BUSINESS

ADJOURN

A motion was made by Alderman Jason Potts, seconded by Alderman Ann Petersen to Adjourn the Meeting. The motion Passed 4-0.
Meeting Adjourned @ 4:24 PM

Clyde Barnhill, Chair

DRAFT Minutes Prepared by Cayce Anderson, Deputy City Recorder, City Administrator's Office - 12/6/24, 10:20 AM

City of Franklin

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

File #: 21-01392

DATE: December 20, 2024

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Margaret Wilson, Comptroller
Michael Walters Young, Chief Budget & Performance Officer

SUBJECT:
Consideration Of Resolution 2024-116, A Resolution Authorizing The City Of Franklin, Tennessee To Issue Its General Obligation Bonds In The Aggregate Principal Amount Of Not To Exceed $48,000,000

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution 2024-116 authorizing the City to issue General Obligation Bonds in the aggregate principal amount not to exceed $48,000,000.

BACKGROUND/STAFF COMMENTS:
From time to time, the City of Franklin issues fixed rate, long term General Obligation ("GO") Bonds to finance general city capital projects, such as road and park construction, acquisition of city facilities and acquisition of replacement fire apparatus. The debt is repaid from property taxes levied by the Board of Mayor and Aldermen. Both Moody's Investors Service and Standard & Poor's rating agencies have previously assigned the City of Franklin GO Bonds the highest possible rating of Aaa and AAA, respectively.

The most recent City of Franklin GO Bond issued for new capital projects closed on May 16, 2019, in the amount of $29,585,000. As of June 30, 2024, the City has total GO Bonds outstanding in the amount of $99,465,000 with final maturity of 3/1/2039. In FY 2025, the City is due to pay interest expense of $4,305,602 and principal repayment of $10,780,000. All City GO Bonds carry a fixed interest rate and debt service amounts due through FY 2039 are known.

FINANCIAL IMPACT:
The proposed Series 2025 Bonds will fund a project amount of $47,494,874 in the categories listed below:

- Southeast Park Project (Construction)- $30,000,000
- Major Road Resurfacing- $9,165,289
- McEwen Phase IV Road Project- $5,000,000
- Replacement of Fire Apparatus- $3,329,585

Based on market conditions as of December 19, 2024, the estimated average annual debt service for the Series 2025 issuance is $3,378,958 with final maturity of 3/1/2045. The debt service structure is best described as front-loaded, with principal associated with Major Road Resurfacing amortized over 10 years, Fire Apparatus Replacement as 15 years and Parks/Road Construction as 20 years. Estimated annual debt service from FY 2026-2035 is $4.0 million, declining to $2.9 million and finally to $2.6 million in the last years before maturity.

Approval of Resolutions 2024-116 and 2024-117 are required for issuance of the Series 2025 GO Bonds for new capital projects. The Series 2025 will be sold by competitive sale to the underwriting firm with the lowest interest rate bid for the full issue. It is anticipated that the transaction will close late March 2025.

The first interest payment for the Series 2025 will be due 9/1/2025 with first principal payment on 3/1/2026. Funding for the FY 2026 debt service will be incorporated into the City Administrator's Proposed FY 2026 Budget to be presented on 5/8/2025.

RECOMMENDATION:

Staff recommends that Resolution 2024-116 be recommended for approval by the Board of Mayor and Aldermen.

RESOLUTION 2024-116

INITIAL RESOLUTION AUTHORIZING THE CITY OF FRANKLIN, TENNESSEE TO ISSUE ITS GENERAL OBLIGATION BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $48,000,000

WHEREAS, the Board of Mayor and Aldermen (the "Board") of the City of Franklin, Tennessee (the "Municipality") desires to authorize not to exceed $48,000,000 to finance the general improvement projects described below.

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

Section 1. BE IT RESOLVED by the Board that for the purpose of financing the (i) acquisition, construction, improvement, repair, renovation, maintenance and/or equipping of (a) parks and recreational facilities, (b) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, related facilities, lighting and drainage improvements, and (c) public safety equipment and vehicles, including but not limited to fire apparatus; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund of the Municipality for prior expenditures for the Projects: and (v) payment of costs incident to the issuance and sale of the indebtedness described herein, the Municipality shall borrow money and incur indebtedness through the issuance of general obligation bonds in the aggregate principal amount of not to exceed $48,000,000, which shall bear interest at a rate or rates not to exceed the maximum rate permitted by applicable law and which shall be payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality.

Section 2. BE IT FURTHER RESOLVED by the Board that the City Recorder of the Municipality be, and is, hereby directed and instructed to cause the foregoing initial resolution relative to the issuance of general obligation bonds in the amount not to exceed $48,000,000 to be published in full in a newspaper having a general circulation in the Municipality, for one issue of said paper followed by the statutory notice, to-wit:

N O T I C E

The foregoing resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition signed by at least ten percent (10%) of the registered voters of the Municipality shall have been filed with the City Recorder of the Municipality protesting the issuance of the general obligation bonds, such bonds will be issued as proposed.

City Recorder

IT IS SO RESOLVED AND DONE on this ____ day of _______________, 20__.

ATTEST:

By:______________________________
Angie Skarp
City Recorder

CITY OF FRANKLIN, TENNESSEE:

By:____________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________
Shauna R. Billingsley
City Attorney

City of Franklin, TN

Proposed General Obligation Bonds, Series 2025
Information Session on January 9, 2025

Presented by:

BASS BERRY SIMS PLC & pfm

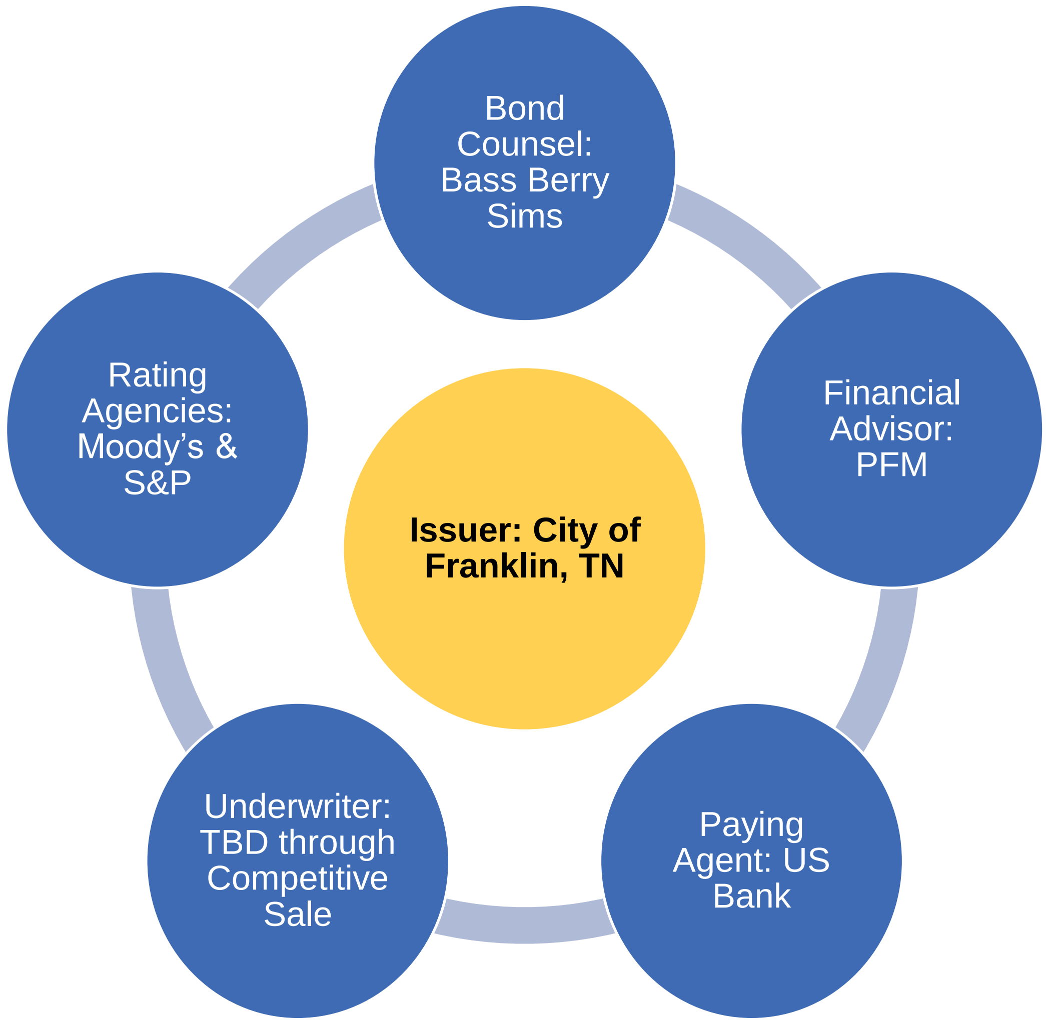
Proposed General Obligation Bonds, Series 2025 – City Projects

	Amount	Notes
Fire Apparatus	$3,329,585	3 Apparatus + Est Equipment
Major Road Resurfacing	$9,165,289	3 paving seasons- 2023-2025 (reimbursement amount TBD)
Southeast Park Project	$30,000,000	First Traunch of Bond Proceeds for this project. Construction contract awarded to Reeves Young on 12/10/2024.
McEwen Phase IV Road Project	$5,000,000	$30 million of federal/state grants in this project. $5 million of bond proceeds to be used for utility relocation and related costs early in the construction. Construction contract awarded to Vulcan on 12/10/2024.
Total	$47,494,874	

Bond Sale Process

Competitive Bond Sale Process	
Obtain Necessary Approvals	Initial and Authorizing Resolutions presented to the Board of Mayor and Alderman, Initial Resolution published in newspaper
Bond Structuring	Financing Team evaluates market conditions, interest rates, terms, call features, etc.
Seek Credit Ratings	2-3 week process to coordinate with rating analysts; including conference calls
Offering Documents Distribution (Preliminary Official Statement & Notice of Sale)	Documents describing the bond structure, credit, and city as well as the terms of the competitive bond sale to the underwriting and investor community
Bond Marketing to Underwriters/Investors	Approximately 1 week - Potential underwriters market the bonds to potential investors
Bond Pricing	Receive competitive bids for the bonds from underwriters. Bid with lowest true interest cost wins.
Finalize Offering Document (Official Statement)	Finalize & Post Offering Document (Official Statement) within seven (7) business days of Bond Pricing
Closing	Funds received and bonds issued

Bond Sale Team Members



Security / Source of Repayment

- General Obligation Bonds are secured and payable from the following:
  - Full Faith and Credit Pledge
  - All Legally Available Revenues
  - Taxing Power
  - Should a governing body fail to appropriate annual interest and principal, the obligation remains due, and the bondholders have a legal right to such funds and may take legal action to obtain timely payment.

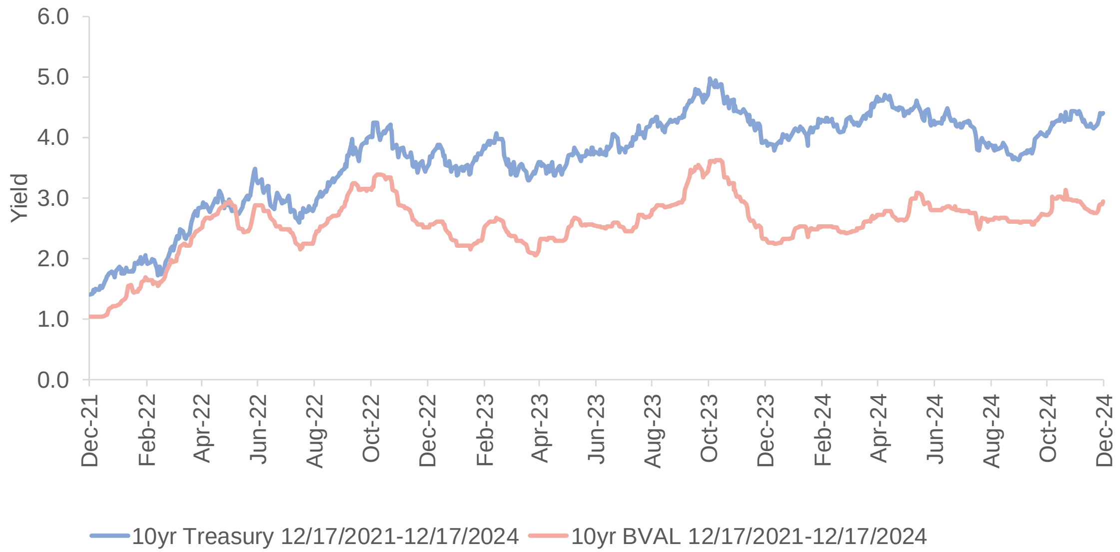
BASS BERRY ✦ SIMS PLC

Tax Status: Tax-Exempt

- The Tax Status of debt is based on how the proceeds will be spent (type of project and meeting certain investment rules).
- The City’s 2025 Bonds are considered Governmental Bonds and will be issued at Tax-Exempt interest rates

Benefits of Tax-Exempt Bonds:

- Cost of financing is generally lower
- Theoretical rate: ~70% of taxable rate
- Interest paid to bondholders is not includable in gross income for federal income tax purposes



	10 Yr Treasury	10 Yr BVAL
Max	4.98	3.63
Min	1.41	1.04
Average	3.67	2.57
Current	4.40	2.95

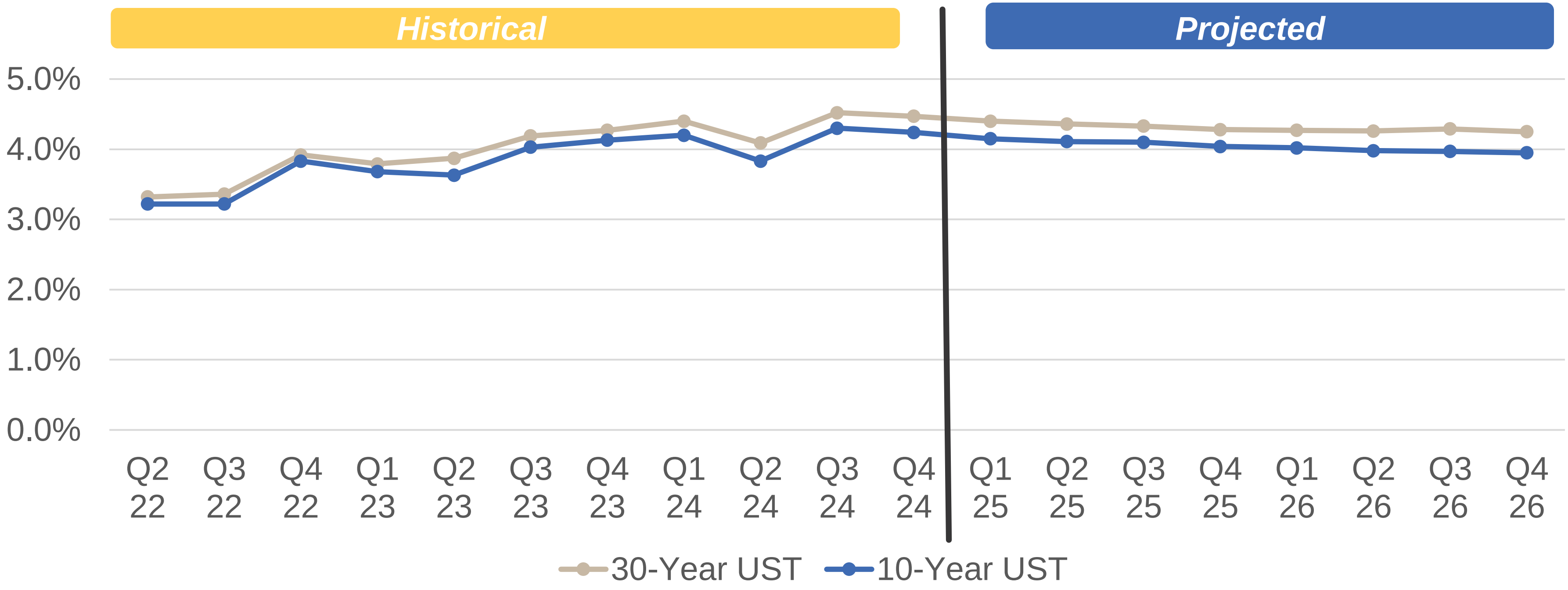
BVAL – Bloomberg AAA Tax-Exempt Index

Key Elements of the Authorizing Resolutions

Authorizing Resolution	
Identify Applicable Tennessee Code	9-21-101
Identify the Types of Projects to be Financed	The cost of design, construction, and improvements to listed public assets and infrastructure projects (parks, roads, public safety equipment)
Not To Exceed Amount	$48,000,000
Payment Dates	Annual principal payment dates (March) & semi-annual interest payment dates (March & September)
Establish a Call Date (date to potentially refinance)	Not to exceed 10 years after debt is issued
Identify the Source or Repayment/Security	Unlimited Ad Valorem Taxes

Market Update - Historical and Forecasted US Treasury Market

Bloomberg UST Forecast (As of December 16, 2024)										
Average Forecasts	**Current**	**Q4 24**	**Q1 25**	**Q2 25**	**Q3 25**	**Q4 25**	**Q1 26**	**Q2 26**	**Q3 26**	**Q4 26**
30-Year UST	4.62%	4.52%	4.47%	4.40%	4.36%	4.33%	4.28%	4.27%	4.26%	4.29%
10-Year UST	4.41%	4.30%	4.24%	4.15%	4.11%	4.10%	4.04%	4.02%	3.98%	3.97%



Estimated 2025 Debt Stats*

Estimated Par Amount	$43,000,000 - $46,000,000
Estimated True Interest Cost	3.75% - 4.25%
Estimated Annual Debt Service	FY 2026 – FY 2035 of approximately $4,000,000 FY 2036 – FY 2040 of approximately $2,900,000 FY 2041 – FY 2045 of approximately $2,600,000

Annual debt service is higher in the earlier years due to shorter amortization periods for Fire Apparatus (15 years) and Major Road Resurfacing (10 years) versus New Park Construction and Road Improvements (20 years).

Financing Timeline*

January 9, 2025	BOMA Budget & Finance Work Session with Bass Berry Sims and PFM
January 28, 2025	BOMA Work Session – Initial and Authorizing Resolutions
February 11, 2025	BOMA Meeting – Initial and Authorizing Resolutions Presented
Week of February 17, 2025	Credit Rating Calls
March 4, 2025	Distribute Bond Offering Documents
March 11, 2025	Competitive Bond Sale
March 26, 2025	Closing/Funds Received

*Preliminary, Subject to Change.

City of Franklin

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

File #: 21-01393

DATE: December 20, 2024

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Margaret Wilson, Comptroller
Michael Walters Young, Chief Budget & Performance Officer

SUBJECT:
Consideration Of Resolution 2024-117, A Resolution Authorizing The Issuance Of Not To Exceed $48,000,000 In Aggregate Principal Amount Of General Obligation Bonds Of The City Of Franklin, Tennessee; Making Provision For The Issuance, Sale And Payment Of Said Bonds; Establishing The Terms Thereof And The Disposition Of Proceeds Therefrom; And Providing For The Levy Of Taxes For The Payment Of Principal Of, Premium, If Any, And Interest On The Bonds

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution 2024-117 authorizing the issuance of not to exceed $48,000,000 aggregate principal amount Of General Obligation Bonds of the City of Franklin, Tennessee; Making provision for the issuance, sale and payment of said bonds; Establishing the terms thereof and the disposition of proceeds therefrom; and providing for the levy of taxes for the payment of principal of, premium, if any, and interest on the bonds.

BACKGROUND/STAFF COMMENTS:
From time to time, the City of Franklin issues fixed rate, long term General Obligation ("GO") Bonds to finance general city capital projects, such as road and park construction, acquisition of city facilities and acquisition of replacement fire apparatus. The debt is repaid from property taxes levied by the Board of Mayor and Aldermen. Both Moody's Investors Service and Standard & Poor's rating agencies have previously assigned the City of Franklin GO Bonds the highest possible rating of Aaa and AAA, respectively.

The most recent City of Franklin GO Bond issued for new capital projects closed on May 16, 2019, in the amount of $29,585,000. As of June 30, 2024, the City has total GO Bonds outstanding in the amount of $99,465,000 with final maturity of 3/1/2039. In FY 2025, the City is due to pay interest expense of $4,305,602 and principal repayment of $10,780,000. All City GO Bonds carry a fixed interest rate and debt service amounts due through FY 2039 are known.

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Approval of Resolutions 2024-116 and 2024-117 are required for issuance of the Series 2025 GO Bonds for new capital projects. The Series 2025 will be sold by competitive sale to the underwriting firm with the lowest interest rate bid for the full issue. It is anticipated that the transaction will close late March 2025.

The first interest payment for the Series 2025 will be due 9/1/2025 with first principal payment on 3/1/2026. Funding for the FY 2026 debt service will be incorporated into the City Administrator's Proposed FY 2026 Budget to be presented on 5/8/2025.

RECOMMENDATION:

Staff recommends that Resolution 2024-117 be recommended for approval by the Board of Mayor and Aldermen.

RESOLUTION 2024-117

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $48,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF FRANKLIN, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

WHEREAS, pursuant to Sections 9-21-101, et seq., Tennessee Code Annotated, as amended, municipalities in Tennessee are authorized through their respective governing bodies to issue and sell bonds of said municipalities to finance public works projects of said municipalities; and

WHEREAS, the Board of Mayor and Aldermen (the "Governing Body") of the City of Franklin, Tennessee (the "Municipality") hereby determines that it is necessary and desirable to issue general obligation bonds of the Municipality to provide the funds necessary to finance the (i) acquisition, construction, improvement, repair, renovation, maintenance and/or equipping of (a) parks and recreational facilities, (b) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, related facilities, lighting and drainage improvements, and (c) public safety equipment and vehicles, including but not limited to fire apparatus; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund of the Municipality for prior expenditures for the Projects: and (v) payment of costs incident to the issuance and sale of the bonds authorized herein; and

WHEREAS, on the date hereof, the Governing Body has adopted an initial resolution (the "Initial Resolution") authorizing the issuance of not to exceed $48,000,000 in aggregate principal amount of general obligation bonds for the purposes hereinabove described; and

WHEREAS, it is the intention of the Governing Body to adopt this resolution for the purpose of authorizing not to exceed $48,000,000 in aggregate principal amount of general obligation bonds of the Municipality, in one or more series, providing for the issuance, sale and payment of said bonds, establishing the terms thereof and the disposition of proceeds therefrom and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Assistant City Administrator/Chief Financial Officer" means the duly acting Assistant City Administrator/Chief Financial Officer of the Municipality or, in the event that the Assistant City Administrator/Chief Financial Officer is incapable of acting, her duly authorized designee;

(b) "Bonds" shall mean not to exceed $48,000,000 in aggregate principal amount of General Obligation Bonds of the Municipality, to be dated their date of delivery, with such series designation and such other dated date as the Mayor shall determine pursuant to Section 8 hereof;

(c) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the Municipality or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;

(d) "City Recorder" means the duly acting City Recorder of the Municipality or, in the event that the City Recorder is incapable of acting, her duly authorized designee;

(e) "Code" means the Internal Revenue Code of l986, as amended, and all regulations promulgated thereunder;

(f) "Debt Management Policy" means the Debt Management Policy adopted by the Governing Body as required by the State Funding Board of the State of Tennessee;

(g) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;

(h) "DTC" means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;

(i) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;

(j) "Mayor" means the duly acting Mayor of the Municipality or, in the event that the Mayor is incapable of acting, his duly authorized designee;

(k) "Municipal Advisor" means PFM Financial Advisors LLC;

(l) "Municipality" means the City of Franklin, Tennessee;

(m) "Governing Body" means the Board of Mayor and Aldermen of the Municipality;

(n) "Projects" shall have the meaning ascribed to it in the above preamble; and

(o) "Registration Agent" means the registration and paying agent for the Bonds, appointed by the Mayor pursuant to Section 4 hereof, or any successor designated by the Governing Body.

Section 3. Findings of the Governing Body; Compliance with Debt Management Policy.

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the Municipality has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Municipality's Debt Management Policy.

(b) Preliminary estimates of approximate debt service and costs of issuance of the Bonds have been made available to the Governing Body and are attached hereto as Exhibit A. Actual debt service amounts and costs of issuance depend upon market conditions at the time of sale of the Bonds.

Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to (i) finance the cost of the Projects, (ii) reimburse the appropriate fund of the Municipality for prior expenditures for the foregoing costs, if applicable; and (iii) pay costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued general obligation bonds, in one or more series, of the Municipality in the aggregate principal amount of not to exceed $48,000,000. The Bonds shall be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, shall be known as "General Obligation Bonds" and shall be dated their date of issuance and have such series designation or such other dated date as shall be determined by the Mayor pursuant to Section 8 hereof. Subject to adjustments permitted pursuant to Section 8 hereof, the Bonds shall bear interest at a rate or rates not to exceed the maximum interest rate permitted by applicable law, payable semi-annually on March 1 and September 1 in each year, commencing September 1, 2025. Subject to adjustments permitted in Section 8 hereof, the Bonds shall be issued initially in $5,000 denominations or integral multiples thereof, as shall be requested by the purchaser thereof, and shall mature on March 1 of each year, subject to prior optional redemption as hereinafter provided, either serially or through mandatory redemption, in the years 2026 through 2045.

(b) Subject to adjustments permitted in Section 8 hereof, Bonds maturing on or before March 1, 2035 shall mature without option of prior redemption and Bonds maturing March 1, 2036 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on March 1, 2035 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 8 hereof, the Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all the Bonds are sold as Term Bonds, the Municipality shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth in Exhibit A, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 8 hereof for each redemption date, as such maturity amounts and dates may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Bonds to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation

Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Municipality not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(e) The Mayor is hereby authorized and directed to appoint the Registration Agent for the Bonds, and the Registration Agent, so appointed, is hereby authorized and directed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The Mayor is hereby authorized to execute and the City Recorder is hereby authorized to attest such written agreement between the Municipality and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Municipality in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(h) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in $5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the Municipality to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

(i) The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon and attested by the manual or facsimile signature of the City Recorder.

(j) Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the

Municipality and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Municipality and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Municipality shall discontinue the Book-Entry System with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the Bonds are sold to a single purchaser that certifies that it does not intend to re-offer the Bonds to the public, then the Registration Agent may deliver fully registered Bonds to the purchaser without utilizing the Book-Entry System and the form of the Bond in Section 6 hereof shall be so conformed.

(k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

(m) In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the

Municipality, shall authenticate and deliver, a new Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the Municipality may pay or authorize payment of such Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Bond, and indemnity satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

Section 5. Source of Payment and Pledge. The Bonds shall be secured by and payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are hereby irrevocably pledged.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Bonds are prepared and delivered:

(Form of Face of Bond)

REGISTERED
Number ______

REGISTERED
$_________

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF WILLIAMSON
CITY OF FRANKLIN
GENERAL OBLIGATION BOND, SERIES 2025

Interest Rate: Maturity Date: Date of Bond: CUSIP No.:

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, the City of Franklin, Tennessee (the “Municipality”) hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth [(or upon earlier redemption as set forth herein)], and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on [September 1, 2025], and semi-annually thereafter on the first day of March and September in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the designated corporate trust office of ____________, ____________, ____________, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody, or a custodian of DTC. The Registrar is a custodian and agent for DTC and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in $5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of [, premium, if any,] and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal[, and] interest, [and redemption premium, if any,] with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds of the issue of which this Bond is one maturing on or before March 1, 20__, shall mature without option of prior redemption and Bonds maturing March 1, 20__ and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on March 1, 20__ and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Mayor and Aldermen. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing ____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Final Maturity	Redemption Date	Principal Amount of Bonds Redeemed

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

[Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.] In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.]

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated corporate trust office of the Registration Agent set forth above, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond[, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption].

This Bond is one of a total authorized issue aggregating $___________ and issued by the Municipality for the purpose of providing funds necessary to finance the (i) acquisition, construction, improvement, repair, renovation, maintenance and/or equipping of (a) parks and recreational facilities, (b) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, related facilities, lighting and drainage improvements, and (c) public safety equipment and vehicles, including but not limited to fire apparatus; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund of the Municipality for prior expenditures for the Projects: and (v) payment of costs incident to the issuance and sale of the Bonds of which this Bond is one, pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law, and pursuant to a resolution duly adopted by the Board of Mayor and Aldermen of the Municipality on the 11th day of February, 2025 (the "Resolution").

This Bond is secured by and payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of, [premium, if any,] and interest on this Bond, the full faith and credit of the Municipality are irrevocably pledged.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Municipality, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor with his [manual or] [facsimile] signature and attested by its City Recorder with her [manual or] [facsimile] signature under an [impression or] facsimile of the corporate seal of the Municipality, all as of the date hereinabove set forth.

CITY OF FRANKLIN, TENNESSEE

BY: *[Form of Bond – Do not sign]*
Mayor

(SEAL)

ATTESTED:

[Form of Bond – Do not sign]
City Recorder

Transferable and payable at the
designated corporate trust office of: ________________________
____________, ____________

Law Dept approved 01.02.25

Date of Registration: __________________

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

____
Registration Agent

By: ____________________________________
Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto ____________________________, whose address is __________________________________ (Please insert Social Security or Federal Tax Identification Number ______________) the within Bond of the City of Franklin, Tennessee, and does hereby irrevocably constitute and appoint ____________________, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: ____________

____
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

____
NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

[End of Bond Form]

<u>Section</u> 7. <u>Levy of Tax</u>. The Municipality, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the Municipality, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal of, premium, if any, and interest coming due on the Bonds in said year. Principal, premium, if any, and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the Municipality and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided

may be reduced to the extent of any appropriations from other funds, taxes and revenues of the Municipality to the payment of debt service on the Bonds.

Section 8. Sale of Bonds.

(a) The Bonds shall be offered at competitive public sale in the manner required by applicable law at prices not less than those required by applicable law. The Bonds may be sold in whole or in part, in one or more series, from time to time, all as shall be determined by the Mayor in consultation with the Municipal Advisor. The Bonds shall be sold at public sale by physical, facsimile or electronic delivery of bids and/or by electronic bidding by means of an internet bidding service as shall be determined by the Mayor, in consultation with the Municipal Advisor. The Mayor is authorized to award the Bonds to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on none of the Bonds exceeds the maximum interest rate or rates permitted by applicable law. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

(b) The Mayor is further authorized, with respect to each series of Bonds, to:

(1) change the dated date of the Bonds, to a date other than the date of issuance of the Bonds;

(2) designate the Bonds, or any series thereof, to a designation other than "General Obligation Bonds" and to specify the series designation of the Bonds, or any series thereof;

(3) in order to facilitate the sale of the Bonds in a manner that is in the best interest of the Municipality, cause to be sold less than the principal amount authorized herein;

(4) change the first interest payment date on the Bonds or any series thereof to a date other than September 1, 2025, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(5) adjust the principal and interest payment dates and the maturity amounts of the Bonds, or any series thereof (including, but not limited to establishing the date and year of the first principal payment date), provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein; and (B) the term of any Bonds shall not exceed the reasonably expected economic life of the Projects financed thereby;

(6) adjust or remove the Municipality's optional redemption provisions of the Bonds including but not limited to making the Bonds non-callable or making the Bonds callable on other dates and at other redemption prices, provided that the premium amount to be paid on Bonds or any series thereof does not exceed two percent (2%) of the principal amount thereof;

(7) sell the Bonds, or any series thereof, or any maturities thereof as Term Bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the Mayor, as he shall deem most advantageous to the Municipality; and

(8) to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance (a) is determined to be advantageous to the Municipality and such premium to be paid by the Municipality or (b) is requested and paid for by the winning bidder of the Bonds, or any series thereof, and to enter into

an agreement with such bond insurance company with respect to such bond insurance on terms not inconsistent with the provisions of this resolution.

(c) The Mayor is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more series as he shall deem to be advantageous to the Municipality and in doing so, the Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation Bonds"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this resolution or bonds authorized by any other resolution or resolutions adopted by the Governing Body.

(d) The form of the Bond set forth in Section 6 hereof, shall be conformed to reflect any changes made pursuant to this Section 8 hereof.

(e) If permitted in the notice of sale for the Bonds, or any series thereof: (i) the successful bidder may request that the Bonds, or any such series thereof, be issued in the form of fully registered certificated Bonds in the name of the successful bidder or as directed by the successful bidder, in lieu of registration using the Book-Entry System, and (ii) the successful bidder may assign its right to purchase the Bonds, or any series thereof, to a third party provided, however, that upon such assignment, the successful bidder shall remain obligated to perform all obligations relating to the purchase of the Bonds as the successful bidder, including the delivery of a good faith deposit, the execution of required documents and the payment of the purchase price, if such successful bidder's assignee does not perform any of such obligations.

(f) The Mayor and City Recorder are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent to the successful bidder, and such officers, along with any other officer of the Municipality as determined by the Mayor, are further authorized to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. The Mayor is hereby authorized to (i) enter into a contract with the Municipal Advisor for municipal advisory services in connection with the sale of the Bonds and (ii) accept the engagement letter from Bass, Berry & Sims PLC, attached hereto as Exhibit B, regarding representation of the Municipality as bond counsel in connection with the Bonds.

(g) No Bonds shall be issued to finance the Projects until publication of the Initial Resolution in a newspaper of general circulation in the Municipality and the passage of twenty (20) days from the date of publication thereof, and in no event shall such Bonds be issued without prior referendum if a legally sufficient petition, as defined by Section 9-21-207, Tennessee Code Annotated, is filed within such twenty-day period.

Section 9. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) Accrued interest, if any, shall be deposited to the appropriate fund of the Municipality to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

(b) The remainder of the proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund known as the 2025 Construction Fund (the "Construction Fund"), or such other designation as shall be determined by the Mayor to be kept separate and apart from all other funds of the Municipality, or shall be deposited in such other manner as permitted by applicable law. The funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects (including reimbursing the Municipality for the prior payment thereof), including necessary legal, accounting, engineering, architectural and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, bond insurance premiums (if any) and other necessary miscellaneous expenses incurred in connection with the Projects, and the costs of issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Municipal Advisor to be used to pay costs of issuance of the Bonds. Moneys in the Construction Fund shall be invested as directed by the Assistant City Administrator/Chief Financial Officer in such investments as shall be permitted by applicable law. Earnings from such investments shall be, to the extent permitted by applicable law, at the discretion of the Mayor (i) deposited to the Construction Fund to reimburse the Construction Fund for any costs of issuance paid related to the issuance of the Bonds; (ii) deposited to the Construction Fund to the extent needed for the Projects or (iii) transferred to the Municipality's debt service fund to the extent permitted by applicable law. To the extent permitted by applicable law and subject to consultation with Bond Counsel, any funds remaining in the Construction Fund after completion of the Projects, including earnings from such investments, shall be deposited to the Municipality's debt service fund, subject to any modifications by the Governing Body.

(c) In accordance with state law, the various department heads responsible for the fund or funds receiving and disbursing funds are hereby authorized to amend the budget of the proper fund or funds for the receipt of proceeds from the issuance of the obligations authorized by this resolution including bond and note proceeds, accrued interest, reoffering premium and other receipts from this transaction. The department heads responsible for the fund or funds are further authorized to amend the proper budgets to reflect the appropriations and expenditures of the receipts authorized by this resolution.

Section 10. Official Statement. The Mayor, the City Recorder and the Assistant City Administrator/Chief Financial Officer, or any of them, working with the Municipal Advisor, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the Mayor, the City Recorder and the Assistant City Administrator/Chief Financial Officer, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor, the City Recorder and the Assistant City Administrator/Chief Financial Officer, or any of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven (7) business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The Mayor, the City Recorder and the Assistant City Administrator/Chief Financial Officer, or any of them, are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

If the winning bidder or its purchaser or assignee does not intend to reoffer the Bonds to the public as evidenced by a certificate executed by the winning bidder and/or its purchaser or assignee, then an Official Statement is authorized, but not required, as shall be determined by the Mayor in consultation with the Municipal Advisor and Bond Counsel.

Section 11. Tax Matters.

(a) The Bonds are expected to be issued as federally tax-exempt bonds. In such event and to that end, the Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Bonds in a manner that would cause the Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". Also, to that end, the Municipality shall comply with applicable regulations adopted under said Section 148. The Municipality further covenants with the registered owners from time to time of the Bonds that it will, throughout the term of the Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

(b) It is reasonably expected that the Municipality will reimburse itself for certain expenditures made by it in connection with the Projects by issuing the Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

(c) The officers of the Municipality are authorized and directed, on behalf of the Municipality, to execute and deliver all such certificates and documents and to adopt and follow all such regulations, policies and procedures that may be required or advisable, as determined in consultation with Bond Counsel, when complying with the provisions of this Section related to the issuance of the Bonds.

Section 12. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal, premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 13. Reasonably Expected Economic Life. The "reasonably expected economic life" of the Projects within the meaning of Sections 9-21-101 et seq., Tennessee Code Annotated, equals or exceeds the term of those Bonds financing such Projects. In no event shall the term of the Bonds exceed the reasonably expected economic life of the Projects financed with such Bonds.

Section 14. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide annual financial information and certain event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute at the closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto, if any. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the Municipality and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution that would adversely affect the security of the Bonds or the rights of the Bondholders shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 16. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

[signature page follows]

IT IS SO RESOLVED AND DONE on this ____ day of _______________, 20__.

ATTEST:

By:______________________________
Angie Skarp
City Recorder

CITY OF FRANKLIN, TENNESSEE:

By:____________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________
Shauna R. Billingsley
City Attorney

<u>EXHIBIT A</u>

ESTIMATED AMORTIZATION SCHEDULE AND COSTS OF ISSUANCE

Period Ending	Principal	Interest	Debt Service
06/30/2026	1,940,000	2,050,013.89	3,990,013.89
06/30/2027	1,890,000	2,106,000.00	3,996,000.00
06/30/2028	1,980,000	2,011,500.00	3,991,500.00
06/30/2029	2,080,000	1,912,500.00	3,992,500.00
06/30/2030	2,185,000	1,808,500.00	3,993,500.00
06/30/2031	2,295,000	1,699,250.00	3,994,250.00
06/30/2032	2,410,000	1,584,500.00	3,994,500.00
06/30/2033	2,530,000	1,464,000.00	3,994,000.00
06/30/2034	2,655,000	1,337,500.00	3,992,500.00
06/30/2035	2,790,000	1,204,750.00	3,994,750.00
06/30/2036	1,825,000	1,065,250.00	2,890,250.00
06/30/2037	1,915,000	974,000.00	2,889,000.00
06/30/2038	2,010,000	878,250.00	2,888,250.00
06/30/2039	2,110,000	777,750.00	2,887,750.00
06/30/2040	2,220,000	672,250.00	2,892,250.00
06/30/2041	2,030,000	561,250.00	2,591,250.00
06/30/2042	2,135,000	459,750.00	2,594,750.00
06/30/2043	2,240,000	353,000.00	2,593,000.00
06/30/2044	2,350,000	241,000.00	2,591,000.00
06/30/2045	2,470,000	123,500.00	2,593,500.00
	44,060,000	23,284,513.89	67,344,513.89

Cost of Issuance	$/1000	Amount
Bass, Berry & Sims PLC	1.52744	65,000.00
Est. Bond Counsel Expenses	0.04700	2,000.00
PFM Financial Advisors LLC	1.87992	80,000.00
Moody's Investors Service	0.88121	37,500.00
S&P Global	0.86946	37,000.00
US Bank (Confirm w/City and Fees)	0.03525	1,500.00
Ipreo	0.02937	1,250.00
DAC	0.02350	1,000.00
Miscellaneous	0.11750	5,000.00
	5.41065	230,250.00

Interest costs and issuance costs for the Bonds are estimated and preliminary and depend upon market conditions at the time of sale.

EXHIBIT B

ENGAGEMENT LETTER OF BOND COUNSEL

February 11, 2025

City of Franklin, Tennessee
109 3rd Avenue South
Franklin, TN 37064
Attention: Mayor Ken Moore

Re: Issuance of Not to Exceed $48,000,000 in Aggregate Principal Amount of General Obligation Bonds.

Dear Mayor Moore:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to the City of Franklin, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purpose of providing funds necessary to finance projects identified in the detailed bond resolution (the “Resolution”) authorizing the Bonds, adopted on February 11, 2025, and to pay costs of issuance of the Bonds, as more fully set forth in the Resolution. We further understand that the Bonds will be sold by competitive sale.

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the Bond Opinion) regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes.

2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Bonds, coordinate the authorization and execution of such documents, and review enabling legislation.

3. Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Bonds, except that we will not be responsible for any required blue-sky filings.

4. Review legal issues relating to the structure of the Bond issue.

5. Draft those sections of the official statement to be disseminated in connection with the sale of the Bonds, describing the Bond Opinion, the terms of and security for the Bonds, and the treatment of the Bonds and interest thereon under state and federal tax law.

6. Assist the Issuer in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds, if requested.

7. Prepare and review the notice of sale pertaining to the competitive sale of the Bonds.

Our Bond Opinion will be addressed to the Issuer and will be delivered by us on the date the Bonds are exchanged for their purchase price (the "Closing").

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

a. Except as described in paragraph (5) above,

    1) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, or

    2) Performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, or

    3) Rendering advice that the official statement or other disclosure documents

        a) Do not contain any untrue statement of a material fact or

        b) Do not omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.

c. Preparing blue sky or investment surveys with respect to the Bonds.

d. Drafting state constitutional or legislative amendments.

e. Pursuing test cases or other litigation, (such as contested validation proceedings).

f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.

g. Assisting in the preparation of, or opining on, any continuing disclosure undertaking pertaining to the Bonds or any other debt of the Issuer, or after

Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.

h. Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.

i. After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Bonds).

j. Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon acceptance of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Issuer, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion. Please note that, in our representation of the Issuer, we will not act as a "municipal advisor", as such term is defined in the Securities Exchange Act of 1934, as amended.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Forms 8038-G, and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Acceptance of this letter will signify the Issuer's consent to our representation of others consistent with the circumstances described in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financings; and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be $65,000.00 for the Bonds. Our fees may vary: (a) if the principal amount of Bonds actually issued differs significantly from the amounts stated above; (b) if material changes in the structure or schedule of the respective financings occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimates, we will advise you and prepare and provide to you an amendment to this engagement letter. The fees quoted above will include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses.

If, for any reason, the financing represented by the Bonds is completed without the delivery of our Bond Opinion as bond counsel or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement, but in no event will our fees exceed the amount set forth above.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. All goods, documents, records, and other work product and property produced during the performance of this engagement are deemed to be Issuer's property. We agree to maintain documentation for all charges against the Issuer. Our books, records, and documents, insofar as they relate to work performed or money received under this engagement, shall be maintained for a period of three (3) full years from the respective Closing(s) and will be subject to audit, at any reasonable time and upon reasonable notice by the Issuer or its duly appointed representatives.

OTHER MATTERS

We have not retained any persons to solicit or secure this engagement from the Issuer upon an agreement or understanding for a contingent commission, percentage, or brokerage fee. We have not offered any employee of the Issuer a gratuity or an offer of employment in connection with this engagement and no employee has requested or agreed to accept a gratuity or offer of employment in connection with this engagement.

Any modification or amendment to this Engagement Letter must be in writing, executed by us and contain the signatures of the Issuer. The validity, construction and effect of this Engagement Letter and any and all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee. To the extent permitted by applicable law, any action between the parties arising from this Engagement Letter shall be maintained in the state or federal courts of Davidson Municipality, Tennessee.

CONCLUSION

If the foregoing terms are not acceptable to you, please so indicate in a writing signed by an authorized officer. Otherwise, we look forward to working with you.

City of Franklin, TN

Proposed General Obligation Bonds, Series 2025
Information Session on January 9, 2025

Presented by:

BASS BERRY SIMS PLC & pfm

Proposed General Obligation Bonds, Series 2025 – City Projects

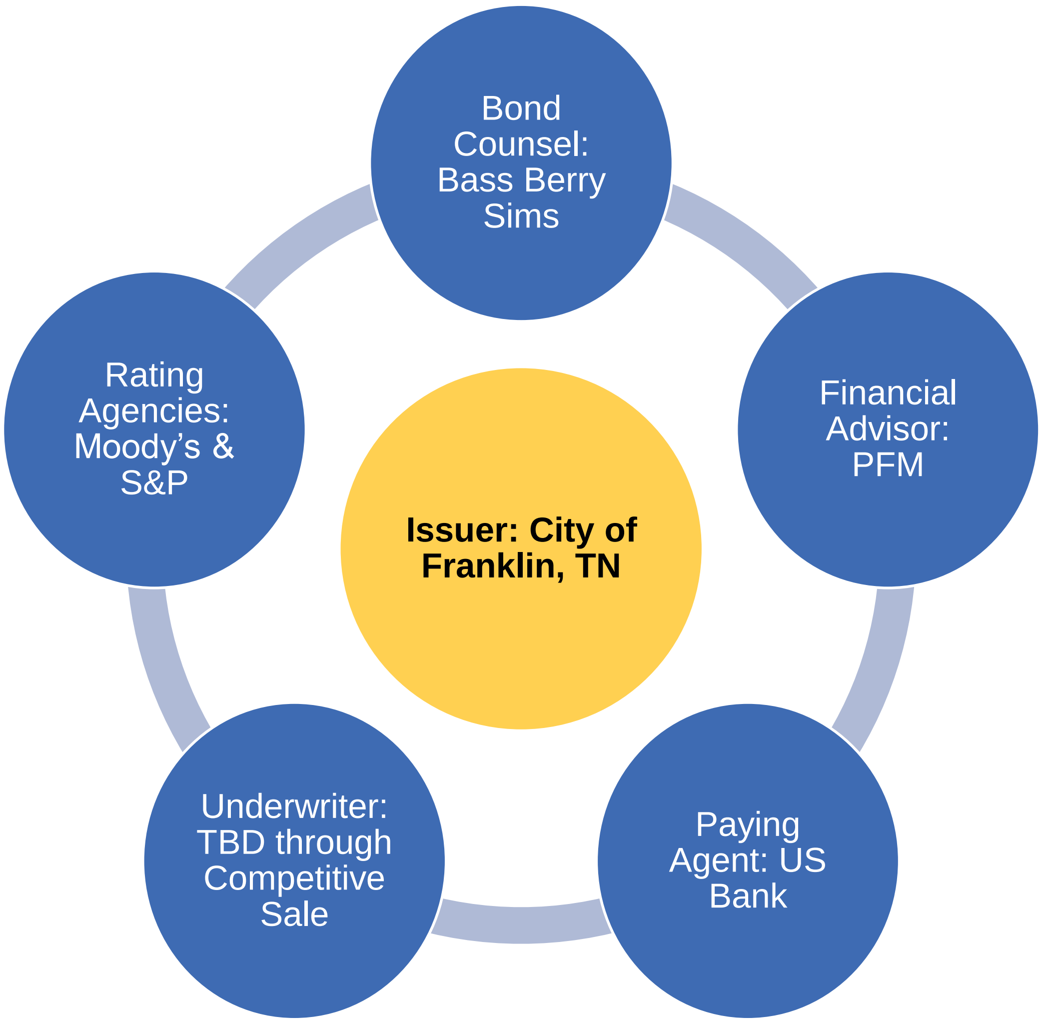
	Amount	Notes
Fire Apparatus	$3,329,585	3 Apparatus + Est Equipment
Major Road Resurfacing	$9,165,289	3 paving seasons- 2023-2025 (reimbursement amount TBD)
Southeast Park Project	$30,000,000	First Traunch of Bond Proceeds for this project. Construction contract awarded to Reeves Young on 12/10/2024.
McEwen Phase IV Road Project	$5,000,000	$30 million of federal/state grants in this project. $5 million of bond proceeds to be used for utility relocation and related costs early in the construction. Construction contract awarded to Vulcan on 12/10/2024.
Total	$47,494,874	

BASS BERRY ✦ SIMS PLC

Bond Sale Process

Competitive Bond Sale Process	
Obtain Necessary Approvals	Initial and Authorizing Resolutions presented to the Board of Mayor and Alderman, Initial Resolution published in newspaper
Bond Structuring	Financing Team evaluates market conditions, interest rates, terms, call features, etc.
Seek Credit Ratings	2-3 week process to coordinate with rating analysts; including conference calls
Offering Documents Distribution (Preliminary Official Statement & Notice of Sale)	Documents describing the bond structure, credit, and city as well as the terms of the competitive bond sale to the underwriting and investor community
Bond Marketing to Underwriters/Investors	Approximately 1 week - Potential underwriters market the bonds to potential investors
Bond Pricing	Receive competitive bids for the bonds from underwriters. Bid with lowest true interest cost wins.
Finalize Offering Document (Official Statement)	Finalize & Post Offering Document (Official Statement) within seven (7) business days of Bond Pricing
Closing	Funds received and bonds issued

Bond Sale Team Members



Security / Source of Repayment

- General Obligation Bonds are secured and payable from the following:
    - Full Faith and Credit Pledge
    - All Legally Available Revenues
    - Taxing Power
    - Should a governing body fail to appropriate annual interest and principal, the obligation remains due, and the bondholders have a legal right to such funds and may take legal action to obtain timely payment.

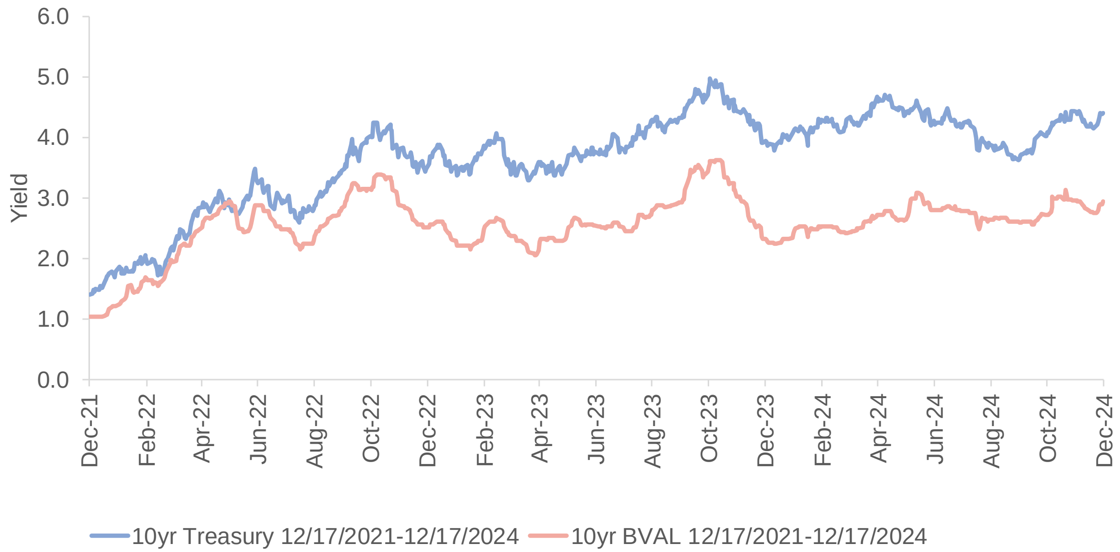
BASS BERRY SIMS PLC

Tax Status: Tax-Exempt

- The Tax Status of debt is based on how the proceeds will be spent (type of project and meeting certain investment rules).
- The City's 2025 Bonds are considered Governmental Bonds and will be issued at Tax-Exempt interest rates

Benefits of Tax-Exempt Bonds:

- Cost of financing is generally lower
- Theoretical rate: ~70% of taxable rate
- Interest paid to bondholders is not includable in gross income for federal income tax purposes



	10 Yr Treasury	10 Yr BVAL
Max	4.98	3.63
Min	1.41	1.04
Average	3.67	2.57
Current	4.40	2.95

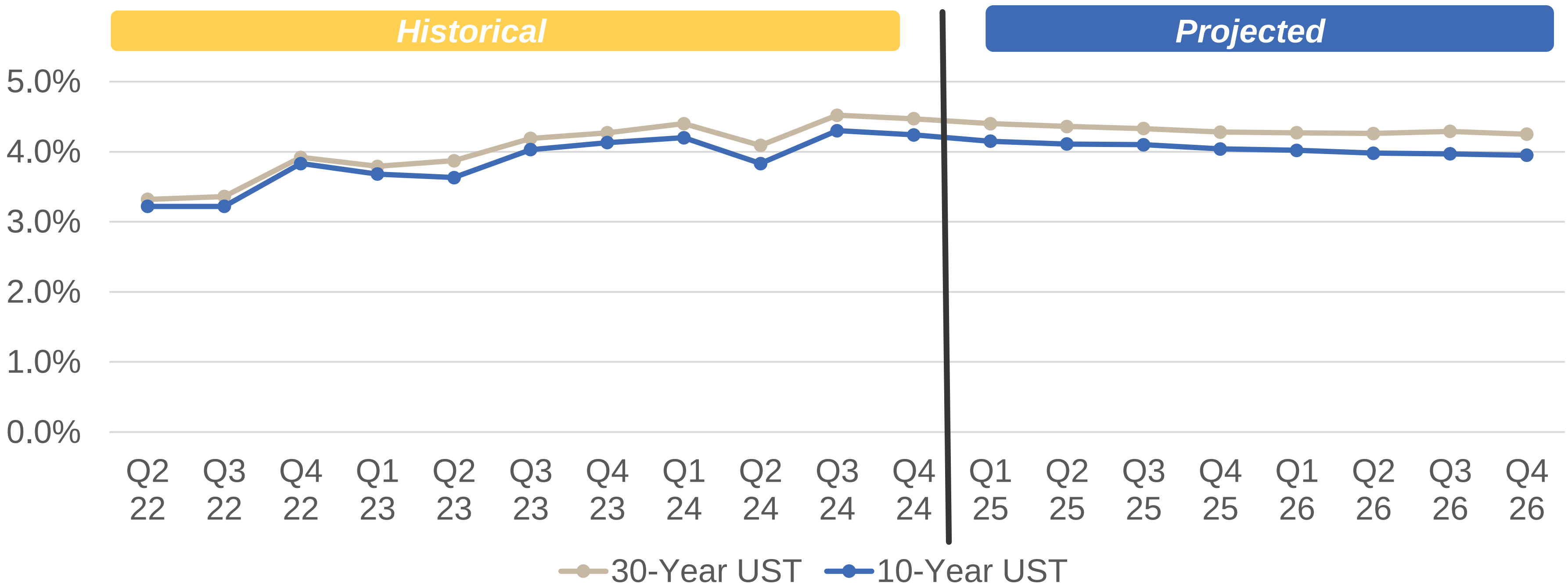
BVAL – Bloomberg AAA Tax-Exempt Index

Key Elements of the Authorizing Resolutions

Authorizing Resolution	
Identify Applicable Tennessee Code	9-21-101
Identify the Types of Projects to be Financed	The cost of design, construction, and improvements to listed public assets and infrastructure projects (parks, roads, public safety equipment)
Not To Exceed Amount	$48,000,000
Payment Dates	Annual principal payment dates (March) & semi-annual interest payment dates (March & September)
Establish a Call Date (date to potentially refinance)	Not to exceed 10 years after debt is issued
Identify the Source or Repayment/Security	Unlimited Ad Valorem Taxes

Market Update - Historical and Forecasted US Treasury Market

Bloomberg UST Forecast (As of December 16, 2024)										
Average Forecasts	**Current**	**Q4 24**	**Q1 25**	**Q2 25**	**Q3 25**	**Q4 25**	**Q1 26**	**Q2 26**	**Q3 26**	**Q4 26**
30-Year UST	4.62%	4.52%	4.47%	4.40%	4.36%	4.33%	4.28%	4.27%	4.26%	4.29%
10-Year UST	4.41%	4.30%	4.24%	4.15%	4.11%	4.10%	4.04%	4.02%	3.98%	3.97%



Estimated 2025 Debt Stats*

Estimated Par Amount	$43,000,000 - $46,000,000
Estimated True Interest Cost	3.75% - 4.25%
Estimated Annual Debt Service	FY 2026 – FY 2035 of approximately $4,000,000 FY 2036 – FY 2040 of approximately $2,900,000 FY 2041 – FY 2045 of approximately $2,600,000

Annual debt service is higher in the earlier years due to shorter amortization periods for Fire Apparatus (15 years) and Major Road Resurfacing (10 years) versus New Park Construction and Road Improvements (20 years).

Financing Timeline*

January 9, 2025	BOMA Budget & Finance Work Session with Bass Berry Sims and PFM
January 28, 2025	BOMA Work Session – Initial and Authorizing Resolutions
February 11, 2025	BOMA Meeting – Initial and Authorizing Resolutions Presented
Week of February 17, 2025	Credit Rating Calls
March 4, 2025	Distribute Bond Offering Documents
March 11, 2025	Competitive Bond Sale
March 26, 2025	Closing/Funds Received

**Preliminary, Subject to Change.*

HISTORIC FRANKLIN TENNESSEE

City of Franklin

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

File #: 21-01410

DATE: December 30, 2024

TO: Budget & Finance Committee

FROM: Michael Walters Young, Chief Budget & Performance Officer
Dillon Gaster, Management Fellow

SUBJECT:
Budget Presentation - FY 2026 Budget Introduction & City Of Franklin Revenue Estimates & Model For Fiscal Year 2025-2026

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning initial revenue estimates for Fiscal Year 2025-2026 for all budgeted funds.

BACKGROUND/STAFF COMMENTS:
January traditionally marks the start of the annual budgeting process for the City of Franklin. At the January meeting of the Budget & Finance Committee, staff presents both recommended goals for the upcoming year but also a first attempt at what resources will be available to budget in Fiscal Year 2025-2026. A full revenue model is attached to this item and a presentation will be added before the meeting to this packet.

FINANCIAL IMPACT:
Overall we are projecting all funds revenues of $229.1 Million, a decrease of $5.9 Million compared to the FY 2025 Budget. Revenues for the largest fund, the General Fund, are forecast to decrease by $334,928 (0.3%) less than the FY 2025 Budget.

RECOMMENDATION:
No action is required on this item.

FY 2026 Budget Introduction
&
FY 2026 Revenue Model

Preliminary Revenue Assessment

FY 2020-2024 Actual Revenues

FY 2025 Budget

FY 2026 Forecast

Outline

- FY 2026 Budget Introduction
- Revenue Model
  - Overview (Economic) & Assumptions
  - All Funds Summary
  - General Fund Summary
  - Select Category / Fund Breakouts
    - General Fund (GF): Local Sales Tax
    - GF: State Shared Taxes
    - GF: Property Tax
    - Interest Income
    - Sanitation Fund
    - Road Impact Fund
    - Other Development-Related Funds
    - Hotel/Motel Tax Fund
    - Water & Sewer Fund
- Next Steps

FY 2026 Budget Introduction

FY 2026 Budget Introduction

- Budget is the most important policy document the Board of Mayor and Alderman produces annually.

- According to the Government Finance Officer's Association, a sound budget should consist of four main parts:

- Policy Document

- Financial Plan

- Operational Guide

- Communications Document

FY 2026 Budget Introduction: The Focus

Management	Community Development	Strong Financial Base
• Policy development and implementation • Budget process • High quality service levels • Department level key performance measurers • Benchmarking program • Capital Investment project oversight and delivery • Telling "Franklin's story" locally and beyond	• Desired location • High Development Standards • Educated workforce • Sites ready for development • Aggressive State incentives • Work with partners at State and Williamson County • Play "offense"	• Long-Term financial planning (revenue diversification) • Capital Investment plan process • Multi-year financial planning • Healthy reserve levels • Triple-A Bond rating from both Moody's and S&P. • Support changing service needs

FY 2026 Budget Introduction: Annual Budget Development

October - December	Budgets Developed Internally
January - March	Budgets Presented to Budget & Finance Committee
April	Program Enhancements Reviewed by BOMA & City Administrator
May - June	City Administrator Presents Proposed Budget, BOMA votes
July 1	Start New Fiscal Year

FY 2026 Budget Introduction: Changes for FY 2026

- Property & Liability Insurance consolidated into "General" Expense Departments in the General, Stormwater, Sanitation and Water Management Funds

- Building Facility costs (utilities such as Electric, Gas, Water, Internet, Sanitation) within the General Fund consolidated within the Project & Facilities Department

- Purchasing Office cost center consolidated into the Finance Department

- Inflation calculated at 3.0% for FY 2026, 2.0% in out years

- Standard assumptions for other factors (wages, insurance, utilities, etc.)

FY 2026 Revenue Model

Economic Outlook: Overview & Assumptions

- The global, national and local economic outlook continues to be one of mixed messages and contrasting performance.

- The last five years have been a study in contrast; consider:
- 2020: Economic shock of pandemic closures
- 2021: Supply chain shortages, government stimulus, dramatic changes in worker availability & productivity
- 2022: Stubbornly, generationally high inflation (not seen in 40 years)
- 2023: Receding inflation with no loss of jobs
- 2024: Inflation ebbs but remains higher than hoped; jobs remain strong despite specific industry challenges

Economic Outlook: Overview & Assumptions

So where are we *now*? Consider:

- Overall economic outlook is still the most uncertain in our professional careers

- Unemployment remains remarkably low despite inflation and political and economic uncertainty

	November 2022	November 2023	November 2024
United States	3.4%	3.5%	4.0%
State of Tennessee	3.2%	3.1%	3.5%
Nashville MSA	2.6%	2.5%	2.9%
Williamson County	2.5%	2.4%	2.6%
City of Franklin	2.4%	2.3%	2.5%

Economic Outlook: Overview & Assumptions

So where are we *now*? Consider:

- Still, millions of jobs are available - as of 11/30, 7.4 million jobs were available (*according to the Bureau of Labor Statistics*). An estimated 227,000 new jobs were added in November, despite layoffs occurring in certain sectors and industries.

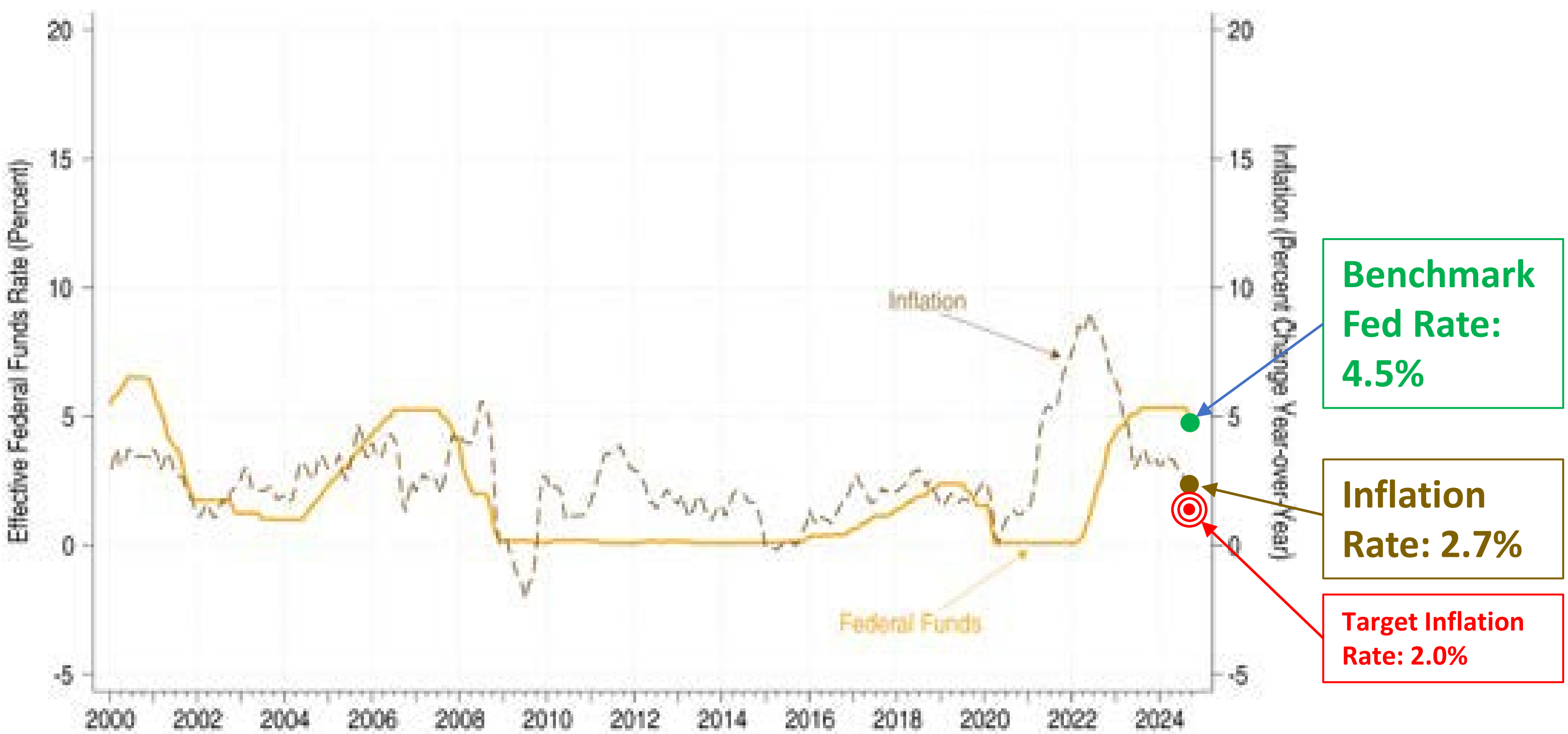
- November 2024 marked the 47th consecutive month the economy added jobs, the third longest on record

- The Federal Reserve continues to focus attention over on controlling inflation, finally reducing the benchmark rate maintaining the current rate to 4.5%, with the goal of reaching 2% in the coming years.

Economic Outlook: Overview & Assumptions

So where are we *now*? Consider:

Inflation vs. Federal Funds Rate – Last 25 Years



Source: Kessler, Lawrence M. et. Al. An Economic Report to the Governor of the State of Tennessee, 2025. December 19, 2024, Page 9.

Economic Outlook: Overview & Assumptions

So where are we *now*? Calendar 2024 outlook indicated:

- Consumer spending, 68% of total U.S. GDP (Gross Domestic Product) has remained steady albeit down slightly despite the toll inflation took upon households in 2022-2024 (was 70% in 2023)

- Jobs outpace available workers (7.4 million jobs available vs. 5.5 million workers actively seeking jobs). Millions still "on the sideline"

- Markets ended 2024 near all-time highs and up significantly for the last 12 months (Dow Jones was up 12.4% 2024 vs. 2023).

Economic Outlook: Overview & Assumptions

So where are we *now*? Calendar 2025 outlook indicates:

- Inflationary pressures definitely remain, but are easing.

- "Soft landing" appears obtainable for the overall U.S. Economy…it just depends who you talk/listen to.

- Domestic policy changes add to uncertainty (unknown impact of proposals for reduced federal spending, implementation of tariffs in certain industries)

- Global instability (wars in Ukraine & Israel) and the regional disruptions to supply chains around them will continue in the short-to-medium-term; but markets have assumed that instability

Economic Outlook: Overview & Assumptions

So where are we *now*? Calendar 2025 outlook indicates:

- Statewide, net migration is contributing to overall population growth, but birth rate continues to slow

- Large construction projects (Blue Oval (Ford) EV Battery Plant in West Tennessee, new Nissan Stadium in Nashville, Orano's uranium enrichment center in Oak Ridge) will boost the construction industry statewide

- Other important industries to the state remain strong (Manufacturing, Health Care, Farming), but uncertainty of the ever changing automobile market (impact of EV, potential tariffs, supply) is something to watch

- Local economy remains overall in good shape. Known issues – affordable/workforce housing, access to education/child care, quality of the transportation network – continue to be the most important factors impacting the quality of life and local economy

Economic Outlook: Overview & Assumptions

But…operational revenues by in large are stable.

- 15 funds for which budgets are annually approved.
- Low, medium & high values presented.
- Preliminary Revenue Assessment is based on projections from Tennessee State Funding Board, historical performance & economic trends.
- January model is always *conservative* – future forecasts will be refined.

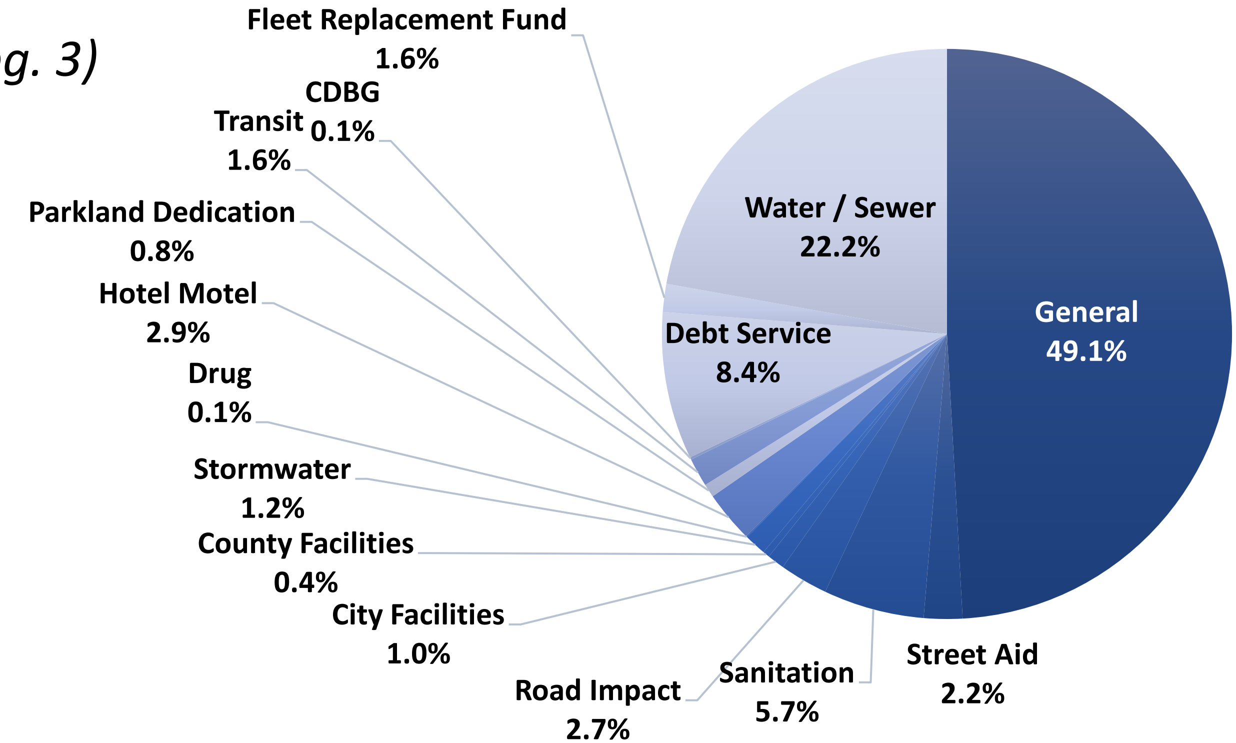
City of Franklin, Tennessee
FY 2026 Budget - Revenue Model

All Funds: *(pg. 3)*

FY 2026:
$229.1 M

FY 2025:
$235 M

Decrease:
$5,865,906
or 2.5%



Largest Fund: General Fund (49.1%)
Smallest Fund: Drug Fund (0.1%)

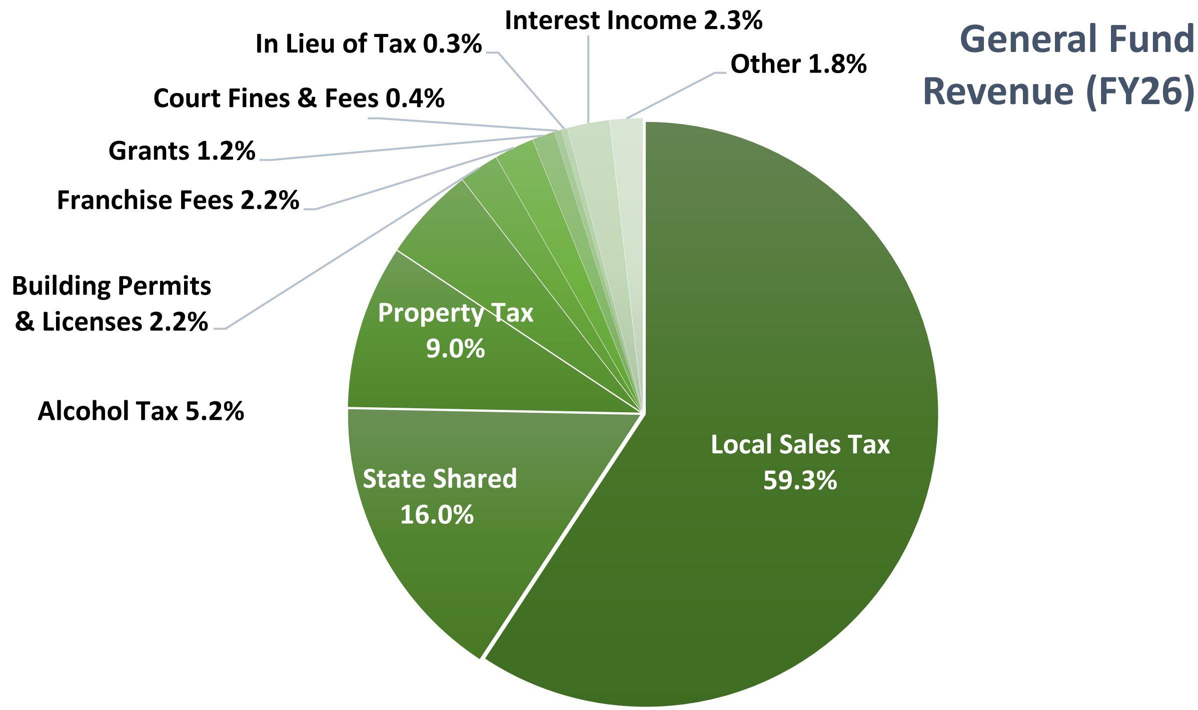
City of Franklin, Tennessee
FY 2026 Budget - Revenue Model

General Fund: *(pg. 4)*

FY 2026:
$112.5 M

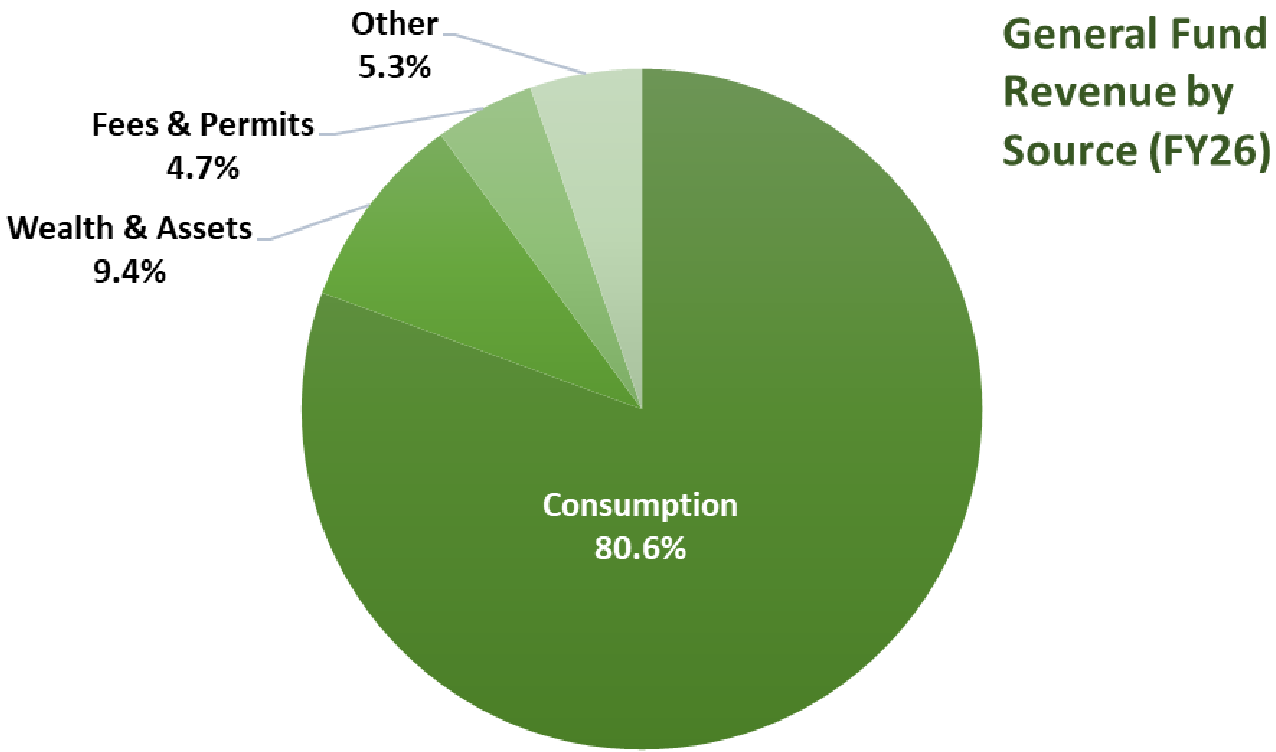
FY 2025:
$112.9 M

Decrease:
$334,928
or 0.3%



This forecast has, as always, limited FY 2025 actual collections. This will change later in the budget process.

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



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

FY 2026: $66.7 M FY 2025 Budget: $63.8 M

FY 2025 *Estimated*: $64.9 M*

Increase: $2,959,399 – 4.64% (*2.74% inc. from FY 2025 estimated*)

Forecast: Increase is based on two main components:
- Continued high levels of actual collections in FY25.*
- About 4% year-over-year growth.

This projection will be revised as we get into the Spring.

based on only 4 months of actual collections.

Closer Focus: Local Sales Tax

- On average, there is a year-over-year 4.56% increase in sales tax over the past 25 years.
- FY24 compared to FY23 showed an increase of 3.1% year-over-year due to steady growth and higher than anticipated collections.
- The average growth rate for FY15 through FY24 was 4.8%.
- The State predicts a 3% to 6% increase in sales tax.
- The City of Franklin's local sales tax tends to mirror the State's sales tax trends.

General Fund: State Shared *(pg. 7)*

FY 2026: $18.1 M FY 2025 Estimate: $17.7 M

Increase: $382,428 or 2.16%

- YTD collections are more than projected FY 25 Budget estimates.

- FY 26 Budget estimates project ~2.5% growth based on State Funding Board recommendations.

Tax Name	% Increase
Sales Tax (State)	Estd 2025 + 2.5%
Beer Tax (State)	Estd 2025 + 0.5%
State Excise Tax - BANK	5yr Avg. + 2.5%
Business Tax Record Fee	Estd 2025 + 3.5%
Business License (Local Share)	Estd 2025 - 1%
Business Tax (State)	Estd 2025 + 4%

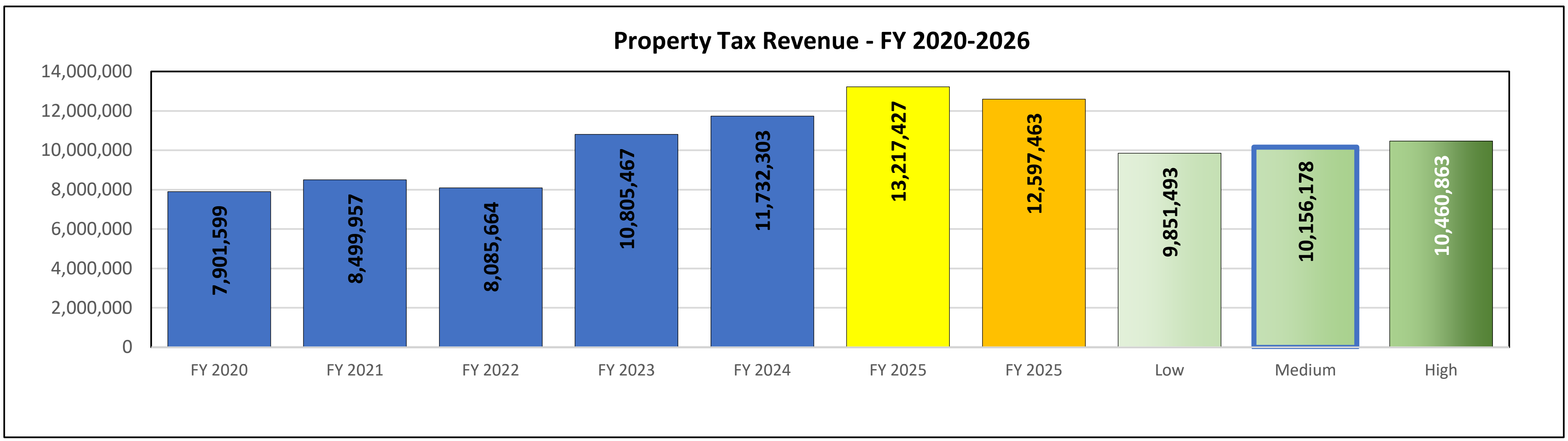
General Fund: Property Tax *(pg. 8)*

Total Assessment: FY 2026: $25.1 M FY 2025: $24.3 M *(Increase of 3%)*

Net General Fund Property Tax: FY 2026: $10.1 M FY 2025 Est.: $12.6 M

Decrease: $2,441,285 or 19.38%

Decrease is due to higher debt service costs assumed as a result of an upcoming G.O. Bond issue.

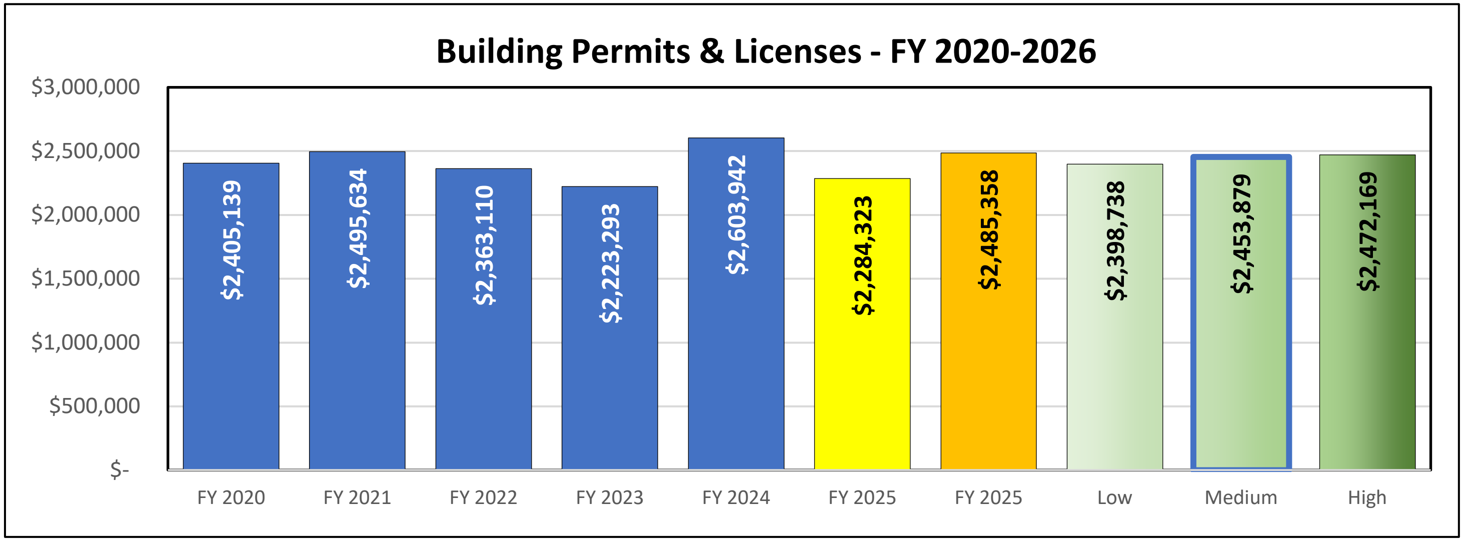


General Fund: Building Permits & Licenses *(pg. 10)*

FY 2026: $2.45 M FY 2025 Estimate: $2.48 M

Decrease: $31,479 or (1.3%)

Forecast: These revenues are *highly dependent* on development activity. Budget is slightly lower than expected FY 2025, which has shown a slowing in activity year to date.

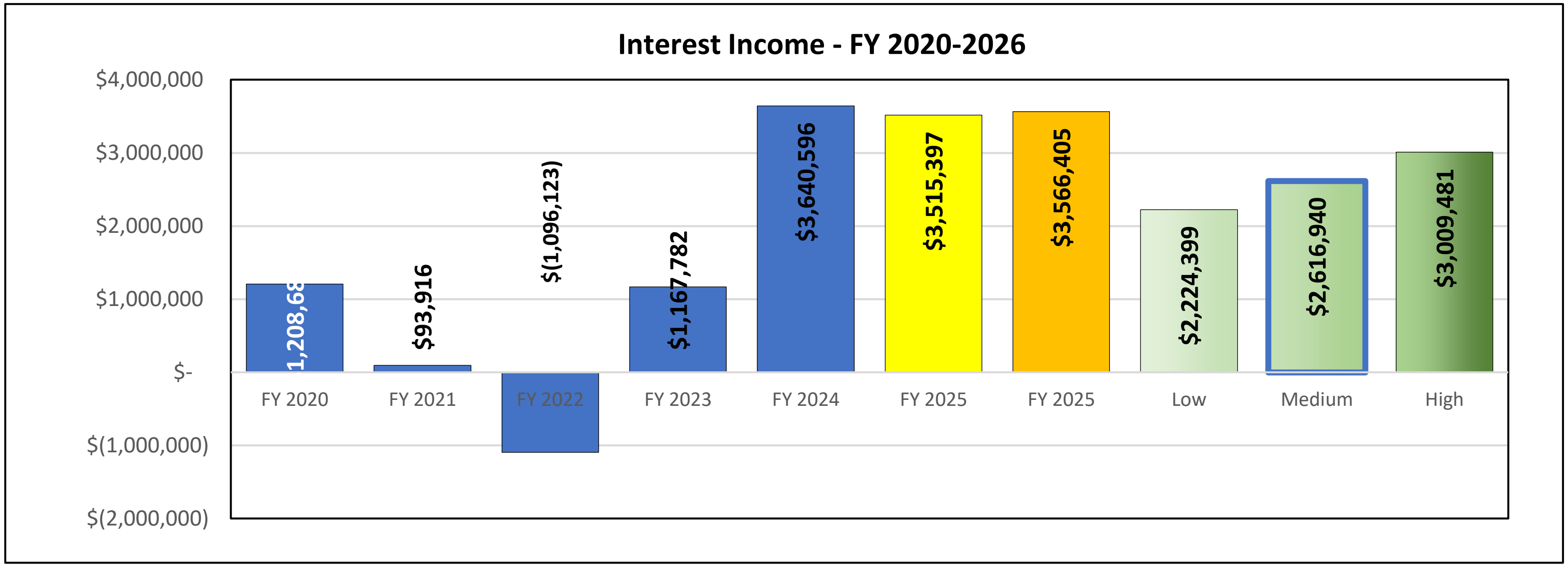


General Fund: Interest Income *(pg. 15)*

FY 2026: $2.6 M   FY 2025 Estimate: $3.56 M

Decrease of $949,465 or 27%

Interest rates increased from 2022-2023, but the City has been able to lock in higher rates on investments. The City expects lower, but healthy returns for FY2025 and FY2026. Does not include interest on investments.



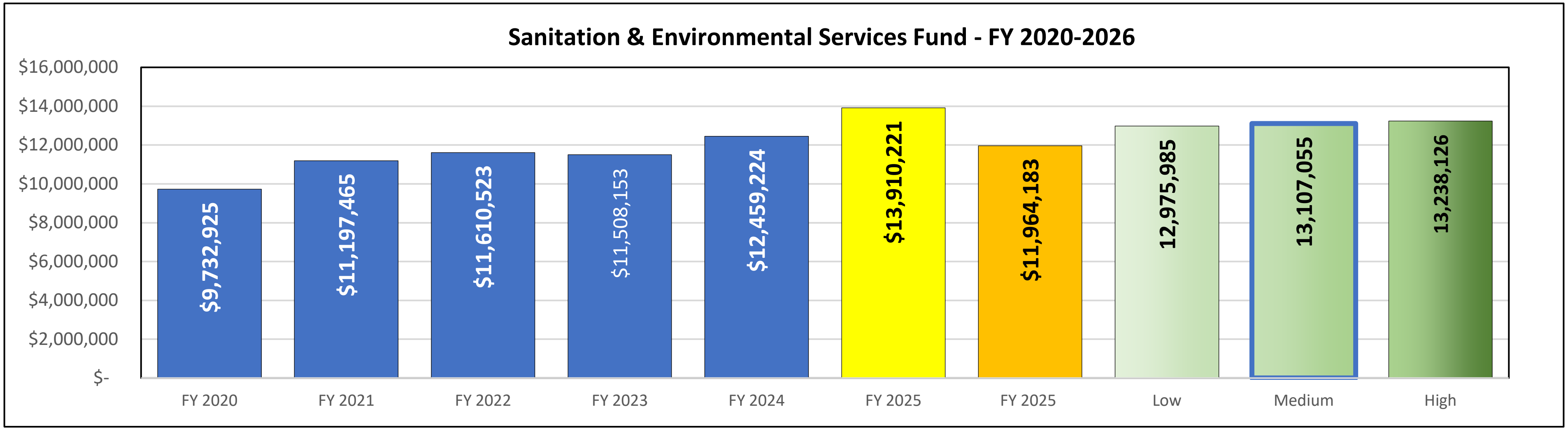
City of Franklin, Tennessee
FY 2026 Budget - Revenue Model

Sanitation Fund *(pg. 19)*

FY 2026: $13.1 M FY 2025 Estimate: $11.9 M

Increase: $1,142,872 or 10%

Forecast: This forecast includes the rate increase approved by the BOMA effective January 1, 2025.



Development Related Funds

- Funds include: Road Impact (pg. 20), City Facilities (pg.21), County Facilities (pg. 22) and Parkland Dedication (pg. 26)

- All funds are *heavily dependent* upon timing of new development. These forecasts could increase or decrease.

- For the purpose of this initial forecast, all four development funds are forecast at 75-85% of the last five-year average dependent on trends within the individual funds. This builds some degree of conservatism into the forecast as it includes the pandemic recovery.

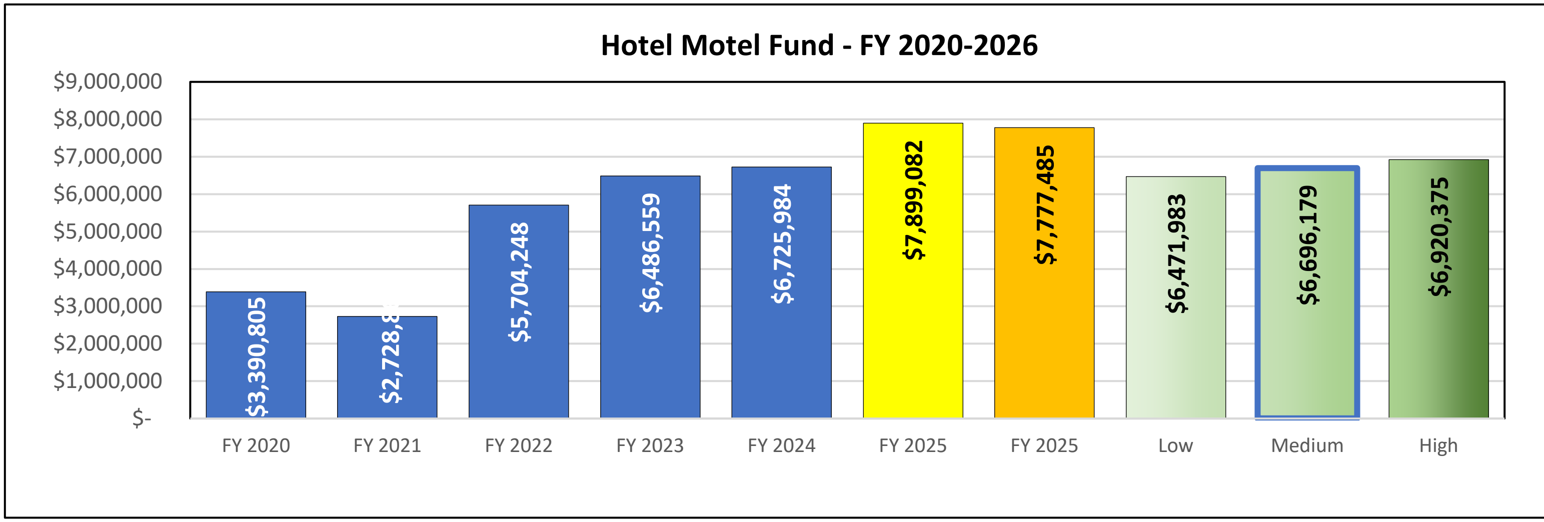
HISTORIC
FRANKLIN
TENNESSEE

City of Franklin, Tennessee
FY 2026 Budget - Revenue Model

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

FY 2026:
$6.69 M
FY 2025 Estimate:
$7.7 M

Decrease:
$1,081,307
or 14%

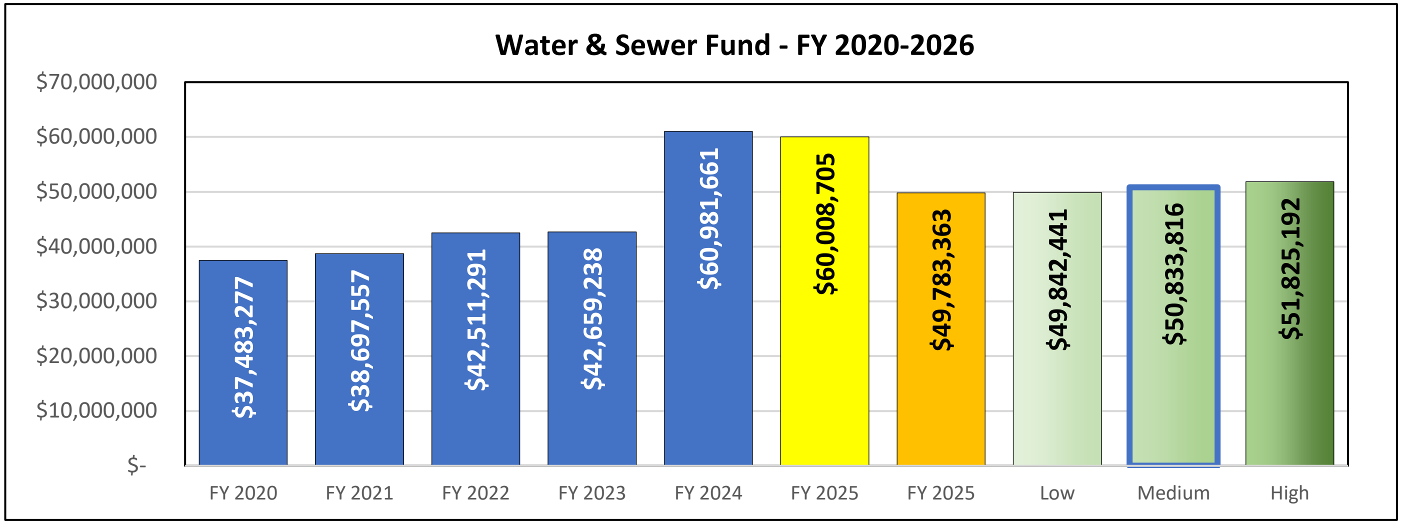


Forecast: The Hotel-Motel Fund has rebounded from the effects of the pandemic and tax rate revenues are anticipated to continue gradual growth. The decrease in overall revenue is due to $1.2 million in one-time ARPA funds appropriated in FY 2025 and will not recur in FY2026.

Water/Sewer Fund* *(pg. 30)*

FY 2026:
$50.8 M
FY 2025 Estimate:
$49.8 M

Increase:
$1,050,454
or 2%



Forecast: FY2026 forecast includes currently approved Customer Service and Impact Fee rates for both Water & Sewer fees.

***** *(operations and impact fees only)*

Closing & Next Steps

- ***Cautious*** **optimism is the dominant thought behind this revenue forecast in January. The economy has not contracted as much as feared as a result of rate hikes – to date. Many industries remain on a solid footing. As always, events out of our control temper expectations and uncertainty remains.**
- **Departmental Budget Reviews will start in February and run through March.**
- **Revised revenue projections will accompany budget recommendations in May as well as a revised five-year forecast.**

FY 2026 Revenue Forecast

Actual Data - FY 2020-2024

Budget - FY 2025

Forecast - FY 2026

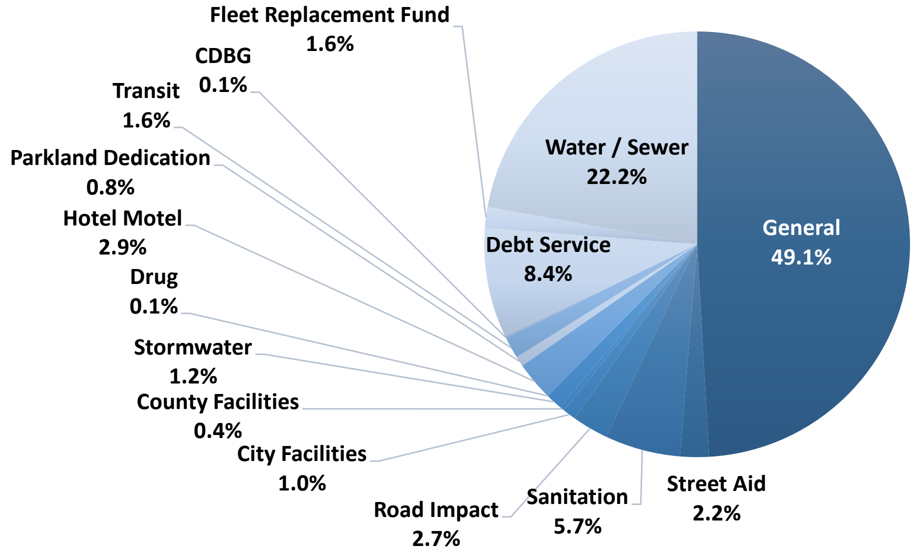
Table of Contents

City of Franklin
Revenue Model

Summary (All Funds)

The City of Franklin funds its 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 2026.

Overall we are projecting **all funds revenues of $229.1 million, $5,865,906 (or 2.5%) lower than the FY 2025 Budget.** Revenues for the largest fund**, the General Fund, are forecast to decrease by $334,928 (or 0.3%) lower than the FY 2025 Budget.**



	Actual					Budget	FY 2026 Forecast			
	A	B	C	D	E	F	G	H	I	
Fund	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**Low**	**Medium**	**High**	**FY 2026**
General	$ 69,956,580	$ 80,560,453	$ 95,587,973	$ 105,114,293	$ 112,518,985	$ 112,855,952	$ 109,434,217	$ 112,521,023	$ 115,724,735	49.1%
Street Aid	$ 3,739,948	$ 3,767,280	$ 5,359,934	$ 5,399,470	$ 5,045,776	$ 4,963,413	$ 4,953,087	$ 5,003,118	$ 5,053,149	2.2%
Sanitation	$ 9,732,925	$ 11,197,465	$ 11,610,523	$ 11,508,153	$ 12,459,224	$ 13,910,221	$ 12,975,985	$ 13,107,055	$ 13,238,126	5.7%
Road Impact	$ 12,953,558	$ 7,061,745	$ 9,746,863	$ 4,651,737	$ 10,569,817	$ 6,720,788	$ 6,156,461	$ 6,282,103	$ 6,407,745	2.7%
City Facilities	$ 3,485,487	$ 3,358,803	$ 2,551,918	$ 1,516,051	$ 2,931,224	$ 2,124,949	$ 2,112,080	$ 2,246,817	$ 2,381,554	1.0%
County Facilities	$ 1,000,026	$ 949,847	$ 878,300	$ 736,620	$ 1,140,348	$ 749,662	$ 852,057	$ 881,931	$ 911,802	0.4%
Stormwater	$ 2,661,807	$ 2,736,221	$ 2,738,385	$ 2,832,236	$ 2,931,151	$ 2,889,167	$ 2,752,477	$ 2,837,605	$ 2,909,187	1.2%
Drug	$ 181,384	$ 173,266	$ 170,648	$ 146,020	$ 135,358	$ 143,783	$ 147,638	$ 152,204	$ 156,770	0.1%
Hotel Motel	$ 3,390,805	$ 2,728,865	$ 5,704,248	$ 6,486,559	$ 6,725,984	$ 7,899,082	$ 6,471,983	$ 6,696,179	$ 6,920,375	2.9%
Parkland Dedication	$ 1,757,183	$ 825,958	$ 1,275,410	$ 2,330,659	$ 4,182,746	$ 1,208,674	$ 1,564,700	$ 1,738,556	$ 1,912,411	0.8%
Transit	$ 2,611,686	$ 2,888,155	$ 2,781,701	$ 3,443,350	$ 4,328,731	$ 4,354,152	$ 3,606,723	$ 3,718,271	$ 3,829,819	1.6%
CDBG	$ 282,395	$ 332,085	$ 311,036	$ 539,667	$ 881,299	$ 396,022	$ 302,357	$ 318,270	$ 334,184	0.1%
Debt Service	$ 56,701,953	$ 15,452,370	$ 15,962,257	$ 15,353,901	$ 16,038,394	$ 15,796,893	$ 19,155,683	$ 19,155,683	$ 19,155,683	8.4%
Fleet Replacement Fund	$ -	$ -	$ 3,253,022	$ 3,044,940	$ 1,039,371	$ 979,075	$ 3,641,999	$ 3,641,999	$ 3,641,999	1.6%
Water / Sewer	$ 37,483,277	$ 38,697,557	$ 42,511,291	$ 42,659,238	$ 60,981,661	$ 60,008,705	$ 49,842,441	$ 50,833,816	$ 51,825,192	22.2%
All Revenues	**$ 205,939,014**	**$ 170,730,072**	**$ 200,443,508**	**$ 205,762,892**	**$ 241,910,068**	**$ 235,000,535**	**$ 223,969,887**	**$ 229,134,630**	**$ 234,402,730**	**100.0%**
	(A-FY2018)	*(B-A)*		*(D-C)*	*(E-D)*	*(F-E)*	*(G-F)*	*(H-F)*	*(I-F)*	
Change Year-over-Year	**$ 20,441,244**	**$ (35,208,942)**	**$ 29,713,436**	**$ 5,319,384**	**$ 36,147,176**	**$ 29,237,643**	**$ (11,030,649)**	**$ (5,865,906)**	**$ (597,805)**	
	31.9%	**-8.0%**	**17.4%**	**2.7%**	**17.6%**	**14.2%**	**-5%**	**-2.50%**	**0%**	

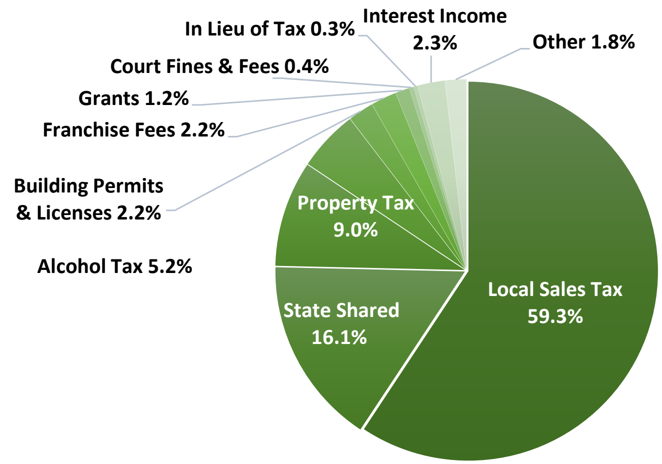
City of Franklin

Revenue Model

Summary (General Fund)	Percent of All Revenues	49.1%

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 comprises more than 98% of the total as of FY 2025.

For FY 2026, General Fund revenue is forecast to decrease by $334,928 or 0.3% below the FY 2025 budget.



General Fund Revenue (FY26)

Top Ten Revenue Categories	Actual					Budget	FY 2026 Forecast		
	A	B	C	D	E	F	G	H	I
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Low	Medium	High
Local Sales Tax	$ 35,453,379	$ 41,999,727	$ 57,745,532	$ 60,556,943	$ 62,424,823	$ 63,767,321	$ 65,058,552	$ 66,726,720	$ 68,394,888
State Shared	$ 13,497,987	$ 14,505,232	$ 16,245,091	$ 17,496,680	$ 18,039,831	$ 16,245,559	$ 17,769,908	$ 18,067,466	$ 18,380,564
Property Tax	$ 7,901,599	$ 8,499,957	$ 8,085,664	$ 10,805,467	$ 11,732,303	$ 13,217,427	$ 9,851,493	$ 10,156,178	$ 10,460,863
Alcohol Tax	$ 4,599,511	$ 5,262,169	$ 5,844,876	$ 5,646,949	$ 5,676,548	$ 5,869,517	$ 5,820,623	$ 5,857,041	$ 6,032,268
Building Permits & Licenses	$ 2,405,139	$ 2,495,634	$ 2,363,110	$ 2,223,293	$ 2,603,942	$ 2,284,323	$ 2,398,738	$ 2,453,879	$ 2,472,169
Franchise Fees	$ 2,489,287	$ 2,497,407	$ 2,506,169	$ 2,441,864	$ 2,391,990	$ 2,455,799	$ 2,439,586	$ 2,464,228	$ 2,488,870
Grants	$ 836,319	$ 3,659,217	$ 2,262,139	$ 121,123	$ 3,276,075	$ 1,342,000	$ 1,073,200	$ 1,332,000	$ 1,590,800
Court Fines & Fees	$ 388,668	$ 304,139	$ 398,877	$ 446,165	$ 467,247	$ 378,387	$ 416,870	$ 425,377	$ 433,885
In Lieu of Tax	$ 398,936	$ 353,969	$ 282,068	$ 376,479	$ 369,292	$ 376,672	$ 382,178	$ 386,039	$ 389,310
Interest Income	$ 1,208,681	$ 93,916	$ (1,096,123)	$ 1,167,782	$ 3,640,596	$ 3,515,397	$ 2,224,399	$ 2,616,940	$ 3,009,481
Top Ten Revenue Sources	$ 69,179,505	$ 79,671,367	$ 94,637,403	$ 101,282,745	$ 110,622,646	$ 109,452,402	$ 107,435,546	$ 110,485,869	$ 113,653,098
Other	$ 777,075	$ 889,086	$ 950,569	$ 3,831,548	$ 1,896,339	$ 3,403,549	$ 1,998,671	$ 2,035,154	$ 2,071,637
Total General Fund Revenues	$ 69,956,580	$ 80,560,453	$ 95,587,973	$ 105,114,293	$ 112,518,985	$ 112,855,952	$ 109,434,217	$ 112,521,023	$ 115,724,735
	(A-FY 2018)	(B-A)	(C-B)	(D-C)	(E-D)	(F-E)	(G-F)	(H-F)	(I-F)
Change Year-over-Year	$ (2,747,839)	$ 10,603,873	$ 15,027,519	$ 9,526,320	$ 7,404,693	$ 336,966	$ (3,421,735)	$ (334,928)	$ 2,868,783
	-3.8%	15.2%	18.7%	10.0%	7.0%	7.4%	-3.0%	-0.30%	2.5%

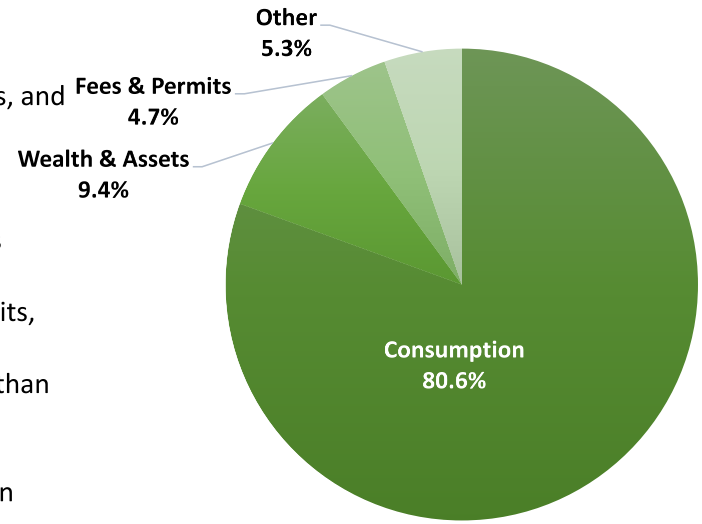
City of Franklin
Revenue Model

Summary (General Fund) | **Percent of All Revenues** | **49.1%**

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 are revenues derived from the consumption of goods and services. This source - taxes on retail sales and alcohol consumption - comprises more than 4 of every 5 dollars the City receives for the General Fund. All other sources - wealth & assets (property 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 slightly less than 1 of every 5 dollars received.

Heavy dependency on consumption taxes places the City in a vulnerable position during downturns in the business cycle and economic retrenchments.



General Fund Revenue by Source (FY26)

Top Ten Revenue Categories

	Actual					Budget	FY 2026 Forecast		
	FY 2020	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY2025**	**Low**	**Medium**	**High**
Consumption	**$ 52,914,589**	**$ 61,023,282**	**$ 79,758,291**	**$ 83,665,850**	**$ 86,137,419**	**$ 85,882,398**	**$ 88,649,083**	**$ 90,651,228**	**$ 92,807,721**
Local Sales Tax	$ 35,453,379	$ 41,999,727	$ 57,745,532	$ 60,556,943	$ 62,424,823	$ 63,767,321	$ 65,058,552	$ 66,726,720	$ 68,394,888
State Shared	$ 12,861,699	$ 13,761,386	$ 16,167,883	$ 17,461,957	$ 18,036,048	$ 16,245,559	$ 17,769,908	$ 18,067,466	$ 18,380,564
Alcohol Tax	$ 4,599,511	$ 5,262,169	$ 5,844,876	$ 5,646,949	$ 5,676,548	$ 5,869,517	$ 5,820,623	$ 5,857,041	$ 6,032,268
Wealth & Assets	**$ 8,936,823**	**$ 9,597,772**	**$ 8,444,940**	**$ 11,216,669**	**$ 12,105,377**	**$ 13,594,099**	**$ 10,233,671**	**$ 10,542,217**	**$ 10,850,173**
Property Tax	$ 7,901,599	$ 8,499,957	$ 8,085,664	$ 10,805,467	$ 11,732,303	$ 13,217,427	$ 9,851,493	$ 10,156,178	$ 10,460,863
Hall Income Tax	$ 636,288	$ 743,846	$ 77,208	$ 34,723	$ 3,782	$ -	$ -	$ -	$ -
In Lieu of Taxes	$ 398,936	$ 353,969	$ 282,068	$ 376,479	$ 369,292	$ 376,672	$ 382,178	$ 386,039	$ 389,310
Fees & Permits	**$ 5,283,094**	**$ 5,297,180**	**$ 5,268,156**	**$ 5,111,321**	**$ 5,463,179**	**$ 5,118,508**	**$ 5,255,193**	**$ 5,343,485**	**$ 5,394,924**
Franchise Fees	$ 2,489,287	$ 2,497,407	$ 2,506,169	$ 2,441,864	$ 2,391,990	$ 2,455,799	$ 2,439,586	$ 2,464,228	$ 2,488,870
Building Permits & Licenses	$ 2,405,139	$ 2,495,634	$ 2,363,110	$ 2,223,293	$ 2,603,942	$ 2,284,323	$ 2,398,738	$ 2,453,879	$ 2,472,169
Court Fines & Fees	$ 388,668	$ 304,139	$ 398,877	$ 446,165	$ 467,247	$ 378,387	$ 416,870	$ 425,377	$ 433,885
Other	**$ 2,822,075**	**$ 4,642,219**	**$ 2,116,585**	**$ 5,120,453**	**$ 8,813,010**	**$ 8,260,946**	**$ 5,296,270**	**$ 5,984,094**	**$ 6,671,918**
Grants	$ 836,319	$ 3,659,217	$ 2,262,139	$ 121,123	$ 3,276,075	$ 1,342,000	$ 1,073,200	$ 1,332,000	$ 1,590,800
Interest Income	$ 1,208,681	$ 93,916	$ (1,096,123)	$ 1,167,782	$ 3,640,596	$ 3,515,397	$ 2,224,399	$ 2,616,940	$ 3,009,481
Other	$ 777,075	$ 889,086	$ 950,569	$ 3,831,548	$ 1,896,339	$ 3,403,549	$ 1,998,671	$ 2,035,154	$ 2,071,637
Total General Fund Revenues	**$ 69,956,580**	**$ 80,560,453**	**$ 95,587,972**	**$ 105,114,293**	**$ 112,518,985**	**$ 112,855,951**	**$ 109,434,217**	**$ 112,521,023**	**$ 115,724,735**

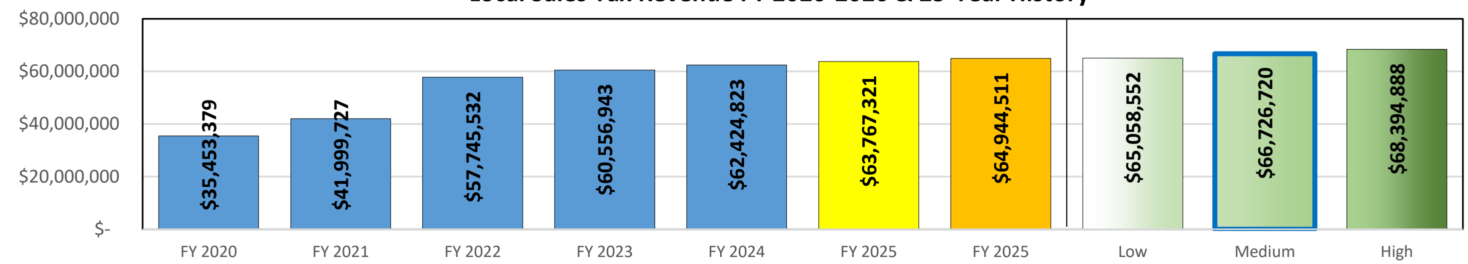
City of Franklin
Revenue Model

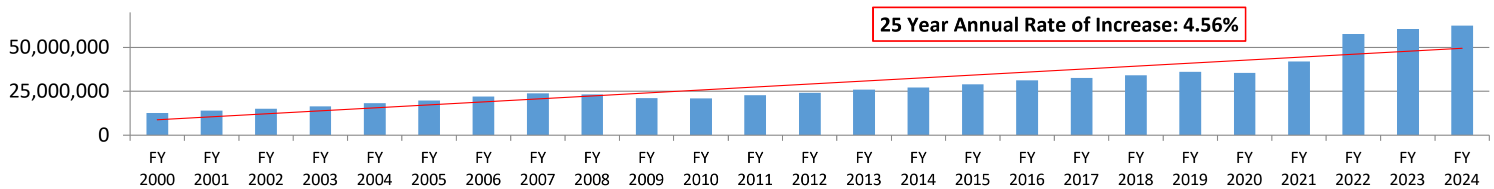
Fund:	General Fund	Category:	Local Sales Tax	Percent of Total General Fund Revenues	59.3%

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.

At this time, we are forecasting a base increase of 2.75% higher than estimated FY 2025. This is designed to be prudently conservative given ongoing concerns in the global economy.

Local Sales Tax Revenue FY 2020-2026 & 25-Year History





	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	-2.0%	18.5%	37.5%	4.9%	3.1%	2.15%	4.04%	0.18%	2.74%	5.31%	3-yr Average
July	3,011,846	3,000,773	4,616,865	4,940,855	5,017,174	5,290,404	5,451,519	5,448,112	5,587,807	5,727,503	$ 60,242,433
August	2,938,112	2,915,576	4,357,269	4,650,081	4,694,185	5,189,446	5,361,926	5,358,575	5,495,975	5,633,374	1.2%
September	2,947,162	3,022,499	4,794,161	5,022,821	4,990,343	5,126,202	5,453,482	5,450,074	5,589,819	5,729,565	5-Yr Average
October	3,002,662	3,186,150	4,655,427	4,761,957	5,088,909	5,040,406	5,190,687	5,342,075	5,479,051	5,616,028	$ 51,636,081
November	3,109,876	3,085,542	4,829,484	4,984,513	5,327,485	5,240,390	5,434,034	5,430,638	5,569,885	5,709,132	4.2%
December	4,115,721	4,372,682	5,790,986	6,139,766	6,601,493	6,970,857	6,733,523	6,729,315	6,901,861	7,074,408	10-Yr Average
January	2,822,778	3,007,164	4,188,974	4,590,039	4,615,421	4,625,443	4,707,729	4,704,787	4,825,423	4,946,058	$ 42,144,818
February	2,605,704	2,550,960	4,267,860	4,465,281	4,686,366	4,436,389	4,780,093	4,777,106	4,899,595	5,022,085	4.8%
March	2,744,230	3,595,329	5,012,805	5,201,808	5,217,775	5,414,254	5,322,130	5,318,804	5,455,183	5,591,563	20-Yr Average
April	2,257,522	4,323,776	4,993,938	5,117,533	5,284,921	5,299,380	5,390,620	5,387,251	5,525,385	5,663,520	$ 32,630,087
May	2,781,549	4,446,675	5,121,518	5,343,633	5,626,322	5,462,449	5,738,848	5,735,261	5,882,319	6,029,377	4.6%
June	3,116,217	4,492,601	5,116,245	5,338,658	5,274,429	5,671,702	5,379,918	5,376,555	5,514,416	5,652,276	
Totals	$ 35,453,379	$ 41,999,727	$ 57,745,532	$ 60,556,943	$ 62,424,823	$ 63,767,321	$ 64,944,511	$ 65,058,552	$ 66,726,720	$ 68,394,888	

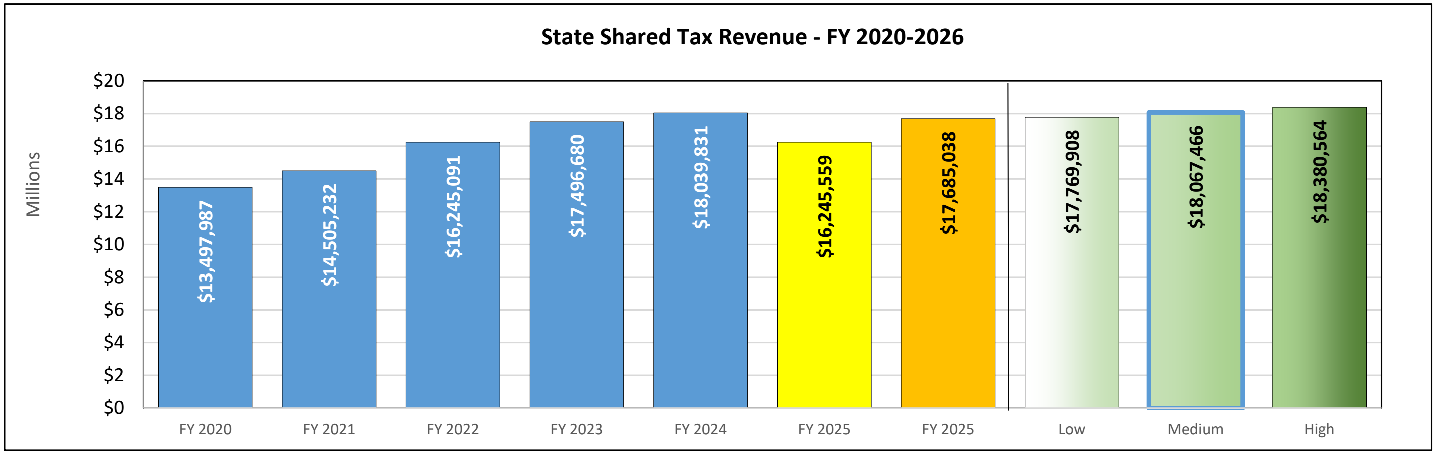
Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	General Fund	Category:	State Shared	Percent of Total General Fund Revenues	16.2%

<u>State Shared Taxes</u>: 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, and TVA in Lieu Of 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 2026 assumes a 2.32% increase over *estimated* FY 2025. Most categories will increase - (based on composite projections from state economists and the Department of Revenue) - between 1% and 3% *<u>over budget</u>*, but vary according by specific category.



	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	-7.9%	7.5%	12.0%	7.7%	3.1%	-9.9%	-2.0%	0.48%	2.16%	3.93%	
Sales Tax (State)	6,480,703	7,553,994	9,427,976	9,949,094	10,269,176	10,051,702	10,523,264	10,570,619	10,786,346	11,002,073	3-yr Average
Beer Tax (State)	33,215	18,536	38,120	38,106	36,681	38,240	35,987	35,625	36,167	37,071	$ 17,260,534
State Excise Tax - BANK - January	281,061	316,397	247,314	396,896	417,503	245,495	425,853	333,327	340,130	346,932	1.5%
In Lieu of Tax (TVA)	872,269	810,661	866,622	1,003,531	1,022,878	1,022,877	1,018,139	1,012,649	1,028,320	1,059,170	5-Yr Average
Business License (Local Share)	11,685	9,805	9,135	9,605	10,994	10,072	11,847	11,611	11,728	11,846	$ 15,956,964
Transient/Peddlar Bus. License	4,478	5,399	3,492	5,549	3,920	5,000	5,000	4,900	5,000	5,100	2.6%
Business Tax (State)	4,703,004	4,536,119	4,983,975	5,390,052	5,689,806	4,342,404	5,068,822	5,218,859	5,271,575	5,324,291	10-Yr Average
Income Tax (State)	636,288	743,846	77,208	34,723	3,782	-	-	-	-	-	$ 14,916,863
Business Tax Record Fee - State	475,283	467,994	506,044	549,517	569,636	529,769	568,309	582,317	588,199	594,081	2.1%
Sports Gaming Revenues		41,063	83,921	115,626	-	-	-	-	-	-	20-Yr Average
Cemetary Excise Tax		1,418	1,285	3,981	-	-	-	-	-	-	$ 10,874,339
Transportation Modernization					15,454	-	27,818	-	-	-	3.3%
Totals	$ 13,497,987	$ 14,505,232	$ 16,245,091	$ 17,496,680	$ 18,039,831	$ 16,245,559	$ 17,685,038	$ 17,769,908	$ 18,067,466	$ 18,380,564	#

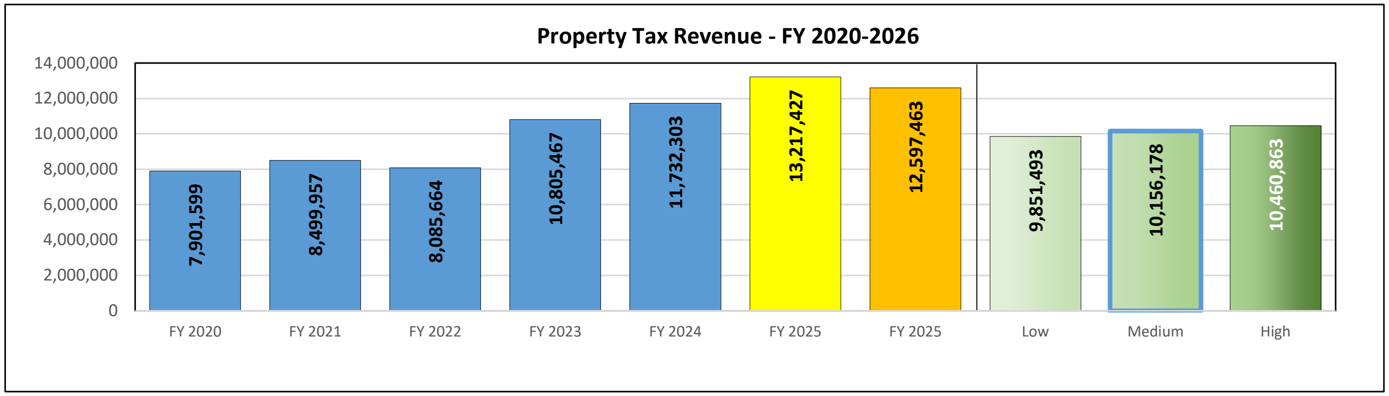
Source: City of Franklin, <u>Annual Comprehensive Financial Reports - 1990-2024</u> & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	General Fund	Category:	Property Tax	Percent of Total General Fund Revenues	9.0%

<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 2026 Forecast assumes a 19.38% decrease in ***net*** property tax available to the general fund for two main reasons - 1) a modest (3%) growth in the levy over 2025, and 2) greater debt service payments which result in lower property tax revenues available for operations.



	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	**-15.2%**	**7.6%**	**-4.9%**	**33.6%**	**8.6%**	**12.7%**	**-4.7%**	**-21.80%**	**-19.38%**	**-16.96%**	
Property Taxes	21,688,376	22,527,250	23,026,943	23,536,380	23,769,831	24,991,333	24,371,369	24,349,435	25,102,510	25,855,585	**3-yr Average**
Less: Due to IDB/City Loan for IDB**	(2,320,380)	(2,521,183)	(2,498,769)	(1,209,143)	-	-	-	-	-	-	**$ 10,207,811**
Less: Debt Service Fund	(10,958,447)	(10,918,504)	(11,629,983)	(10,658,665)	(10,957,506)	(10,554,764)	(10,554,764)	(13,526,434)	(13,944,777)	(14,363,120)	**2.0%**
Less: Unavailable Revenue (uncollected at year-end)	(160,821)	(198,781)	(208,754)	(208,452)	(236,944)	(419,208)	(419,208)	(242,500)	(250,000)	(257,500)	
Less: Street Aid Set-Aside	(779,036)	(809,178)	(1,059,197)	(1,094,550)	(1,116,441)	(1,149,934)	(1,149,934)	(1,148,899)	(1,184,432)	(1,219,965)	**5-Yr Average**
Pickups (primarily RR and Public Utility)	272,251	196,102	281,998	259,908	265,307	250,000	250,000	247,460	255,113	262,767	**$ 9,404,998**
Plus: Prior Year Collections	159,656	224,251	173,426	179,989	151,498	100,000	100,000	172,431	177,764	183,097	**4.9%**
											10-Yr Average
											$ 8,559,966
											7.4%
Totals	**7,901,599**	**8,499,957**	**8,085,664**	**10,805,467**	**11,732,303**	**13,217,427**	**12,597,463**	**9,851,493**	**10,156,178**	**10,460,863**	

Source: City of Franklin, <u>Annual Comprehensive Financial Reports - 1990-2024</u> & Estimates from Finance & Revenue Management Departments.

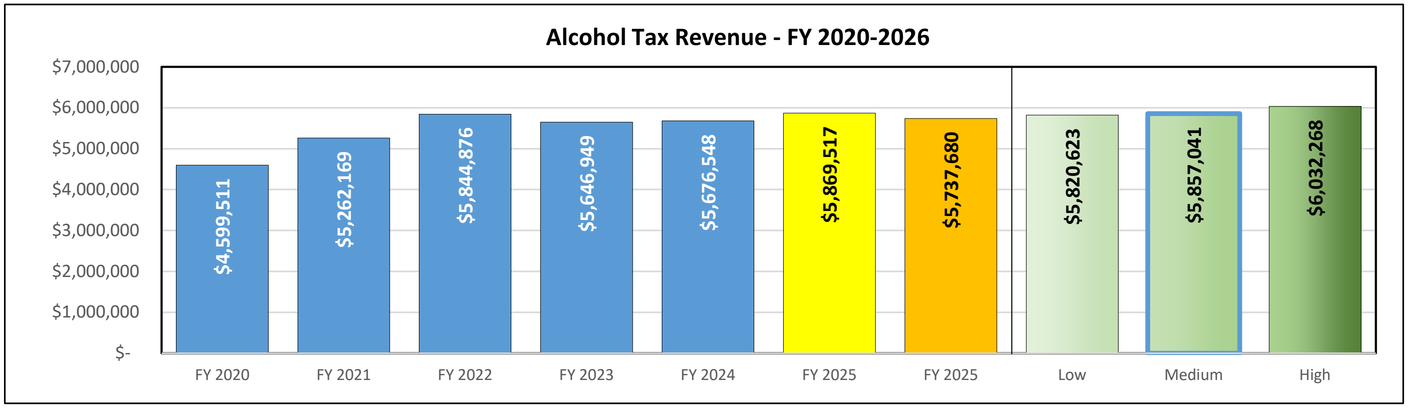
*** **<u>Note on amount due IDB/City:</u>** As of October 2022, the IDB Loan was paid in full and the property taxes fully accrue to general fund operations. In FY 2026, all available taxes shown on this line will be available for general purposes - whether that be operating or capital.*

City of Franklin
Revenue Model

Fund:	General Fund	Category:	Alcohol Tax	Percent of Total General Fund Revenues	5.2%

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.

Alcohol taxes are projected to increase, on average, by 2.1% over FY 2025 budgeted estimates. Wholesale taxes are set to increase by 0.5% for beer and 2.5% for wine, respectively. Privilege taxes are set to decrease by 0.5% for both beer and liquor while Mixed Drink Taxes are set to increase 3%. All increases are based on composite averages presented from the State Finance Board (11/2024).



	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	4.8%	14.4%	11.1%	-3.4%	0.5%	3.4%	1.1%	1.4%	2.1%	5.1%	
Beer Tax - Wholesale	1,905,377	1,956,504	2,046,920	1,819,226	1,675,086	1,755,491	1,654,985	1,629,995	1,663,260	1,718,979	3-yr Average
Beer Privilege Tax (Renewal)	21,740	21,394	27,675	26,749	40,426	26,482	35,243	27,321	27,597	27,873	$ 5,722,791
Liquor Tax - Wholesale	1,761,915	1,868,262	1,953,827	1,858,357	1,932,197	2,103,166	2,028,605	2,058,527	2,079,320	2,100,113	-0.3%
Liquor Privilege Tax	84,371	84,107	139,140	145,715	146,900	144,258	136,100	146,158	147,635	149,111	5-Yr Average
Mixed Drink Tax	826,109	1,331,902	1,677,314	1,796,903	1,881,940	1,840,121	1,882,748	1,958,623	1,939,230	2,036,192	$ 5,406,011
											1.0%
											10-Yr Average
											$ 4,719,875
											2.0%
											20-Yr Average
											$ 3,729,010
											2.6%
Totals	$ 4,599,511	$ 5,262,169	$ 5,844,876	$ 5,646,949	$ 5,676,548	$ 5,869,517	$ 5,737,680	$ 5,820,623	$ 5,857,041	$ 6,032,268	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

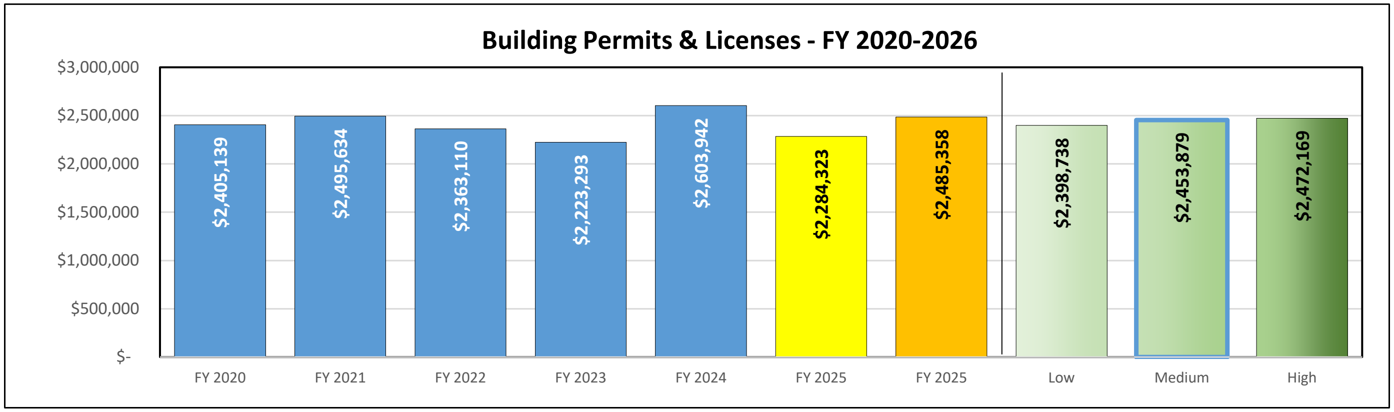
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Building Permits & Licenses	Percent of Total General Fund Revenues	2.2%

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 have been slight decreases on 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.

This forecast projects a decrease of 1.27% in licenses & permits off of FY 2025 budgeted amounts.



	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	5.5%	3.8%	-5.3%	-5.9%	17.1%	-12.3%	-4.6%	-3.5%	-1.3%	-0.5%	
Mechanical License	4,475	5,075	3,300	2,975	4,050	3,035	4,040	2,974	3,722	3,065	3-yr Average
Mechanical Permits	107,589	113,732	105,740	142,968	111,541	145,827	120,064	116,433	118,809	119,997	$ 2,396,782
Building Permits	1,714,700	1,796,730	1,661,426	1,435,153	1,878,751	1,463,856	1,666,917	1,654,039	1,687,795	1,704,673	2.9%
Demo Permit	-	-	-	-	2,450	2,100	2,100	2,058	2,100	2,121	
Pool Permit	-	-	-	-	35,409	30,000	30,000	29,400	30,000	30,300	5-Yr Average
Technology Fee	61,730	65,714	61,900	57,685	70,110	56,531	63,428	60,916	62,159	62,781	$ 2,418,224
Appeal Admin	-	-	1,000	-	-	-	-	-	-	-	1.5%
Plumbing Permits	76,747	74,574	80,303	90,508	78,753	92,318	95,169	82,184	83,861	84,700	
Electrical Inspections	232,907	247,267	263,042	288,297	226,847	294,063	269,834	253,876	259,057	261,648	10-Yr Average
Planning Fees (Plans Review)	138,499	76,540	83,453	97,687	110,544	99,641	100,471	91,864	93,739	94,676	$ 2,544,911
Reinspection Fees	17,625	17,900	12,300	9,150	10,600	9,333	10,470	11,842	12,084	12,205	0.2%
Sign Permits	11,442	13,419	9,986	14,328	10,849	14,615	13,393	12,147	12,395	12,519	
Mobile Food Vendor Permit Fee	1,800	5,010	5,655	6,360	5,800	6,487	5,024	5,567	5,681	5,738	20-Yr Average
Video, Film, Photo Permit Fee	100	4,400	5,050	4,250	100	4,335	2,836	3,326	3,394	3,428	$ 2,150,068
Short-Term Rental Permit Fee	-	-	-	-	4,650	-	5,000	-	5,500	-	1.1%
Tree Cutting Permits	110	-	-	50	100	50	50	49	50	51	
Grading Permits	-	-	100	100	-	-	-	-	-	-	
Roadway Inspections	37,414	74,671	69,555	73,782	53,088	62,132	96,564	72,061	73,532	74,267	
Small Cell ROW Application		600	300	-	300	-	-	-	-	-	
Totals	$ 2,405,139	$ 2,495,634	$ 2,363,110	$ 2,223,293	$ 2,603,942	$ 2,284,323	$ 2,485,358	$ 2,398,738	$ 2,453,879	$ 2,472,169	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

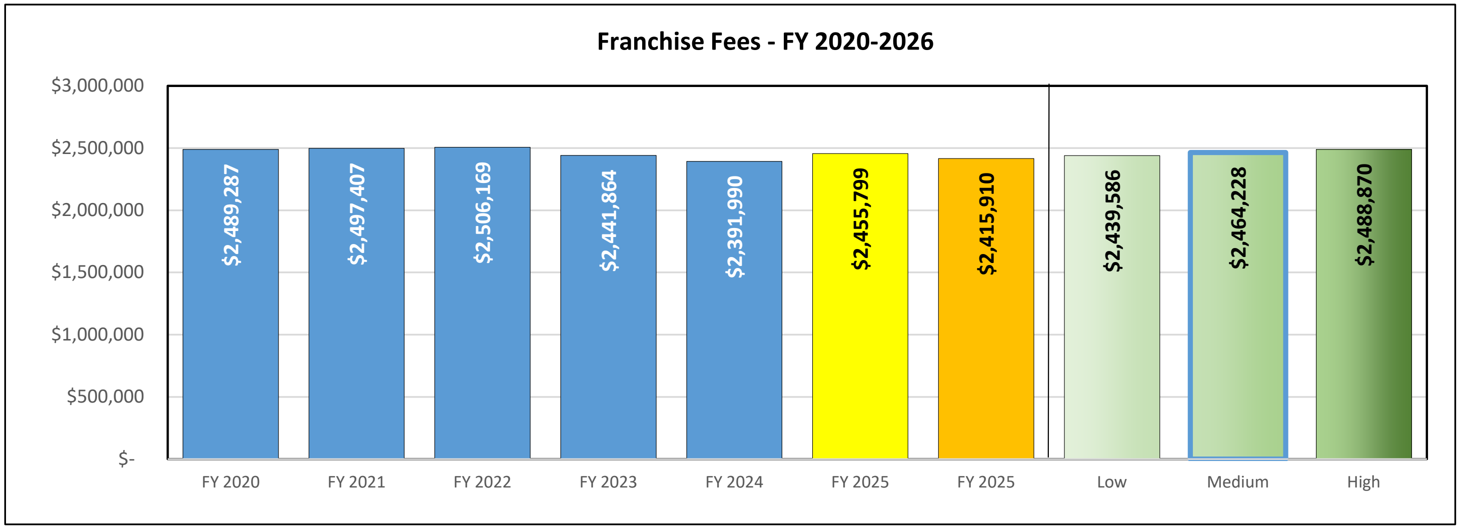
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Franchise Fees	Percent of Total General Fund Revenues	2.2%

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 2% increase over budget is forecasted for FY 2025.



	Actual					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	-3.0%	0.3%	0.4%	-3%	-2%	3%	1%	1%	2%	3%	
ATMOS	1,282,993	1,367,141	1,332,994	1,317,273	152,754	1,340,044	154,281	155,793	157,367	158,941	3-yr Average
Comcast	920,276	883,330	728,941	886,667	1,257,307	850,765	1,269,880	1,282,325	1,295,277	1,308,230	$ 2,446,674
Piedmont	48,125	48,665	158,622	108,578	733,562	100,302	740,897	748,158	755,715	763,272	-0.7%
AT&T	237,893	198,271	285,612	129,346	248,368	164,688	250,851	253,310	255,868	258,427	5-Yr Average
											$ 2,465,343
											-0.6%
											10-Yr Average
											$ 2,442,830
											-0.2%
											20-Yr Average
											$ 2,113,867
											0.7%
Totals	$ 2,489,287	$ 2,497,407	$ 2,506,169	$ 2,441,864	$ 2,391,990	$ 2,455,799	$ 2,415,910	$ 2,439,586	$ 2,464,228	$ 2,488,870	

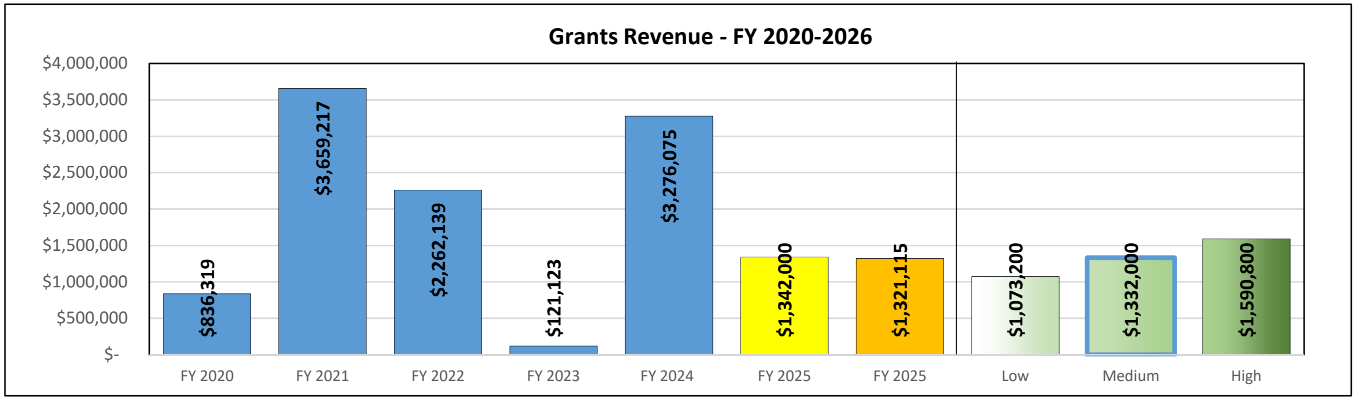
Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	General Fund	Category:	Grants	Percent of Total General Fund Revenues	1.2%

Grants (Federal/State): The City of Franklin, Tennessee regularly applies for grants to support both operations and one-time capital or pilot projects from a variety of state and federal resources. Traditionally, the City has recieved the most grants for traffic related improvements, public safety, preservation and recreation activities.

The FY 2026 budget assumes base grants for Public Safety.



	Actual					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	115.7%	337.5%	-38.2%	-94.6%	2604.7%	-59.0%	-1.6%	-18.8%	0.8%	20.4%	
Federal Grant - TOC	$ -	$ -	$ -	$ -	$ -	$ 1,292,000	$ 1,244,000	995,200	1,244,000	1,492,800	3-yr Average
Homeland Security Grant (42123)	$ -	$ -	$ 8,053	$ 1,649	$ -	$ -	$ -	-	-	-	$ 1,886,446
Homeland Security Grant (42200)	$ 13,802	$ 9,710	$ 61,922	$ 42,047	$ 48,637	$ 50,000	$ 50,000	40,000	50,000	60,000	24.6%
Homeland Security Grant (43110)	$ -	$ -	$ 25,739	$ 3,889	$ -	$ -	$ -	-	-	-	
Homeland Security Grant (44700)	$ -	$ -	$ 44,565	$ 8,913	$ -	$ -	$ -	-	-	-	5-Yr Average
Dept of House & Urban Dev (Federal)	$ -	$ -	$ -	$ -	$ 175,000	$ -	$ -	-	-	-	$ 2,030,974
Dept of Commerce and Insurance (Sta	$ -	$ -	$ -	$ -	$ 2,000	$ -	$ 4,000	4,000	4,000	4,000	12.3%
Dept of Justice (Federal)	$ 3,518	$ 4,308	$ 20,642	$ 8,768	$ 21,441	$ -	$ -	-	-	-	
Dept of Interior (Federal)	$ 656,550	$ -	$ 14,700	$ 5,400	$ 1,980,050	$ -	$ -	-	-	-	$ 1,318,183
Dept of Transportation (Federal)	$ 143,565	$ 704,040	$ 509,925	$ 5,394	$ 26,351	$ -	$ 19,115	-	-	-	14.9%
Dept of Transportation (Federal)	$ -	$ -	$ -	$ -	$ 22,596	$ -	$ -	-	-	-	
Dept of Treasury (Federal)	$ -	$ 1,131,180	$ -	$ -	$ -	$ -	$ -	-	-	-	20-Yr Average
Dept of Transportation (Federal)	$ -	$ -	$ 639,321	$ 52,938	$ 1,000,000	$ -	$ -	-	-	-	$ 955,645
Preservation Plan Grant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	24,000	24,000	24,000	
Governor's Local Gov't Support Grant	$ -	$ 1,815,648	$ 924,150	$ -	$ -	$ -	$ -	-	-	-	
TN EMA (State)	$ -	$ -	$ 13,122	$ (7,875)	$ -	$ -	$ -	-	-	-	
Invasive Species Grant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	10,000	10,000	10,000	
TN Dept of Agriculture	$ 18,884	$ 2,453	$ -	$ -	$ -	$ -	$ -	-	-	-	
In-Kind Contributions	$ -	$ (8,121)	$ -	$ -	$ -	$ -	$ -	-	-	-	
Totals	**$ 836,319**	**$ 3,659,217**	**$ 2,262,139**	**$ 121,123**	**$ 3,276,075**	**$ 1,342,000**	**$ 1,321,115**	**$ 1,073,200**	**$ 1,332,000**	**$ 1,590,800**	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

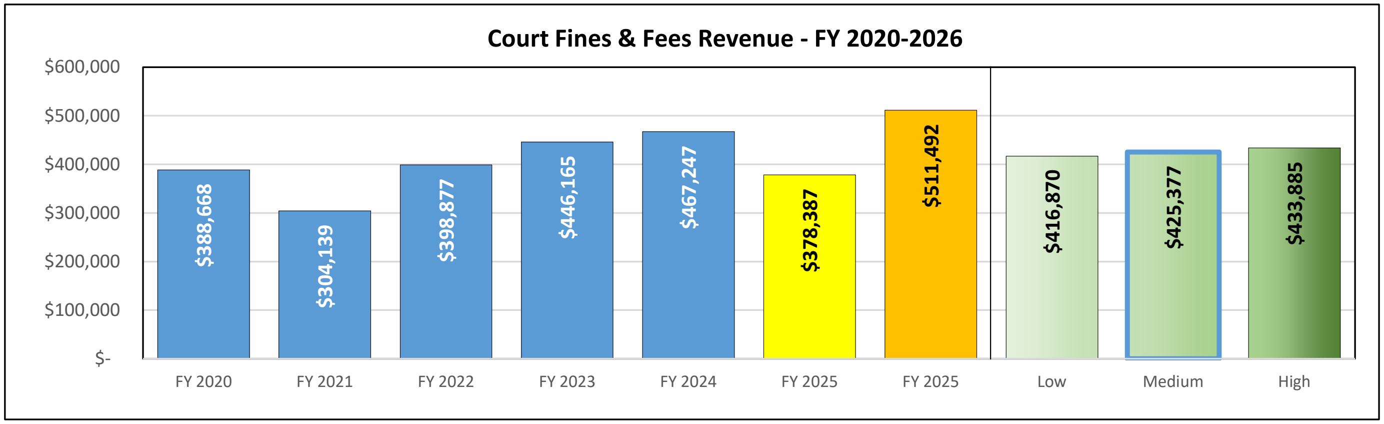
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Court Fines & Fees	Percent of Total General Fund Revenues	0.4%

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 to increase approximately 12.4% compared to the FY 2025 budget.



	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	5.0%	-21.7%	31.1%	12%	5%	-19%	9%	-18%	-17%	-15%	
Fines/Fees - Mun Court	90,082	53,533	94,890	99,209	107,671	95,294	104,833	100,614	102,667	104,720	**3-yr Average**
Court-Local Litigation Tax	3,286	2,236	2,832	2,912	3,245	2,772	2,772	2,194	2,238	2,283	$ 437,429
Court-Bad Check	382	160	-	-	1,110	148	148	145	148	151	2.3%
Delinquent Court Fees & Fines	9,797	6,556	9,813	9,739	9,975	8,735	9,907	9,758	9,957	10,156	**5-yr Average**
Court-Driving School	57,033	33,631	49,393	49,689	55,511	44,567	62,689	51,638	52,692	53,746	$ 401,019
Court-Admin Fee	1,404	720	1,586	1,908	1,553	1,568	1,568	1,684	1,719	1,753	3.3%
Fines - Gen Sessions	61,586	59,763	80,425	89,169	84,170	65,569	71,158	76,152	77,706	79,260	**10-Yr Average**
Officer Costs - General Sessions/Circuit Court	99,008	95,693	104,055	103,810	85,018	94,319	93,242	95,381	97,327	99,274	$ 432,692
Parking Fines - Mun Court	16,859	8,361	16,710	38,680	34,689	25,328	24,213	25,242	25,757	26,272	0.8%
Fines - Traffic Offenses	47,581	27,427	36,741	49,452	82,914	38,876	64,468	52,691	53,766	54,841	**20-Yr Average**
Failure To Appear - Fine	1,650	980	1,550	1,360	1,390	1,212	1,386	1,372	1,400	1,428	$ 636,791
Technology Fee	-	-	-	-	2	-	416	-	-	-	-1.3%
Confiscated Goods (Federal)		-	-	-	-	-	74,693	-	-	-	
Confiscated Goods (State)		15,079	882	238	-	-	-	-	-	-	
Totals	$ 388,668	$ 304,139	$ 398,877	$ 446,165	$ 467,247	$ 378,387	$ 511,492	$ 416,870	$ 425,377	$ 433,885	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

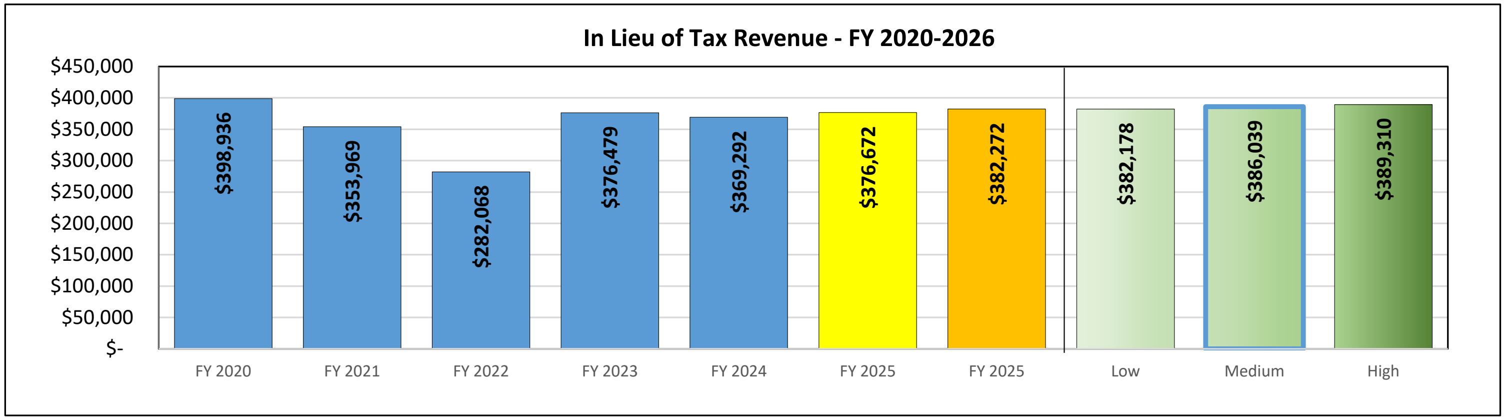
City of Franklin

Revenue Model

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

<u>In Lieu Of Tax:</u> Payments In Lieu Of Tax are made primarily by various local entities - such as the Franklin Housing Authority and Nissan that have leases through a local government Industrial Board. The local payments are made annually.

The base amount of In Lieu of Tax Revenue is projected to increase a 1% over FY 2025 budgeted estimates.



	Actual					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	53.5%	-11.3%	-20.3%	33%	-2%	2%	4%	0%	1%	2%	3-yr Average
Franklin Housing Authority	20,394	17,958	11,769		17,556	22,586	22,586	22,584	22,812	23,040	$ 342,613
Nissan (TIF District)	172,388	197,962	211,602	198,060	168,176	208,417	208,417	208,396	210,501	212,606	2.6%
Community Health Systems (CHS)	(1,000)							-	-	-	5-Yr Average
FHA - Reddick Street	171,651	83,087	8,404	84,129	87,377	87,325	87,325	87,316	88,198	89,080	$ 356,149
Ramsey Solutions	35,503	54,962	50,293	94,290	90,583	58,344	58,344	58,338	58,927	58,927	0.7%
Spring Street					3,200	0	3,200	3,168	3,200	3,232	10-Yr Average
Chickasaw Senior Community					2,400	0	2,400	2,376	2,400	2,424	$ 325,290
											1.4%
											20-Yr Average
											$ 281,298
											1.6%
Totals	$ 398,936	$ 353,969	$ 282,068	$ 376,479	$ 369,292	$ 376,672	$ 382,272	$ 382,178	$ 386,039	$ 389,310	

Source: City of Franklin, <u>Annual Comprehensive Financial Reports - 1990-2024</u> & Estimates from Finance & Revenue Management Departments.

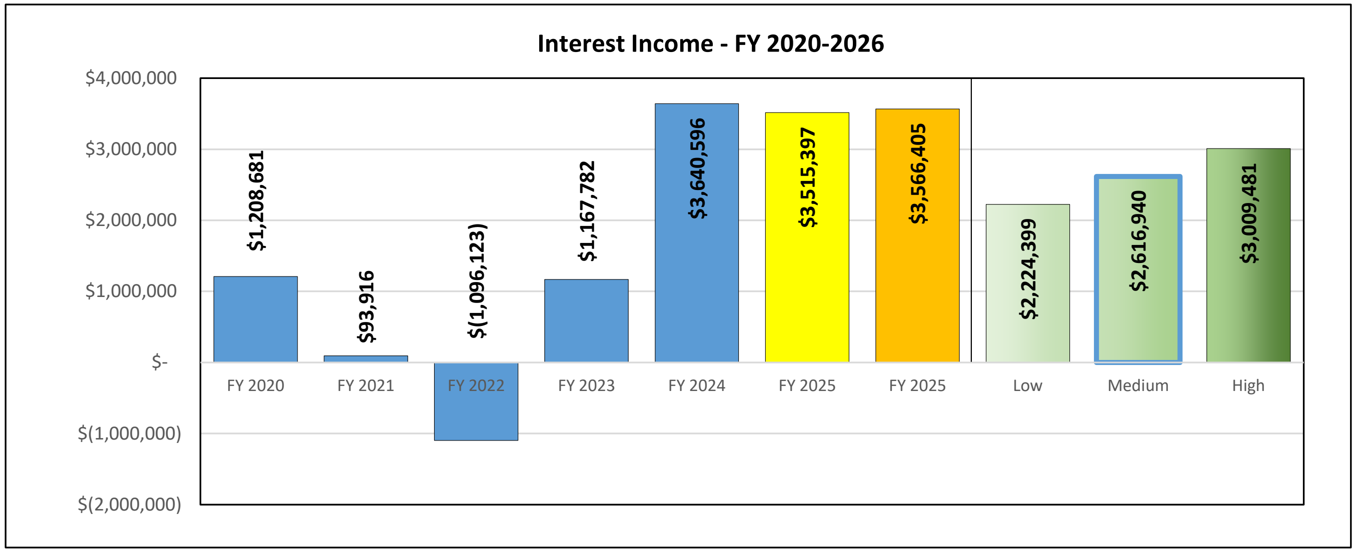
City of Franklin

Revenue Model

Fund:	General Fund	Category:	Interest Income	Percent of Total General Fund Revenues	2.3%

Interest Income: This revenue source is bank interest and investment earnings on temporarily idle funds. This revenue category was adversely affected significantly over the 2010s due to the low interest rate environment. That changed in FY 2019, when the City was able to end long-term low-interest bearing arrangements and replace them with more mark-to-market investment mechanisms. Optimism gave way to pandemic realities, however and the Federal Funds Rate declined from the 2%+ levels which the City took advantage of in FY 2019 to effectively 0%. As interest rates were increased at a record pace in 2022-2023, however, the City was able to lock in higher rates and healthier returns for FY 2024 and 2025.

FY 2026 is forecasted to decrease by 27% due to interest rates decreasing.



	Actual					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	-1.7%	-92.2%	-1267.1%	207%	-212%	3%	2%	-38%	-27%	-16%	
July	51,469	13,748	4,326	2,819	27,962	27,962	15,759	9,377	11,031	12,686	3-yr Average
August	222,070	13,329	2,049	5,993	23,863	23,863	5,498	3,271	3,849	4,426	$ 1,237,418
September	29,714	2,873	3,066	12,529	21,933	21,933	4,741	2,821	3,319	3,816	64.7%
October	85,246	4,214	2,590	1,002	2,187	12,187	15,238	9,067	10,667	12,267	5-Yr Average
November	19,408	13,589	10,964	5,559	1,673	6,673	8,191	4,874	5,734	6,594	$ 1,002,971
December	44,948	7,866	9,519	3,544	224	12,224	10,576	6,293	7,403	8,514	52.6%
January	90,127	6,903	6,913	5,100	13,427	13,427	19,595	11,659	13,717	15,774	10-Yr Average
February	196,704	(6,559)	5,751	26,971	21,230	24,927	39,056	23,238	27,339	31,440	$ 688,795
March	347,021	11,574	8,768	59,064	45,422	51,422	75,496	44,920	52,847	60,774	42.9%
April	43,598	9,751	10,490	54,702	34,672	36,672	24,514	14,586	17,160	19,734	20-Yr Average
May	52,531	11,012	15,586	69,548	30,868	60,868	28,727	17,093	20,109	23,125	$ 686,080
June	25,846	5,616	7,328	38,690	16,287	36,287	15,003	8,927	10,502	12,077	21.5%
LGIP Interest			17,378	76,002	127,650	30,795	127,650	75,952	89,355	102,758	
Lease Interest Revenue			4,787	11,357	22,637	-	20,203	16,764	19,722	22,681	
Investment Interest			(1,205,638)	794,903	3,250,562	3,156,158	3,156,158	1,975,559	2,324,187	2,672,815	
Totals	$ 1,208,681	$ 93,916	$ (1,096,123)	$ 1,167,782	$ 3,640,596	$ 3,515,397	$ 3,566,405	$ 2,224,399	$ 2,616,940	$ 3,009,481	

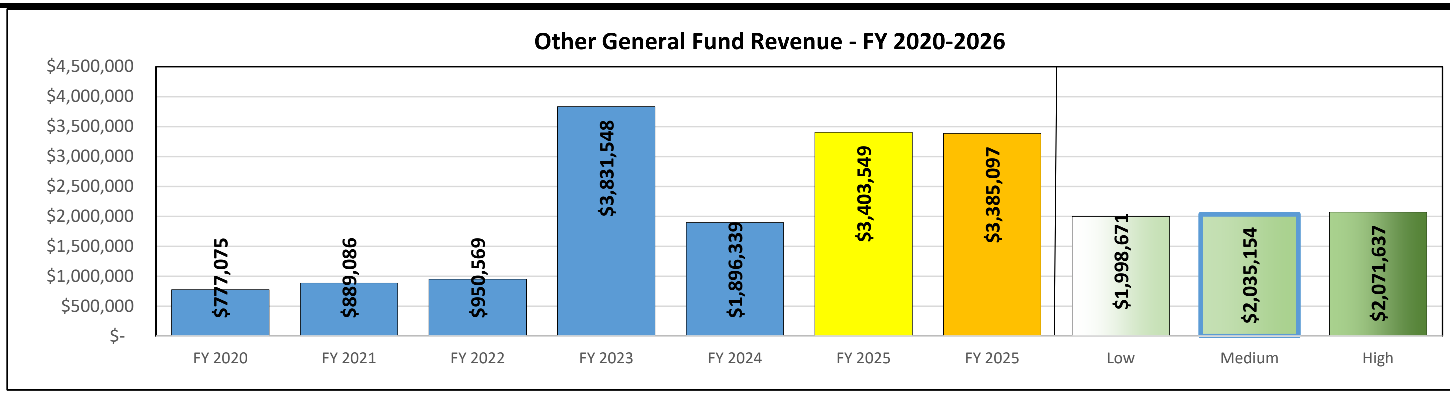
Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	General Fund	Category:	Other	Percent of Total General Fund Revenues	1.8%

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 large decrease in Other General Fund Revenue is attributible to lower use of fund balance for one-time projects. This is subject to change throughout the budget process.



	Actual					Budget	Estimated	Forecasts (FY 2026)		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High
% yr/yr.	-28.4%	14.4%	6.9%	303%	-51%	79%	79%	-41%	-40%	-39%
City Tax Relief	(12,893)	(11,769)	(12,290)	(13,645)	-	-	-	-	-	-
Prop Taxes - P&I	58,580	54,878	45,040	44,811	36,759	44,819	44,819	47,053	48,014	48,974
Planning Fees (Rezoning)	5,910	10,000	8,000	8,800	7,800	8,110	8,411	8,430	8,602	8,774
Planning Fees (Site Plans)	106,766	47,291	67,513	112,054	86,991	82,374	84,042	78,767	80,374	81,982
Planning Fees (Plat Submittal)	41,972	46,875	44,552	52,650	42,025	47,345	43,076	42,673	43,544	44,415
Planning Fees (Misc Planning)	35,966	-	-	220	-	-	-	-	-	-
Annexation Fees	-	8,200	2,950	2,800	250	4,650	3,550	3,479	3,550	3,621
Plan Amendment Fees	-	3,000	-	1,800	1,000	1,600	1,450	1,421	1,450	1,479
Development Plan Fee	-	88,204	36,513	25,455	43,228	50,058	48,350	47,383	48,350	49,317
Board of Zoning Appeals	-	5,250	7,450	6,450	6,000	6,384	6,288	6,162	6,288	6,413
Joint Conceptual Workshop	-	2,200	1,600	1,600	1,700	1,800	1,775	1,740	1,775	1,811
Beer Permits (New Applic Fee)	12,660	11,050	9,750	10,750	13,250	10,024	10,511	10,082	10,288	10,494
Yard Sale Permits	3,750	5,030	4,620	4,210	4,105	4,035	3,734	3,828	3,906	3,984
Alarm Permits	26,140	26,385	26,760	26,895	24,078	26,042	26,096	25,649	26,173	26,696
Miscellaneous Permits	18,280	20,950	30,250	20,450	11,850	19,886	19,918	17,229	17,581	17,933
Regional Fire Training	3,810	695	3,455	750	-	-	-	-	-	-
Maps Sold	3,560	1,620	7,422	1,870	640	3,500	3,500	2,962	3,022	3,083
Plans Sold	3,700	4,700	150	3,700	900	2,500	2,500	2,577	2,630	2,683
Records Sold	915	1,766	2,295	4,350	2,257	2,801	2,801	2,270	2,317	2,363
Special Event Services Fee	2,696	2,500	3,400	2,500	4,100	2,620	2,620	2,978	3,039	3,100
Accident Reports	755	581	1,427	5,509	2,229	1,655	1,655	2,058	2,100	2,142
Sex Offender Registry	2,100	2,100	1,950	2,250	1,950	2,025	2,025	2,029	2,070	2,111
License Seizure Fees	905	595	810	1,090	1,220	774	774	906	924	942
Citizen's Police Academy					175	-	-	-	-	-

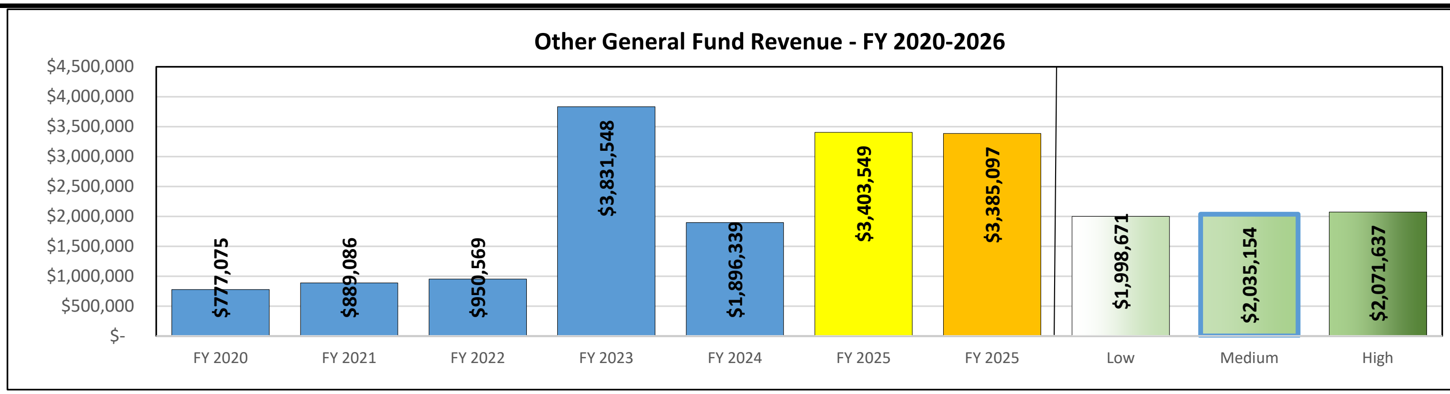
Averages
3-yr Average
$ 2,226,152
-4.9%
5-Yr Average
$ 1,668,923
2.7%
10-Yr Average
$ 1,212,899
5.6%
20-Yr Average
$ 2,323,634
-0.9%

City of Franklin
Revenue Model

Fund:	General Fund	Category:	Other	Percent of Total General Fund Revenues	1.8%

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 large decrease in Other General Fund Revenue is attributible to lower use of fund balance for one-time projects. This is subject to change throughout the budget process.



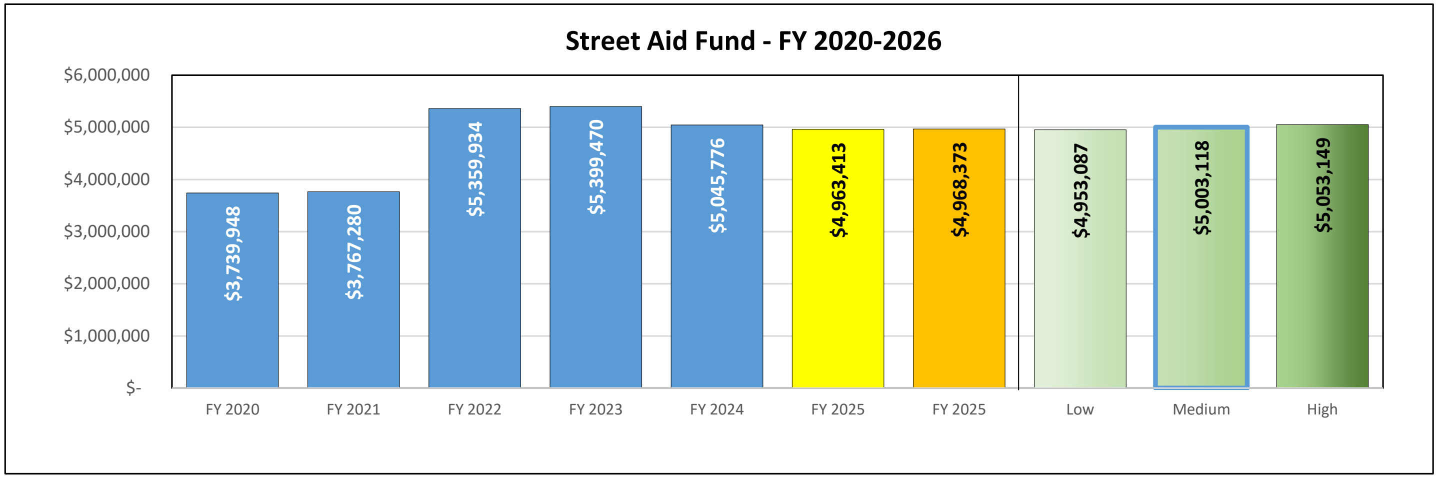
	Actual					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
Police Extra Duty	35,535	45,402	190,056	849,265	932,074	983,904	954,050	944,319	963,591	982,863	
Technology Fee - PD	-	-	-	-	8	-	1,664				
Compost Voucher (Non-Refundable)	18,800	21,280	21,640	33,740	48,550	26,252	26,252	30,983	31,616	32,248	
Beer Board Violations		4,000	-	250	250.00	1,030.00	1,030.00	245	250	255	
Bldg & Street Stds Appeals Fees	-	-	-	250	250.00	1,030.00	1,030.00	245	250	255	
Rebates on Purchases	91,858	82,168	96,531	128,634	126,322	103,029	105,103	105,596	107,751	109,906	
Rent - Mall & Other	9,001	18,001	20,615	14,901	22,901	13,414	15,375	16,192	16,523	16,853	
Park Concessions	84,806	72,108	146,186	153,103	175,490	150,241	150,241	160,228	163,498	166,768	
Harlinsdale Rentals	(2,441)	13,719	-	200	1,371	1,098	1,098	1,176	1,200	1,224	
Sale of Surplus Assets	128,067	21,392	95,926	192,229	123,145	176,149	176,149	98,000	100,000	102,000	
Electrical Charging Stations	456	402	2,183	2,277	2,839	1,000	1,000	1,960	2,000	2,040	
Insurance Reimbursements	-	-	21,829	1,525,131	-	-	-	-	-	-	
Called Performance Bonds	-	-	-	309,991	113,824	-	-	-	-	-	
Miscellaneous Other Revenue	77,423	90,014	51,986	148,338	1,280	80,322	91,131	89,650	91,479	93,309	
Christmas Tree Lighting	18,000	15,000	10,000	39,150	31,000	35,000	35,000	29,400	30,000	30,600	
Capital Application from Fund Balance	-	-	-	-	-	1,508,078	1,508,078	211,000	211,000	211,000	
Developer Contribution		172,500	-	-	-	-	-	-	-	-	
Contributions		1,000	-	-	-	-	-	-	-	-	
Lease Proceeds				85,618	-	-	-				
Settlement Proceeds				62	-	-	-				
Opioid Settlement				21,091	24,401	-	-				
Reimbursement of PY Exp					128	-	-				
Totals	**$ 777,075**	**$ 889,086**	**$ 950,569**	**$ 3,831,548**	**$ 1,896,339**	**$ 3,403,549**	**$ 3,385,097**	**$ 1,998,671**	**$ 2,035,154**	**$ 2,071,637**	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	Street Aid	Percent of All Revenues	2.2%

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. § 67-3-905; T.C.A. § 67-3-1108; T.C.A. § 54-4-103; and T.C.A. § 54-4-204; Op. Tenn. Atty.



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.

Overall, the City is forecasting a 1% increase over *estimated* FY 2024 at this time.

	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	2.8%	0.7%	42.3%	0.7%	-6.6%	-1.6%	-1.5%	-0.31%	0.70%	1.71%	
PROPERTY TAXES COLLECTED	779,036	809,178	1,059,197	1,094,550	1,116,441	1,149,935	1,149,934	1,172,588	1,184,432	1,196,277	3-yr Average
GASOLINE TAX (STATE)	2,660,745	2,706,895	3,035,485	3,052,033	3,071,361	3,089,792	3,094,753	3,085,252	3,116,416	3,147,580	$ 5,268,393
INTEREST INCOME	50,168	1,207	15,252	135,806	199,354	73,686	73,686	51,065	51,580	52,096	-1.4%
TRANSFER FROM GENERAL FUND	250,000	250,000	1,250,000	1,083,921	500,000	500,000	500,000	495,000	500,000	505,000	5-Yr Average
Sports Wagering Privilege Tax (Rd & Bld)				33,160	158,620	150,000	150,000	149,182	150,689	152,196	$ 4,662,482
											1.6%
											10-Yr Average
											$ 3,957,209
											5.5%
Totals	$ 3,739,948	$ 3,767,280	$ 5,359,934	$ 5,399,470	$ 5,045,776	$ 4,963,413	$ 4,968,373	$ 4,953,087	$ 5,003,118	$ 5,053,149	

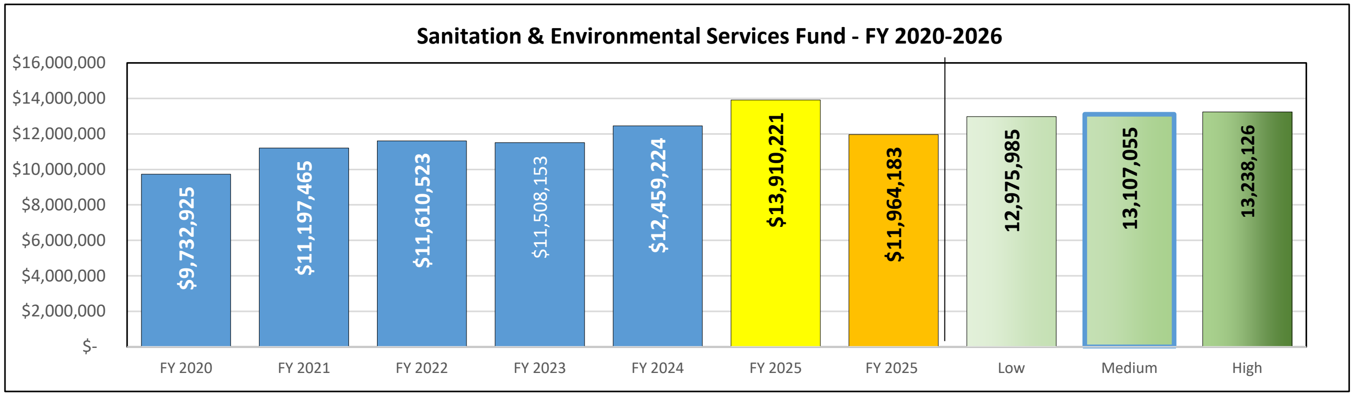
Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	Sanitation & Environmental Services Fund	Percent of All Revenues	5.7%

Sanitation & Environmental Services Fund: 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.

The forecast increase of 10% at this time is reflective of actual collections from residential customers in FY 2024 and growth in the system. This forecast includes the rate increase approved by the BOMA effective January 1, 2025.



	Actuals					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	4.0%	15.0%	3.7%	-0.9%	8.3%	11.6%	-4.0%	8%	10%	11%	
FEMA/TEMA GRANTS (FED/STATE)		-	64,092	-	-	-	-	-	-	-	3-yr Average
SOLID WASTE GRANT (STATE)	-	14,327	-	-	-	-	-	-	-	-	$ 11,859,300
SPECIAL EVENT SERVICES FEE	-	606	-	2,352	1,366	2,399	2,400	3,131	3,163	3,194	1.7%
COLLECTION REVENUES	5,398,050	5,534,270	6,066,325	6,568,117	7,017,145	9,400,008	8,181,000	9,335,700	9,430,000	9,524,300	5-Yr Average
ADDL RESIDENTIAL ROLLOUT CONTAINERS	12,305	5,595	4,290	3,850	4,525	3,927	3,927	4,208	4,250	4,293	$ 11,301,658
ADDL RESIDENTIAL ROLLOUT CONTAINERS			-	635	-	648		-	-	-	2.0%
BLUE BIN SETUP FEE	208,150	393,658	76,535	30,808	19,213	15,130	15,130	10,890	11,000	11,110	10-Yr Average
TIPPING FEES	3,691,891	4,149,853	4,335,568	4,079,676	3,234,977	3,961,360	3,234,977	3,202,627	3,234,977	3,267,327	$ 10,059,684
CARDBOARD RECYCLING	121	-	-	-	(136)	-	-	-	-	-	2.4%
RECYCLING-BATTERIES	3,974	-	1,097	2,598	2,300	2,650	2,650	1,986	2,006	2,026	20-Yr Average
RECYCLING-ELECTRONICS	101	3,643	1,980	2,860	2,253	2,917	2,917	2,354	2,377	2,401	$ 8,291,382
RECYCLING-METAL	2,668	178	31	347	-	354	354	187	189	191	5.0%
RECYCLING-WASTE OIL	-	-	-		-	-	-	-	-	-	25-Yr Average
BUCK A BAG PROGRAM	1,994	1,998	2,046	1,760	1,796	1,795	1,795	1,862	1,881	1,900	$ 6,785,300
RESIDENTIAL BRUSH	11,750	2,625	3,250	2,500	5,125	2,550	2,550	3,610	3,647	3,683	8.4%
NON-RESIDENTIAL BRUSH	95	125	289	-	-	-	-	-	-	-	
INTEREST INCOME	10,608	751	7,849	34,555	20,179	13,026	13,026	9,027	9,118	9,209	
SALE OF WASTE CONTAINERS	50,298	13,350	25,068	24,675	30,975	25,170	25,170	26,637	26,906	27,175	
SALE OF SURPLUS ASSETS	243,145	84,151	342,700	34,512	203,223	255,000	255,000	191,544	193,478	195,413	
TRANSFER FROM GENERAL FUND	-	900,000	515,680	500,000	1,750,000	-	-	-	-	-	
MISCELLANEOUS OTHER REVENUE	-	44,473	-					-	-	-	
LATE PAY FEES	97,776	47,863	163,723	218,908	166,283	223,288	223,288	182,222	184,063	185,904	
Totals	$ 9,732,925	$ 11,197,465	$ 11,610,523	$ 11,508,153	$ 12,459,224	$ 13,910,221	$ 11,964,183	12,975,985	13,107,055	13,238,126	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

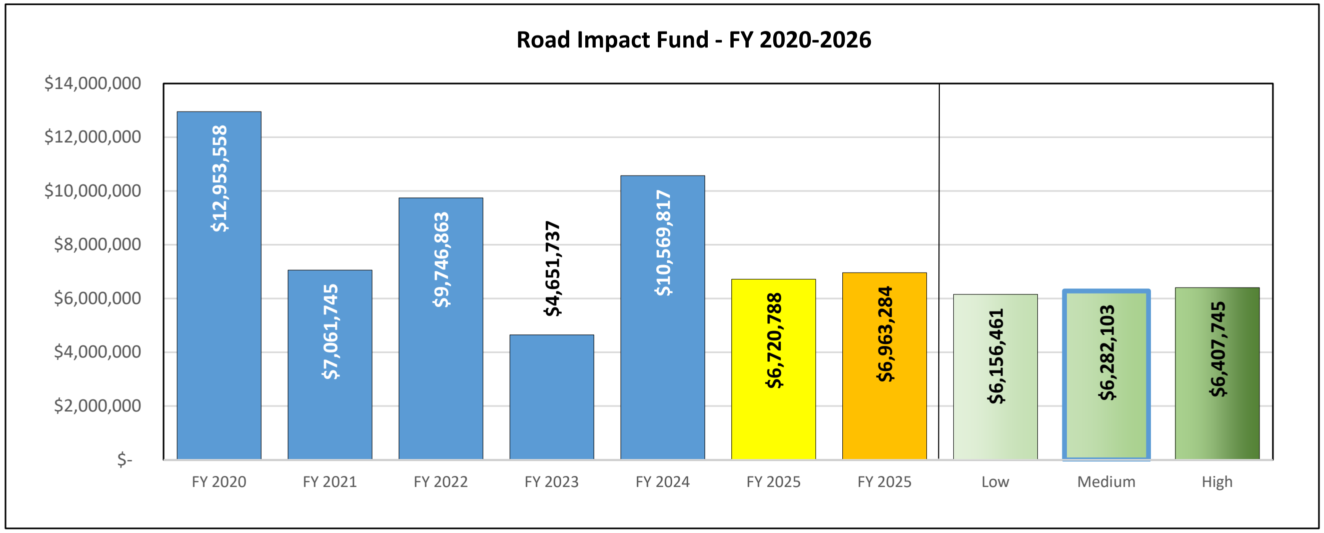
City of Franklin

Revenue Model

Fund:	Road Impact	Percent of All Revenues	2.7%

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 and again in 2024.

The forecast for FY 2026 is an estimate based upon historic averages **and** year-to-date activity asssuming 60% collection rates. 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	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	54.0%	-45.5%	38.0%	-52.3%	127.2%	-36.4%	-34.1%	-12%	-10%	-8%	3-yr Average
Road Impact Fees											$ 8,322,806
Arterials	7,359,093	4,061,173	6,371,224	2,530,625	5,520,950	3,768,343	3,876,460	3,138,058	3,202,100	3,266,142	9.0%
Collector Area 1	1,200,036	8,484	1,957,665	173,287	2,125,643	659,518	819,767	747,472	762,727	777,981	5-Yr Average
Collector Area 2	3,118,014	1,326,079	1,374,601	1,199,356	1,037,068	1,245,655	1,208,268	903,370	921,806	940,242	$ 8,996,744
Collector Area 3	472,760	573,304	891,008	320,779	534,724	398,713	418,886	402,589	410,805	419,021	3.5%
Collector Area 4	101,249	57,615	46,608	11,690	58,112	49,947	41,291	31,651	32,297	32,943	10-Yr Average
Interest Income	702,406	86,592	(894,243)	416,000	1,293,320	598,612	598,612	933,320	952,367	971,415	$ 8,327,407
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	5.4%
Miscellaneous Income		948,498		-	-	-	-	-	-	-	
Totals	**$ 12,953,558**	**$ 7,061,745**	**$ 9,746,863**	**$ 4,651,737**	**$ 10,569,817**	**$ 6,720,788**	**$ 6,963,284**	**$ 6,156,461**	**$ 6,282,103**	**$ 6,407,745**	

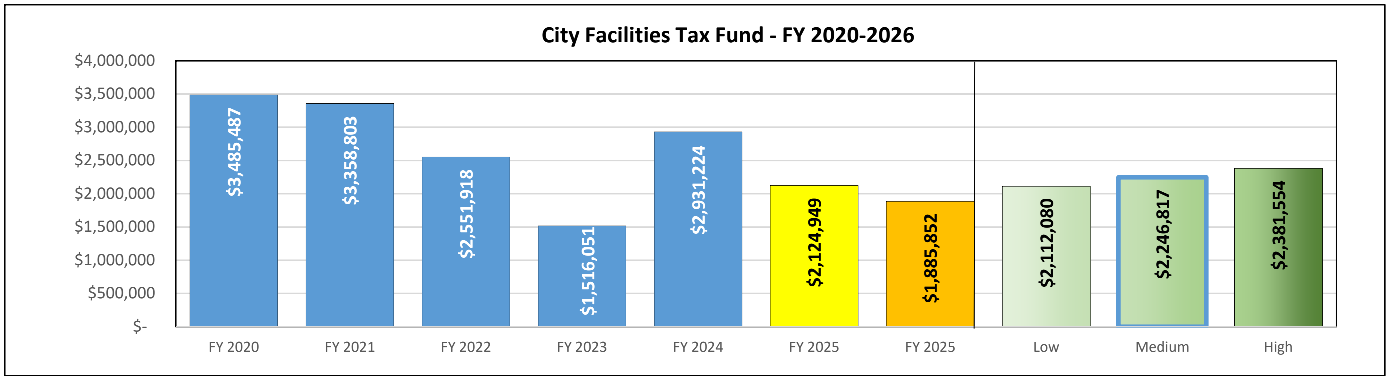
Source: City of Franklin, Annual Comprehensive Financial Reports - 2001-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	City Facilities Tax Fund	Percent of All Revenues	1.0%

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 2026 is an estimate based upon the historic average of the last five-years **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	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	11.6%	-3.6%	-24.0%	-41%	93%	-28%	-36%	12%	19%	26%	
July	166,390	137,965	267,491	76,800	75,415	114,921	114,797	108,604	114,320	120,036	3-yr Average
August	165,263	567,347	608,156	93,870	93,649	211,434	194,716	251,575	264,815	278,056	$ 2,333,064
September	131,262	106,988	78,518	332,217	87,535	155,839	152,114	122,316	128,753	135,191	8.5%
October	685,211	192,828	116,774	88,127	284,510	227,354	115,875	128,895	135,679	142,463	5-Yr Average
November	514,554	226,319	348,525	37,787	454,540	188,074	119,705	191,680	201,769	211,857	$ 2,768,697
December	151,610	392,660	315,251	98,377	127,456	159,487	162,803	177,092	186,413	195,734	1.2%
January	97,669	284,889	110,770	72,064	398,040	101,576	144,515	163,160	171,747	180,335	10-Yr Average
February	169,431	98,466	134,799	127,036	211,600	130,266	111,200	110,321	116,127	121,933	$ 3,307,151
March	232,369	153,528	134,437	74,588	131,650	104,388	108,986	97,415	102,542	107,669	-1.1%
April	260,000	192,471	163,610	80,552	108,491	129,840	120,769	107,542	113,202	118,862	20-Yr Average
May	104,027	168,569	106,107	102,354	226,812	128,222	106,180	114,669	120,704	126,739	$ 2,791,113
June	373,324	160,365	281,776	118,178	121,557	195,393	158,280	135,685	142,827	149,968	0.5%
Interest Income	434,377	36,408	(340,740)	214,101	609,969	278,153	275,912	403,127	447,919	492,711	
Contributions from Others		640,000	226,444	-	-						
Totals	**$ 3,485,487**	**$ 3,358,803**	**$ 2,551,918**	**$ 1,516,051**	**$ 2,931,224**	**$ 2,124,949**	**$ 1,885,852**	**$ 2,112,080**	**$ 2,246,817**	**$ 2,381,554**	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

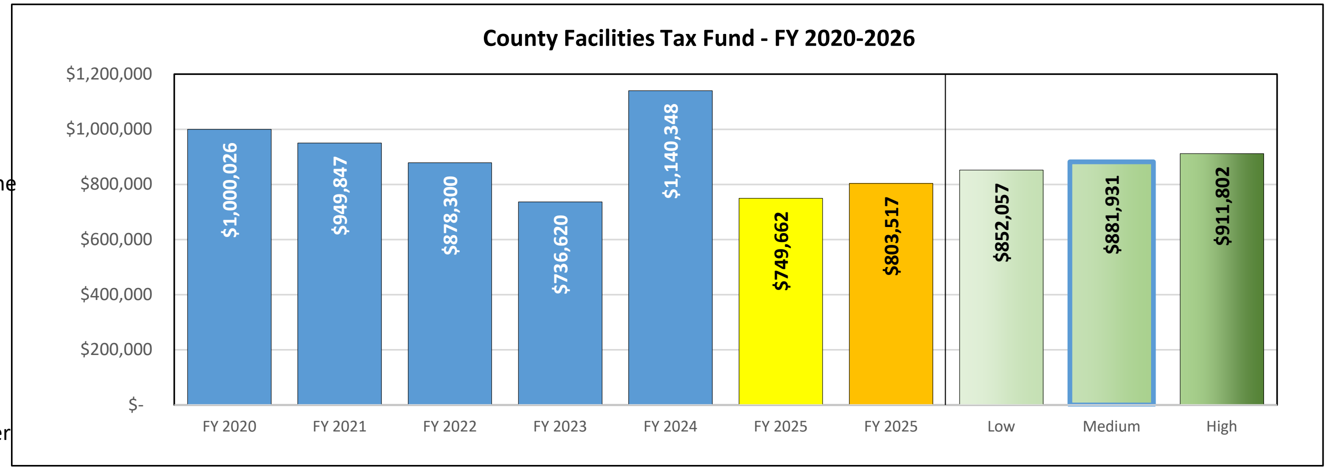
City of Franklin

Revenue Model

Fund:	County Facilities Tax Fund	Percent of All Revenues	0.4%

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 for FY 2026 is an estimate based upon the historic average of the last five-years **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	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	10.6%	-5.0%	-7.5%	-16.1%	54.8%	-34.3%	-29.5%	6.0%	9.8%	13.5%	3-yr Average
Tax Collections	889,427	935,555	1,003,415	661,526	896,506	637,475	686,465	689,859	711,195	732,530	$ 918,422
Transfer from Capital Fund		-	-	-	-	-	-	-	-	-	8.1%
Interest Income	110,599	14,292	(125,115)	75,094	243,842	112,187	117,052	162,199	170,735	179,272	5-yr Average
											$ 941,028
											7.1%
Totals	$ 1,000,026	$ 949,847	$ 878,300	$ 736,620	$ 1,140,348	$ 749,662	$ 803,517	$ 852,057	$ 881,931	$ 911,802	

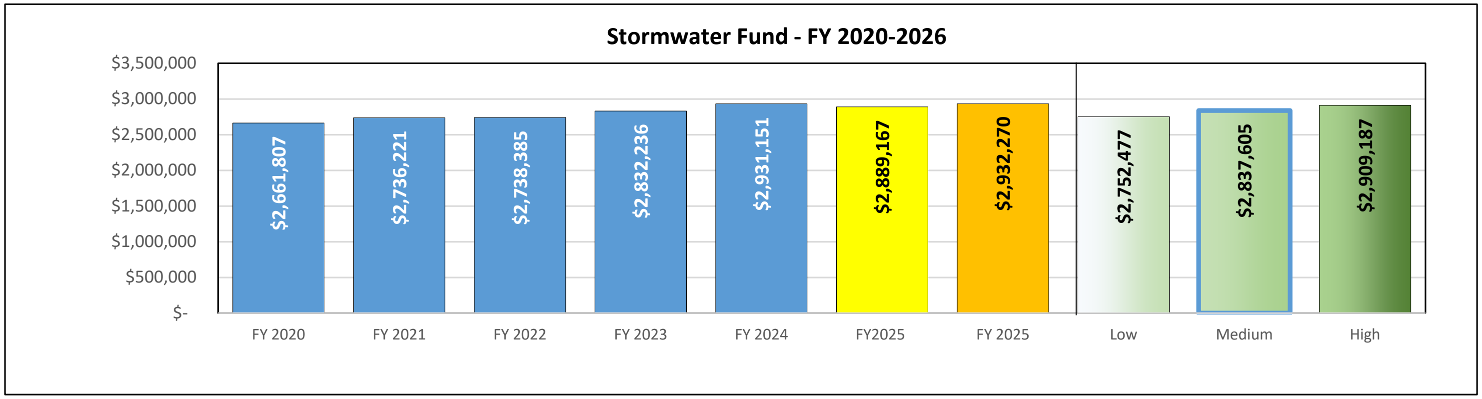
Source: City of Franklin, Annual Comprehensive Financial Report - 2017-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	Stormwater Fund	Percent of All Revenues	1.2%

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.

The fee was raised by 5% in FY 2022. This was the first increase in the fee since the inception of the fund in FY 2004, 19 years ago. No fee increase is planned in FY 2026.



	Actual					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2025	FY 2025	Low	Medium	High	
% yr/yr.	-1.8%	2.8%	0.1%	3%	3%	-1%	0%	-6%	-3%	-1%	
PLANS REVIEW FEE	22,300	33,200	17,400	19,800	21,103	23,720	22,761	22,167	22,853	23,538	3-yr Average
DRAINAGE INSPECTIONS	75,887	105,495	72,846	96,369	108,499	90,816	91,723	92,044	94,891	97,737	$ 2,833,924
STORMWATER PERMIT FEE	4,850	53,075	7,250	3,200	3,800	14,515	14,435	15,861	16,352	3,296	1.1%
FEMA/TEMA GRANTS (FED/STATE)	-	1,307	-	-				-	-	-	5-Yr Average
STORMWATER FEES- RESIDENTIAL	2,414,161	2,424,175	2,560,384	2,595,654	2,644,859	2,673,523	2,673,959	2,502,412	2,579,806	2,657,201	$ 2,779,960
STORMWATER APPEALS BOARD		5,750	0	0	-	-	-	-			1.1%
STORMWATER FINES	18,088	14,930	29,817	23,636	15,675	15,000	21,950	20,566	21,202	21,838	10-Yr Average
STORMWATER LATE PAY PENALTIES	15,596	22,067	27,879	28,370	21,582	20,000	23,099	23,861	24,599	25,337	$ 2,698,026
STORMWATER QUALIFIED PROGRAM	21,750	34,200	15,075	23,900	18,750	-	22,735	22,244	22,932	23,620	0.9%
INTEREST INCOME	89,204	8,282	7,734	41,307	94,583	51,592	61,608	53,322	54,971	56,620	15-Yr Average
SALE OF SURPLUS ASSETS	(29)	33,739	-	-	-	-	-	-	-	-	$ 2,550,963
ELECTRONIC RECORDING FEE					2,300	-	-	-	-	-	
CUSTOMER SERVICE	-	-	-	-	-	-	-	-	-	-	1.0%
Totals	**$ 2,661,807**	**$ 2,736,221**	**$ 2,738,385**	**$ 2,832,236**	**$ 2,931,151**	**$ 2,889,167**	**$ 2,932,270**	**$ 2,752,477**	**$ 2,837,605**	**$ 2,909,187**	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

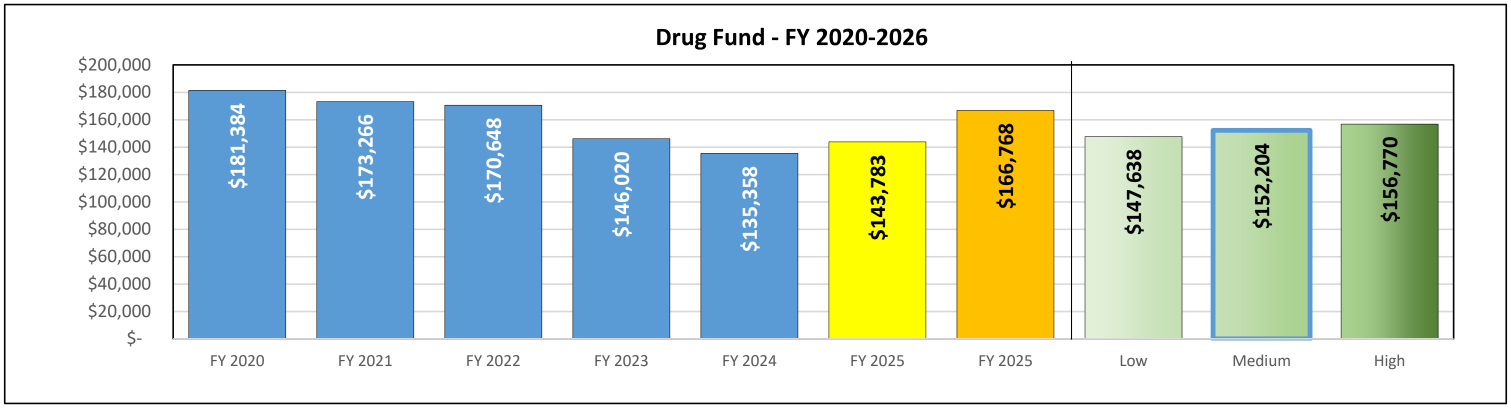
City of Franklin

Revenue Model

Fund:	Drug Fund	Percent of All Revenues	0.1%

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 drug offense fines, any cash that is forfeited to the city or county, and proceeds from the sale of any forfeited property (usually vehicles) and donations.



	Actual					Budget	Estimated	Forecasts (FY 2026)		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High
% yr/yr.	40.4%	-4.5%	-1.5%	-14%	-7%	6%	23%	-11%	-9%	-6%
DRUG FINES RECEIVED	40,367	53,202	53,198	42,735	21,904	47,294	41,559	37,120	38,268	39,416
DRUG CONTRIBUTIONS PAID TO POLICE DEPT	36,320	26,675	38,475	19,700	28,450	30,204	29,924	27,785	28,645	29,504
CONFISCATED GOODS (FEDERAL)	13,327	3,655	-	-	8,398	6,200	6,345	4,461	4,599	4,737
CONFISCATED GOODS (STATE)	82,097	50,398	20,825	60,221	869	20,000	42,882	33,988	35,039	36,090
INTEREST INCOME	8,825	4,923	7,255	19,876	26,185	17,813	18,330	12,095	12,469	12,843
SALE OF SURPLUS ASSETS	448	34,413	50,738	3,489	49,552	22,272	27,728	32,189	33,184	34,180
MISC INCOME			156	-	-	-	-			
				-	-	-	-			
Totals	$ 181,384	$ 173,266	$ 170,648	$ 146,020	$ 135,358	$ 143,783	$ 166,768	$ 147,638	$ 152,204	$ 156,770

Averages
3-yr Average
$ 150,676
-3.4%
5-Yr Average
$ 161,335
-3.2%
10-Yr Average
$ 184,951
-2.7%

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

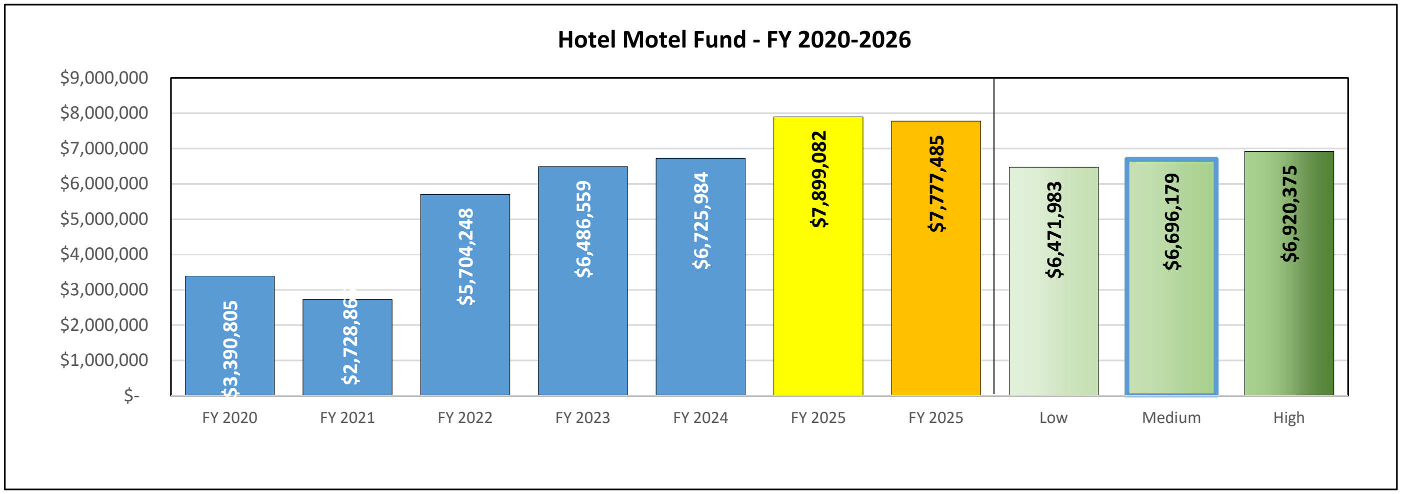
City of Franklin

Revenue Model

Fund:	Hotel/Motel Tax Fund	Percent of All Revenues	2.9%

Hotel/Motel Tax Fund: The Hotel/Motel Tax 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.

After a decade of solid growth, the COVID-19 pandemic was devastating but not fatal to Franklin's hospitality and tourism industry. Revenues are recovered quicker than anticipated and have exceeded pre-pandemic levels to record highs.



	Actual					Budget	Estimated	Forecasts (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	-21.5%	-19.5%	109.0%	14%	4%	17%	16%	-17%	-14%	-11%	
July	358,441	269,777	431,907	467,695	527,197	553,513	476,384	466,714	481,148	495,583	3-yr Average
August	335,061	138,563	362,601	409,407	428,541	449,968	423,993	415,386	428,232	441,079	$ 6,305,597
September	379,962	165,973	380,972	500,906	541,658	568,738	508,827	498,498	513,915	529,333	2.2%
October	420,494	209,657	456,288	534,393	580,743	607,583	609,780	597,401	615,878	634,354	5-Yr Average
November	318,100	138,935	348,856	409,466	452,482	475,128	475,106	465,462	479,857	494,253	$ 5,007,292
December	261,294	139,075	307,469	357,111	374,799	385,498	393,539	385,550	397,475	409,399	6.9%
January	276,512	136,507	271,886	339,608	338,839	363,537	355,781	348,558	359,339	370,119	10-Yr Average
February	319,269	145,247	298,796	393,726	407,344	421,680	427,712	419,029	431,989	444,948	$ 4,406,984
March	201,971	228,613	456,235	541,262	514,688	579,691	540,423	529,452	545,827	562,202	5.3%
April	37,682	270,729	505,452	555,358	555,619	594,788	583,400	571,557	589,234	606,911	20-Yr Average
May	75,021	335,339	509,705	553,282	555,828	592,565	583,620	571,772	589,456	607,140	$ 3,115,115
June	155,008	397,414	545,519	576,478	629,439	617,408	660,911	647,494	667,520	687,545	5.8%
US TREASURY ARPA			680,966	366,137	98,515	1,200,000	1,200,000	-		-	
Short Term Rental Tax		133,521	326,504	334,255	333,384	300,000	331,381	299,706	333,007	366,307	
Interest Income	251,991	19,514	(182,308)	52,234	50,653	17,813	35,457	12,095	12,469	12,843	
Investment Interest				95,240	336,253	171,170	171,170	243,308	250,833	258,358	
Misc. Income			3,400	-	-	-	-	-	-	-	
Totals	$ 3,390,805	$ 2,728,865	$ 5,704,248	$ 6,486,559	$ 6,725,984	$ 7,899,082	$ 7,777,485	$ 6,471,983	$ 6,696,179	$ 6,920,375	

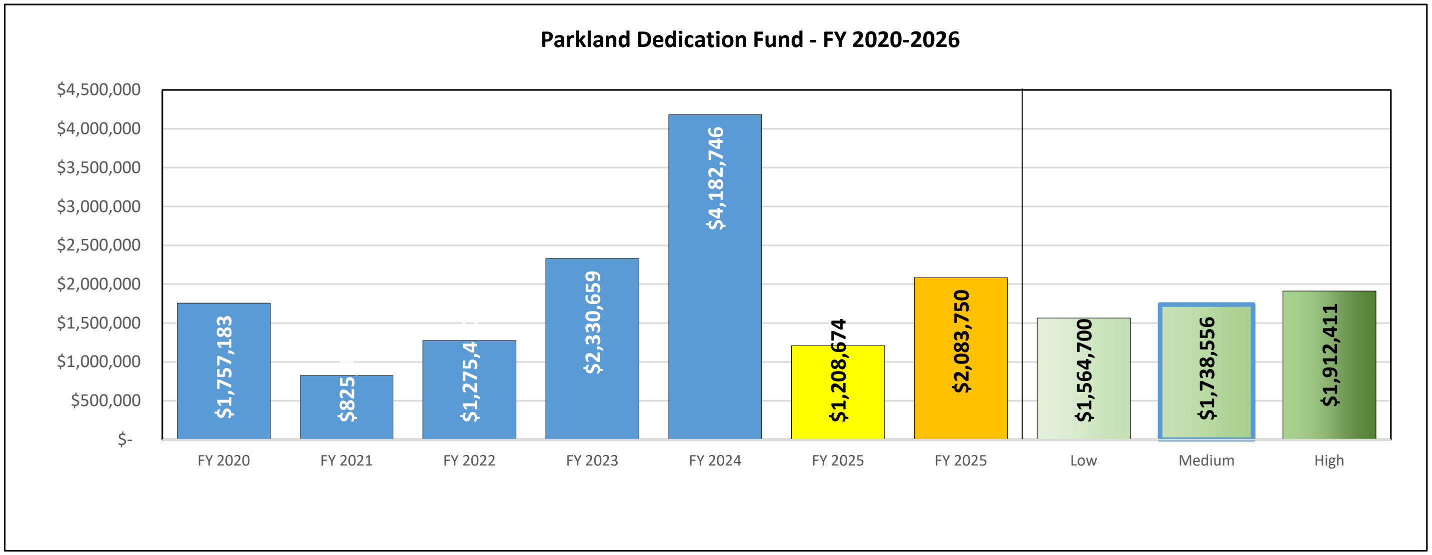
Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin
Revenue Model

Fund:	Parkland Dedication Fund	Percent of All Revenues	0.8%

Parkland Dedication Fund: The Parkland Dedication 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 2026 is an estimate based upon historic averages and year-to-date activity. It is *heavily dependent* upon the timing of new development. This forecast also makes no assumption for amount of ***available*** revenue as a result of changes made last year in the Parkland Dedication Ordinance, but rather gross annual receipts. Specific spendable balances will be addressed through the CIP process.



	Actual					Budget	Estimated	Forecast (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	-5.8%	-53.0%	54.4%	83%	79%	-71%	-50%	-25%	-17%	-8%	
In Lieu of Parkland Receipts								-	-	-	3-yr Average
Quadrant 1	1,411,712	383,056	-	2,018,576	1,502,096	678,989	1,063,088	670,520	745,022	819,525	$ 2,596,272
Quadrant 2	-	292,672	1,516,084	163,552	2,412,392	322,579	876,940	710,321	789,246	868,171	20.4%
Quadrant 3	-	4,304	-	-	-	84,851	1,076	908	1,009	1,110	5-Yr Average
Quadrant 4	52,488	120,512	-	43,040	68,864	50,835	71,226	51,240	56,933	62,626	$ 2,074,391
Interest Income	292,983	25,414	(240,674)	105,491	199,394	71,420	71,420	131,711	146,346	160,980	20.3%
Transfers from General Fund		-	-	-	-	-	-	-	-	-	
Totals	$ 1,757,183	$ 825,958	$ 1,275,410	$ 2,330,659	$ 4,182,746	$ 1,208,674	$ 2,083,750	$ 1,564,700	$ 1,738,556	$ 1,912,411	

Source: City of Franklin, Annual Comprehensive Financial Reports - 2015-2024 & Estimates from Finance & Revenue Management Departments.

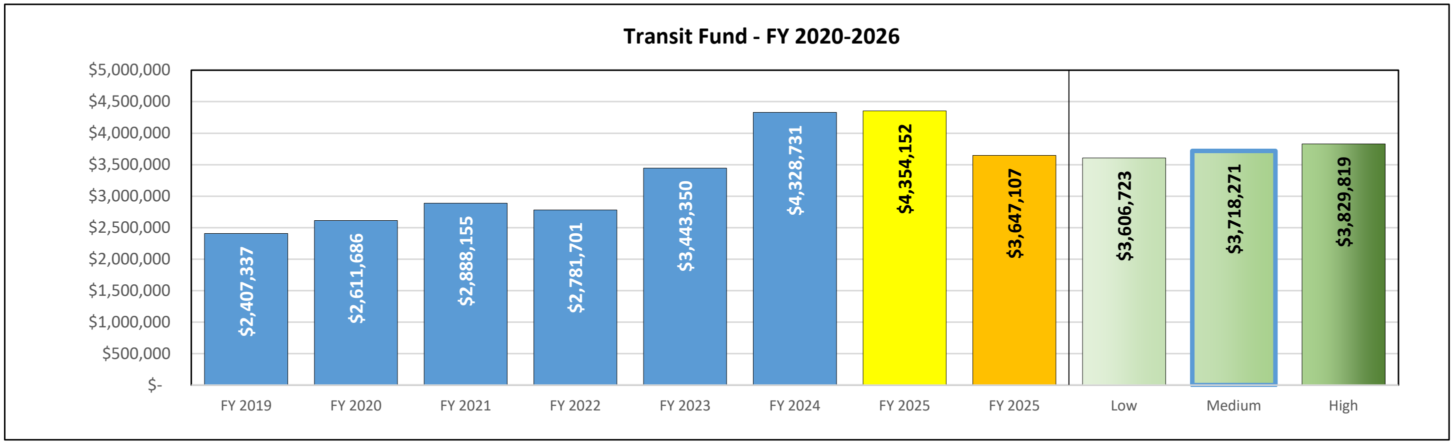
City of Franklin

Revenue Model

Fund:	Transit Fund	Percent of All Revenues	1.6%

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 2026 is slightly more than in FY 2025, but with a great deal of uncertainty regarding the size and applicability of ongoing federal and state grants. Initial forecasts reflect historic averages. This will be revised once the Franklin Transit Authority submits their budget request for FY 2025.



	Actual						Budget	Estimated	Forecast (FY 2026)				Averages
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High		
% yr/yr.	-4.8%	8.5%	10.6%	-3.7%	24%	26%	1%	-16%	-1%	2%	5%		3-yr Average
TRANSIT OPERATIONS GRANT (FEDERAL)	1,163,055	1,788,185	1,750,103	1,942,980	2,271,145	3,008,036	2,456,440	2,152,090	2,158,125	2,224,871	2,291,617		$ 3,517,927
TRANSIT CAPITAL GRANT (FED/STATE)	326,527	344,134	315,608	310,289	356,392	626,237	731,694	390,532	387,817	399,812	411,806		7.7%
TRANSIT FARES	84,945	63,427	33,080	68,173	84,431	82,472	134,000	73,047	66,193	68,241	70,288		5-Yr Average
INTEREST INCOME	27,227	33,788	3,122	5,646	34,333	38,198	18,701	18,701	12,698	13,091	13,484		$ 3,210,725
RENTAL INCOME	9,700	10,500	8,900	9,700	9,700	9,600	9,700	9,120	8,381	8,640	8,899		7.0%
SALE OF SURPLUS ASSETS	0	0	0	0	0	14,908	-	-	-	-	-		
TRANSFER FROM GENERAL FUND	795,884	371,653	777,341	444,912	687,348	549,280	1,003,617	1,003,617	973,508	1,003,617	1,033,726		
Totals	$ 2,407,337	$ 2,611,686	$ 2,888,155	$ 2,781,701	$ 3,443,350	$ 4,328,731	$ 4,354,152	$ 3,647,107	$ 3,606,723	$ 3,718,271	$ 3,829,819		

Source: City of Franklin, Annual Comprehensive Financial Reports - 2009-2024 & Estimates from Finance & Revenue Management Departments.

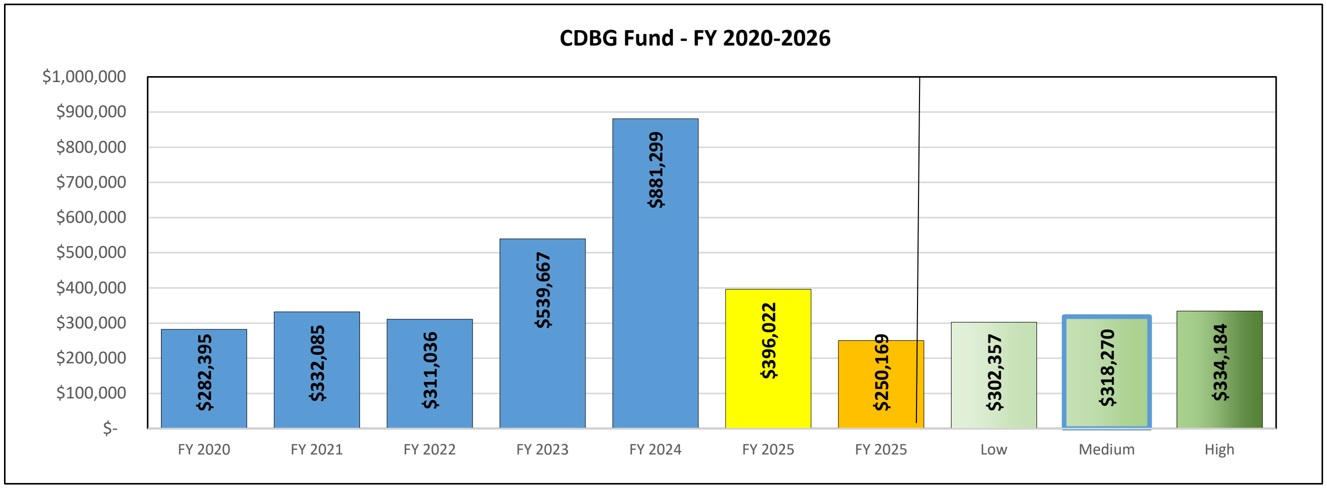
City of Franklin

Revenue Model

Fund:	Community Development Block Grant Fund	Percent of All Revenues	0.1%

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 guidelines, the City receives about $330,000 annually. To date, the City of Franklin has received approximately $2 million 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 sizeable decrease is shown, though that is attributable to the fact that the FY 2023 & 2024 budgets were severely increased due to direct federal aid through the CDBG program for COVID-19 relief efforts. This projection assumes a base of roughly $312,000. This will be refined later in the budget process.



	Actual					Budget	Estimated	Forecast (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	-26.6%	17.6%	-6.3%	74%	63%	-55%	-37%	21%	27%	34%	
CDBG GRANT (FEDERAL)	269,780	330,407	307,306	523,184	854,207	386,966	241,113	296,334	311,931	327,528	3-yr Average
COVID-19 Relief		0	0	0	0	0	0	-	-	-	$ 577,334
INTEREST INCOME	12,615	1,679	3,730	16,483	27,092	9,056	9,056	6,022	6,339	6,656	17.5%
											5-Yr Average
											$ 469,297
											17.6%
Totals	$ 282,395	$ 332,085	$ 311,036	$ 539,667	$ 881,299	$ 396,022	$ 250,169	$ 302,357	$ 318,270	$ 334,184	

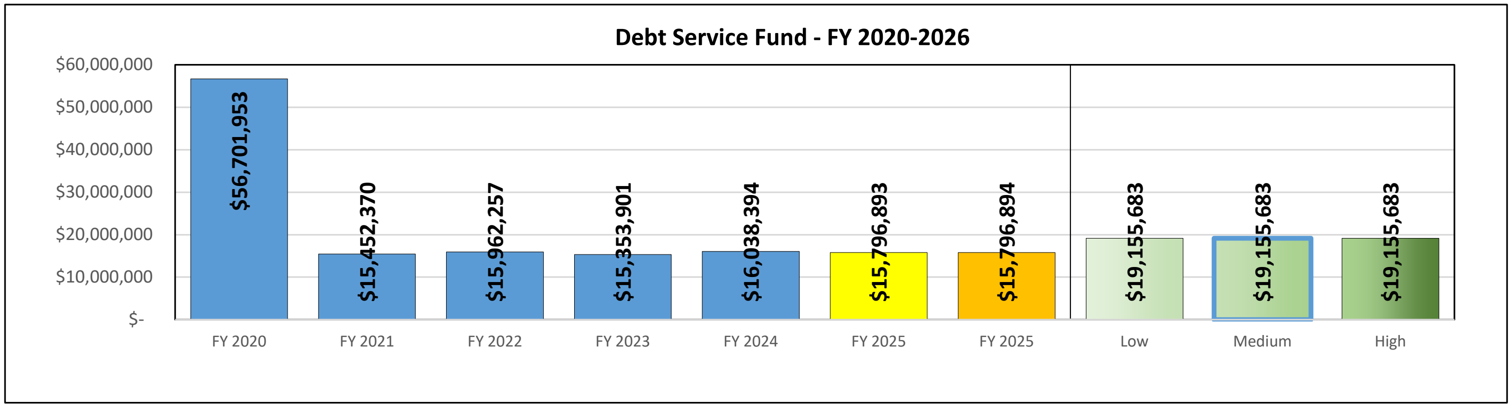
Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin

Revenue Model

Fund:	Debt Service Fund	Percent of All Revenues	8.4%

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.



	Actual					Budget	Estimated	Forecast (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
PROPERTY TAXES COLLECTED	10,958,447	10,918,504	11,629,983	10,845,720	10,957,506	10,554,764	10,554,764	13,944,777	13,944,777	13,944,777	3-yr Average
REBATE ON BAB / RZEDB	333,953	0	0	0	0	0	0	-	-	-	$ 15,784,851
INTEREST INCOME	142,438	17,914	10,336	197,631	230,624	97,354	97,354	68,148	68,148	68,148	0.5%
BOND PROCEEDS	31,550,000	0	0	0	0	0	0	-	-	-	5-Yr Average
PREMIUMS ON BONDS	7,080,224	0	0	0	0	0	0	-	-	-	$ 23,901,775
TRANSFER FROM GENERAL FUND	2,500,000	94,896	0	0	0	0	0	-	-	-	-6.6%
TRANSFER FROM WATER	100,000	100,000	100,000	200,000	200,000	100,000	100,000	100,000	100,000	100,000	10-Yr Average
TRANSFER FROM SEWER	100,000	100,000	100,000	0	0	100,000	100,000	100,000	100,000	100,000	$ 21,154,392
TRANSFER FROM Sant. & Envir	208,317	209,081	209,551	209,206	193,151	192,925	192,925	193,033	193,033	193,033	-4.8%
TRANSFER FROM ROAD IMPACT	2,636,421	2,730,454	2,893,316	2,884,139	3,292,639	3,939,102	3,939,102	3,937,897	3,937,897	3,937,897	
TRANSFER FROM HOTEL/MOTEL	1,092,153	1,281,521	1,019,071	1,017,206	1,164,473	812,746	812,746	811,825	811,825	811,825	
Totals	**$ 56,701,953**	**$ 15,452,370**	**$ 15,962,257**	**$ 15,353,901**	**$ 16,038,394**	**$ 15,796,893**	**$ 15,796,894**	**$ 19,155,683**	**$ 19,155,683**	**$ 19,155,683**	

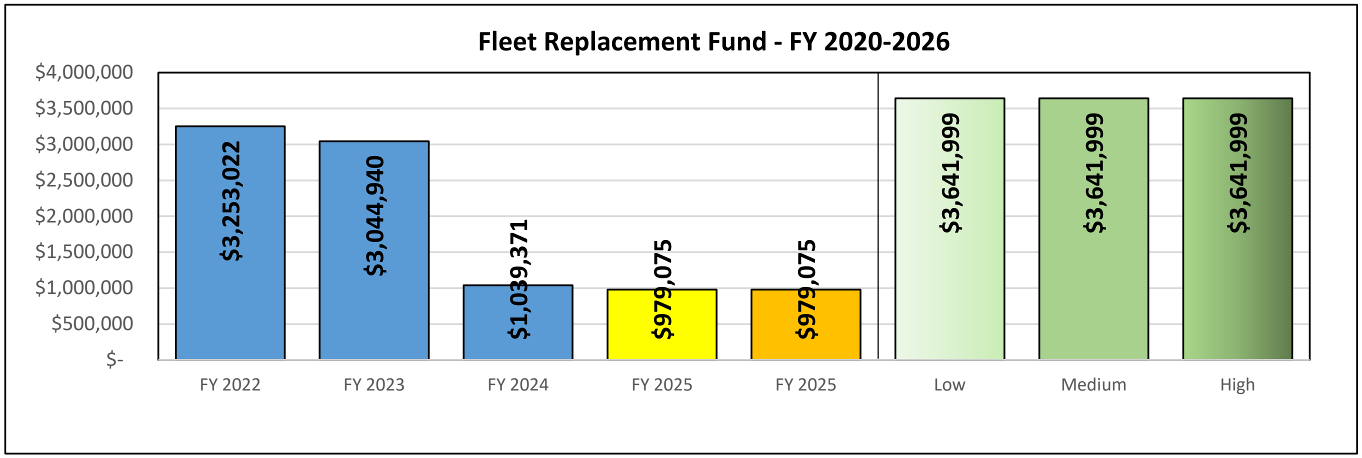
Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin

Revenue Model

Fund:	Fleet Replacement Fund	Percent of All Revenues	1.6%

Fleet Replacement Fund: The Fleet Replacement Fund began in FY 2022 and is used to fund exspenses related to replacing vehicles owned by the city.



	Actual			Budget	Estimated	Forecast (FY 2025)			Averages
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
INTEREST INCOME	3,022	79,049	37,597	10,895	10,895	7,627	7,627	7,627	3-yr Average
INVESTMENT INTEREST	0	59,225	188,964	104,690	104,690	136,500	136,500	136,500	$ 2,445,778
TRANSFER FROM GENERAL FUND	3,250,000	2,906,667	812,810	863,490	863,490	3,497,873	3,497,873	3,497,873	-19.2%
Totals	$ 3,253,022	$ 3,044,940	$ 1,039,371	$ 979,075	$ 979,075	$ 3,641,999	$ 3,641,999	$ 3,641,999	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

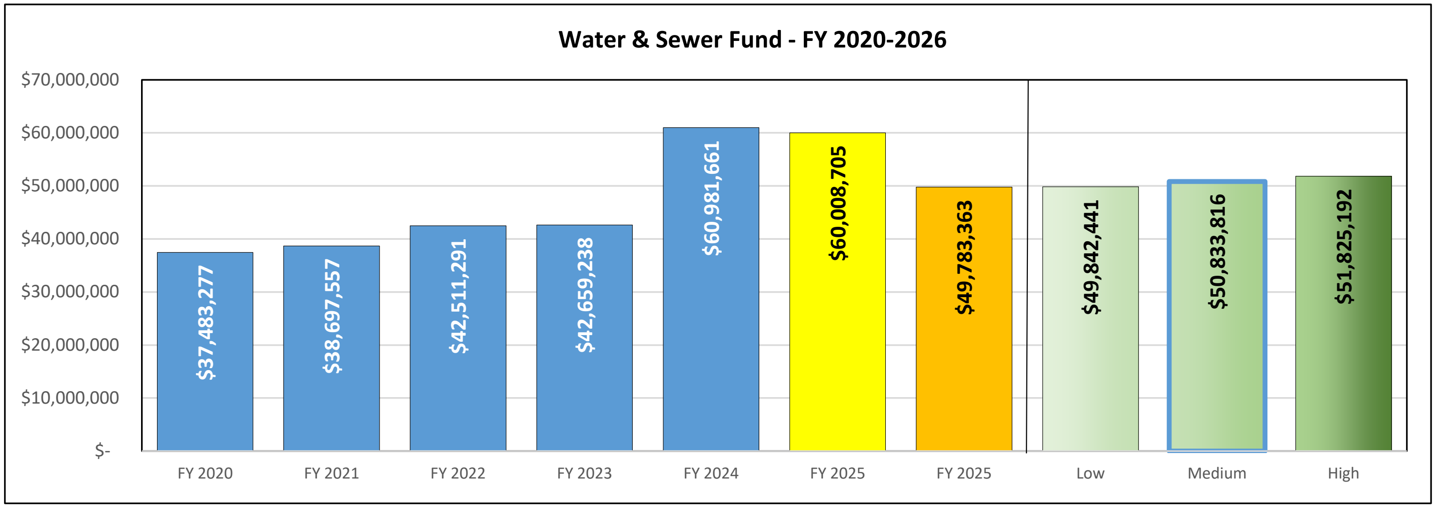
City of Franklin
Revenue Model

Fund:	Water/Sewer Fund	Percent of All Revenues	22.2%

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 forecast at 3% for Water and 2% for Sewer as established by BOMA as of January 1, 2024.

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



	Actual					Budget	Estimated	Forecast (FY 2026)			Averages
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2025	Low	Medium	High	
% yr/yr.	7.2%	3.2%	9.9%	0.3%	43.0%	-1.6%	-18.4%	0%	2%	4%	
Water											3-yr Average
Use of Money & Property	147,561	52,539	78,032	125,000	454,046	344,105	353,190	283,340	289,123	294,905	$ 48,717,397
Rates & Related Customer Service	11,841,481	13,217,446	13,534,877	12,729,946	17,574,383	15,775,802	16,280,865	16,185,586	16,515,904	16,846,222	8.4%
Impact Fees	601,326	768,642	586,512	321,905	1,133,522	603,926	622,414	1,055,509	1,055,509	1,055,509	5-Yr Average
Wastewater											$ 44,466,605
Grants		250,000	90,122	-	1,620,436	11,625,742	599,378	-	-	-	7.4%
Use of Money & Property	849,274	68,880	300,897	600,000	2,760,264	1,176,076	1,161,368	974,052	993,931	1,013,810	
Rates & Related Customer Service	19,932,839	21,467,294	24,769,484	22,899,425	32,230,170	26,387,798	26,593,798	26,166,422	26,700,431	27,234,439	
Impact Fees	2,712,493	2,713,171	2,990,270	1,855,033	4,966,879	3,903,049	3,973,024	4,968,000	5,069,387	5,170,775	
Transfer from G/F (ARP Funds)				-							
Transfer from Co. Fac. Tax.	1,285,000			-							
Reclaimed Water											
Use of Money & Property	600	1,000	-	1,000	44,614	0	0	-	-	-	
Rates & Related Customer Service	112,703	158,585	161,097	131,750	197,347	192,208	199,327	209,532	209,532	209,532	
Use of F/B		-	-	3,995,179							
Totals	$ 37,483,277	$ 38,697,557	$ 42,511,291	$ 42,659,238	$ 60,981,661	$ 60,008,705	$ 49,783,363	$ 49,842,441	$ 50,833,816	$ 51,825,192	

Source: City of Franklin, Annual Comprehensive Financial Reports - 1990-2024 & Estimates from Finance & Revenue Management Departments.

City of Franklin

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

File #: 21-01407

DATE: December 30, 2024

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Michael Walters Young, Chief Budget & Performance Officer

SUBJECT:
Budget Presentation - Debt Service Fund

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the budget request for the Debt Service Fund for FY 2025-2026.

BACKGROUND/STAFF COMMENTS:
Each year, the Budget & Finance Committee reviews the detailed budget of each City Department. At the meetings in February, March, and April, departmental staff makes a presentation of the plans for the next budget cycle and the requested funding for those anticipated needs. This provides the Committee with an idea of the size and scope of budget requests that may be included in the City Administrator's proposed budget, which is typically delivered at the May committee meeting.

FINANCIAL IMPACT:
The financial impact varies by department, depending on the increase in population, the required services, equipment replacement needs, and program enhancements.

RECOMMENDATION:
Staff recommends review of the budget materials. No action is required

Debt Service Fund

City of Franklin, Tennessee

FY 2026 Budget Request - Debt Service Fund

Outline

- Purpose of Fund
- Summary of Outstanding Debt
- Performance Measures
- Debt Service Schedule – All G.O. Bonds
- Existing Debt Service for FY 2026

City of Franklin, Tennessee

FY 2026 Budget Request - Debt Service Fund

Purpose of Fund

Interest and principal payments, due annually for the City's General Obligation Bonds (general government projects), are appropriated and expensed within the Debt Service Fund. While a portion of property tax is allocated directly to this fund, transfers are also made from the Sanitation & Environmental Services, Road Impact, and Hotel/Motel Tax funds to pay their respective shares of debt service in accordance with policies and intentions directed by the Board of Mayor & Aldermen.

Water & Wastewater Debt is budgeted separately under the Water Management Department budget.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request - Debt Service Fund

Summary of Outstanding Debt *(as of 6/30/2024)*

- General Obligation (G.O.) Principal outstanding of $99,465,000 with final maturity in 2039

- Water & Sewer (Revenue) Principal and Bonds outstanding (including SRF Loans) of $136,354,754 with final maturity in 2053

Source: City of Franklin. Annual Comprehensive Financial Report. June 30, 2024. Page 79.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request - Debt Service Fund

Performance Measures – General Obligation

- Current G.O. Bond Rating(s): AAA (Standard & Poors), Aaa (Moody's)
- Debt Affordability Ratios (through FY 2025)

Debt Management Policy Ratios:
(as per City's Debt Management Policy)

1) Direct Debt as a % of Full Value less than or equal to 1.75 %

Full Value of Franklin: (FY 2025) *Estimated*	
$ 22,471,488,617	
1.75% of Full Value:	
$ 393,251,051	
Future Bonded Debt (all funds)	
$ 314,819,755	
As % of Full Value:	1.40%

Measure: Favorable

2) Direct Debt of Operating Revenues of less than or equal to 3x

FY 2027 Operating Revenues (All Funds):
$ 244,255,784
3x FY 2022 Operating Revenues
$ 732,767,352
Future Bonded Debt (all funds)
$ 314,819,755
Direct Debt as x of Operating Revenues
1.3

Measure: Favorable

3) Total Governmental Funds Debt Service as a % of expenditures less than of equal to 25%

Total Governmental Funds Debt Service:
$ 25,528,486
Total Governmental Funds Expenditures (All Funds Expenditures LESS Water & Wastewater Funds)
$ 174,464,387
Gov. Funds Debt Service as % of Gov. Funds Expenditures
14.6%

Measure: Favorable

Debt Affordability Ratios set by City of Franklin's Debt Management Policy, Sec. V, page 3.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request - Debt Service Fund

Performance Measures – Revenue (Water & Sewer)

- Current Revenue Bond Rating: Aa2 (Moody's)

- Debt Capacity Information – Pledged Revenue Coverage (≥ 1.25)

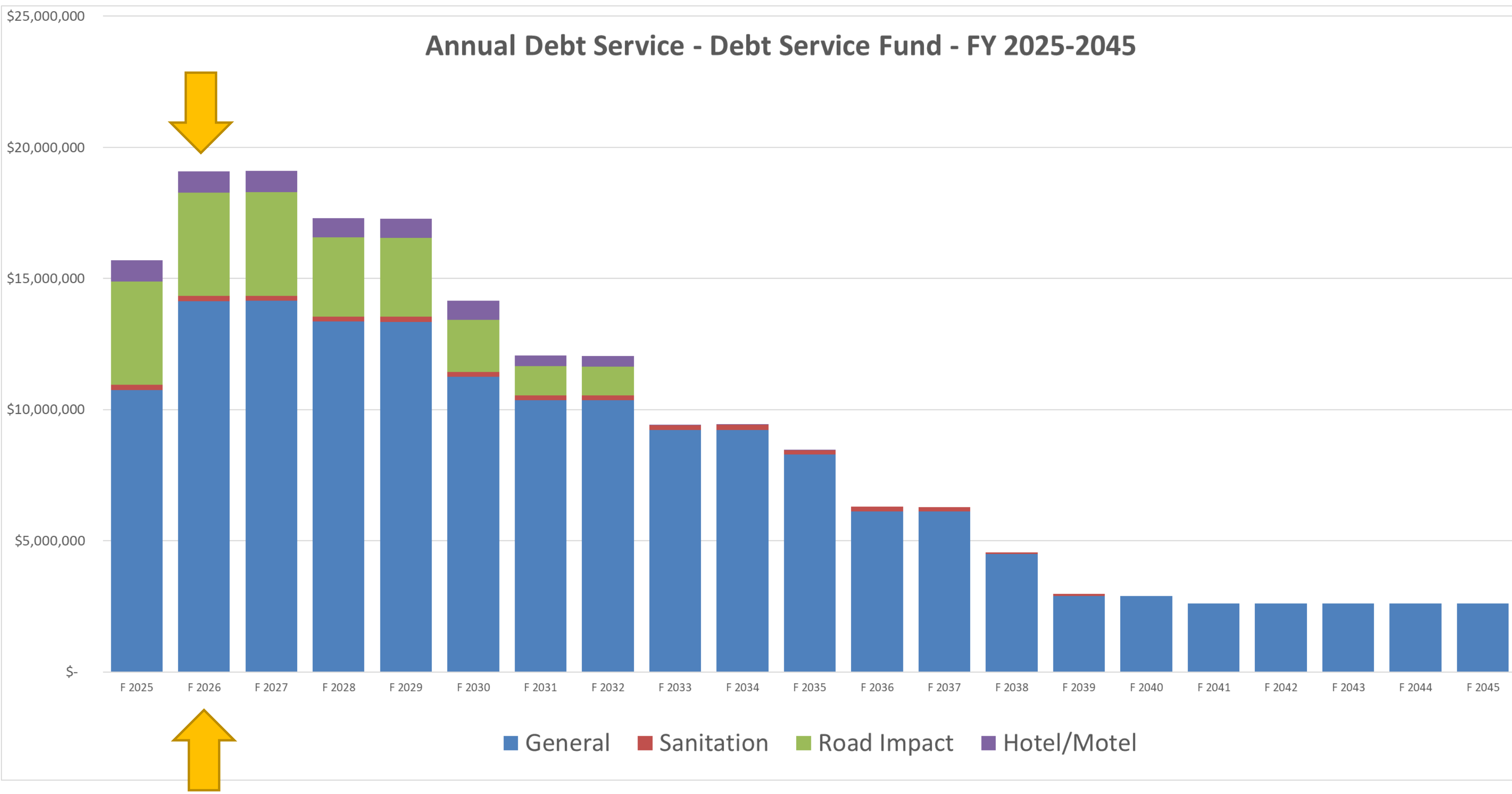
(A) Fiscal Year	(B) Net Revenue Available	(C) Total Debt Service	(D) Coverage (B/C)
2024	$13,256,658	$10,161,156	1.30
2023	$15,900,400	$10,004,013	1.59
2022	$11,937,223	$8,132,881	1.47
2021	$12,745,346	$5,879,071	2.17
2020	$20,651,621	$5,653,726	3.65

Source: City of Franklin. Annual Comprehensive Financial Report. June 30, 2024. Page 142.

City of Franklin, Tennessee

FY 2026 Budget Request - Debt Service Fund

Debt Service Schedule



HISTORIC FRANKLIN TENNESSEE

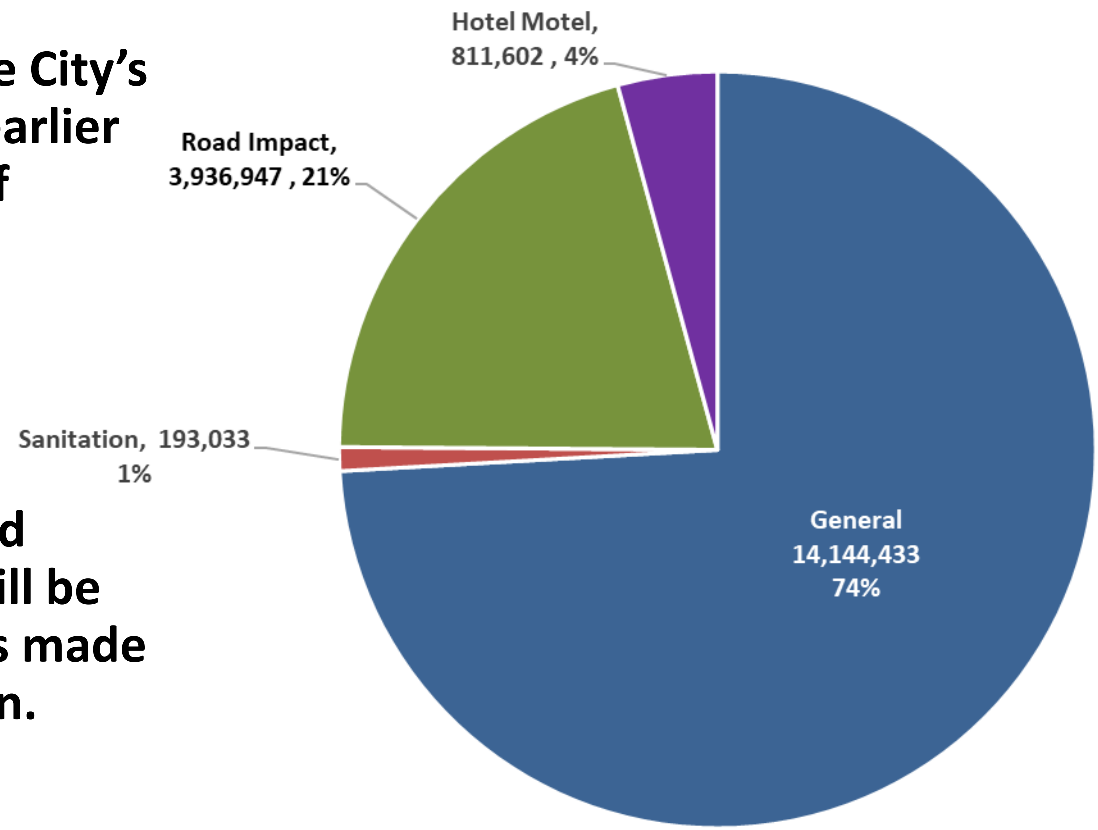
City of Franklin, Tennessee

FY 2026 Budget Request - Debt Service Fund

Budget Request:

The City had planned to issue additional debt to support the City's Capital Investment Program earlier in FY 2025. Due to a variety of factors, however, the timing of the issuance will likely be in the first half of 2025.

The budget shown herein is reflective of both issuance and servicing costs. The budget will be amended once the issuance is made and debt payments are known.



Debt Service Fund

Budget Summary

	2023 Actual	2024 Actual	2025 Budget	2025 EOY	2026 Budget	2025 v. 2026 $	2025 v. 2026 %
Beginning Fund Balance	1,161,978	806,499	547,256	547,256	645,545		
Revenues	15,353,902	16,038,394	15,796,892	15,796,892	19,155,679	3,358,787	21.26%
Expenditures	15,709,381	16,297,637	15,698,603	15,698,603	19,086,017	3,387,414	21.58%
Ending Balance	806,499	547,256	645,545	645,545	715,207		

Fund Summary

In the FY 2010 budget, annual debt service previously paid by the General Fund was moved to this consolidated Debt Service Fund. While a portion of property tax is allocated directly to this fund to pay for the General Fund's portion of debt service, transfers are made from the Sanitation & Environmental Services, Road Impact, and Hotel/Motel Tax funds to pay their respective shares of the debt service in accordance with policies and intentions delineated by the Board of Mayor & Aldermen.

The City had planned to issue additional debt to support the City's Capital Investment Program earlier in FY 2025. Due to a variety of factors, however, the timing of the issuance will likely be in the first half of 2025, meaning servicing costs will not be incurred until FY 2026. (Issuance costs will hit FY 2025, but FY 2025 budget already accounts for these costs.) The budget shown herein ***is reflective of both issuance and servicing costs***. The budget will be amended once the issuance is made and debt payments are known.

Debt Management Policy Ratios

Appendix E of this document provides the City's adopted Debt Management Policy. The City of Franklin has had an adopted debt management policy since June 2009. Over the ensuing decade, this policy has been revised and amended to keep pace with changing economic and fiscal conditions. The policy was last reviewed and revised by the Board of Mayor and Aldermen in December 2017.

Section V of this policy covers Debt Affordability. There are three ratios the City strives to balance in its overall execution and management of debt:

Debt Management Policy Ratios:
(as per City's Debt Management Policy)

1) Direct Debt as a % of Full Value less than or equal to 1.75 %

Full Value of Franklin: (FY 2025) *Estimated*	$ 22,471,488,617
1.75% of Full Value:	$ 393,251,051
Future Bonded Debt (all funds)	$ 314,819,755
As % of Full Value:	1.40%

Measure: Favorable

2) Direct Debt of Operating Revenues of less than or equal to 3x

FY 2027 Operating Revenues (All Funds):	$ 244,255,784
3x FY 2022 Operating Revenues	$ 732,767,352
Future Bonded Debt (all funds)	$ 314,819,755
Direct Debt as x of Operating Revenues	1.3

Measure: Favorable

3) Total Governmental Funds Debt Service as a % of expenditures less than of equal to 25%

Total Governmental Funds Debt Service:	$ 25,528,486
Total Governmental Funds Expenditures (All Funds Expenditures LESS Water & Wastewater Funds)	$ 174,464,387
Gov. Funds Debt Service as % of Gov. Funds Expenditures	14.6%

Measure: Favorable

City of Franklin, Tennessee

FY 2026 Operating Budget

Organizational Chart

There is no organization chart associated with the Debt Service Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

There are no staff formally associated with the Debt Service Fund. It is supervised by personnel in the Finance Department.

City of Franklin, Tennessee
FY 2026 Operating Budget

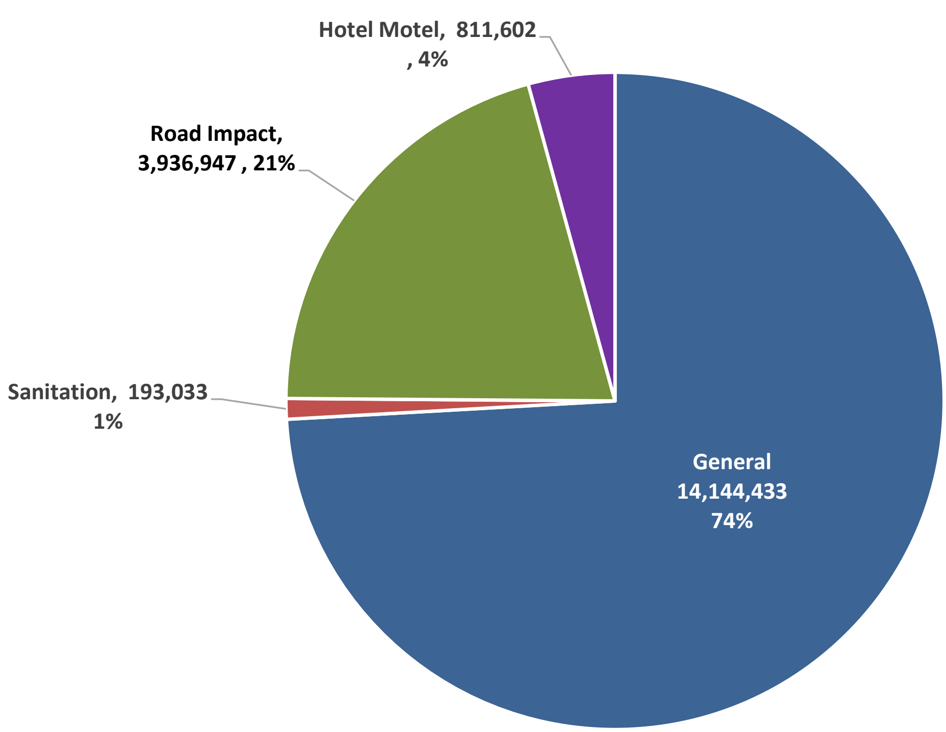
Budget

	Actual 2023	Actual 2024	Budget 2025	EOY 2025	Budget 2026	Difference $	%
Beginning Fund Balance	**1,161,978**	**806,499**	**547,256**	**547,256**	**645,545**		
Revenues							
TOTAL LOCAL TAXES	10,845,720	10,957,506	10,554,764	10,554,764	13,944,777	3,390,013	32.1%
TOTAL USE OF MONEY & PROPE	197,631	230,624	97,354	97,354	68,148	(29,206)	-30.0%
TOTAL OTHER REVENUE	4,310,551	4,850,264	5,144,774	5,144,774	5,142,754	(2,020)	0.0%
Total Available Funds	**15,353,902**	**16,038,394**	**15,796,892**	**15,796,892**	**19,155,679**	**3,358,787**	**21.3%**
Expenses (Debt Service by Fund)							
General	11,598,804	11,647,346	10,753,330	10,753,330	14,144,433	3,391,104	31.5%
Sanitation	209,233	193,178	192,925	192,925	193,033	109	0.1%
Road Impact	2,884,139	3,292,639	3,939,602	3,939,602	3,936,947	(2,655)	-0.1%
Hotel Motel	1,017,205	1,164,473	812,746	812,746	811,602	(1,144)	-0.1%
Total Expenditures	**15,709,381**	**16,297,637**	**15,698,603**	**15,698,603**	**19,086,017**	**3,387,414**	**21.6%**
Ending Fund Balance	**806,499**	**547,256**	**645,545**	**645,545**	**715,207**		

Notes & Objectives

The Debt Service Fund for FY 2026 includes all currently issued G.O. Bonds, including the most recent issue 2019A-B and 2019C-E Refunding Bonds, and an assumed $4.5 millon annual servicing of to-be-issued bonds in 2025 ($50,000,000 total principal).

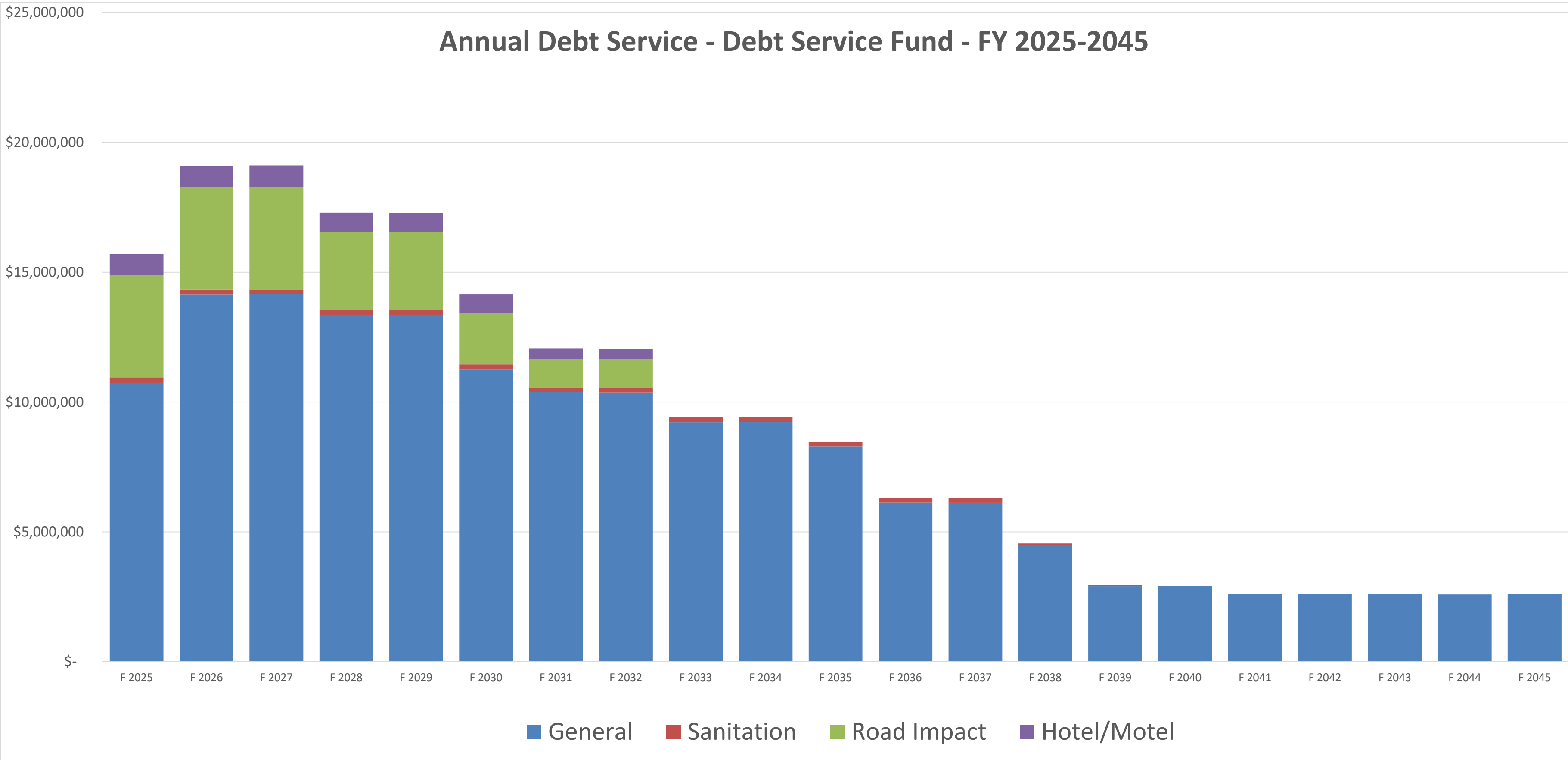
Below is the estimated FY 2026 G.O. Debt Service by fund. Water & Wastewater Debt is budgeted separately under the Water Management Department budget.



City of Franklin, Tennessee
FY 2026 Operating Budget

Debt Service Fund - General Obligation / Governmental Funds Debt Schedule

The chart below shows annual debt service for General Obligation Bonds for the City of Franklin, FY 2025-2045. Four funds - General, Sanitation, Road Impact and Hotel/Motel provide funding to service debt. Water & Wastewater Debt service is budgeted within the Water & Wastewater Fund.

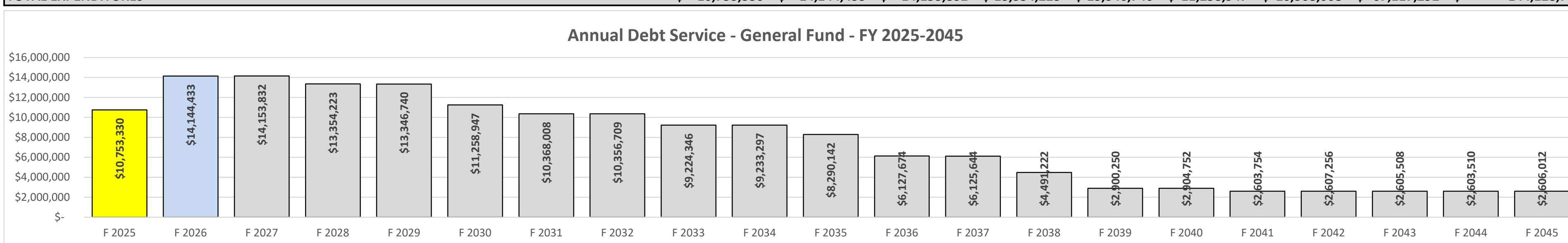


City of Franklin, Tennessee

FY 2026 Operating Budget

Debt Service Fund - General Fund Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2025	F 2026	F 2027	F 2028	F 2029	F 2030	F 2031	Balance (2032-2045)	Total Outstanding (2026-2045)
PRINCIPAL											
Bonds 2010 - $16.59 (Refund 2004 Bonds & Harlinsdale)	2010	$ 10,451,700	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bonds 2012 - $22.5m (Various - Refunding)	2009 / 2012 (Refund)	$ 9,225,000	$ 697,000	$ 711,350	$ 725,700	$ -	$ -	$ -	$ -	$ -	$ 1,437,050
Bonds 2013 - $10m (Pension Bonds)	2013	$ 10,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bonds 2013 - $7.405m (Public Works Bldg, Carlisle)	2013	$ 7,405,000	$ 365,000	$ 375,000	$ 385,000	$ 400,000	$ 410,000	$ 425,000	$ 440,000	$ 1,410,000	$ 3,845,000
Bonds 2015 - $15m (Various)	2015	$ 14,925,000	$ 726,350	$ 756,200	$ 786,050	$ 810,925	$ 845,750	$ 875,600	$ 915,400	$ 3,940,200	$ 8,930,125
Bonds 2017 - $23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	$ 21,848,400	$ 925,120	$ 972,320	$ 1,019,520	$ 1,071,440	$ 1,123,360	$ 1,180,000	$ 1,241,360	$ 8,557,360	$ 15,165,360
Bonds 2019A - $29.585 m Roads/Equipment	2019	$ 29,585,000	$ 1,221,450	$ 1,283,720	$ 1,345,990	$ 1,422,630	$ 1,489,690	$ 1,389,100	$ 1,456,160	$ 10,360,770	$ 18,748,060
Bonds 2019B - Refunding 2009 $44M BAB	2019	$ 14,911,000	$ 1,498,250	$ 1,573,000	$ 1,647,750	$ 1,725,750	$ 1,813,500	$ -	$ -	$ -	$ 6,760,000
Bonds 2019C - Refunding Bonds $29.245M	2019	$ 29,245,000	$ 1,307,200	$ 1,369,550	$ 1,449,100	$ 1,694,200	$ 1,775,900	$ 1,857,600	$ 1,053,500	$ 1,090,050	$ 10,289,900
Bonds 2019D - Taxable Refunding Bonds	2019	$ 2,305,000	$ 219,450	$ 225,150	$ 230,850	$ -	$ -	$ -	$ -	$ -	$ 456,000
Bonds 2025 - New G.O. Issuance	*2025*	*$ 44,060,000*	$ -	*$ 1,940,000*	*$ 1,890,000*	*$ 1,980,000*	*$ 2,080,000*	*$ 2,185,000*	*$ 2,295,000*	*$ 31,690,000*	*$ 44,060,000*
Amount missing from detail											
PRINCIPAL		**$ 193,961,100**	**$ 6,959,820**	**$ 9,206,290**	**$ 9,479,960**	**$ 9,104,945**	**$ 9,538,200**	**$ 7,912,300**	**$ 7,401,420**	**$ 57,048,380**	**$ 109,691,495**
INTEREST											
Bonds 2010 - $16.59 (Refund 2004 Bonds & Harlinsdale)	2010	2.0% - 4.0%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bonds 2012 - $22.5m (Various - Refunding)	2009 / 2012 (Refund)	2.13%	$ 45,455	$ 30,609	$ 15,457	$ -	$ -	$ -	$ -	$ -	$ 91,521
Bonds 2013 - $10m (Pension Bonds)	2013	1.0% - 3.5%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bonds 2013 - $7.405m (Public Works Bldg, Carlisle)	2013	2.0% - 4.0%	$ 140,693	$ 131,203	$ 120,890	$ 107,800	$ 94,200	$ 80,260	$ 65,810	$ 171,440	$ 846,486
Bonds 2015 - $15m (Various)	2015	3.0% - 5.0%	$ 331,872	$ 302,818	$ 272,570	$ 248,989	$ 216,552	$ 182,722	$ 147,698	$ 454,811	$ 2,010,334
Bonds 2017 - $23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	2.73%	$ 706,537	$ 660,281	$ 611,665	$ 560,689	$ 507,117	$ 450,949	$ 391,949	$ 1,629,533	$ 5,126,770
Bonds 2019A - $29.585 m Roads/Equipment	2019	2.72%	$ 971,268	$ 910,196	$ 846,010	$ 778,710	$ 707,579	$ 633,094	$ 563,639	$ 2,629,614	$ 7,476,472
Bonds 2019B - Refunding 2009 $44M BAB	2019	1.90%	$ 412,913	$ 338,000	$ 259,350	$ 176,963	$ 90,675	$ -	$ -	$ -	$ 1,277,900
Bonds 2019C - Refunding Bonds $29.245M	2019		$ 558,420	$ 493,060	$ 424,582	$ 352,127	$ 267,417	$ 178,622	$ 85,742	$ 129,344	$ 2,403,571
Bonds 2019D - Taxable Refunding Bonds	2019		$ 13,852	$ 9,463	$ 4,848	$ -	$ -	$ -	$ -	$ -	$ 28,164
Bonds 2025 - To be issued	*2025*		*$ 600,000*	*$ 2,050,014*	*$ 2,106,000*	*$ 2,011,500*	*$ 1,912,500*	*$ 1,808,500*	*$ 1,699,250*	$ 13,396,000	$ 23,884,514
Amount missing from detail											$ -
INTEREST			**$ 3,781,010**	**$ 4,925,643**	**$ 4,661,372**	**$ 4,236,778**	**$ 3,796,040**	**$ 3,334,147**	**$ 2,954,088**	**$ 15,999,992**	**$ 40,734,981**
PAYING AGENT & OTHER DEBT FEES											
Various			$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 112,500	$ 187,500
PAYING AGENT & OTHER DEBT FEES			**$ 12,500**	**$ 12,500**	**$ 12,500**	**$ 12,500**	**$ 12,500**	**$ 12,500**	**$ 12,500**	**$ 112,500**	**$ 187,500**
TOTAL EXPENDITURES			**$ 10,753,330**	**$ 14,144,433**	**$ 14,153,832**	**$ 13,354,223**	**$ 13,346,740**	**$ 11,258,947**	**$ 10,368,008**	**$ 67,117,292**	**$ 144,128,796**

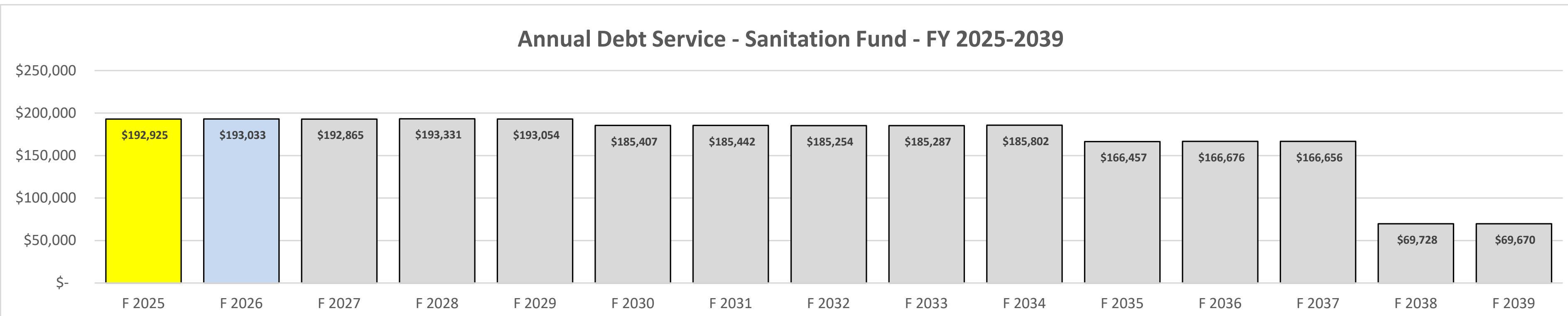


City of Franklin, Tennessee

FY 2026 Operating Budget

Debt Service Fund - Sanitation Fund Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2025	F 2026	F 2027	F 2028	F 2029	F 2030	F 2031	Balance (2032-2039)	Total Outstanding (2026-2039)
PRINCIPAL											
Bonds 2017 - $23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	$ 1,271,600	$ 54,880	$ 57,680	$ 60,480	$ 63,560	$ 66,640	$ 70,000	$ 73,640	$ 507,640	**$ 899,640**
Bonds 2019A - $29.585m	2019	$ 1,600,000	$ 53,550	$ 56,280	$ 59,010	$ 62,370	$ 65,310	$ 60,900	$ 63,840	$ 521,220	**$ 888,930**
PRINCIPAL		**$ 4,871,600**	**$ 108,430**	**$ 113,960**	**$ 119,490**	**$ 125,930**	**$ 131,950**	**$ 130,900**	**$ 137,480**	**$ 1,028,860**	**$ 1,788,570**
INTEREST											
Bonds 2017 - $23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	2.73%	$ 41,913	$ 39,169	$ 36,285	$ 33,261	$ 30,083	$ 26,751	$ 23,251	$ 73,416	**$ 262,217**
Bonds 2019 - $29.585m	2019		$ 42,582	$ 39,904	$ 37,090	$ 34,140	$ 31,021	$ 27,756	$ 24,711	$ 93,255	**$ 287,876**
INTEREST			**$ 84,495**	**$ 79,073**	**$ 73,375**	**$ 67,401**	**$ 61,104**	**$ 54,507**	**$ 47,962**	**$ 166,671**	**$ 550,094**
TOTAL EXPENDITURES			**$ 192,925**	**$ 193,033**	**$ 192,865**	**$ 193,331**	**$ 193,054**	**$ 185,407**	**$ 185,442**	**$ 1,195,531**	**$ 2,338,664**

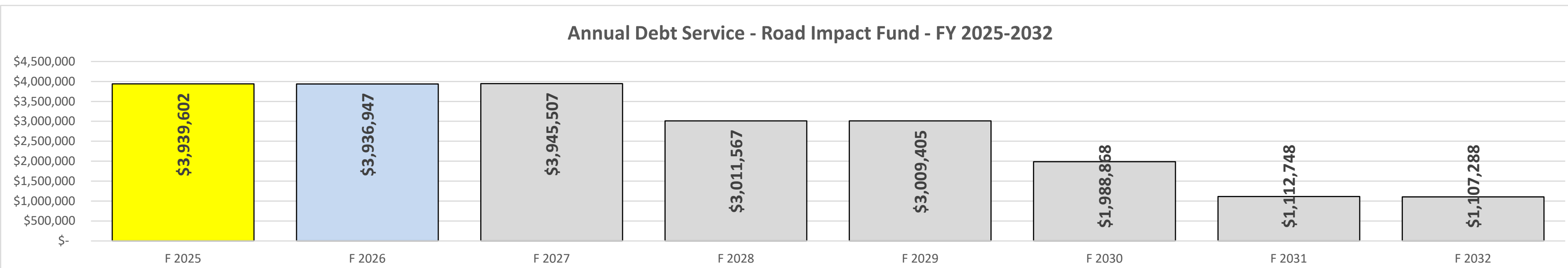


City of Franklin, Tennessee

FY 2026 Operating Budget

Debt Service Fund - Road Impact Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2025	F 2026	F 2027	F 2028	F 2029	F 2030	F 2031	Balance -2032	Total Outstanding (2026-2032)
PRINCIPAL											
Bonds 2012 - $22.5m (Various - Refunding)	2009 / 2012 (Refund)	$ 11,475,000	$ 867,000	$ 884,850	$ 902,700	$ -	$ -	$ -	$ -	$ -	**$ 1,787,550**
Bonds 2019B - Refunding 2009 $44M BAB	2019	$ 7,937,240	$ 797,530	$ 837,320	$ 877,110	$ 918,630	$ 965,340	$ -	$ -	$ -	**$ 3,598,400**
Bonds 2019C - Refunding Bonds $29.245M	2019	$ 29,245,000	$ 1,276,800	$ 1,337,700	$ 1,415,400	$ 1,654,800	$ 1,734,600	$ 1,814,400	$ 1,029,000	$ 1,064,700	**$ 10,050,600**
Bonds 2019D - Taxable Refunding Bonds	2019	$ 2,305,000	$ 165,550	$ 169,850	$ 174,150	$ -	$ -	$ -	$ -	$ -	**$ 344,000**
PRINCIPAL		**$ 28,724,000**	**$ 3,106,880**	**$ 3,229,720**	**$ 3,369,360**	**$ 2,573,430**	**$ 2,699,940**	**$ 1,814,400**	**$ 1,029,000**	**$ 1,064,700**	**$ 15,780,550**
INTEREST											
Bonds 2012 - $22.5m (Various - Refunding)	2009 / 2012 (Refund)	2.13%	$ 56,542	$ 38,075	$ 19,228	$ -	$ -	$ -	$ -	$ -	**$ 57,303**
Bonds 2019B - Refunding 2009 $44M BAB	2019	1.90%	$ 219,797	$ 179,920	$ 138,054	$ 94,199	$ 48,267	$ -	$ -	$ -	**$ 460,440**
Bonds 2019C - Refunding Bonds $29.245M	2019		$ 545,433	$ 481,593	$ 414,708	$ 343,938	$ 261,198	$ 174,468	$ 83,748	$ 42,588	**$ 1,802,241**
Bonds 2019D - Taxable Refunding Bonds	2019		$ 10,450	$ 7,139	$ 3,657	$ -	$ -	$ -	$ -	$ -	**$ 10,796**
INTEREST			**$ 832,222**	**$ 706,727**	**$ 575,647**	**$ 438,137**	**$ 309,465**	**$ 174,468**	**$ 83,748**	**$ 42,588**	**$ 2,330,780**
PAYING AGENT & OTHER DEBT FEES											
Various			$ 500	$ 500	$ 500	$ -	$ -	$ -	$ -	$ -	**$ 1,000**
PAYING AGENT & OTHER DEBT FEES			**$ 500**	**$ 500**	**$ 500**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,000**
TOTAL EXPENDITURES			**$ 3,939,602**	**$ 3,936,947**	**$ 3,945,507**	**$ 3,011,567**	**$ 3,009,405**	**$ 1,988,868**	**$ 1,112,748**	**$ 1,107,288**	**$ 18,112,330**

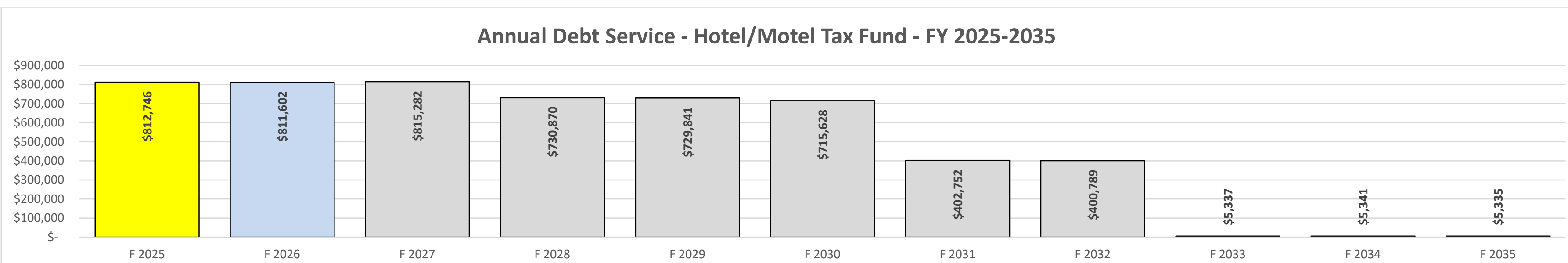


City of Franklin, Tennessee

FY 2026 Operating Budget

Debt Service Fund - Hotel / Motel Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2025	F 2026	F 2027	F 2028	F 2029	F 2030	F 2031	Balance (2032-2035)	Total Outstanding (2026-2035)
PRINCIPAL											
Bonds 2010 - $16.59m (Refund Harlinsdale) - 37.0%	2010 (Refund)	$ 6,138,300	$ -							$ -	$ -
Bonds 2012 - $22.5m Refunding	2009 / 2012 (Refund)	$ 1,800,000	$ 136,000	$ 138,800	$ 141,600					$ -	$ 280,400
Bonds 2015 - $15m (Hillsboro & 3rd Ave Only)	2015	$ 75,000	$ 3,650	$ 3,800	$ 3,950	$ 4,075	$ 4,250	$ 4,400	$ 4,600	$ 19,800	$ 44,875
Bonds 2019B - Refunding 2009 $44M BAB	2019	$ 91,760	$ 9,220	$ 9,680	$ 10,140	$ 10,620	$ 11,160			$ -	$ 41,600
Bonds 2019C - Refunding Bonds $29.245M	2019		$ 456,000	$ 477,750	$ 505,500	$ 591,000	$ 619,500	$ 648,000	$ 367,500	$ 380,250	$ 3,589,500
PRINCIPAL		**$ 8,105,060**	**$ 604,870**	**$ 630,030**	**$ 661,190**	**$ 605,695**	**$ 634,910**	**$ 652,400**	**$ 372,100**	**$ 400,050**	**$ 3,956,375**
INTEREST											
Bonds 2010 - $16.59m (Refund Harlinsdale) - 37.0%	2010 (Refund)	2.0% - 4.0%	$ -							$ -	$ -
Bonds 2012 - $22.5m Refunding	2009 / 2012 (Refund)	2.13%	$ 8,869	$ 5,973	$ 3,016					$ -	$ 8,989
Bonds 2015 - $15m (Hillsboro & 3rd Ave Only)	2015	3.0% - 5.0%	$ 1,668	$ 1,522	$ 1,370	$ 1,251	$ 1,088	$ 918	$ 742	$ 1,543	$ 8,434
Bonds 2019B - Refunding 2009 $44M BAB	2019	1.90%	$ 2,541	$ 2,080	$ 1,596	$ 1,089	$ 558			$ -	$ 5,323
Bonds 2019C - Refunding Bonds $29.245M	2019		$ 194,798	$ 171,998	$ 148,110	$ 122,835	$ 93,285	$ 62,310	$ 29,910	$ 15,210	$ 643,658
Amount missing from detail										$ -	$ -
INTEREST			**$ 207,876**	**$ 181,572**	**$ 154,092**	**$ 125,175**	**$ 94,931**	**$ 63,228**	**$ 30,652**	**$ 16,753**	**$ 666,404**
PAYING AGENT & OTHER DEBT FEES											
Various			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PAYING AGENT & OTHER DEBT FEES			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES			**$ 812,746**	**$ 811,602**	**$ 815,282**	**$ 730,870**	**$ 729,841**	**$ 715,628**	**$ 402,752**	**$ 416,803**	**$ 4,622,779**



City of Franklin

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

File #: 21-01408

DATE: December 30, 2024

TO: Budget & Finance Committee

FROM: Michael Walters Young, Chief Budget & Performance Officer

SUBJECT:
Budget Presentation - Hotel/Motel Fund

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) the budget request for the Hotel/Motel Fund for FY 2025-2026.

BACKGROUND/STAFF COMMENTS:
Each year, the Budget & Finance Committee reviews the detailed budget of each City Department. At the meetings in February, March, and April, departmental staff makes a presentation of the plans for the next budget cycle and the requested funding for those anticipated needs. This provides the Committee with an idea of the size and scope of budget requests that may be included in the City Administrator's proposed budget, which is typically delivered at the May committee meeting.

New this year is the ability to access the budget electronically. While traditional static files in Adobe Acrobat are attached to this agenda item, please click the links below to access the individual fund stories:

Fund 150 - Hotel/Motel Tax Fund

FINANCIAL IMPACT:
The financial impact varies by department, depending on the increase in population, the required services, equipment replacement needs, and program enhancements.

RECOMMENDATION:
Staff recommends review of the budget materials. No action is required.

Hotel Motel Fund

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request - Hotel/Motel Tax Fund

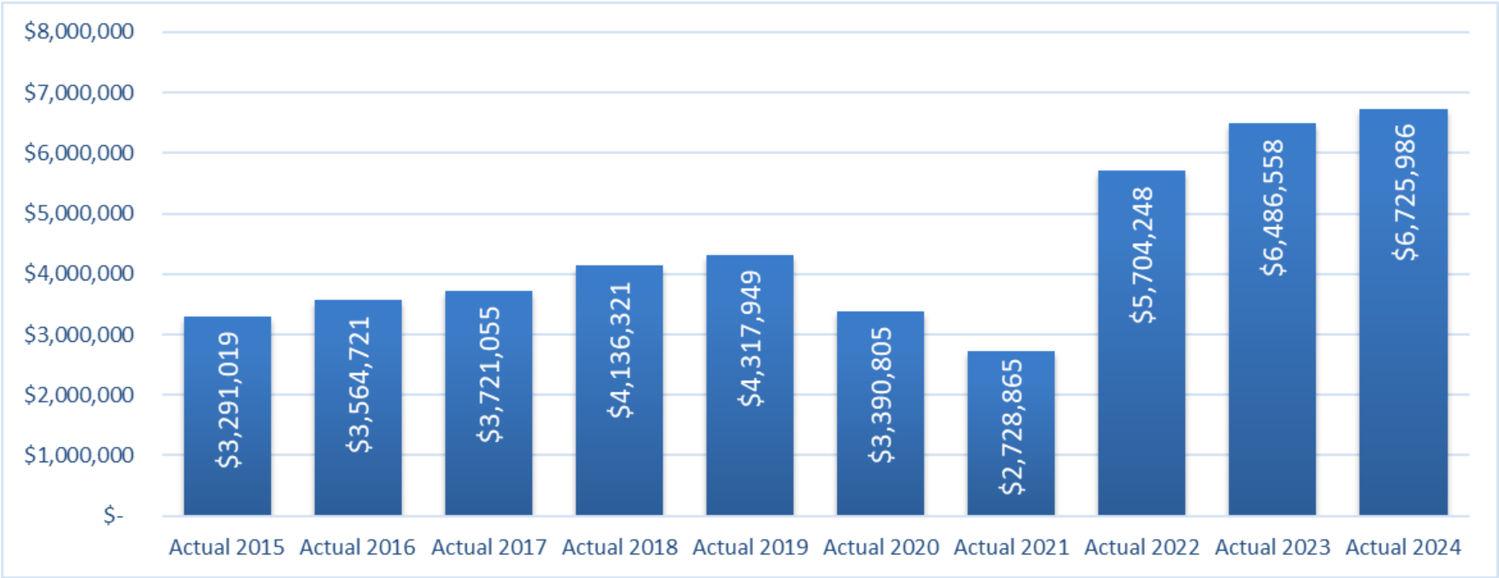
Purpose of Fund

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% (legal limit is 5%). The fund is used to pay debt service on the Cool Springs Conference Center and the Harlinsdale and Battlefield parks. Also, the funds are used for tourism. The budget includes 1% of the 4% tax (based on collections in calendar year 2013) to support the Williamson County Convention and Visitors Bureau.

City of Franklin, Tennessee

FY 2026 Budget Request - Hotel/Motel Tax Fund

Overall Performance



Revenues over the last 10-years in the Hotel-Motel Fund are shown above. Reliably pre-pandemic tourist growth and hotel stays grew every year, year over year. That changed in March 2020 and lasted for the better part of 18 months. Once the pandemic ebbed, hotel stays and tourist visits have rebounded far better than expected to record highs.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request - Hotel/Motel Tax Fund

Overall Performance

The Convention & Visitor's Bureau for Franklin & Williamson County monitors the monthly performance of hotels. Leading measures monitored include:

- Occupancy Rate (calculated by dividing the total number of rooms occupied by the total number of rooms available and multiplying by 100)
- ADR (Annual Daily Rate - calculated by dividing the room revenue by the rooms sold)
- RevPAR (Revenue per Available Room calculated by dividing total room revenue by the number of available rooms)
- Total Supply of Rooms
- Total Demand for Rooms
- Total Revenue generated

	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
From 1/1/2024 to 10/31/2024	68.2%	$146.33	$99.75	2.0M	1.3M	$196.2M
Same-time-last-year	71.1%	$142.98	$101.60	2.0M	1.4M	$199.2M
Change vs. Previous Year	-3.7% YOY	+2.1% YOY	-1.8% YOY	-1.0% YOY	-4.7% YOY	-2.7% YOY

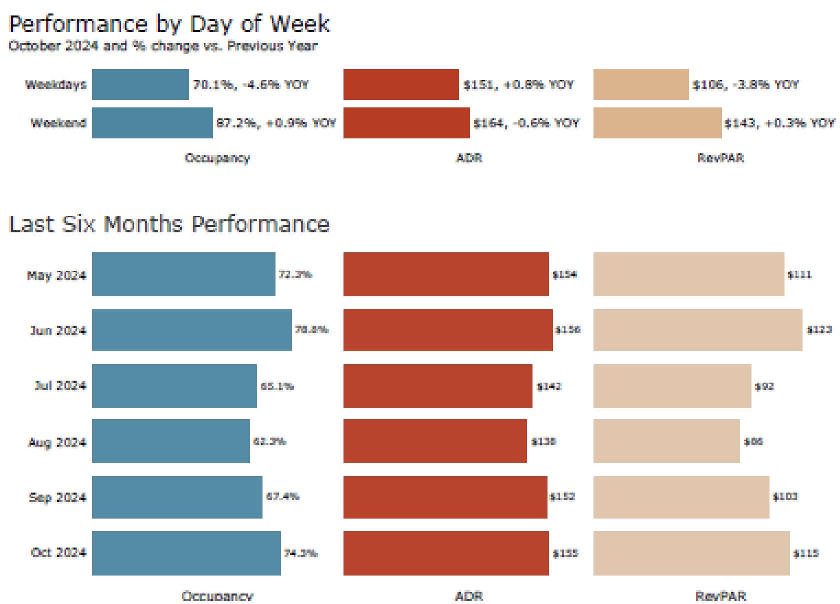
The graphic above provides hotel sales statistics (occupancy, rate, and revenue per available room, demand, etc) for the first 10 months of 2024 compared to 2023.

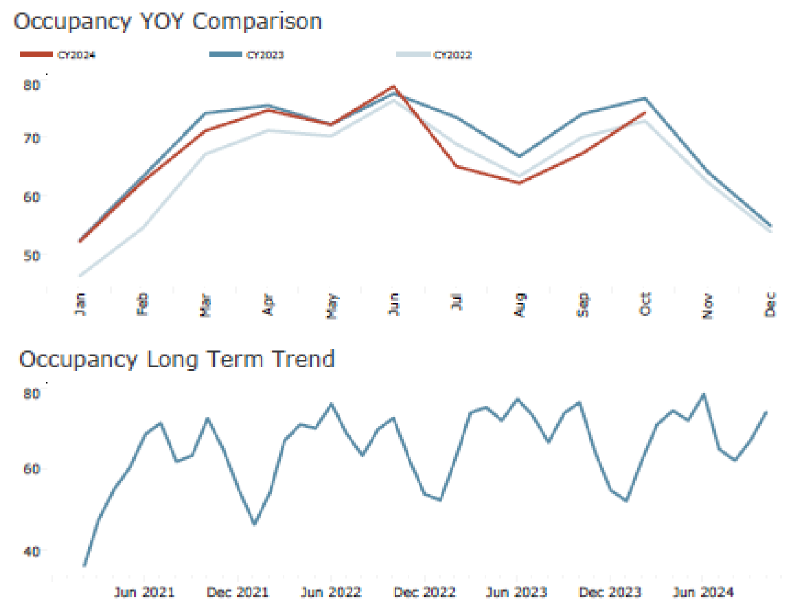
HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request - Hotel/Motel Tax Fund

Overall Performance





Above is a summary of hotel sales statistics through October 2024. October was a relatively strong month with average daily rate (ADR) reaching $155 in the county. This is good news when paired with an occupancy rate of 74.3% - but it should be noted the occupancy rates are slightly lower than a year previous. All metrics indicate a very strong tourist industry.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request - Hotel/Motel Tax Fund

Budget Summary

	2023 Actual	2024 Actual	2025 Budget	2025 EOY	2026 Budget	2025 v. 2026 $	2025 v. 2026 %
Beginning Fund Balance	8,006,649	9,581,092	8,736,516	8,736,516	8,560,149		
Revenues	6,486,558	6,725,986	7,899,081	7,777,483	6,696,179	-1,202,902	-15.2%
Expenditures	4,912,115	7,570,562	5,017,746	7,953,850	2,553,630	-2,464,116	-49.1%
Ending Balance	9,581,092	8,736,516	11,617,851	8,560,149	12,702,698		

Obligations: Debt Service, Funding for the CVB and the second year of a two-year commitment to fund the update of the City's Preservation Plan.

The FY 2026 Hotel/Motel Tax Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

HISTORIC
FRANKLIN
TENNESSEE

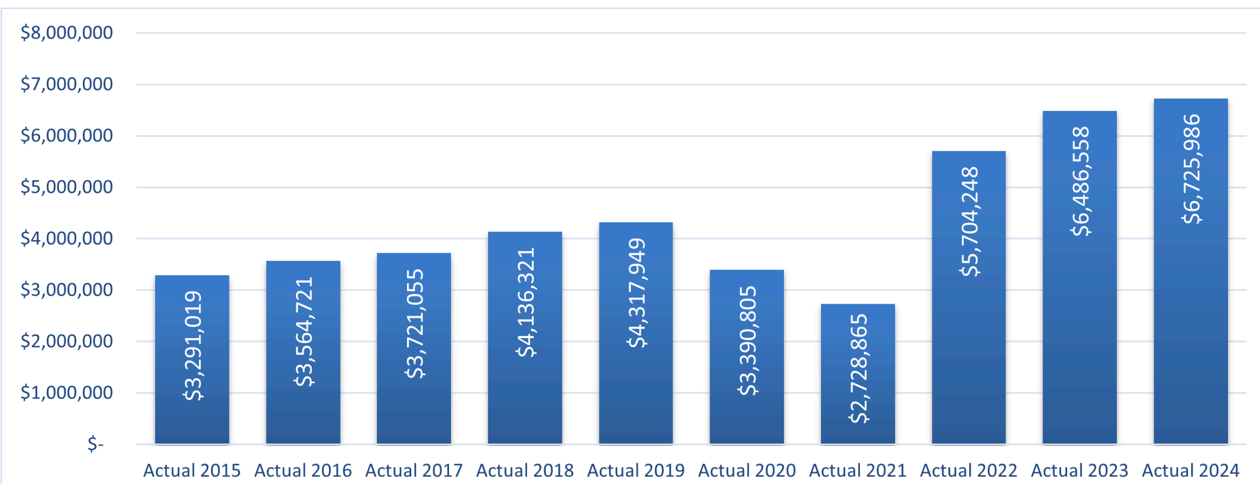
FY 2026 Operating Budget

Hotel/Motel Tax Fund

Fund Summary

The Hotel/Motel Tax Fund is a special revenue fund used to account for the locally administered 4% tax levied on the occupancy of hotel and motel rooms which is in addition to state and local sales tax. The fund is used to pay debt service (previously on the Cool Springs Conference Center, and now the Harlinsdale and Battlefield parks) and expenditures related to tourism. In this budget, 1% of the 4% Hotel/Motel tax (traditionally based on collections in the previous full calendar year) is allocated to support the Williamson County Convention and Visitors Bureau.

The Hotel/Motel Tax Fund budget was impacted more than any other fund city-wide by COVID-19 due to the economic downturn. Revenues dropped in FY 2020, bottomed out in FY 2021 and rebounded to record highs in the last 3 years, FY 2022-FY 2024. Revenues for the last 10 years are shown below.



Performance Measures

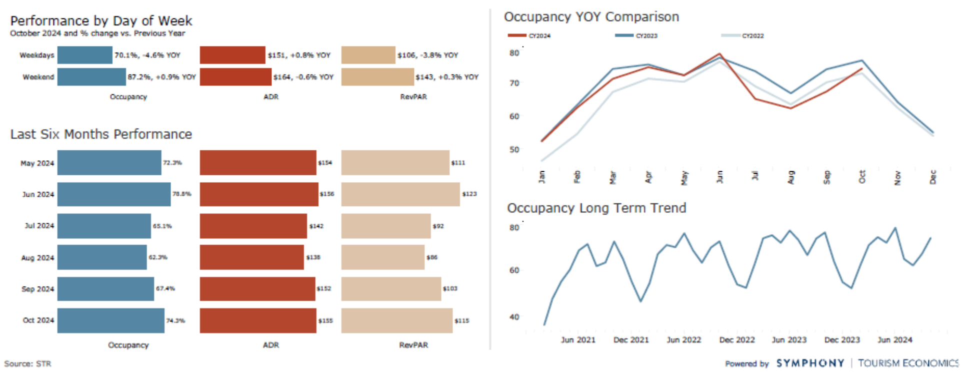
The Convention & Visitor's Bureau for Franklin & Williamson County monitors the monthly performance of hotels. Leading measures monitored include:

- Occupancy Rate (calculated by dividing the total number of rooms occupied by the total number of rooms available and multiplying by 100)
- ADR (Annual Daily Rate - calculated by dividing the room revenue by the rooms sold)
- RevPAR (Revenue per Available Room calculated by dividing total room revenue by the number of available rooms)
- Total Supply of Rooms
- Total Demand for Rooms
- Total Revenue generated

The graphic below provides hotel occupancy, rate, and revenue per available room for the month of October 2024.

Williamson County, TN+ Hotel Performance Summary
October 2024

	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
	74.3%	$154.69	$115.01	199.8K	148.5K	$23.0M
Change vs. Previous Year	-3.2% YOY	+0.5% YOY	-2.7% YOY	-0.1% YOY	-3.2% YOY	-2.8% YOY
YTD Calendar Year	68.1%	$146.58	$99.82	2.0M	1.3M	$195.6M
YTD Change vs. Previous Year	-3.7% YOY	+1.9% YOY	-1.8% YOY	+0.0% YOY	-3.7% YOY	-1.8% YOY



Williamson County, TN+ Daily Hotel Trends
1/1/2024 to 10/31/2024

	Occupancy	ADR	RevPAR	Supply	Demand	Revenue
From 1/1/2024 to 10/31/2024	68.2%	$146.33	$99.75	2.0M	1.3M	$196.2M
Same-time-last-year	71.1%	$142.98	$101.60	2.0M	1.4M	$199.2M
Change vs. Previous Year	-3.7% YOY	+2.1% YOY	-1.8% YOY	-1.0% YOY	-4.7% YOY	-2.7% YOY

For more information on the Convention & Visitor's Bureau, please visit visitfranklin.com

Strategic Plan Measures

There are no strategic plan measures associated with the Hotel/Motel Fund.

Staffing by Position

There are no staff formally associated with the Hotel/Motel Tax Fund. It is overseen by personnel in the Finance, Budget & Performance and Billing & Licensing Departments.

Budget Summary

Hotel/Motel Tax Fund

	ACTUAL 2023	ACTUAL 2024	BUDGET 2025	EOY 2025	FY2026 BUDGET		
	FY2023	FY2024	FY2025	FY2025	FY2026	25 v. 26 Difference $	25 v. 26 Difference %
Revenues							
REVENUES							
LOCAL TAXES (31000)	$5,638,692	$5,907,179	$6,210,098	$6,039,475	$6,099,870	($110,228)	(1.8%)
INTERGOVERNMENTAL (33000)	$700,392	$431,900	$1,500,000	$1,531,381	$333,007	($1,166,993)	(77.8%)
USE OF MONEY & PROPERTY (36000)	$147,475	$386,907	$188,983	$206,627	$263,302	$74,319	39.3%
OTHER REVENUE (37000)	–	–	–	$0	$0	$0	–
REVENUES TOTAL	**$6,486,559**	**$6,725,985**	**$7,899,081**	**$7,777,483**	**$6,696,179**	**($1,202,902)**	**(15.2%)**
REVENUES TOTAL	**$6,486,559**	**$6,725,985**	**$7,899,081**	**$7,777,483**	**$6,696,179**	**($1,202,902)**	**(15.2%)**
Expenses							
150 - HOTEL/MOTEL TAX							
OPERATIONS							
SERVICES (82000)	$103,124	$10,000	$135,000	$135,000	$100,000	($35,000)	(25.9%)
SUPPLIES (83000)	$7,211	$40,019	–	$20,544	$0	$0	–
OPERATIONAL UNITS (84000)	($382,133)	($308,344)	–	($206,012)	$0	$0	–
BUSINESS EXPENSES (85000)	–	–	–	$0	$0	$0	–
DEBT SERVICE (86000)	–	–	–	$0	$0	$0	–
APPROPRIATIONS (87000)	$934,609	$1,308,025	$1,425,000	$1,473,322	$1,546,988	$121,988	8.6%
TRANSFER TO OTHER FUNDS (88000)	$3,754,706	$2,261,781	$1,812,746	$4,812,746	$811,642	($1,001,104)	(55.2%)
OPERATIONS TOTAL	**$4,417,516**	**$3,311,481**	**$3,372,746**	**$6,235,600**	**$2,458,630**	**($914,116)**	**(27.1%)**
CAPITAL							
CAPITAL ASSETS (89000)	$494,596	$4,259,083	$1,645,000	$1,718,250	$95,000	($1,550,000)	(94.2%)
CAPITAL TOTAL	**$494,596**	**$4,259,083**	**$1,645,000**	**$1,718,250**	**$95,000**	**($1,550,000)**	**(94.2%)**
150 - HOTEL/MOTEL TAX TOTAL	**$4,912,112**	**$7,570,564**	**$5,017,746**	**$7,953,850**	**$2,553,630**	**($2,464,116)**	**(49.1%)**
EXPENSES TOTAL	**$4,912,112**	**$7,570,564**	**$5,017,746**	**$7,953,850**	**$2,553,630**	**($2,464,116)**	**(49.1%)**

Detailed Budget

Please click here for the detailed Fund 150 Hotel/Motel Tax Fund budget.

Notes & Objectives

Aside from obligations the City has made to service debt, pay for land acquisitions, and provide funding for the CVB, the Hotel/Motel Tax Fund has historically been used to purchase supplies and materials for special events and tourism, and sustain ongoing capital project commitments.

In FY 2023, two projects comprised the contribution to the Capital Projects Fund: $537,500 for the joint ballfield project with Franklin Special School District, and $2,200,000 for renovations to the Main Barn at Harlinsdale Park. In addition, FY 2023 also included $100,000 for a vehicle management system to be deployed to manage traffic on city streets during major events, $403,845 for the renovation of Eastern Flank Event Center, and improvements to City garages totaling $168,500. The latter two projects were paid through American Rescue Plan Act monies.

In FY 2024, two additional approved CIP projects totaling $1,002,200 were funded: $500,000 for Southeast Park, and $502,200 for design for a Greenway from Pinkerton Park to Franklin Road. Two enhancements being funded are additional vehicle barriers ($65,000) and phase 1 of a two year commitment to fund U.S. Line Markers for the Battle of Franklin Battlefield ($103,250 year 1, $92,500 year 2). An additional $7,000,000 in appropriated expense was added during FY 2024 for the purchase of 76 acres of parkland adjacent to Harlinsdale Farm and the SW and SE corners of Franklin Road (U.S. 31) and Mack Hatcher Memorial Parkway (U.S. 431/TN-396)

In FY 2025, Program Enhancement Requests funded through the Hotel/Motel Fund included $300,000 for 1/2 the costs of replacing lighting at Jim Warren Park, $100,000 for 1/2 the costs of funding an update to the city's Preservation Plan, $50,000 to support efforts by the African American Heritage Society's renovations of the Merrill-Williams House, and $30,000 for joint funding of an occupancy tax audit of hotels with Brentwood and Williamson County.

The FY 2026 Hotel Motel Tax Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

FY 2026 Hotel/Motel Tax Revenues and Expenses Budget

Account Name	Account String	Itemizations	FY23 Actual	FY24 Actual	FY25 Budget	FY2025 EOY	FY2026 Budget	FY2027 Forecast	FY2028 Forecast
Hotel/Motel Tax Revenues									
HOTEL/MOTEL TAXES	150-31700-00000		$5,638,692	$5,907,179	$6,210,098	$6,039,475	$6,099,870	$6,000,000	$6,100,000
SHORT TERM VACATION RENTAL TAX	150-33285-00000		$334,255	$333,384	$300,000	$331,381	$333,007	$300,000	$300,000
US TREASURY DEPT (FEDERAL)	150-33675-47100		$0	$0	$0	$0	$0	$0	$0
US TREASURY DEPT ARPA (FED)	150-33676-47100		$366,137	$98,515	$1,200,000	$1,200,000	$0	$0	$0
INTEREST INCOME	150-36100-00000		$52,234	$50,653	$17,813	$35,457	$12,469	$25,000	$25,000
LGIP Interest	150-36105-00000		$0	$0	$0	$0	$0	$0	$0
INVESTMENT INTEREST	150-36110-00000		$95,240	$336,253	$171,170	$171,170	$250,833	$0	$0
TRANSFER FROM GENERAL FUND	150-37100-00000		$0	$0	$0	$0	$0	$0	$0
MISCELLANEOUS INCOME	150-37900-00000		$0	$0	$0	$0	$0	$0	$0
Total Hotel/Motel Tax Revenues			**$6,486,559**	**$6,725,985**	**$7,899,081**	**$7,777,483**	**$6,696,179**	**$6,325,000**	**$6,425,000**
Hotel/Motel Tax Expenses									
LEGAL NOTICES	150-82310-47100		$33	$0	$0	$0	$0	$0	$0
WATER & SEWER SERVICE	150-82420-47100		$0	$0	$0	$0	$0	$0	$0
AUDIT SERVICES	150-82530-47100		$0	$0	$35,000	$35,000	$0	$0	$0
AUDIT SERVICES	150-82530-47100	Base				$0	$0	$0	$0
AUDIT SERVICES	150-82530-47100	FY2025 PER: Hotel/Motel Occupancy Tax Audit				$35,000	$0	$0	$0
ENGINEERING SERVICES	150-82540-47100		$0	$0	$0	$0	$0	$0	$0
CONSULTANT SERVICES	150-82560-47100		$0	$0	$100,000	$100,000	$100,000	$0	$0
CONSULTANT SERVICES	150-82560-47100	FY25 PER Preservation Plan - Planning & Sustainability				$100,000	$100,000	$0	$0
OTHER CONTRACTUAL SERVICES	150-82599-47100		$10,000	$10,000	$0	$0	$0	$0	$0
SIGN MAINTENANCE SERVICES	150-82643-47100		$23,132	$0	$0	$0	$0	$0	$0
SIGN SUPPLIES	150-83643-47100		$7,211	$0	$0	$0	$0	$0	$0
LANDSCAPING SUPPLIES	150-83652-47100		$0	$0	$0	$0	$0	$0	$0
Parks & Rec Fac (<$100,000),	150-83710-47100		$0	$40,019	$0	$20,544	$0	$0	$0
Sidewalks (<$100,000)	150-83860-47100		$0	$0	$0	$0	$0	$0	$0
COOL SPRINGS CONFERENCE CENTER OPERATIONS	150-84910-47100		-$382,133	-$308,344	$0	-$206,012	$0	$0	$0
BOND SALE EXPENSES	150-86400-47100		$0	$0	$0	$0	$0	$0	$0
CONTRACTED SERVICES	150-87110-47100		$934,609	$1,308,025	$1,425,000	$1,473,322	$1,546,988	$1,500,000	$1,525,000
TRANSFER TO DEBT SERVICE	150-88095-47100		$1,017,206	$1,164,473	$812,746	$812,746	$811,642	$811,602	$815,282
TRANSFER TO CAPITAL PROJECTS	150-88100-47100		$2,737,500	$1,097,308	$1,000,000	$4,000,000	$0	$0	$0
LAND ACQUIRED (purchase cost or value)	150-89110-47100		$0	$4,194,262	$0	$0	$0	$0	$0
ARPA - LAND ACQ (PURCH PRICE)	150-89111-47100		$0	$0	$0	$0	$0	$0	$0
EASEMENTS ACQUIRED (purchase cost or value)	150-89120-47100		$0	$0	$0	$0	$0	$0	$0
BUILDING IMPROVEMENTS (>$100,000)	150-89230-47100		$0	$0	$50,000	$50,000	$0	$0	$0

FY 2026 Hotel/Motel Tax Revenues and Expenses Budget

Account Name	Account String	Itemizations	FY23 Actual	FY24 Actual	FY25 Budget	FY2025 EOY	FY2026 Budget	FY2027 Forecast	FY2028 Forecast
BUILDING IMPROVEMENTS (>$100,000)	150-89230-47100	Restoration of the Merrill-Williams Home				$50,000	$0	$0	$0
ARPA Build Improve (>$100,000)	150-89231-47100		$0	$0	$1,200,000	$1,200,000	$0	$0	$0
ARPA Build Improve (>$100,000)	150-89231-47100	FY 2025 - Conference Center Renovations - ARPA				$1,200,000	$0	$0	$0
PARKS & RECREATION FACILITIES (>$100,000)	150-89310-47100		$0	$0	$0	$0	$0	$0	$0
STREETS (>$100,000)	150-89420-47100		$0	$0	$0	$0	$0	$0	$0
GATEWAY ENHANCEMENT & STREETSCAPE (>$100,000)	150-89440-47100		$0	$0	$95,000	$103,250	$95,000	$0	$0
TRAFFIC SIGNALS (>$100,000)	150-89470-47100		$0	$0	$0	$0	$0	$0	$0
MACHINERY & EQUIPMENT (>$50,000)	150-89530-47100		$198,418	$64,821	$0	$65,000	$0	$0	$0
LEGAL NOTICES	150-82310-44700		$0	$0	$0	$0	$0	$0	$0
SIGN MAINTENANCE SERVICES	150-82643-44700		$0	$0	$0	$0	$0	$0	$0
PARK & FIELD MAINTENANCE SERVICES	150-82650-44700		$0	$0	$0	$0	$0	$0	$0
BUILDING REPAIR & MAINTENANCE SERVICES	150-82660-44700		$0	$0	$0	$0	$0	$0	$0
ARPA - Building Maint Svcs	150-82661-44700		$69,959	$0	$0	$0	$0	$0	$0
IMPROVEMENTS (<$100,000)	150-83230-44700		$0	$0	$0	$0	$0	$0	$0
PARKS & RECREATION FACILITIES (>$100,000)	150-89310-44700		$0	$0	$300,000	$300,000	$0	$0	$0
PARKS & RECREATION FACILITIES (>$100,000)	150-89310-44700	FY 25 PER - Replacement: Retrofit Existing Sports Field Lighting to LED				$300,000	$0	$0	$0
ARPA Parks & Rec Fac (>$100k)	150-89311-44700		$296,178	$0	$0	$0	$0	$0	$0
Total Hotel/Motel Tax Expenses			**$4,912,113**	**$7,570,564**	**$5,017,746**	**$7,953,850**	**$2,553,630**	**$2,311,602**	**$2,340,282**

City of Franklin

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

File #: 21-01409

DATE: December 30, 2024

TO: Budget & Finance Committee

FROM: Michael Walters Young, Chief Budget & Performance Officer

SUBJECT:
Budget Presentation - Development Funds (City Facilities, County Facilities, Road Impact, Parkland Dedication)

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the budget requests for Development Funds (City Facilities Tax Fund, County Facilities Tax Fund, Road Impact Fund & Parkland Dedication Fund) for FY 2025-2026.

BACKGROUND/STAFF COMMENTS:
Each year, the Budget & Finance Committee reviews the detailed budget of each City Department. At the meetings in February, March, and April, departmental staff makes a presentation of the plans for the next budget cycle and the requested funding for those anticipated needs. This provides the Committee with an idea of the size and scope of budget requests that may be included in the City Administrator's proposed budget, which is typically delivered at the May committee meeting.

New this year is the ability to access the budget electronically. While traditional static files in Adobe Acrobat are attached to this agenda item, please click the links below to access the individual fund stories:

Fund 130 - City Facilities Tax Fund
Fund 132 - County Facilities Tax Fund
Fund 128 - Road Impact Fund
Fund 155 - Parkland Dedication Fund

FINANCIAL IMPACT:
The financial impact varies by department, depending on the increase in population, the required services, equipment replacement needs, and program enhancements.

RECOMMENDATION:
Staff recommends review of the budget materials. No action is required.

Development Funds

City Facilities Tax Fund
County Facilities Tax Fund
Road Impact Fund
Parkland Dedication Fund

City of Franklin, Tennessee

FY 2026 Budget Request - Development Funds

Outline

- City Facilities Tax
- County Facilities Tax
- Road Impact Fund
- Parkland Dedication Fund

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request – City Facilities Tax

Purpose of Department

The Facilities Tax Fund is 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.

Two rules govern use of the City Facilities Tax Fund:
1) Can only be used on *police*, *fire*, *sanitation*, and *parks and recreation* expenditures.
2) Can only be spent on public expenditures *related to growth*;
(thus new equipment and infrastructure can be funded out of the Facilities Tax fund, but replacement of existing equipment cannot.)

City of Franklin, Tennessee

FY 2026 Budget Request – City Facilities Tax

	2023 Actual	2024 Actual	2025 Budget	2025 EOY	2026 Budget	2025 v. 2026 $	2025 v. 2026 %
Beginning Fund Balance	13,171,571	14,625,012	13,986,389	13,986,389	15,269,768		
Revenues	1,516,052	2,931,224	2,124,950	1,885,852	2,246,817	121,867	5.7%
Expenditures	62,611	3,569,847	405,673	602,473	-	-405,673	-100.0%
Ending Balance	14,625,012	13,986,389	15,705,666	15,269,768	17,516,585		

Revenues: $2,246,817 forecast; *highly dependent* upon what is built and when it is built.

Expenses: $0 forecast. The FY 2026 City Facilities Tax Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request – County Facilities Tax

Purpose of Department

The County Facilities Tax Fund is a 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 FY 2017, monies collected had been deposited within the Capital Projects Fund. Funds are to be used for the purpose of providing public facilities.

HISTORIC FRANKLIN TENNESSEE

City of Franklin, Tennessee

FY 2026 Budget Request – County Facilities Tax

	2023 Actual	2024 Actual	2025 Budget	2025 EOY	2026 Budget	2025 v. 2026 $	2025 v. 2026 %
Beginning Fund Balance	4,377,131	4,513,751	5,654,100	5,654,100	6,257,617		
Revenues	736,620	1,140,349	749,662	803,517	881,929	-7,987	-1.1%
Expenditures	600,000		200,000	200,000	-	-800,000	100.0%
Ending Balance	4,513,751	5,654,100	6,203,762	6,257,617	7,139,546		

Revenues: $881,929 forecast; *highly dependent* upon what is built and when it is built.

Expenses: $0 forecast; The FY 2026 County Facilities Tax Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

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City of Franklin, Tennessee

FY 2026 Budget Request – Road Impact Fund

Purpose of Fund

The Road Impact Fund is the 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. 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. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects.

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City of Franklin, Tennessee

FY 2026 Budget Request – Road Impact Fund

	2023	2024	2025		2026	2025 v. 2026	
	Actual	Actual	Budget	EOY	Budget	$	%
Beginning Fund Balance	32,202,321	24,653,640	28,930,725	28,930,725	28,753,919		
Revenues	4,651,737	10,569,817	6,720,788	6,963,284	6,282,103	-438,685	-6.5%
Expenditures	12,200,418	6,292,732	7,139,603	7,140,090	6,936,947	-202,656	-2.8%
Ending Balance	24,653,640	28,930,725	28,511,910	28,753,919	28,099,075	-412,835	-1.45%

Revenues: $6,282,103. Include estimates for Road Impact Fees collected from Arterial and Collector Roads. These estimates are *highly dependent* upon what is built and when it is built, but forecast is lower than the FY 2025 budget.

Expenses: $6,936,947. Includes standard reserve for offset agreements and higher debt service payments than previous years, but no new appropriations for Capital projects at this time until reprioritization is completed.

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City of Franklin, Tennessee

FY 2026 Budget Request – Parkland Dedication

Purpose of Fund

The Parkland Dedication Fund was created in FY 2015 for the purpose of satisfying requirements of Section 5.5.4 of the City of Franklin Zoning Ordinance.

Funds can be used only for the acquisition or development of public parks, greenways/blueways, open space sites, and related facilities.

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City of Franklin, Tennessee

FY 2026 Budget Request – Parkland Dedication

	2023	2024	2025		2026	2025 v. 2026	
	Actual	Actual	Budget	EOY	Budget	$	%
Beginning Fund Balance	8,451,071	6,281,730	6,728,728	6,728,728	8,812,478		
Revenues	2,330,659	4,182,746	1,208,674	2,083,750	1,738,556	529,882	43.8%
Expenditures	4,500,000	3,735,748	-	-	-	0	0.0%
Ending Balance	6,281,730	6,728,728	7,937,402	8,812,478	10,551,034		

Revenues: $1,738,556. Estimates are based upon analysis of projects currently within the development process in the City which are eligible to pay Parkland Dedication Fees. These estimates are *highly dependent* upon what is built and when it is built.

Expenses: $0. The FY 2026 City Facilities Tax Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

City of Franklin, Tennessee

FY 2026 Budget Request - Development Funds

Summary:

Forecasts for our Development related funds have had dramatic changes in the last half decade. Current economic conditions are even more challenging to forecast, and as always, regardless of economic times, these funds are, of course, *heavily dependent* upon private development.

The positive news to report at this time is all of these funds have healthy fund balances, and as result of prudent usage policies and financial management, the City continues to be well prepared for the ongoing uncertainty of the world the economy as a whole.

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FY 2026 Operating Budget

City Facilities Tax Fund

Fund Summary

The City Facilities Tax Fund is 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 upon police, fire, sanitation, parks, and recreation expenditures. These expenses can only be spent on public expenditures related to growth; thus, new equipment and infrastructure can be funded out of the City Facilities Tax fund, but replacement of existing equipment cannot.

Performance Measures

There are no performance measures associated with the City Facilities Tax Fund.

Strategic Plan Measures

There are no strategic plan measures associated with the City Facilities Tax Fund.

Staffing by Position

There are no staff formally associated with the City Facilities Tax Fund. It is overseen by personnel in the Finance and Budget & Performance Department.

Budget Summary

City Facilities Tax Fund

	ACTUAL 2023	ACTUAL 2024	BUDGET 2025	EOY 2025	FY2026 BUDGET		
	FY2023	FY2024	FY2025	FY2025	FY2026	25 v. 26 Difference $	25 v. 26 Difference %
Revenues							
REVENUES							
LOCAL TAXES (31000)	$1,301,950	$2,321,255	$1,846,797	$1,609,939	$1,798,898	($47,899)	(2.6%)
USE OF MONEY & PROPERTY (36000)	$212,857	$609,969	$278,153	$275,913	$447,919	$169,766	61.0%
OTHER REVENUE (37000)	$1,245	–	–	$0	$0	$0	–
CAPITAL CONTRIBUTIONS (39000)	–	–	–	$0	$0	$0	–
REVENUES TOTAL	**$1,516,051**	**$2,931,224**	**$2,124,950**	**$1,885,852**	**$2,246,817**	**$121,867**	**5.7%**
REVENUES TOTAL	**$1,516,051**	**$2,931,224**	**$2,124,950**	**$1,885,852**	**$2,246,817**	**$121,867**	**5.7%**
Expenses							
130 - CITY FACILITIES TAX							
OPERATIONS							
SERVICES (82000)	$10,239	$120	–	$0	$0	$0	–
SUPPLIES (83000)	$0	$69,726	$51,673	$248,473	$0	($51,673)	(100.0%)
BUSINESS EXPENSES (85000)	–	–	–	$0	$0	$0	–
TRANSFER TO OTHER FUNDS (88000)	–	$3,500,000	–	$0	$0	$0	–
OPERATIONS TOTAL	**$10,239**	**$3,569,846**	**$51,673**	**$248,473**	**$0**	**($51,673)**	**(100.0%)**
CAPITAL							
CAPITAL ASSETS (89000)	$52,372	–	$354,000	$354,000	$0	($354,000)	(100.0%)
CAPITAL TOTAL	**$52,372**	**–**	**$354,000**	**$354,000**	**$0**	**($354,000)**	**(100.0%)**
130 - CITY FACILITIES TAX TOTAL	**$62,611**	**$3,569,846**	**$405,673**	**$602,473**	**$0**	**($405,673)**	**(100.0%)**
EXPENSES TOTAL	**$62,611**	**$3,569,846**	**$405,673**	**$602,473**	**$0**	**($405,673)**	**(100.0%)**

Detailed Budget

Please click here for the detailed Fund 130 City Facilities Fund Budget.

Notes & Objectives

A summary of appropriations in recent years is provided below:

FY 2023 - $4,757,975 - $4,000,000 for 2 Parks related capital projects (1. $2,000,000 for Bicentennial Park and 2. $2,000,000 for Robinson Lake Dam & Park Project), $52,415 for a a new Mini-Excavator for the Parks department, and $705,560 for two new Side Loading Refuse Packers for the Sanitation & Environmental Services Fund.
FY 2024 - $3,569,846 - 2 Parks related capital projects (1. $2,500,000 for Southeast Park and $1,000,000 for Bicentennial Park) and $69,846 for equipment in Parks and SES.
FY 2025 - $405,673 - $354,000 for a new Special Operations Vehicle for the Police Department and $51,673 for a vehicle for a new position in Parks.

The forecast for FY 2026 revenues is an estimate based upon anticipated economic conditions. 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. This will be significantly revised once we fully determine the impact of the current economic downturn. The FY 2026 City Facilities Tax Fund appropriations will be modified throughout Spring 2024 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

Regardless of the level of building activity, there is ample fund balance to fund additional capital projects or new equipment for our growing community.

FY 2026 City Facilities Tax Revenues and Expenses Budget

Account Name	Account String	Itemizations	FY23 Actual	FY24 Actual	FY25 Budget	FY2025 EOY	FY2026 Budget	FY2027 Forecast	FY2028 Forecast
City Facilities Tax Revenues									
FACILITIES TAXES	130-31600-00000		$1,301,950	$2,321,255	$1,846,797	$1,609,939	$1,798,898	$3,000,000	$3,000,000
INTEREST INCOME	130-36100-00000		$16,413	$35,917	$26,218	$23,978	$18,352	$50,000	$50,000
LGIP Interest	130-36105-00000		$0	$0	$0	$0	$0	$0	$0
INVESTMENT INTEREST	130-36110-00000		$196,444	$574,052	$251,935	$251,935	$429,567	$0	$0
REIMB OF PY EXP	130-37200-00000		$1,245	$0	$0	$0	$0	$0	$0
CONTRIBUTIONS FROM DEVELOPER	130-39200-00000		$0	$0	$0	$0	$0	$0	$0
CONTRIBUTIONS - OTHERS	130-39210-00000		$0	$0	$0	$0	$0	$0	$0
Total City Facilities Tax Revenues			**$1,516,051**	**$2,931,224**	**$2,124,950**	**$1,885,852**	**$2,246,817**	**$3,050,000**	**$3,050,000**
City Facilities Tax Expenses									
ENGINEERING SERVICES	130-82540-42200		$4,294	$0	$0	$0	$0	$0	$0
BUILDING REPAIR & MAINTENANCE SERVICES	130-82660-42200		$5,913	$0	$0	$0	$0	$0	$0
VEHICLES (<$50,000)	130-83520-44700		$0	$0	$51,673	$85,473	$0	$0	$0
VEHICLES (<$50,000)	130-83520-44700	FY24 PER Heavy Duty Utility Vehicle				$33,800	$0	$0	$0
VEHICLES (<$50,000)	130-83520-44700	FY25 PER New Facilities Worker Vehicle				$51,673	$0	$0	$0
MACHINERY & EQUIPMENT (<$50,000)	130-83530-44700		$0	$35,726	$0	$0	$0	$0	$0
TRANSFER TO CAPITAL PROJECTS	130-88100-44700		$0	$3,500,000	$0	$0	$0	$0	$0
MACHINERY & EQUIPMENT (>$50,000)	130-89530-44700		$52,372	$0	$0	$0	$0	$0	$0
VEHICLES (>$50,000)	130-89520-42123		$0	$0	$354,000	$354,000	$0	$0	$0
VEHICLES (>$50,000)	130-89520-42123	FY 25 PER - Special Ops - Armored Vehicle				$354,000	$0	$0	$0
VEHICLES (<$50,000)	130-83520-46100		$0	$34,000	$0	$0	$0	$0	$0
MACHINERY & EQUIPMENT (<$50,000)	130-83530-46110		$0	$0	$0	$163,000	$0	$0	$0
MACHINERY & EQUIPMENT (<$50,000)	130-83530-46110	FY 24 PER - Additional Air Curtain Incinerator				$163,000	$0	$0	$0
MAILING & OUTBOUND SHIPPING SERVICES	130-82110-46130		$33	$120	$0	$0	$0	$0	$0
Total City Facilities Tax Expenses			**$62,611**	**$3,569,846**	**$405,673**	**$602,473**	**$0**	**$0**	**$0**

FY 2026 Operating Budget

County Facilities Tax Fund

Fund Summary

The County Facilities Tax Fund is a 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 FY 2017, monies collected had been deposited within the Capital Projects Fund. Funds are to be used for the purpose of providing public facilities.

Performance Measures

There are no performance measures associated with the Facilities Tax Fund.

Strategic Plan Measures

There are no strategic plan measures associated with the Facilities Tax Fund.

Staffing by Position

There are no staff formally associated with the Facilities Tax Fund. It is overseen by personnel in the Finance and Budget & Performance Department.

Budget Summary

County Facilities Tax Fund

	ACTUAL 2023	ACTUAL 2024	BUDGET 2025	EOY 2025	FY2026 BUDGET		
	FY2023	**FY2024**	**FY2025**	**FY2025**	**FY2026**	**25 v. 26 Difference $**	**25 v. 26 Difference %**
Revenues							
REVENUES							
LOCAL TAXES (31000)	$661,526	$896,506	$637,474	$686,465	$711,194	$73,720	11.6%
USE OF MONEY & PROPERTY (36000)	$75,094	$243,842	$112,188	$117,052	$170,735	$58,547	52.2%
OTHER REVENUE (37000)	–	–	–	$0	$0	$0	–
REVENUES TOTAL	**$736,620**	**$1,140,348**	**$749,662**	**$803,517**	**$881,929**	**$132,267**	**17.6%**
REVENUES TOTAL	**$736,620**	**$1,140,348**	**$749,662**	**$803,517**	**$881,929**	**$132,267**	**17.6%**
Expenses							
132 - COUNTY FACILITIES TAX							
OPERATIONS	$600,000	–	$200,000	$200,000	$0	($200,000)	(100.0%)
CAPITAL	–	–	–	$0	$0	$0	–
132 - COUNTY FACILITIES TAX TOTAL	**$600,000**	**–**	**$200,000**	**$200,000**	**$0**	**($200,000)**	**(100.0%)**
EXPENSES TOTAL	**$600,000**	**–**	**$200,000**	**$200,000**	**$0**	**($200,000)**	**(100.0%)**

Detailed Budget

Please click here for the detailed Fund 132 - County Facilities Budget.

Notes & Objectives

The County Facilities Tax Fund has been used to support capital projects within the City of Franklin which are related to or assist in the completion of County-owned facilities. A summary of appropriations is provided below:

FY 2019 - $1,750,000 appropriated from the fund went to support the 96 West Trail project.
FY 2020 - $1,285,000 was appropriated as a transfer to the Water Management Fund for the completion of the Henpeck Lane Sanitary Sewer Extension.
FY 2021 - $125,000 was budgeted to continue joint work on a sidewalk with F.S.S.D and the City of Franklin.
FY 2022 - $1,000,000 was allocated for the City's joint efforts to build baseball & softball fields with the Franklin Special School District at Franklin Intermediate School & Popular Grove Elementary School.
FY 2023 - $600,000 for the City's portion of the finalization of the joint City/F.S.S.D. Ballfield Project at Freedom Intermediate/Popular Grove.
FY 2024 - $0
FY 2025 - $200,000 appropriation for intersection improvements adjacent to the new Franklin Special School District headquarters.

The FY 2026 County Facilities Tax Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

FY 2026 County Facilities Tax Revenues and Expenses Budget

Account Name	Account String	Itemizations	FY23 Actual	FY24 Actual	FY25 Budget	FY2025 EOY	FY2026 Budget	FY2027 Forecast	FY2028 Forecast
County Facilities Tax Revenues									
FACILITIES TAXES	132-31600-00000		$661,526	$896,506	$637,474	$686,465	$711,194	$915,962	$934,281
INTEREST INCOME	132-36100-00000		$19,547	$22,056	$10,575	$15,439	$7,402	$15,000	$15,000
LGIP Interest	132-36105-00000		$0	$0	$0	$0	$0	$0	$0
INVESTMENT INTEREST	132-36110-00000		$55,547	$221,786	$101,613	$101,613	$163,333	$0	$0
TRANSFER FROM GENERAL FUND	132-37100-00000		$0	$0	$0	$0	$0	$0	$0
TRANSFER FROM CAPITAL IMPROVEMENT	132-37535-00000		$0	$0	$0	$0	$0	$0	$0
Total County Facilities Tax Revenues			**$736,620**	**$1,140,348**	**$749,662**	**$803,517**	**$881,929**	**$930,962**	**$949,281**
County Facilities Tax Expenses									
TRANSFER TO CAPITAL PROJECTS	132-88100-44700		$600,000	$0	$200,000	$200,000	$0	$0	$0
TRANSFER TO CAPITAL PROJECTS	132-88100-44700	Intersection Improvement @ FSSD Central Office (Intersection of Eddy Lane and Reynolds Drive)				$200,000	$0	$0	$0
Total County Facilities Tax Expenses			**$600,000**	**$0**	**$200,000**	**$200,000**	**$0**	**$0**	**$0**

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FY 2026 Operating Budget

Road Impact Fund

Fund Summary

The Road Impact Fund is the 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. 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. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects.

Performance Measures

There are no performance measures associated with the Road Impact Fund.

Strategic Plan Measures

There are no strategic plan measures associated with the Road Impact Fund.

Staffing by Position

There are no staff formally associated with the Road Impact Fund. It is overseen by personnel in the Finance and Budget & Performance Department.

Budget Summary

Road Impact Fund

	ACTUAL 2023	ACTUAL 2024	BUDGET 2025	EOY 2025	FY2026 BUDGET		
	FY2023	FY2024	FY2025	FY2025	FY2026	25 v. 26 Difference $	25 v. 26 Difference %
Revenues							
REVENUES							
LICENSES & PERMITS (32000)	$4,235,737	$9,276,497	$6,122,176	$6,364,672	$5,329,735	($792,441)	(12.9%)
USE OF MONEY & PROPERTY (36000)	$416,000	$1,293,320	$598,612	$598,612	$952,368	$353,756	59.1%
OTHER REVENUE (37000)	–	–	–	$0	$0	$0	–
CAPITAL CONTRIBUTIONS (39000)	–	–	–	$0	$0	$0	–
REVENUES TOTAL	**$4,651,737**	**$10,569,817**	**$6,720,788**	**$6,963,284**	**$6,282,103**	**($438,685)**	**(6.5%)**
REVENUES TOTAL	**$4,651,737**	**$10,569,817**	**$6,720,788**	**$6,963,284**	**$6,282,103**	**($438,685)**	**(6.5%)**
Expenses							
128 - ROAD IMPACT FEES							
OPERATIONS							
SERVICES (82000)	$1,243,568	$1,332,084	$3,200,001	$3,200,488	$3,000,000	($200,001)	(6.3%)
BUSINESS EXPENSES (85000)	–	–	–	$0	$0	$0	–
DEBT SERVICE (86000)	–	–	–	$0	$0	$0	–
TRANSFER TO OTHER FUNDS (88000)	$10,956,852	$4,960,649	$3,939,602	$3,939,602	$3,936,947	($2,655)	(0.1%)
OPERATIONS TOTAL	**$12,200,419**	**$6,292,732**	**$7,139,603**	**$7,140,090**	**$6,936,947**	**($202,656)**	**(2.8%)**
CAPITAL							
CAPITAL ASSETS (89000)	$0	–	–	$0	$0	$0	–
CAPITAL TOTAL	**$0**	**–**	**–**	**$0**	**$0**	**$0**	**–**
128 - ROAD IMPACT FEES TOTAL	**$12,200,419**	**$6,292,732**	**$7,139,603**	**$7,140,090**	**$6,936,947**	**($202,656)**	**(2.8%)**
EXPENSES TOTAL	**$12,200,419**	**$6,292,732**	**$7,139,603**	**$7,140,090**	**$6,936,947**	**($202,656)**	**(2.8%)**

Detailed Budget

Please click here for the detailed Fund 128 - Road Impact Budget

Notes & Objectives

Expenses are both highly predictable and unpredictable. On the one hand, the transfer to the Debt Service Fund is set annually. But payments back to developers who have met the conditions of Road Impact Offset Agreements depend greatly on the speed of development and if the offset is necessary.

A summary of recent one-time appropriations is included below

FY 2023 - $50,000 was set aside for a study to review current road impact fees and partial funding for three projects on the FY 2022-2031 Capital Investment Plan: 1) $3,000,000 - East McEwen Phase 4, 2) $1,375,000 - Jordan Road (SA1), and 3) $392,500 - Church Street (50% SA1, 50% SA2).
FY 2024 - Partial funding for East McEwen Phase 5 totaling $1,000,000 is proposed to continue that CIP approved project.
FY 2025 - $0

The revenue forecast for FY 2026 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.

The FY 2026 Road Impact Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

FY 2026 Road Impact Revenues and Expenses Budget

Account Name	Account String	Itemizations	FY23 Actual	FY24 Actual	FY25 Budget	FY2025 EOY	FY2026 Budget	FY2027 Forecast	FY2028 Forecast
Road Impact Revenues									
ROAD IMPACT FEES-ARTERIAL	128-32800-00000		$2,530,625	$5,520,950	$3,768,343	$3,876,460	$3,202,100	$4,969,260	$4,969,260
ROAD IMPACT FEES-COLLECTOR SERVICE AREA 1	128-32801-00000		$173,287	$2,125,643	$659,518	$819,767	$762,727	$445,621	$467,902
ROAD IMPACT FEES-COLLECTOR SERVICE AREA 2	128-32802-00000		$1,199,356	$1,037,068	$1,245,655	$1,208,268	$921,806	$1,107,689	$1,163,074
ROAD IMPACT FEES-COLLECTOR SERVICE AREA 3	128-32803-00000		$320,779	$534,724	$398,713	$418,886	$410,805	$296,739	$311,576
ROAD IMPACT FEES-COLLECTOR SERVICE AREA 4	128-32804-00000		$11,690	$58,112	$49,947	$41,291	$32,297	$67,701	$71,086
ROAD IMPACT CREDITS	128-32810-00000		$0	$0	$0	$0	$0	$0	$0
INTEREST INCOME	128-36100-00000		$33,685	$58,858	$56,423	$56,423	$41,201	$37,853	$37,095
LGIP Interest	128-36105-00000		$0	$0	$0	$0	$0	$0	$0
INVESTMENT INTEREST	128-36110-00000		$382,315	$1,234,462	$542,189	$542,189	$911,167	$0	$0
TRANSFER FROM GENERAL FUND	128-37100-00000		$0	$0	$0	$0	$0	$0	$0
MISCELLANEOUS INCOME	128-37900-00000		$0	$0	$0	$0	$0	$0	$0
Total Road Impact Revenues			**$4,651,737**	**$10,569,817**	**$6,720,788**	**$6,963,284**	**$6,282,103**	**$6,924,863**	**$7,019,993**
Road Impact General Expenses									
CONSULTANT SERVICES	128-82560-43100		$15,870	$16,564	$0	$488	$0	$0	$0
OTHER CONSULTANT/PASS THROUGH	128-82570-43100		$0	$432,694	$3,000,001	$3,000,000	$3,000,000	$3,000,001	$3,000,000
BOND SALE EXPENSES	128-86400-43100		$0	$0	$0	$0	$0	$0	$0
TRANSFER TO DEBT SERVICE	128-88095-43100		$2,884,139	$3,292,639	$3,939,602	$3,939,602	$3,936,947	$3,936,947	$3,945,507
TRANSFER TO CAPITAL PROJECTS	128-88100-43100		$8,072,713	$1,468,010	$0	$0	$0	$0	$0
Total Road Impact General Expenses			**$10,972,722**	**$5,209,906**	**$6,939,603**	**$6,940,090**	**$6,936,947**	**$6,936,948**	**$6,945,507**
Road Impact Service Area 1 Expenses									
LEGAL SERVICES	128-82520-43101		$0	$0	$0	$0	$0	$0	$0
OTHER CONSULTANT/PASS THROUGH	128-82570-43101		$476,578	$20,988	$0	$0	$0	$0	$0
TRANSFER TO DEBT SERVICE	128-88095-43101		$0	$0	$0	$0	$0	$0	$0
TRANSFER TO CAPITAL PROJECTS	128-88100-43101		$0	$0	$0	$0	$0	$0	$0
Total Area 1 Expenses			**$476,578**	**$20,988**	**$0**	**$0**	**$0**	**$0**	**$0**
Road Impact Service Area 2 Expenses									
LEGAL SERVICES	128-82520-43102		$0	$0	$0	$0	$0	$0	$0
OTHER CONSULTANT/PASS THROUGH	128-82570-43102		$751,119	$661,838	$0	$0	$0	$0	$0
TRANSFER TO DEBT SERVICE	128-88095-43102		$0	$0	$0	$0	$0	$0	$0
TRANSFER TO CAPITAL PROJECTS	128-88100-43102		$0	$0	$0	$0	$0	$0	$0

FY 2026 Road Impact Revenues and Expenses Budget

Account Name	Account String	Itemizations	FY23 Actual	FY24 Actual	FY25 Budget	FY2025 EOY	FY2026 Budget	FY2027 Forecast	FY2028 Forecast
Total Area 2 Expenses			**$751,119**	**$661,838**	**$0**	**$0**	**$0**	**$0**	**$0**
Road Impact Service Area 3 Expenses									
LEGAL SERVICES	128-82520-43103		$0	$0	$0	$0	$0	$0	$0
OTHER CONSULTANT/PASS THROUGH	128-82570-43103		$0	$0	$0	$0	$0	$0	$0
TRANSFER TO DEBT SERVICE	128-88095-43103		$0	$0	$0	$0	$0	$0	$0
Total Area 3 Expenses			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Road Impact Service Area 4 Expenses									
LEGAL SERVICES	128-82520-43104		$0	$0	$0	$0	$0	$0	$0
OTHER CONSULTANT/PASS THROUGH	128-82570-43104		$0	$200,000	$200,000	$200,000	$0	$0	$0
TRANSFER TO DEBT SERVICE	128-88095-43104		$0	$0	$0	$0	$0	$0	$0
TRANSFER TO CAPITAL PROJECTS	128-88100-43104		$0	$200,000	$0	$0	$0	$0	$0
Total Area 4 Expenses			**$0**	**$400,000**	**$200,000**	**$200,000**	**$0**	**$0**	**$0**
Total Road Impact Expenses			**$12,200,419**	**$6,292,732**	**$7,139,603**	**$7,140,090**	**$6,936,947**	**$6,936,948**	**$6,945,507**

HISTORIC
FRANKLIN
TENNESSEE

FY 2026 Operating Budget

Parkland Dedication

Fund Summary

The Parkland Dedication Fund was created in FY 2015 for the purpose of satisfying requirements of Section 5.5.4 of the City of Franklin Zoning Ordinance.
Funds can be used only for the acquisition or development of public parks, greenways/blueways, open space sites, and related facilities.

Performance Measures

There are no performance measures associated with the Parkland Dedication Fund.

Strategic Plan Measures

There are no strategic plan measures associated with the Parkland Dedication Fund.

Staffing History

There are no staff formally associated with the Parkland Dedication Fund. It is overseen by personnel in the Finance, Budget & Performance and Parks Department.

Budget Summary

Parkland Dedication Fund

	ACTUAL 2023	ACTUAL 2024	BUDGET 2025	EOY 2025	FY2026 BUDGET		
	FY2023	FY2024	FY2025	FY2025	FY2026	25 v. 26 Difference $	25 v. 26 Difference %
Revenues							
REVENUES							
LICENSES & PERMITS (32000)	$2,225,168	$3,983,352	$1,137,254	$2,012,330	$1,592,210	$454,956	40.0%
USE OF MONEY & PROPERTY (36000)	$105,491	$199,394	$71,420	$71,420	$146,346	$74,926	104.9%
OTHER REVENUE (37000)	–	–	–	$0	$0	$0	–
REVENUES TOTAL	**$2,330,659**	**$4,182,746**	**$1,208,674**	**$2,083,750**	**$1,738,556**	**$529,882**	**43.8%**
REVENUES TOTAL	**$2,330,659**	**$4,182,746**	**$1,208,674**	**$2,083,750**	**$1,738,556**	**$529,882**	**43.8%**
Expenses							
155 - PARKLAND							
OPERATIONS							
SERVICES (82000)	–	$777,948	–	$0	$0	$0	–
TRANSFER TO OTHER FUNDS (88000)							
TRANSFER TO OTHER FUNDS (88000)							
88100 - TRANSFER TO CAPITAL PROJECTS	$4,500,000	$2,957,800	–	$0	$0	$0	–
TRANSFER TO OTHER FUNDS (88000) TOTAL	**$4,500,000**	**$2,957,800**	**–**	**$0**	**$0**	**$0**	**–**
TRANSFER TO OTHER FUNDS (88000) TOTAL	**$4,500,000**	**$2,957,800**	**–**	**$0**	**$0**	**$0**	**–**
OPERATIONS TOTAL	**$4,500,000**	**$3,735,748**	**–**	**$0**	**$0**	**$0**	**–**
CAPITAL	–	–	–	$0	$0	$0	–
155 - PARKLAND TOTAL	**$4,500,000**	**$3,735,748**	**–**	**$0**	**$0**	**$0**	**–**
EXPENSES TOTAL	**$4,500,000**	**$3,735,748**	**–**	**$0**	**$0**	**$0**	**–**

Detailed Budget

Please click here for the detailed Fund 155 - Parkland Dedication Budget

Notes & Objectives

The first receipts into the fund were recorded in FY 2015. There is no additional history before this fiscal year. Estimates are based upon analysis of projects currently within the development process in the City which are eligible to pay Parkland Impact Fees. This fund is available for capital projects pertaining to public parks, greenways/blue ways and open space. Funds have been reserved for future use and will be recommended as a funding source for parks projects prioritized and contained within the BOMA FY 2024-2033 Capital Investment Plan. A summary of recent appropriations is provided below:

FY 2021 - $1,511,850 for the joint project for F.S.S.D, City of Franklin athletic field improvements and a greenway near Harlinsdale Farm.
FY 2022 - $375,000 for Liberty Park Improvements.
FY 2023 - $4,500,000 for three Parks projects approved in the FY 2022-2031 Capital Investment Program: 1) $3,500,000 for Liberty Park Improvements, 2) $200,000 for Thompson Alley Park, and 3) $800,000 for Bicentennial Park.
FY 2024 - $3,757,800 includes an appropriation for three approved CIP projects: From Quadrant 1, $1,147,800 for continued work on Liberty Park Improvements and $110,000 for design work of a Greenway from Pinkerton Park to Franklin Road, and from Quadrant 3, $2,500,000 for continued work on the Southeast Municipal Complex/Park.
FY 2025 - $0

The FY 2026 Parkland Dedication Fund appropriations will be modified throughout Spring 2025 as the Board of Mayor and Alderman revisit prioritizations of the Capital Investment Plan. An amended appropriation proposal based upon that revisitation will be included in the City Administrator's Recommended Budget in May.

FY 2026 Parkland Revenues and Expenses Budget

Account Name	Account String	Itemizations	FY23 Actual	FY24 Actual	FY25 Budget	FY2025 EOY	FY2026 Budget	FY2027 Forecast	FY2028 Forecast
Parkland Revenues									
IN LIEU OF PARKLAND	155-32750-00000		$0	$0	$0	$0	$0	$0	$0
PARKLAND IMPACT FEES - QUAD. 1	155-32751-00000		$2,018,576	$1,502,096	$678,989	$1,063,088	$745,022	$1,000,000	$1,000,000
PARKLAND IMPACT FEES - QUAD. 2	155-32752-00000		$163,552	$2,412,392	$322,579	$876,940	$789,246	$60,000	$60,000
PARKLAND IMPACT FEES - QUAD. 3	155-32753-00000		$0	$0	$84,851	$1,076	$1,009	$0	$0
PARKLAND IMPACT FEES - QUAD. 4	155-32754-00000		$43,040	$68,864	$50,835	$71,226	$56,933	$74,574	$74,574
INTEREST INCOME	155-36100-00000		$14,041	$40,683	$6,732	$6,732	$4,713	$5,000	$5,000
LGIP Interest	155-36105-00000		$0	$0	$0	$0	$0	$0	$0
INVESTMENT INTEREST	155-36110-00000		$91,450	$158,711	$64,688	$64,688	$141,633	$0	$0
TRANSFER FROM GENERAL FUND	155-37100-00000		$0	$0	$0	$0	$0	$0	$0
Total Parkland Revenues			**$2,330,659**	**$4,182,746**	**$1,208,674**	**$2,083,750**	**$1,738,556**	**$1,139,574**	**$1,139,574**
Parkland Quad 1 Expenses									
TRANSFER TO CAPITAL PROJECTS	155-88100-44701		$3,500,000	$1,257,800	$0	$0	$0	$0	$0
LAND ACQUIRED (purchase cost or value)	155-89110-44701		$0	$0	$0	$0	$0	$0	$0
PARKS & RECREATION FACILITIES (>$100,000)	155-89310-44701		$0	$0	$0	$0	$0	$0	$0
Total Quad 1 Expenses			**$3,500,000**	**$1,257,800**	**$0**	**$0**	**$0**	**$0**	**$0**
Parkland Quad 2 Expenses									
OTHER CONSULTANT/PASS THROUGH	155-82570-44702		$0	$777,948	$0	$0	$0	$0	$0
TRANSFER TO CAPITAL PROJECTS	155-88100-44702		$200,000	$1,700,000	$0	$0	$0	$0	$0
LAND ACQUIRED (purchase cost or value)	155-89110-44702		$0	$0	$0	$0	$0	$0	$0
Total Quad 2 Expenses			**$200,000**	**$2,477,948**	**$0**	**$0**	**$0**	**$0**	**$0**
Parkland Quad 3 Expenses									
TRANSFER TO CAPITAL PROJECTS	155-88100-44703		$0	$0	$0	$0	$0	$0	$0
LAND ACQUIRED (purchase cost or value)	155-89110-44703		$0	$0	$0	$0	$0	$0	$0
Total Quad 3 Expenses			**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Parkland Quad 4 Expenses									
TRANSFER TO CAPITAL PROJECTS	155-88100-44704		$800,000	$0	$0	$0	$0	$0	$0
LAND ACQUIRED (purchase cost or value)	155-89110-44704		$0	$0	$0	$0	$0	$0	$0

FY 2026 Parkland Revenues and Expenses Budget										
Account Name	**Account String**	**Itemizations**	**FY23 Actual**	**FY24 Actual**	**FY25 Budget**	**FY2025 EOY**	**FY2026 Budget**	**FY2027 Forecast**	**FY2028 Forecast**
PARKS & RECREATION FACILITIES (>$100,000)	155-89310-44704		$0	$0	$0	$0	$0	$0	$0
Total Quad 4 Expenses			**$800,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Parkland Expenses			**$4,500,000**	**$3,735,748**	**$0**	**$0**	**$0**	**$0**	**$0**

City of Franklin

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

File #: 21-01394

DATE: December 20, 2024

TO: Budget & Finance Committee

FROM: Margaret Wilson, Comptroller

SUBJECT:
Financial Report For 1st Quarter Of FY 2025

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee concerning the financial state of the City as of September 30, 2024.

BACKGROUND/STAFF COMMENTS:
The quarterly report is provided to the Budget & Finance Committee in order to keep the committee apprised of financial performance, and comparison of performance to budget.

FINANCIAL IMPACT:
N/A

RECOMMENDATION:
The Report is for information only.

CITY OF FRANKLIN

1ST QUARTER REPORT

FY 2025

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

TABLE OF CONTENTS

Executive Summary

Quarter Ended September 30, 2024

- Consistent with 1st quarters, the General Fund shows a current year deficit, as property tax billings do not occur until the 2nd quarter (October 1).
- In the General Fund, local sales taxes are 10.6% higher than last year.
- For development fees that are dependent on timing and type of development are being compared to 2023:
    - building permit revenue is 30.2% higher than previous year.
    - road impact fees are 100.4% higher than last year.
    - facilities taxes are 79.9% higher than last year.
- In the Street Aid Fund, gasoline taxes are equivalent to last year.
- Hotel/Motel taxes are 5.9% lower.
- For almost all funds, Interest Income is higher in FY2025 due to a higher earnings rate on the City's investment portfolio.
- Salaries & wages are lower than FY2024 due to one less bi-weekly payroll (6 vs 5).

All Funds Summary

Fund	Beg Fund Balance	Revenue	Expenditures	End Fund Balance	Change	Fund Summary on Page
General	$86,772,887	$25,385,035	$32,803,722	$79,354,200	($7,418,687)	3
Street Aid	$1,750,151	$1,366,893	$2,064,458	$1,052,586	($697,565)	6
Sanitation & Envir. Services.	$1,641,801	$2,637,290	$2,769,344	$1,509,747	($132,054)	7
Road Impact	$28,930,725	$1,959,649	$1,406,821	$29,483,553	$552,828	9
Facilities Tax	$13,986,389	$821,150	$50	$14,807,489	$821,100	10
County Facilities Tax	$5,654,100	$328,673	$200,000	$5,782,773	$128,673	11
Stormwater	$2,230,535	$798,760	$1,256,125	$1,773,170	($457,365)	12
Drug	$530,343	($58,327)	$10,406	$461,610	($68,733)	13
Hotel/Motel	$8,736,516	$1,703,647	$328,180	$10,111,983	$1,375,467	14
Parkland Dedication	$6,728,728	$975,262	$0	$7,703,990	$975,262	15
Transit	$807,254	$879,817	$879,816	$807,255	$1	16
CDBG	$216,228	$72,061	$35,343	$252,946	$36,718	17
Debt Service	$547,256	$257,122	$1,435,891	($631,513)	($1,178,769)	18
Capital Projects - Fund 310 (Multi-Purpose)	$25,581,086	$6,047,521	$6,313,808	$25,314,799	($266,287)	19
Capital Projects - Fund 313 (2024 Bonds)	($6,688,904)	$0	$612,209	($7,301,113)	($612,209)	21
Capital Projects - Fund 350 (Fleet)	$3,347,516	$958,390	$218,756	$4,087,150	$739,634	22
Water & Wastewater	*	$16,873,252	$11,890,108	*	$4,983,144	23

* 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	16,266,928	14,701,702	110.6%	63,163,748	25.8%
Property Taxes	(20,152)	20,955	(96.2%)	13,262,246	(0.2%)
State Sales Tax	2,472,485	2,354,931	105.0%	10,051,703	24.6%
Grants	1,419,715	2,064,842	68.8%	1,342,000	105.8%
Alcohol Taxes	1,409,579	1,452,494	97.0%	5,869,518	24.0%
State Business Tax & Fee	311,645	298,968	104.2%	4,872,173	6.4%
Franchise Fees	139,725	152,754	91.5%	2,455,799	5.7%
Building Permits	443,645	340,753	130.2%	1,463,857	30.3%
State TVA In Lieu Of Tax	253,502	255,719	99.1%	1,022,878	24.8%
Interest Income	1,630,130	1,052,363	154.9%	3,515,398	46.4%
Court Fines & Fees	114,244	104,750	109.1%	378,388	30.2%
State Excise Tax	-	-	0.0%	245,496	0.0%
In Lieu of Tax (Local)	-	17,556	0.0%	376,673	0.0%
State Beer Tax	19,160	20,103	95.3%	38,240	50.1%
Other Revenues	924,429	693,293	133.3%	2,686,196	34.4%
Fund Balance Allocation	-	-	0.0%	1,508,078	0.0%
Total Revenues	***25,385,035***	***23,531,183***	***107.9%***	***112,252,391***	***22.6%***
Expenditures:					
Salaries & Wages	11,033,124	12,184,840	90.5%	57,338,221	19.2%
Employee Benefits	6,990,156	4,840,318	144.4%	23,342,775	29.9%
Transfers To Other Funds	6,541,864	989,736	661.0%	7,407,048	88.3%
Contractual Services	3,065,742	2,879,311	106.5%	6,855,381	44.7%
Capital	88,847	256,773	34.6%	3,502,970	2.5%
Repair & Maintenance Services	1,374,315	1,021,538	134.5%	3,436,839	40.0%
Utilities	620,927	633,253	98.1%	2,442,463	25.4%
Lease Payments	-	21,756	0.0%	-	0.0%
Reimbursement from Other Funds	(900,726)	(1,229,442)	73.3%	(3,602,916)	25.0%
Other Expenditures	3,989,473	5,508,024	72.4%	11,529,610	34.6%
Total Expenditures	***32,803,722***	***27,106,107***	***121.0%***	***112,252,391***	***29.2%***
Total Unallocated Funds	***(7,418,687)***	***(3,574,924)***	***207.5%***	***-***	***0.0%***

FUND SUMMARY

- Local sales taxes are 10.6% higher than last year.
- Alcohol Taxes are 3.0% less than last year.
- Building permit revenue is 30.2% higher than last year. (Development fees that are dependent on timing and type of development.)
- Salaries & Wages are 9.5% lower than last year.
- Grant Revenue is lower than last year due to one-time revenue that was received in 2024 for the Williams Tract.

General Fund (cont.)

Salaries & Wages - General Fund

Wage Type	Frequency	FY 2025	FY 2024
Regular	6 Payrolls	$10,519,360	$11,588,732
Overtime	6 Payrolls	$507,801	$584,699
Temp-Non City Emp		$5,963	$11,409
		$11,033,124	$12,184,840

Employee Benefits - General Fund

Account Type	Frequency	FY 2025	FY 2024
FICA (Employer's Share)	6 Payrolls	$807,657	$891,501
Medical/Vision	Monthly	$2,987,451	$1,861,648
Dental	Monthly	$113,096	$81,174
Other Group Insurance	Monthly	$60,057	$60,265
Retirement		$2,883,275	$1,758,370
Unemployment		$0	$0
Tool/Clothing Allowance		$16,138	$9,458
Workers Compensation	Monthly	$122,481	$177,903
		$6,990,156	$4,840,318

General Fund (cont.)

Grant Revenue - General Fund

Grant Name	Purpose	FY 2025	FY 2024
Hurricane Sally (FL)	Relief	$0	$0
2023 Extreme Heat and Wildfires- LA	Relief	$0	$48,637
Waverly Flood	Multi Aid Services	$0	$0
Bulletproof Vest	Bulletproof Vest Partnership	$0	$6,850
Tennessee Highway Safety	Traffic Safety Enforcement	$0	$15,514
Tennessee Highway Safety	Traffic Safety Enforcement	$9,110	$0
Tennessee Law Enforcement	Hiring, Training, and Recruitment	$4,000	$0
ITS Extension	ITS Infrastructure	$0	$0
NEPA Phase SR 96	Traffic Signal Improvements	$1,173,433	$13,792
VCIF - Formula Based Grant	Voilent Crime Intervention Fund	$233,172	$0
Williams Tract	Land Acquistion	$0	$1,980,050
Totals		$1,419,715	$2,064,842

Capital Expenditures - General Fund

Project	Asset	Stage	FY 2025	FY 2024
-	ExaGrid Back-up Storage Appliance	Purchase	$0	$75,511
-	Falcon Complete Cybersecurity Hardware	Purchase	$0	$75,000
-	Faster Web Fleet Software	Purchase	$0	$33,895
-	Network DR Infrastructure	Purchase	$0	$72,367
Lewisburg/South Margin Street Improvements	Lewisburg/South Margin Street Signal	Design	$11,598	$0
SR-96 Adaptive Signals	Adaptive Signal Technology	Purchase	$77,249	$0
Totals			$88,847	$256,773

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	1,750,151	3,247,408	53.9%	1,750,151	100.0%
Property Taxes	-	-	0.0%	1,149,935	0.0%
Interest Income	24,052	47,082	51.1%	73,687	32.6%
State Gasoline Tax	804,919	804,199	100.1%	3,089,792	26.1%
State Sporting Wagering Tax	37,922	29,218	129.8%	150,000	25.3%
Transfer From General Fund	500,000	500,000	100.0%	500,000	100.0%
Total Revenues	***3,117,044***	***4,627,907***	***67.4%***	***6,713,565***	***46.4%***
Expenditures:					
Repair & Maintenance Services	2,063,725	884,737	233.3%	6,220,212	33.2%
Other Expenditures	733	-	0.0%	-	0.0%
Total Expenditures	***2,064,458***	***884,737***	***233.3%***	***6,220,212***	***33.2%***
Total Unallocated Funds	***1,052,586***	***3,743,170***	***28.1%***	***493,353***	***213.4%***

FUND SUMMARY

- In the Street Aid Fund, gasoline taxes are equivalent to last year.
- Expenditures are higher in FY2025 due to more repair and maintenance compared to FY2024.

Sanitation Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	1,641,801	3,064,900	53.6%	1,641,801	100.0%
Interest Income	239	13,525	1.8%	13,026	1.8%
Sanitation Collection Services	1,783,563	1,734,981	102.8%	9,404,583	19.0%
Tipping Fees	804,034	848,291	94.8%	3,961,360	20.3%
Other Revenues	49,454	64,662	76.5%	531,251	9.3%
Total Revenues	***4,279,091***	***5,726,359***	***74.7%***	***15,552,021***	***27.5%***
Expenditures:					
Salaries & Wages	618,788	756,177	81.8%	3,373,841	18.3%
Employee Benefits	394,662	368,492	107.1%	1,575,311	25.1%
Transfers To Other Funds	42,247	44,066	95.9%	224,082	18.9%
Contractual Services	22,402	13,211	169.6%	81,113	27.6%
Capital	-	584,116	0.0%	1,273,413	0.0%
Repair & Maintenance Services	141,546	223,090	63.4%	721,482	19.6%
Utilities	17,528	16,932	103.5%	101,234	17.3%
Other Expenditures	1,532,171	1,717,926	89.2%	6,330,444	24.2%
Total Expenditures	***2,769,344***	***3,724,010***	***74.4%***	***13,680,920***	***20.2%***
Total Unallocated Funds	***1,509,747***	***2,002,349***	***75.4%***	***1,871,101***	***80.7%***

FUND SUMMARY

- Collection services revenue is 2.8% higher than last year.
- Tipping fee revenue is 5.2% lower than last year.
- Salaries & Wages are 18.2% lower than last year.

Sanitation Fund (cont.)

Salaries & Wages - Sanitation Fund

Wage Type	Frequency	FY 2025	FY 2024
Regular	6 Payrolls	$579,640	$689,615
Overtime	6 Payrolls	$39,147	$66,562
		$618,788	$756,177

Employee Benefits - Sanitation Fund

Account Type	Frequency	FY 2025	FY 2024
FICA (Employer's Share)	6 Payrolls	$45,179	$55,348
Medical/Vision	Monthly	$156,370	$172,555
Dental	Monthly	$6,321	$6,092
Other Group Insurance	Monthly	$4,104	$3,921
Retirement		$174,379	$123,597
Unemployment		$1,416	$0
Workers Compensation	Monthly	$6,893	$6,979
		$394,662	$368,492

Capital Expenditures - Sanitation

Project	Asset	Stage	FY 2025	FY 2024
-	Knuckleboom Truck Freightliner M2106	Purchase	$0	$206,025
-	Refuse Collection Truck	Purchase	$0	$378,091
Totals			$0	$584,116

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	28,930,725	24,653,640	117.3%	28,930,725	100.0%
Interest Income	715,368	321,189	222.7%	598,612	119.5%
Road Impact Fees	1,244,281	620,995	200.4%	6,122,176	20.3%
Total Revenues	***30,890,374***	***25,595,824***	***120.7%***	***35,651,513***	***86.6%***
Expenditures:					
Transfers To Other Funds	109,898	1,128,885	9.7%	3,939,602	2.8%
Contractual Services	1,296,923	28,093	4,616.6%	3,200,001	40.5%
Total Expenditures	***1,406,821***	***1,156,978***	***121.6%***	***7,139,603***	***19.7%***
Total Unallocated Funds	***29,483,553***	***24,438,846***	***120.6%***	***28,511,910***	***103.4%***

FUND SUMMARY

- Road impact fees are 100.4% more than last year. (These revenues are dependent on timing and type of development.)
- Contractual Services are higher in the current year due to Road Impact Reimbursements to Flournoy Development Group, SouthStar, LLC, and VSR Partners, LLC.

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	13,986,389	14,625,012	95.6%	13,986,389	100.0%
Interest Income	359,523	151,421	237.4%	278,153	129.3%
Facilities Taxes	461,627	256,599	179.9%	1,846,797	25.0%
Total Revenues	***14,807,539***	***15,033,032***	***98.5%***	***16,111,339***	***91.9%***
Expenditures:					
Transfers To Other Funds	-	3,500,000	0.0%	-	0.0%
Capital	-	-	0.0%	354,000	0.0%
Other Expenditures	50	35,726	0.1%	51,673	0.1%
Total Expenditures	***50***	***3,535,726***	***0.0%***	***405,673***	***0.0%***
Total Unallocated Funds	***14,807,489***	***11,497,306***	***128.8%***	***15,705,666***	***94.3%***

FUND SUMMARY

- Facilities taxes are 79.9% higher than last year. (These revenues are dependent on timing and type of development.)

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	5,654,100	4,513,752	125.3%	5,654,100	100.0%
Interest Income	131,020	61,850	211.8%	112,188	116.8%
Facilities Taxes	197,653	274,623	72.0%	637,474	31.0%
Total Revenues	***5,982,773***	***4,850,225***	***123.4%***	***6,403,762***	***93.4%***
Expenditures:					
Transfers To Other Funds	200,000	-	0.0%	200,000	100.0%
Total Expenditures	***200,000***	***-***	***0.0%***	***200,000***	***100.0%***
Total Unallocated Funds	***5,782,773***	***4,850,225***	***119.2%***	***6,203,762***	***93.2%***

FUND SUMMARY

- This fund was created to account for facilities taxes received from the County.
- Facilities taxes are 28% lower than last year.

Stormwater Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	2,230,535	2,815,697	79.2%	2,230,535	100.0%
Interest Income	32,964	30,374	108.5%	51,592	63.9%
Stormwater Fees	666,239	661,845	100.7%	2,673,523	24.9%
Other Revenues	99,557	45,508	218.8%	164,051	60.7%
Total Revenues	***3,029,295***	***3,553,424***	***85.3%***	***5,119,701***	***59.2%***
Expenditures:					
Salaries & Wages	327,967	370,339	88.6%	1,661,214	19.7%
Employee Benefits	192,481	175,564	109.6%	796,234	24.2%
Contractual Services	17,197	13,919	123.6%	93,413	18.4%
Capital	515,930	-	0.0%	898,536	57.4%
Repair & Maintenance Services	45,782	30,688	149.2%	198,140	23.1%
Utilities	6,295	6,980	90.2%	34,426	18.3%
Other Expenditures	150,473	187,141	80.4%	803,916	18.7%
Total Expenditures	***1,256,125***	***784,631***	***160.1%***	***4,485,879***	***28.0%***
Total Unallocated Funds	***1,773,170***	***2,768,793***	***64.0%***	***633,822***	***279.8%***

FUND SUMMARY

- Stormwater fees collected are 0.7% higher than last year and on track per the budget.
- Salaries & Wages are 11.4% lower than last year.

Salaries & Wages - Stormwater Fund

Wage Type	Frequency	FY 2025	FY 2024
Regular	6 Payrolls	$321,319	$363,368
Overtime	6 Payrolls	$6,648	$6,971
		$327,967	$370,339

Employee Benefits - Stormwater Fund

Account Type	Frequency	FY 2025	FY 2024
FICA (Employer's Share)	6 Payrolls	$24,128	$27,167
Medical/Vision	Monthly	$71,062	$79,014
Dental	Monthly	$2,853	$2,782
Other Group Insurance	Monthly	$2,060	$2,055
Retirement		$88,611	$60,722
Workers Compensation	Monthly	$3,766	$3,824
		$192,481	$175,564

Drug Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	530,343	534,709	99.2%	530,343	100.0%
Interest Income	(3,916)	6,630	(59.1%)	17,813	(22.0%)
Drug Fines Received	2,324	5,734	40.5%	47,294	4.9%
Other Revenues	(56,735)	13,492	(420.5%)	78,676	(72.1%)
Total Revenues	***472,016***	***560,565***	***84.2%***	***674,126***	***70.0%***
Expenditures:					
Other Expenditures	10,406	42,716	24.4%	206,415	5.0%
Total Expenditures	***10,406***	***42,716***	***24.4%***	***206,415***	***5.0%***
Total Unallocated Funds	***461,610***	***517,849***	***89.1%***	***467,711***	***98.7%***

FUND SUMMARY

- Drug fine collections are 59.5% lower than last year. This revenue is dependent on court actions.
- Other revenues are negative due to a prior year clean up to match the Equitable Sharing Report.

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	8,736,516	9,581,094	91.2%	8,736,516	100.0%
Grants	-	98,515	0.0%	1,200,000	0.0%
Interest Income	212,569	110,871	191.7%	188,983	112.5%
State Short Term Vacation Rental Tax	81,874	84,145	97.3%	300,000	27.3%
Hotel/Motel Taxes	1,409,204	1,497,397	94.1%	6,210,098	22.7%
Total Revenues	***10,440,163***	***11,372,022***	***91.8%***	***16,635,597***	***62.8%***
Expenditures:					
Transfers To Other Funds	2,104	1,013,103	0.2%	812,746	0.3%
Contractual Services	-	-	0.0%	135,000	0.0%
Capital	-	2,000,000	0.0%	1,645,000	0.0%
Other Expenditures	326,076	238,981	136.4%	1,425,000	22.9%
Total Expenditures	***328,180***	***3,252,084***	***10.1%***	***4,017,746***	***8.2%***
Total Unallocated Funds	***10,111,983***	***8,119,938***	***124.5%***	***12,617,851***	***80.1%***

FUND SUMMARY

- Hotel/Motel tax collections are 5.9% lower than last year.
- Short Term Vacation Rental is 2.7% lower than last year and on track per budget.

Grant Revenue - Hotel/Motel

Grant Name	Purpose	FY 2025	FY 2024
American Rescue Plan	2nd & 4th Ave Parking Garage	$0	$98,515
American Rescue Plan	Eastern Flank	$0	$0
Totals		$0	$98,515

Capital Expenditures - Hotel/Motel

Project	Asset	Stage	FY 2025	FY 2024
-	Creekside Property	Agreement	$0	$2,000,000
Totals			$0	$2,000,000

Parkland Dedication Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	6,728,728	6,281,730	107.1%	6,728,728	100.0%
Interest Income	189,782	34,117	556.3%	71,420	265.7%
Parkland Dedication Fees	785,480	17,216	4,562.5%	1,137,254	69.1%
Total Revenues	***7,703,990***	***6,333,063***	***121.6%***	***7,937,402***	***97.1%***
Expenditures:					
Transfers To Other Funds	-	3,757,800	0.0%	-	0.0%
Total Expenditures	***-***	***3,757,800***	***0.0%***	***-***	***0.0%***
Total Unallocated Funds	***7,703,990***	***2,575,263***	***299.2%***	***7,937,402***	***97.1%***

FUND SUMMARY

- Parkland Dedication fees are significantly higher than last year. (These revenues are dependent on timing and type of development).
- Transfer in 2024 was to fund the Capital Project Fund for Liberty Park and Southeast Municipal Complex.

Transit Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	807,254	807,254	100.0%	807,254	100.0%
Grants	710,115	767,004	92.6%	3,188,134	22.3%
Interest Income	11,728	9,716	120.7%	18,701	62.7%
Transit Fares	16,541	20,845	79.4%	134,000	12.3%
Transfer From General Fund	138,433	176,926	78.2%	1,003,617	13.8%
Other Revenues	3,000	2,400	125.0%	9,700	30.9%
Total Revenues	***1,687,071***	***1,784,145***	***94.6%***	***5,161,406***	***32.7%***
Expenditures:					
Salaries & Wages	4,280	5,950	71.9%	103,401	4.1%
Employee Benefits	327	455	71.9%	26,242	1.2%
Capital	-	219,800	0.0%	350,000	0.0%
Other Expenditures	875,209	750,685	116.6%	3,870,610	22.6%
Total Expenditures	***879,816***	***976,890***	***90.1%***	***4,350,253***	***20.2%***
Total Unallocated Funds	***807,255***	***807,255***	***100.0%***	***811,153***	***99.5%***

FUND SUMMARY

- Transit fares are 20.6% lower than last year.
- Transit has needed 13.8% of the budgeted operating subsidy in the 1st quarter. Grant revenues are anticipated during the year to stay within the budgeted total transfer.

Grant Revenue - Transit

Grant Name	Purpose	FY 2025	FY 2024
Allocation for 5307 FY2012	Urbanized Support	$21,183	$32,375
FY14 5307 Allocation	Operating Assistance	$140	$468
FY16 5307 Allocation	Operating Assistance	$0	$726
SFY 2023 Urban Operating Assistance	Operating Assistance	$0	$129,474
SFY 2024 Urban Operating Assistance	Operating Assistance	$0	$128,529
SFY 2025 Urban Operating Assistance	Operating Assistance	$210,015	$0
5307 FY Application	Capital and Operating Assistance	$12,721	$168,243
Operating Assistance	Operating Assistance	$96,971	$9,789
TN CARES ACT	COVID Relief	$219,428	$3,989
537 FY22 Operating Assistance	Operating Assistance	$60,626	$121,157
537 FY23 Operating Assistance	Capital and Operating Assistance	$68,352	$119,606
537 FY23 Operating Assistance	Operating Assistance	$582	$52,648
537 FY24 Operating Assistance	Operating Assistance	$20,097	$0
Totals		$710,115	$767,004

Salaries & Wages - Transit Fund

Wage Type	Frequency	FY 2025	FY 2024
Regular	6 Payrolls	$4,280	$5,950
		$4,280	$5,950

Employee Benefits - Transit Fund

Account TyFrequency		FY 2025	FY 2024
FICA (Employer's	6 Payrolls	$327	$455
		$327	$455

CDBG Fund

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	216,228	189,361	114.2%	216,228	100.0%
Grants	63,696	426,000	15.0%	386,966	16.5%
Interest Income	8,365	6,288	133.0%	9,056	92.4%
Total Revenues	***288,289***	***621,649***	***46.4%***	***612,250***	***47.1%***
Expenditures:					
Contractual Services	11,343	400,000	2.8%	174,000	6.5%
Repair & Maintenance Services	-	-	0.0%	193,352	0.0%
Other Expenditures	24,000	26,000	92.3%	1,000	2,400.0%
Total Expenditures	***35,343***	***426,000***	***8.3%***	***368,352***	***9.6%***
Total Unallocated Funds	***252,946***	***195,649***	***129.3%***	***243,898***	***103.7%***

FUND SUMMARY

- Grant revenues received are for Franklin Housing Authority, Hard Bargain Mt. Hope Redevelopment, and other community projects.

Grant Revenue - CDBG

Grant Name	Purpose	FY 2025	FY 2024
Community Development	Economic Development	$63,696	$426,000
Totals		$63,696	$426,000

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	547,256	806,499	67.9%	547,256	100.0%
Property Taxes	-	-	0.0%	10,554,764	0.0%
Interest Income	2,873	4,041	71.1%	97,354	3.0%
Transfer From General Fund	-	-	0.0%	200,000	0.0%
Transfer from Sanitation Fund	42,247	44,066	95.9%	193,033	21.9%
Transfer from Road Impact Fund	109,898	128,885	85.3%	3,937,897	2.8%
Transfer from Hotel/Motel Tax Fund	2,104	10,903	19.3%	811,825	0.3%
Transfer from Water & Sewer Fund	100,000	100,000	100.0%	100,000	100.0%
Total Revenues	***804,378***	***1,094,394***	***73.5%***	***16,442,129***	***4.9%***
Expenditures:					
Debt Service Payments	1,435,891	1,595,441	90.0%	15,698,603	9.1%
Total Expenditures	***1,435,891***	***1,595,441***	***90.0%***	***15,698,603***	***9.1%***
Total Unallocated Funds	***(631,513)***	***(501,047)***	***126.0%***	***743,526***	***(84.9%)***

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).
- Expenditures are 10% lower due to lower interest payments.

Capital Projects Fund 310 (Multi-Purpose)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	25,581,086	23,753,553	107.7%	-	0.0%
Grants	164,294	2,089,127	7.9%	-	0.0%
Interest Income	553,358	435,497	127.1%	-	0.0%
Transfer From General Fund	5,239,941	-	0.0%	-	0.0%
Transfer from Road Impact Fund	-	1,000,000	0.0%	-	0.0%
Transfer from Hotel/Motel Tax Fund	-	1,002,200	0.0%	-	0.0%
Other Revenues	89,928	7,309,222	1.2%	-	0.0%
Total Revenues	***31,628,607***	***35,589,599***	***88.9%***	***-***	***0.0%***
Expenditures:					
Contractual Services	87,250	900,093	9.7%	-	0.0%
Capital	5,832,283	2,231,352	261.4%	-	0.0%
Other Expenditures	394,275	486,007	81.1%	-	0.0%
Total Expenditures	***6,313,808***	***3,617,452***	***174.5%***	***-***	***0.0%***
Total Unallocated Funds	***25,314,799***	***31,972,147***	***79.2%***	***-***	***0.0%***

FUND SUMMARY

- The fund contains expenditures for city projects.
- Capital is higher this year due to projects being in various stages of design and construction.

Grant Revenue - 310 (Multi-Purpose)

Grant Name	Purpose	FY 2025	FY 2024
SR-6 from SR-397 to Downs Blvd	Roadway Widening	$119,400	$2,652
Harlinsdale Barn	Restoration	$44,894	$2,086,475
Totals		$164,294	$2,089,127

Capital Projects Fund 310 (Multi-Purpose) (cont.)

Capital Expenditures - Capital

Project	Asset	Stage	FY 2025	FY 2024
-	Carter Hill and Ropers Knob Expansion	Purchase	$2,000,000	$0
Bicentennial Park Improvements	Bicentennial Park	Construction	$690,018	$115,110
Bicentennial Park Improvements	North Margin Street	Construction	$168,188	$0
Bicentennial Park Improvements	North Margin Street Sidewalks	Construction	$104,833	$0
Bicentennial Park Improvements	North Margin Street Curb and Gutter	Construction	$22,805	$0
Bicentennial Park Improvements	North Margin Street Lighting	Construction	$19,238	$0
Bundled Bridges Project	Baker's Bridge	Construction	$8,398	$0
Bundled Bridges Project	Spencer Creek Bridge	Construction	$82,480	$0
Bundled Bridges Project	Spencer Creek Drainage	Construction	$51,462	$0
Bundled Bridges Project	Spencer Creek Road	Construction	$275,515	$0
Bundled Bridges Project	Spencer Creek Sidewalks	Construction	$7,700	$0
Bundled Bridges Project	Mallory Lane	Construction	$201,174	$0
Church Street Improvements	Church Street	Design	$0	$46,173
Del Rio Pike Improvements	Del Rio Pike	Design	$6,875	$32,423
East McEwen Drive Improvements (Phase 5)	East McEwen Drive	Design	$1,592	$35,506
FSSD Infrastructure Improvement Partnership	Eddy Lane	Purchase	$200,000	$0
Harlinsdale Farm Bridge and Trail	Chestnut Bend Greenway	Construction	$0	$372,749
Harlinsdale Farm Bridge and Trail	Harlinsdale Trail Bridge	Construction	$0	$754,823
Harlinsdale Farm Bridge and Trail	Harlinsdale Trail Drainage	Construction	$0	$0
Harlinsdale Farm Main Barn Renovation	The Park at Harlinsdale Farms	Construction	$566,806	$49,244
Jordan Road Improvements	Land Acquired	Purchase	$0	$41,050
Jordan Road Improvements	Jordan Road	Construction	$200,461	$6,220
Jordan Road Improvements	Jordan Road Bridge	Construction	$220,000	$0
Jordan Road Improvements	Jordan Road Drainage	Construction	$41,795	$0
Jordan Road Improvements	Jordan Road Sidewalks	Construction	$23,034	$0
Lewisburg Pike Improvements	Easement Acquisition	Purchase	$38,088	$113,982
Lewisburg Pike Improvements	Lewisburg Pike Sidewalks	Design	$2,819	$12,058
Liberty Park Improvements	Liberty Park	Design	$5,400	$1,780
Long Lane Bridge	Long Lane	Design	$0	$18,933
Long Lane Bridge	Long Lane Bridge	Design	$0	$28,781
New City Hall	City Hall	Design	$840,524	$407,660
Pratt Lane Bridge Replacement	Pratt Lane	Construction	$5,547	$92,323
Pratt Lane Bridge Replacement	Pratt Lane Bridge	Construction	$0	$73,695
Southeast Park	Southeast Park	Construction	$47,531	$28,841
Totals			$5,832,283	$2,231,352

Capital Projects Fund 313 (2025 Bonds)

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	(6,688,904)	(1,848)	361,969.4%	-	0.0%
Total Revenues	***(6,688,904)***	***(1,848)***	***361,969.4%***	***-***	***0.0%***
Expenditures:					
Capital	533,562	1,805,600	29.6%	-	0.0%
Repair & Maintenance Services	59,815	472,157	12.7%	-	0.0%
Other Expenditures	18,832	22,150	85.0%	-	0.0%
Total Expenditures	***612,209***	***2,299,907***	***26.6%***	***-***	***0.0%***
Total Unallocated Funds	***(7,301,113)***	***(2,301,755)***	***317.2%***	***-***	***0.0%***

FUND SUMMARY

- The fund was established July 2023 to track expenditures for the upcoming bond issuance for reimbursement.
- The Series 2025 Bonds are projected to be issued Spring 2025.

Capital Expenditures - Bonds (2025 Series)

Project	Asset	Stage	FY 2025	FY 2024
Major Road Resurfacing	Aspen Grove Drive	Construction	$0	$251,066
Major Road Resurfacing	Cool Springs Blvd	Construction	$0	$774,585
Major Road Resurfacing	Liberty Pike	Construction	$0	$779,949
Major Road Resurfacing	Baker's Bridge Avenue	Construction	$20,047	$0
Major Road Resurfacing	Galleria Blvd	Construction	$27,006	$0
Major Road Resurfacing	Carothers Parkway	Construction	$486,509	$0
Totals			$533,562	$1,805,600

Fleet Replacement Fund 350

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	3,347,516	5,167,641	64.8%	3,347,516	100.0%
Interest Income	94,900	69,653	136.2%	115,585	82.1%
Transfer From General Fund	863,490	312,810	276.0%	863,490	100.0%
Other Revenues	-	64,702	0.0%	-	0.0%
Total Revenues	***4,305,906***	***5,614,806***	***76.7%***	***4,326,591***	***99.5%***
Expenditures:					
Capital	204,628	991,227	20.6%	2,807,000	7.3%
Other Expenditures	14,128	(189,390)	(7.5%)	-	0.0%
Total Expenditures	***218,756***	***801,837***	***27.3%***	***2,807,000***	***7.8%***
Total Unallocated Funds	***4,087,150***	***4,812,969***	***84.9%***	***1,519,591***	***269.0%***

FUND SUMMARY

- Other Expenditures are for non-capital vehicles that we have received in FY2025
- Other Expenditures for the prior year is negative due to the timing of moving expenditures for vehicles from non-capital to Capital.

Capital Expenditures - Fleet (Vehicles >$50,000)

Department	Asset	FY 2025	FY 2024
Fleet	2023 Ford Expedition	$0	$59,462
Fleet	2023 Ford Explorer (10)	$0	$808,545
Fleet	2023 Ford F-250 XL Super Duty (2)	$0	$123,220
Fleet	)23 Ford Police Interceptor Utility AWD (3)	$150,753	$0
Fleet	2024 Ford Transit Van	$53,875	$0
Totals		$204,628	$991,227

Water/Sewer

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Grants	1,303,633	247,746	526.2%	11,625,742	11.2%
Interest Income	1,271,716	615,689	206.6%	1,631,513	77.9%
Customer Service	12,941,147	11,600,159	111.6%	42,183,228	30.7%
Impact Fees	1,212,306	683,912	177.3%	4,356,832	27.8%
Loan Proceeds	-	512,194	0.0%	-	0.0%
Other Revenues	144,450	1,470,810	9.8%	211,386	68.3%
Total Revenues	***16,873,252***	***15,130,510***	***111.5%***	***60,008,701***	***28.1%***
Expenditures:					
Salaries & Wages	1,472,108	1,618,825	90.9%	7,860,629	18.7%
Employee Benefits	865,219	793,297	109.1%	3,536,054	24.5%
Transfers To Other Funds	100,000	100,000	100.0%	200,000	50.0%
Contractual Services	281,058	148,177	189.7%	1,908,240	14.7%
Capital	2,194,920	-	0.0%	17,559,929	12.5%
Repair & Maintenance Services	308,503	545,469	56.6%	1,105,680	27.9%
Utilities	554,870	550,322	100.8%	2,134,388	26.0%
Debt Service Payments	484,040	551,519	87.8%	2,261,975	21.4%
Lease Payments	1,317,812	1,317,812	100.0%	5,271,250	25.0%
Other Expenditures	4,311,578	3,740,297	115.3%	13,233,045	32.6%
Total Expenditures	***11,890,108***	***9,365,718***	***127.0%***	***55,071,190***	***21.6%***
Total Unallocated Funds	***4,983,144***	***5,764,792***	***86.4%***	***4,937,511***	***100.9%***

FUND SUMMARY

- Customer service revenue is 11.6% higher than last year.
- Grant Revenue is significantly higher than last year due to one time American Rescue Plan money for projects.
- Loan Proceeds reflects funds received from the State of Tennessee Revolving Loan Program for Improvements to the City's Wastewater Treatment Plant.
- Salaries & Wages are 9.1% lower than last year.

Water/Sewer (cont.)

Customer Service Revenue

Service Revenue	Frequency	FY 2025	FY 2024
Water	Monthly	$5,047,529	$4,533,849
Sewer	Monthly	$7,819,297	$6,994,971
Reclaimed	Monthly	$74,322	$71,339
Totals		$12,941,147	$11,600,159

Grant Revenue - Water/Sewer

Grant Name	Purpose	FY 2025	FY 2024
American Rescue Plan	100% of Premium Net Pay	$0	$0
American Rescue Plan	Negative and Economic Impact	$1,303,633	$0
American Rescue Plan	COVID 19 Assistance	$0	$19,688
American Rescue Plan-TDEC	COVID 19 Assistance	$0	$228,058
March 2021 Flood	Repairs from 2021 Flood	$0	$0
Totals		$1,303,633	$247,746

Salaries & Wages - Water/Sewer Fund

Wage Type	Frequency	FY 2025	FY 2024
Regular	6 Payrolls	$1,384,794	$1,505,562
Overtime	6 Payrolls	$87,314	$113,263
		$1,472,108	$1,618,825

Water/Sewer (cont.)

Employee Benefits - Water/Sewer Fund			
Account Type	**Frequency**	**FY 2025**	**FY 2024**
FICA (Employer's Share)	6 Payrolls	$108,307	$118,710
Medical/Vision	Monthly	$302,750	$326,511
Dental	Monthly	$11,867	$10,940
Other Group Insurance	Monthly	$8,832	$8,086
Retirement		$382,690	$281,313
Unemployment		$100	$0
Workers Compensation	Monthly	$50,672	$47,737
		$865,219	$793,297

Capital Expenditures - Water and Sewer				
Project	**Asset**	**Stage**	**FY 2025**	**FY 2024**
---	2024 IHC HX620 (Tri Axle Dump Truck)	Purchase	$0	$183,464
Adams Street Water and Sewer Improvements	Adams Street Water Line	Construction	$143,224	$0
Adams Street Water and Sewer Improvements	Adams Street Sewer Line	Construction	$143,224	$0
Berry Circle Line Improvements	Berry Circle Sewer Line	Design	$0	$9,845
Berry Circle Line Improvements	Berry Circle Water Line	Design	$0	$9,844
Bicentennial Park Improvements	Bicentennial Park Water Lines	Construction	$197,518	$0
Bundled Bridges Project	Mallory Lane Sewer Line	Construction	$2,603	$0
Carter's Creek Pump Station Improvements	Carter's Creek Pump Station	Design	$25,035	$6,732
Downtown Area/Lewisburg Resiliency Improvements	Downtown Area/Lewisburg Sewer Lines	Construction	$680,558	$0
Downtown Area/Lewisburg Resiliency Improvements	Downtown Area/Lewisburg Water Lines	Construction	$623,075	$0
Pratt Lane Bridge Replacement	Pratt Lane Water Line	Design	$0	$39,561
South Prong Drainage Basin Sanitary Sewer Improvements	Easement Acquisition	Purchase	$335,000	$710,688
Southeast Wastewater Capacity Study	Future SE Wastewater Facility	Design	$24,992	$176,811
Water Reclamation Facility Improvements	Water Reclamation Facility	Construction	$0	$944,932
Water Reclamation Facility Rehab and Resiliency	Water Reclamation Facility	Design	$19,691	$255,064
Water Treatment Plant Valve Access	Water Treatment Plant	Construction	$0	$454,834
Totals			$2,194,920	$2,791,774

On the Horizon

February 2025

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 2025

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					

April 2025

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			

Thursday, February 13, 2025	Budget and Finance Committee Meeting. Budget Presentations.
Thursday, February 20, 2025	Budget and Finance Committee Meeting. Budget Presentations continue.
Thursday, March 6, 2025	Budget and Finance Committee Meeting. Budget Presentations continue.
Thursday, March 20, 2025	Budget and Finance Committee Meeting, Budget Presentations continue.
Thursday, April 10, 2025	Budget and Finance Committee Meeting.

Finance Department

Contact Information

109 3rd Avenue South
Tel 615-791-1457
Fax 615-791-1955
franklintn.gov

HISTORIC FRANKLIN TENNESSEE

City of Franklin

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

File #: 21-01395

DATE: December 20, 2024

TO: Budget & Finance Committee

FROM: Margaret Wilson, Comptroller

SUBJECT:
Monthly Reports For January 2025

PURPOSE:
The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee concerning critical revenue streams that influence performance versus budget.

BACKGROUND/STAFF COMMENTS:
Beginning with the executive summary, the reports include:
- Schedule 1: Local Sales Tax - October 2024
- Schedule 2: Building Permits - November 2024
- Schedule 3: Road Impact Fees - November 2024
- Schedule 4: Facilities Tax (City) - November 2024
- Schedule 5: Facilities Tax (County) - November 2024
- Schedule 6: Gasoline Tax (Street Aid Fund) - October 2024
- Schedule 7: Hotel/Motel Tax - October 2024
- Schedule 8: Conference Center - November 2024

FINANCIAL IMPACT:
There is no financial impact from the reports. Reports are provided to show any variance from budget.

RECOMMENDATION:
There is no staff recommendation. Reports are for information only.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

Monthly Reports for January 2025

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax (October 2024)

The local sales tax remittance from the State of Tennessee for October 2024 sales (received by the City in December 2024) was $5,345,417 compared to $5,088,909 for the same month in FY 2024, a monthly year over year increase of $256,508 or 5.0%.

Schedule 2: Building Permits (November 2024)

2025 fiscal year to date is less than 2024 by 6.7%, and compared to 2025 budget is more by 18.3%.

Schedule 3: Road Impact Fees * (November 2024)

Combined 2025 fiscal year to date compared to 2024 is 53.6% less, and compared to 2025 budget is less by 35.4%. By quadrant, Arterial Area 2025 fiscal year to date compared to 2024 is 53.3% less, and compared to 2025 budget is less by 31.0%. Coll Area 1 2025 fiscal year to date compared to 2024 is 92.0% less, and compared to 2025 budget is less by 68.3%; Coll Area 2 2025 fiscal year to date compared to 2024 is 54.6% more, and compared to 2025 budget is less by 26.7%; Coll Area 3 2025 fiscal year to date compared to 2024 is 5.8% less, and compared to 2025 budget is more by 42.8%; Coll Area 4 2025 fiscal year to date compared to 2024 is 100.0% more, and compared to 2025 budget is more by 3.1%.

Schedule 4: Facilities Tax (City) (November 2024)

2025 fiscal year to date compared to 2024 is 30.0% less, and compared to 2025 budget is less by 23.8%.

Schedule 5: Facilities Tax (County) (November 2024)

2025 fiscal year to date compared to 2024 is 22.9% less, and compared to 2025 budget is 2.3% less.

Schedule 6: Gasoline Taxes (State Street Aid Fund) (October 2024)

The gasoline tax remittance from the State of Tennessee for October 2024 sales (received by the City in December 2024) was $253,910 compared to $254,811 for the same month in FY 2024, a decrease of $901.
For budget comparisons, the City anticipated collections of $262,636 for October 2024, a difference of $8,726 less, or 3.3%.

Schedule 7: Hotel/Motel Tax (October 2024)
2025 fiscal year to date compared to 2024 is 4.3% less, and compared for 2025 budget is less by 8.7%.

Schedule 8: Conference Center (November 2024)

The City's ½ share of the gain for November 2024 was $39,260. In November 2023, the City's ½ share of the gain was $20,515.

*** 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

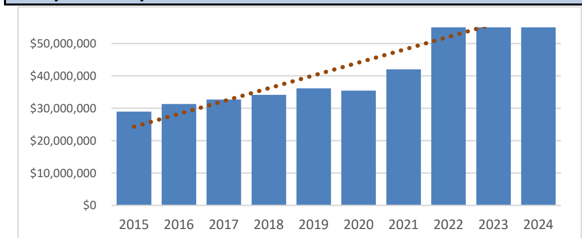
Finance Department - Monthly Reports

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 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 contributed its share of the .5% increase to the County's School Debt Service. The County withheld the contribution for school debt service from the amount remitted to the City. The 36 month contribution period ended with March 2021 sales (received in May 2021).

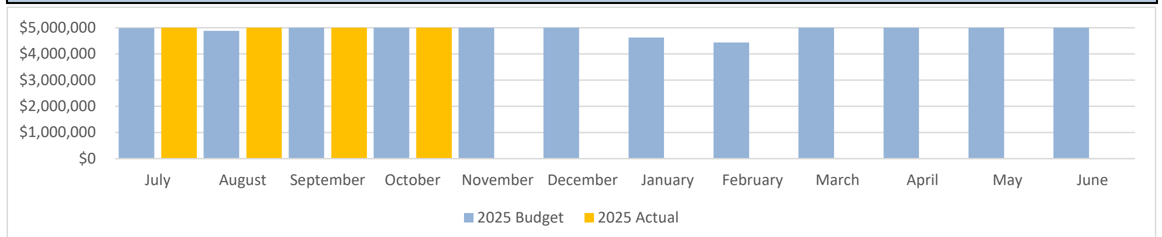
Monthly Report for January 2025: The local sales tax remittance from the State of Tennessee for October 2024 sales (received by the City in December 2024) was $5,345,417 compared to $5,088,909 for the same month in FY 2024, a monthly year over year increase $256,508, or 5.0% more. December receipts (October sales) are the fourth month of the FY 2025 fiscal year for both the City of Franklin and the State of Tennessee.

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
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
2019	$36,168,178	$2,016,206	5.9%	$7,052,013
2020	$35,453,379	($714,799)	-2.0%	$7,430,205
2021	$41,999,727	$6,546,348	18.5%	$6,298,283
2022	$57,745,532	$15,745,805	37.5%	
2023	$60,556,943	$2,811,411	4.9%	
2024	$62,424,823	$1,867,880	3.1%	
Average Increase (Decrease)		**$ 3,517,008**	**9.1%**	**$ 22,472,809**

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$5,017,174	$4,988,617	$5,451,519	$434,345	8.7%	$462,902	9.3%
August	$4,694,185	$4,887,659	$5,361,926	$667,742	14.2%	$474,267	9.7%
September	$4,990,343	$5,126,202	$5,453,483	$463,139	9.3%	$327,281	6.4%
October	$5,088,909	$5,040,406	$5,345,417	$256,508	5.0%	$305,011	6.1%
November	$5,327,485	$5,240,390					
December	$6,601,493	$6,970,857					
January	$4,615,421	$4,625,443					
February	$4,686,366	$4,436,389					
March	$5,217,775	$5,414,254					
April	$5,284,921	$5,299,380					
May	$5,626,322	$5,462,449					
June	$5,274,429	$5,671,702					
	$62,424,823	**$63,163,748**	**$21,612,345**	**$455,433**	**9.2%**	**$392,365**	**7.8%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$1,821,734		**$1,569,461**	
				Total		*Total*	

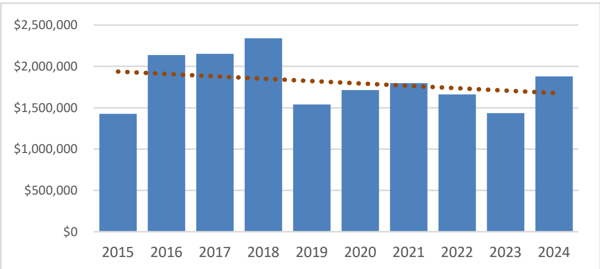
City of Franklin
Finance Department - Monthly Reports

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.

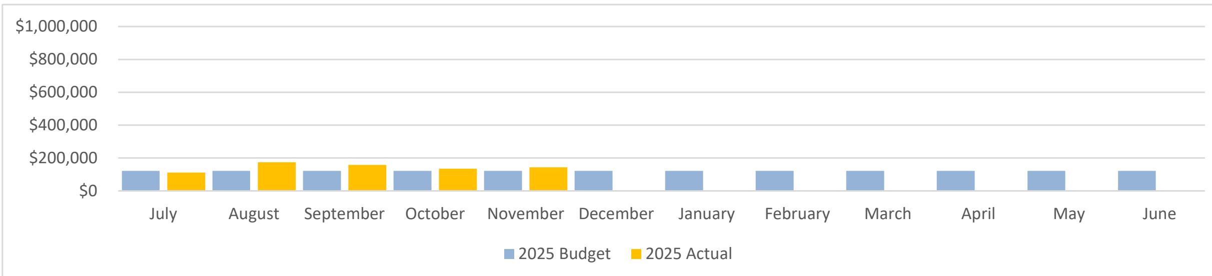
Monthly Report for January 2025: 2025 year-to-date is less than 2024 by 6.7%, and compared to 2025 budget is more by 18.3%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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	$2,339,364	$186,102	8.6%
2019	$1,539,655	($799,709)	-34.2%
2020	$1,714,700	$175,045	11.4%
2021	$1,796,670	$81,970	4.8%
2022	$1,661,426	($135,244)	-7.5%
2023	$1,435,153	($226,273)	-13.6%
2024	$1,878,751	$443,598	30.9%
Average Increase (Decrease)		$ 53,477	5.7%

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$97,062	$121,988	$111,474	$14,412	14.8%	($10,514)	-8.6%
August	$113,012	$121,988	$174,027	$61,015	54.0%	$52,039	42.7%
September	$130,679	$121,988	$158,144	$27,465	21.0%	$36,156	29.6%
October	$168,008	$121,988	$134,715	($33,293)	-19.8%	$12,727	10.4%
November	$264,067	$121,988	$143,008	($121,059)	-45.8%	$21,020	17.2%
December	$118,768	$121,988					
January	$240,140	$121,988					
February	$199,298	$121,988					
March	$130,255	$121,988					
April	$123,309	$121,988					
May	$160,720	$121,988					
June	$133,433	$121,988					
	$1,878,751 *Total*	**$1,463,856** *Total*	**$721,368** *Total*	**($10,292)** *Average* **($51,460)** *Total*	**-6.7%** *Average*	**$22,286** *Average* **$111,428** *Total*	**18.3%** *Average*

City of Franklin

Finance Department - Monthly Reports

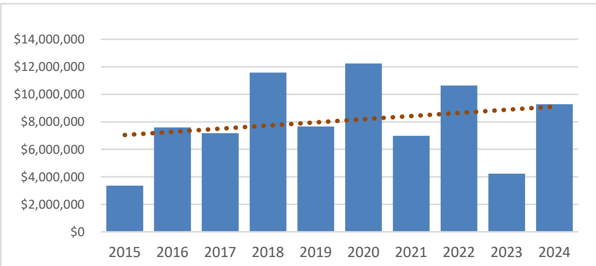
Schedule 3:	Road Impact Fees	Fund	Road Impact	Account:	128-(32800-32804)-00000

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 began. This report was updated to show those collections when they occur.

Monthly Report for January 2025: 2025 year-to-date compared to 2024 is 53.6% less, and compared to 2025 budget is less by 35.4%.

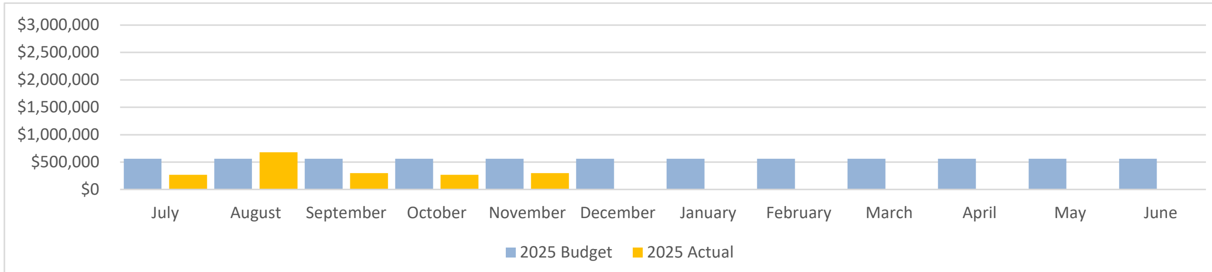
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2019	$7,659,855	($3,925,645)	-33.9%
2020	$12,251,152	$4,591,297	59.9%
2021	$6,975,153	($5,275,999)	-43.1%
2022	$10,641,106	$3,665,953	52.6%
2023	$4,235,737	($6,405,369)	-60.2%
2024	$9,276,497	$5,040,760	119.0%
Average Increase (Decrease)		**$ 525,475**	**26.0%**

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$163,414	$560,066	$266,704	$103,290	63.2%	($293,362)	-52.4%
August	$228,619	$560,066	$677,680	$449,061	196.4%	$117,614	21.0%
September	$228,962	$560,066	$299,897	$70,935	31.0%	($260,169)	-46.5%
October	$407,980	$560,066	$266,233	($141,747)	-34.7%	($293,833)	-52.5%
November	$2,869,571	$560,066	$299,136	($2,570,435)	-89.6%	($260,930)	-46.6%
December	$299,666	$560,066					
January	$2,304,434	$560,066					
February	$742,855	$560,066					
March	$331,950	$560,066					
April	$222,389	$560,066					
May	$1,222,195	$560,066					
June	$254,462	$560,066					
	$9,276,497	**$6,720,788**	**$1,809,650**	**($417,779)**	**-53.6%**	**($198,136)**	**-35.4%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($2,088,896)		**($990,678)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

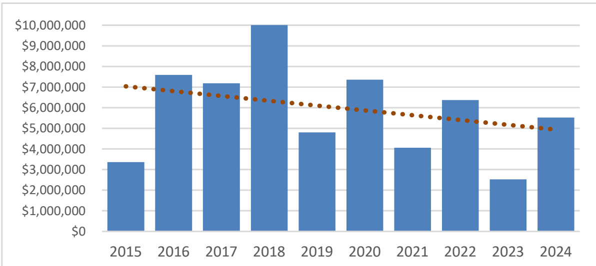
Schedule 3A:	Arterial Area	Fund	Road Impact	Account:	128-32800-00000

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.

Monthly Report for January 2025: 2025 year-to-date compared to 2024 is 53.3% less, and compared to 2025 budget is less by 31.0%.

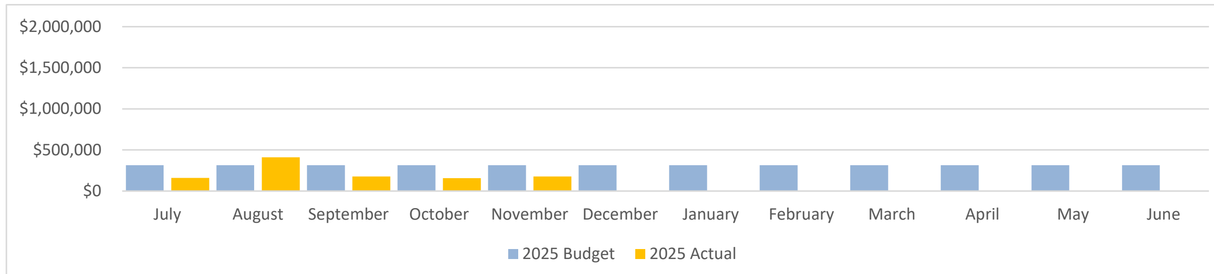
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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	$11,084,375	$3,904,225	54.4%
2019	$4,800,171	($6,284,204)	-56.7%
2020	$7,359,092	$2,558,921	53.3%
2021	$4,061,173	($3,297,919)	-44.8%
2022	$6,371,224	$2,310,051	56.9%
2023	$2,530,625	($3,840,599)	-60.3%
2024	$5,520,950	$2,990,325	118.2%
Average Increase (Decrease)		**$ 149,920**	

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$97,248	$314,029	$158,721	$61,473	63.2%	($155,308)	-49.5%
August	$136,050	$314,029	$409,639	$273,589	201.1%	$95,610	30.4%
September	$136,297	$314,029	$178,460	$42,163	30.9%	($135,569)	-43.2%
October	$242,736	$314,029	$158,489	($84,247)	-34.7%	($155,540)	-49.5%
November	$1,705,344	$314,029	$178,077	($1,527,267)	-89.6%	($135,952)	-43.3%
December	$178,305	$314,029					
January	$1,370,341	$314,029					
February	$444,361	$314,029					
March	$197,573	$314,029					
April	$132,307	$314,029					
May	$726,979	$314,029					
June	$153,409	$314,029					
	$5,520,950	**$3,768,343**	**$1,083,386**	**($246,858)**	**-53.3%**	**($97,351)**	**-31.0%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($1,234,289)		**($486,757)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

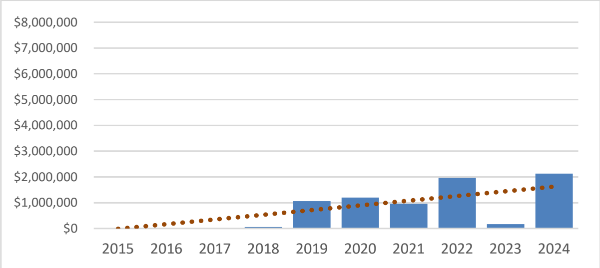
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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.

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

Monthly Report for January 2025: 2025 year-to-date compared to 2024 is 92.0% less, and compared to 2025 budget are less by 68.3%.

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.

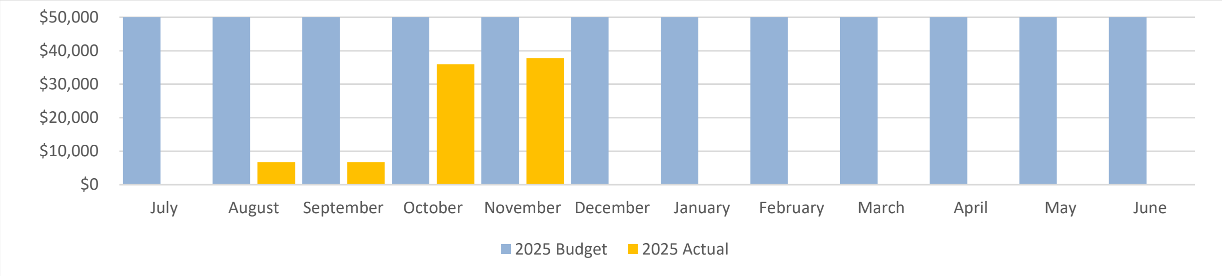
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2015	Breakdown between Quadrants began in FY 2018.		
2016			
2017			
2018	$59,923	$59,923	100.0%
2019	$1,057,313	$997,390	1664.5%
2020	$1,200,036	$142,723	13.5%
2021	$956,982	($243,054)	-20.3%
2022	$1,957,665	$1,000,683	104.6%
2023	$173,287	($1,784,378)	-91.1%
2024	$2,125,643	$1,952,356	1126.7%

Average Increase (Decrease) $ 303,663

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$0	$54,960	$0	$0	100.0%	($54,960)	-100.0%
August	$0	$54,960	$6,680	$6,680	100.0%	($48,280)	-87.8%
September	$0	$54,960	$6,680	$6,680	100.0%	($48,280)	-87.8%
October	$0	$54,960	$35,934	$35,934	100.0%	($19,026)	-34.6%
November	$1,082,906	$54,960	$37,790	($1,045,116)	-96.5%	($17,170)	-31.2%
December	$0	$54,960					
January	$827,237	$54,960					
February	$150,413	$54,960					
March	$31,358	$54,960					
April	$0	$54,960					
May	$33,729	$54,960					
June	$0	$54,960					
	$2,125,643 *Total*	**$659,518** *Total*	**$87,084** *Total*	**($199,164)** *Average* **($995,822)** *Total*	**-92.0%** *Average*	**($37,543)** *Average* **($187,715)** *Total*	**-68.3%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

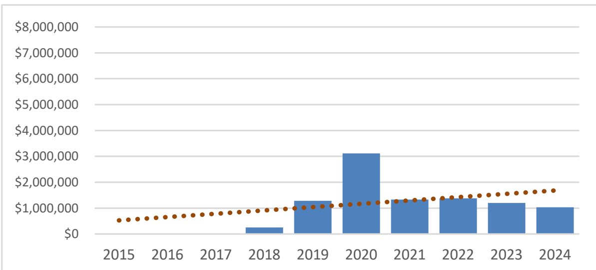
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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.

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 2025: 2025 year-to-date compared to 2024 is 54.6% more, and compared to 2025 budget is less by 26.7%.

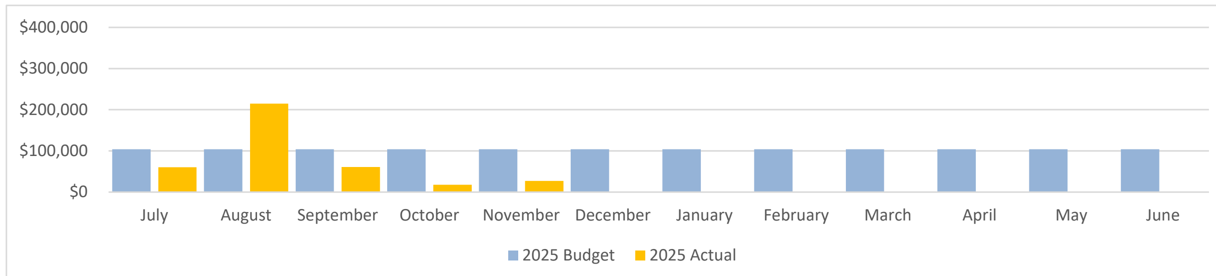
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2015	Breakdown between Quadrants began in FY 2018.		
2016			
2017			
2018	$251,474	$251,474	100.0%
2019	$1,286,317	$1,034,843	100.0%
2020	$3,118,015	$1,831,698	142.4%
2021	$1,326,079	($1,791,936)	-57.5%
2022	$1,374,601	$48,522	3.7%
2023	$1,199,356	($175,245)	-12.7%
2024	$1,037,068	($162,288)	-13.5%
Average Increase (Decrease)	**$ 148,153**		

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$26,403	$103,805	$60,388	$33,985	128.7%	($43,417)	-41.8%
August	$48,564	$103,805	$214,601	$166,037	341.9%	$110,796	106.7%
September	$48,977	$103,805	$60,732	$11,755	24.0%	($43,073)	-41.5%
October	$81,603	$103,805	$17,535	($64,068)	-78.5%	($86,270)	-83.1%
November	$40,665	$103,805	$27,295	($13,370)	-32.9%	($76,510)	-73.7%
December	$62,192	$103,805					
January	$54,783	$103,805					
February	$74,650	$103,805					
March	$60,973	$103,805					
April	$69,774	$103,805					
May	$400,831	$103,805					
June	$67,653	$103,805					
	$1,037,068	**$1,245,655**	**$380,551**	**$26,868**	**54.6%**	**($27,694)**	**-26.7%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$134,339		**($138,472)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

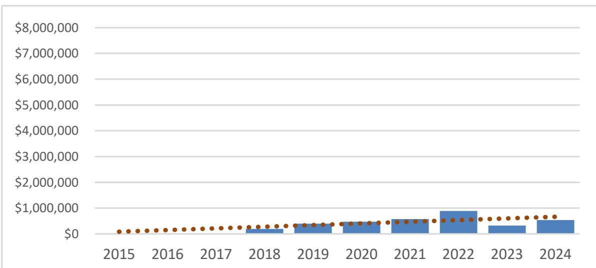
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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.

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

Monthly Report for January 2025: 2025 year-to-date compared to 2024 is 5.8% less, and compared to 2025 budget is more by 42.8%.

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.

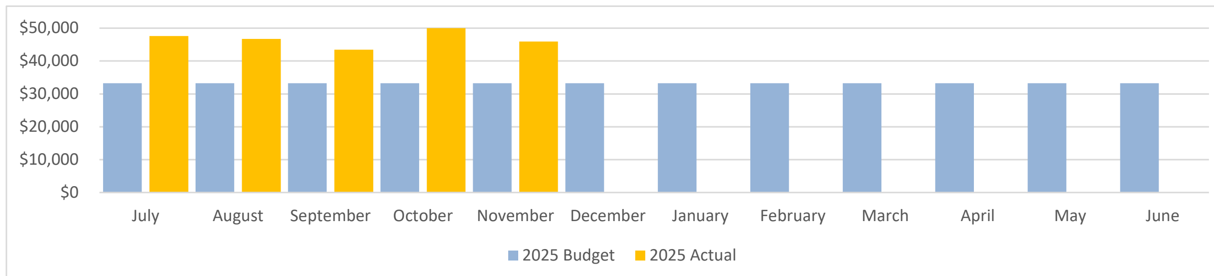
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2015	Breakdown between Quadrants began in FY 2018.		
2016			
2017			
2018	$189,728	$189,728	100.0%
2019	$400,237	$210,509	111.0%
2020	$472,760	$72,523	18.1%
2021	$573,304	$100,544	21.3%
2022	$891,008	$317,704	55.4%
2023	$320,779	($570,229)	-64.0%
2024	$534,724	$213,945	66.7%

Average Increase (Decrease) $ 76,389

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$39,763	$33,226	$47,595	$7,832	19.7%	$14,369	43.2%
August	$44,005	$33,226	$46,760	$2,755	6.3%	$13,534	40.7%
September	$43,688	$33,226	$43,420	($268)	-0.6%	$10,194	30.7%
October	$83,641	$33,226	$53,440	($30,201)	-36.1%	$20,214	60.8%
November	$40,656	$33,226	$45,954	$5,298	13.0%	$12,728	38.3%
December	$59,169	$33,226					
January	$48,733	$33,226					
February	$34,302	$33,226					
March	$33,083	$33,226					
April	$20,308	$33,226					
May	$60,656	$33,226					
June	$26,720	$33,226					
	$534,724 *Total*	**$398,713** *Total*	**$237,169** *Total*	**($2,917)** *Average* **($14,584)** *Total*	**-5.8%** *Average*	**$14,208** *Average* **$71,039** *Total*	**42.8%** *Average*

City of Franklin

Finance Department - Monthly Reports

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

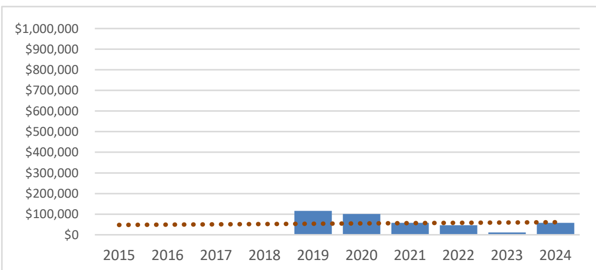
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds 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.

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 2025: 2025 year-to-date compared to 2024 is 100% more, and compared to 2025 budget is more by 3.1%.

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.

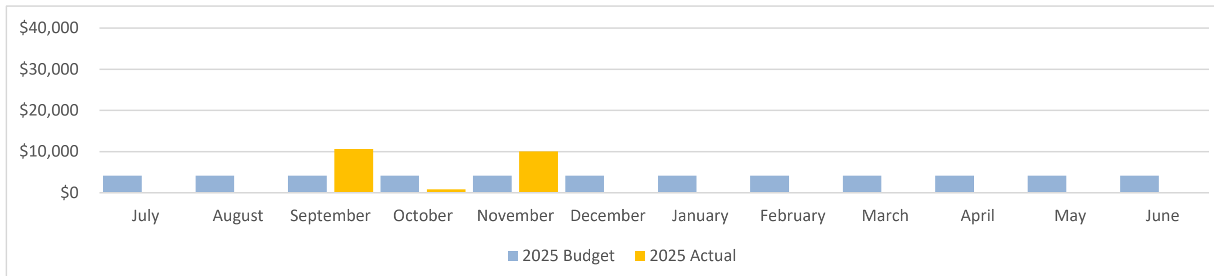
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2015	Breakdown between Quadrants began in FY 2018.		
2016			
2017			
2018			
2019	$115,817	$115,817	100.0%
2020	$101,249	($14,568)	-12.6%
2021	$57,615	($43,634)	-43.1%
2022	$46,608	($11,007)	-19.1%
2023	$11,690	($34,918)	-74.9%
2024	$58,112	$46,422	397.1%

Average Increase (Decrease) $ 9,685

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$0	$4,162	$0	$0	-100.0%	($4,162)	-100.0%
August	$0	$4,162	$0	$0	-100.0%	($4,162)	-100.0%
September	$0	$4,162	$10,605	$10,605	100.0%	$6,443	154.8%
October	$0	$4,162	$835	$835	100.0%	($3,327)	-79.9%
November	$0	$4,162	$10,020	$10,020	100.0%	$5,858	140.7%
December	$0	$4,162					
January	$3,340	$4,162					
February	$39,129	$4,162					
March	$8,963	$4,162					
April	$0	$4,162					
May	$0	$4,162					
June	$6,680	$4,162					
	$58,112	**$49,947**	**$21,460**	**$4,292**	**100.0%**	**$130**	**3.1%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$21,460		**$649**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

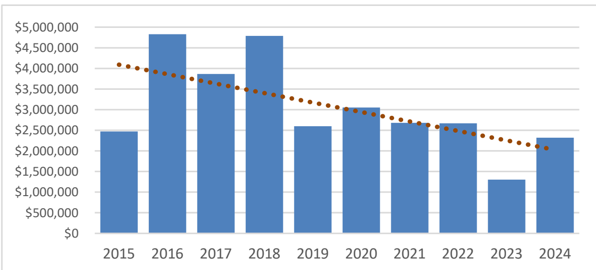
Schedule 4:	Facilities Tax (City)	Fund	Facilities Tax	Account:	130-31600-00000

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 Janaury 2025: 2025 year-to-date compared to 2024 is 30.0% less, and compared to 2025 budget is less by 23.8%.

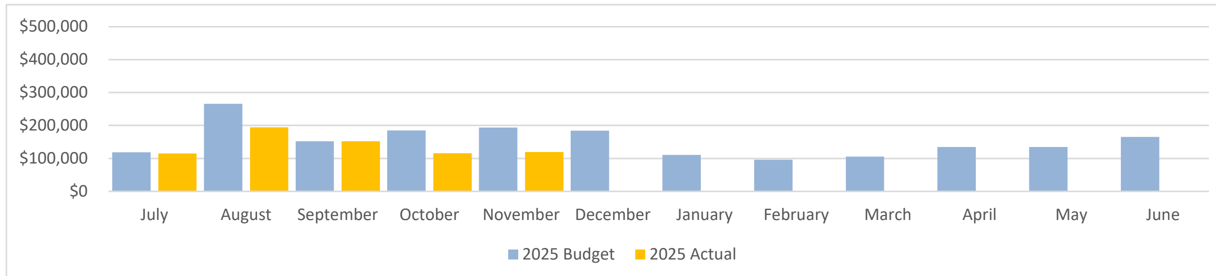
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2019	$2,598,810	($2,189,232)	-45.7%
2020	$3,051,110	$452,300	17.4%
2021	$2,682,395	($368,715)	-12.1%
2022	$2,666,214	($16,181)	-0.6%
2023	$1,301,950	($1,364,264)	-51.2%
2024	$2,321,255	$1,019,305	78.3%
Average Increase (Decrease)		**($152,753)**	**5.0%**

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$75,415	$118,374	$114,797	$39,382	52.2%	($3,577)	-3.0%
August	$93,649	$265,803	$194,716	$101,067	107.9%	($71,087)	-26.7%
September	$87,535	$152,462	$152,114	$64,579	73.8%	($348)	-0.2%
October	$284,510	$185,287	$115,875	($168,635)	-59.3%	($69,412)	-37.5%
November	$454,540	$193,609	$119,705	($334,835)	-73.7%	($73,904)	-38.2%
December	$127,456	$184,079					
January	$398,040	$110,706					
February	$211,600	$96,066					
March	$131,650	$105,470					
April	$108,491	$134,764					
May	$226,812	$134,926					
June	$121,557	$165,252					
	$2,321,255	**$1,846,798**	**$697,207**	**($59,688)**	**-30.0%**	**($43,666)**	**-23.8%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($298,442)		**($218,328)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

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

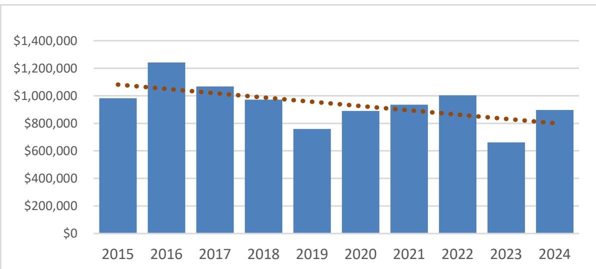
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used 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 2024: 2025 year-to-date compared to 2024 is 22.9% less, and compared to 2025 budget is 2.3% 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.

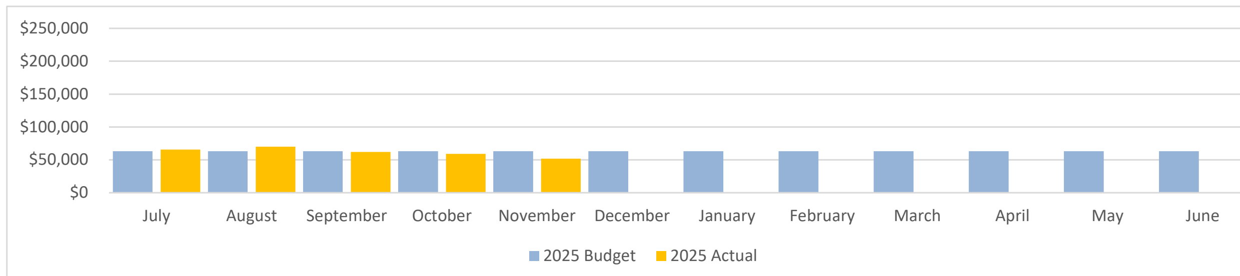
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
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%
2019	$759,873	($211,941)	-21.8%
2020	$889,427	$129,554	17.0%
2021	$935,555	$46,128	5.2%
2022	$1,003,415	$67,860	7.3%
2023	$661,526	($341,889)	-34.1%
2024	$896,506	$234,980	35.5%
Average Increase (Decrease)		**$ (13,043)**	**-1.7%**

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$129,039	$63,123	$65,661	($63,378)	-49.1%	$2,538	4.0%
August	$87,852	$63,123	$70,000	($17,852)	-20.3%	$6,877	10.9%
September	$57,733	$63,123	$61,992	$4,259	7.4%	($1,131)	-1.8%
October	$62,205	$63,123	$58,938	($3,267)	-5.3%	($4,185)	-6.6%
November	$63,253	$63,123	$51,689	($11,564)	-18.3%	($11,434)	-18.1%
December	$33,549	$63,123					
January	$99,119	$63,123					
February	$68,825	$63,123					
March	$63,104	$63,123					
April	$65,209	$63,123					
May	$78,131	$63,123					
June	$88,488	$63,123					
	$896,506	**$757,475**	**$308,280**	**($18,360)**	**-22.9%**	**($1,467)**	**-2.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($91,801)		**($7,335)**	
				Total		*Total*	

HISTORIC FRANKLIN TENNESSEE

City of Franklin

Finance Department - Monthly Reports

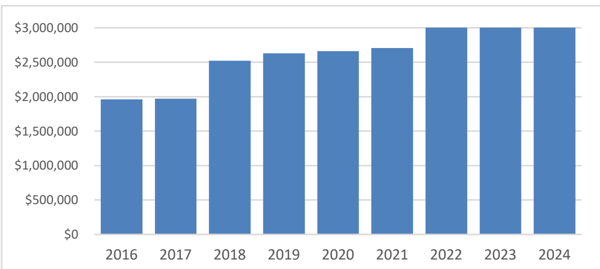
Schedule 6:	Gasoline Tax	Fund	Street Aid	Account:	121-33220-00000

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 in the next two years. The tax on diesel will increase a total of 10 cents over 3 years.

Monthly Report for January 2025: The gasoline tax remittance from the State of Tennessee for October 2024 sales (received by the City in December 2024) was $253,910 compared to $254,811 for the same month in FY 2024, a decrease of $901.

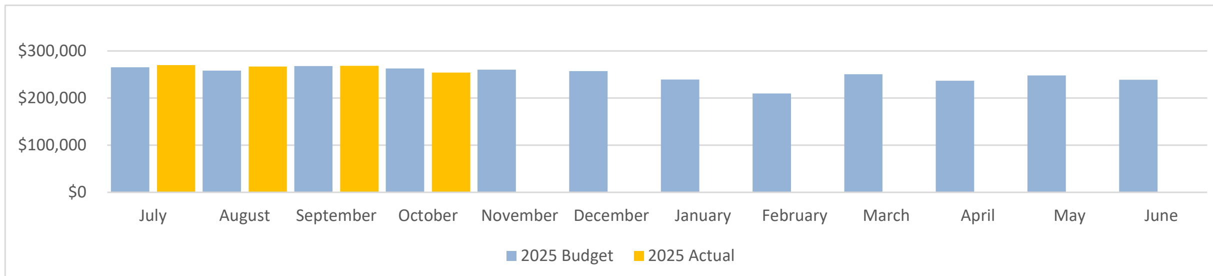
For budget comparisons, the City anticipated collections of $262,636 for October 2024, a difference of $8,726 less, or 3.3%.

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%
2019	$2,630,997	$110,494	4.4%
2020	$2,660,745	$29,748	1.1%
2021	$2,706,895	$46,150	1.7%
2022	$3,035,484	$328,589	12.1%
2023	$3,052,033	$16,550	0.5%
2024	$3,071,362	$19,330	0.6%
Average Increase (Decrease)		**$ 157,185**	**6.9%**

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$266,887	$265,181	$269,954	$3,067	1.1%	$4,773	1.8%
August	$279,261	$258,399	$266,725	($12,537)	-4.5%	$8,326	3.2%
September	$258,051	$268,004	$268,241	$10,189	3.9%	$237	0.1%
October	$254,811	$262,636	$253,910	($901)	-0.4%	($8,726)	-3.3%
November	$249,783	$260,161					
December	$261,574	$257,417					
January	$223,629	$239,259					
February	$219,789	$209,549					
March	$264,035	$250,645					
April	$257,977	$236,864					
May	$268,172	$248,271					
June	$267,391	$238,878					
	$3,071,362	**$2,995,263**	**$1,058,829**	**($45)**	**0.0%**	**$1,152**	**0.4%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($182)		**$4,609**	
				Total		*Total*	

City of Franklin

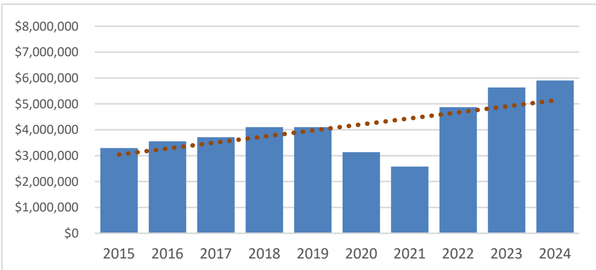
Finance Department - Monthly Reports

Schedule 7:	Hotel/Motel Tax	Fund	Hotel/Motel Fund	Account:	150-31700-00000

Summary: 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%.

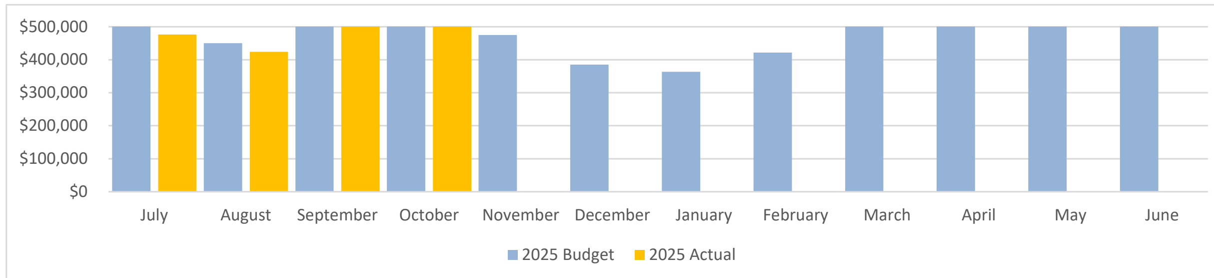
Monthly Report for January 2025: 2025 year-to-date compared to 2024 is 4.3% less, and compared to 2024 budget is less by 8.7%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2015	$3,291,019	$526,217	19.0%
2016	$3,557,971	$266,952	8.1%
2017	$3,710,589	$152,618	4.3%
2018	$4,097,695	$387,106	10.4%
2019	$4,103,235	$5,540	0.1%
2020	$3,138,814	($964,421)	-23.5%
2021	$2,575,830	($562,984)	-17.9%
2022	$4,875,687	$2,299,857	89.3%
2023	$5,638,677	$762,990	15.6%
2024	$5,907,179	$268,502	4.8%
Average Increase (Decrease)		**$ 314,238**	**11.0%**

FY25 Month by Month Summary



Month	2024 Actual	2025 Budget	2025 Actual	$ Inc./(Dec.) from 2024 Actual	% Inc./(Dec.) from 2024 Actual	$ Inc./(Dec.) from 2025 Budget	% Inc./(Dec.) from 2025 Budget
July	$527,197	$553,513	$476,384	($50,813)	-9.6%	($77,129)	-13.9%
August	$428,541	$449,968	$423,993	($4,549)	-1.1%	($25,975)	-5.8%
September	$541,658	$568,738	$508,827	($32,831)	-6.1%	($59,911)	-10.5%
October	$580,743	$607,583	$580,263	($480)	-0.1%	($27,320)	-4.5%
November	$452,482	$475,128					
December	$374,799	$385,498					
January	$338,839	$363,537					
February	$407,344	$421,680					
March	$514,688	$579,691					
April	$555,619	$594,788					
May	$555,828	$592,565					
June	$629,439	$617,408					
	$5,907,179	**$6,210,098**	**$1,989,466**	**($22,168)**	**-4.3%**	**($47,584)**	**-8.7%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($88,673)		**($190,336)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 8:	Conference Center Profit/(Loss)	Fund	Hotel/Motel	Account:	150-84910-47100

Summary: As part of Hotel/Motel, the City receives half of the profit/(loss) from the Conference Center.

Monthly Report for January 2025: The gain for November 2024 was $39,260 compared to a gain of $20,515 for the same month in 2024, an increase of $18,745.

MONTHLY - Conference Center Financials Jul 24-Jun 25

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Total
Gross Revenue	505,115	780,475	820,547	875,348	787,833								3,769,318
House Profit	23,177	159,000	226,576	271,304	159,974								840,031
Less: Fixed Expenses	39,589	39,450	39,834	41,430	42,063								202,366
Net Income	(16,412)	119,550	186,742	229,874	117,911								637,665
Less: FF&E Reserve 5%	25,256	39,090	41,027	43,701	39,392								188,466
Net Cash Flow	(41,668)	80,460	145,715	186,173	78,519								449,199
City 1/2	**(20,834)**	**40,230**	**72,858**	**93,087**	**39,260**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**224,600**

MONTHLY - Conference Center Financials Jul 23-Jun 24

	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Total
Gross Revenue	445,937	792,872	683,557	793,757	645,875	714,499	431,618	825,985	508,694	937,957	631,280	472,144	7,884,175
House Profit	22,869	237,735	167,795	233,061	111,659	106,794	(18,193)	221,065	22,291	281,121	90,712	(1,028)	1,475,881
Less: Fixed Expenses	38,887	38,711	38,663	38,398	38,335	38,725	39,100	39,144	38,927	38,838	38,625	38,559	464,912
Net Income	(16,018)	199,024	129,132	194,663	73,324	68,069	(57,293)	181,921	(16,636)	242,283	52,087	(39,587)	1,010,969
Less: FF&E Reserve 5%	22,297	39,644	34,178	39,688	32,294	355,725	21,581	41,299	25,435	46,898	31,564	23,678	714,281
Net Cash Flow	(38,315)	159,380	94,954	154,975	41,030	32,344	(78,874)	140,622	(42,071)	195,385	20,523	(63,265)	616,688
City 1/2	**(19,158)**	**79,690**	**47,477**	**77,488**	**20,515**	**16,172**	**(39,437)**	**70,311**	**(21,036)**	**97,693**	**10,262**	**(31,633)**	**308,344**

MONTHLY Differences - Conference Center Financials

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
City 1/2 Difference	**(1,677)**	**(39,460)**	**25,381**	**15,599**	**18,745**							