



City of Franklin, Tennessee

FY 2019 Operating Budget

Hotel/Motel Tax Fund

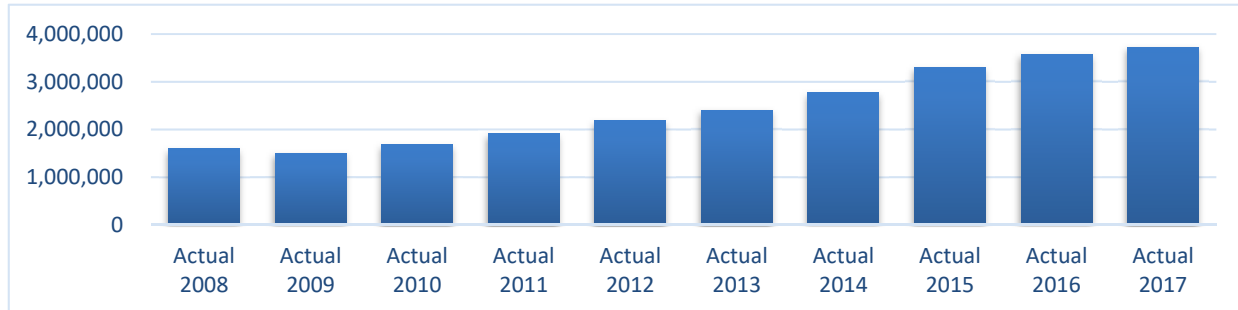
Budget Summary

	2016 Actual	2017 Actual	2018		2019 Budget	2018 v. 2019	
			Budget	Estimated		\$	%
Beginning Fund Balance	2,749,596	2,634,109	3,827,284	3,827,284	5,033,168		
Revenues	3,564,721	3,721,055	3,598,227	3,811,911	3,744,327	146,100	4.1%
Expenditures	3,680,208	2,527,880	2,787,655	2,606,027	2,332,059	-455,596	-16.3%
Ending Balance	2,634,109	3,827,284	4,637,856	5,033,168	6,445,436		

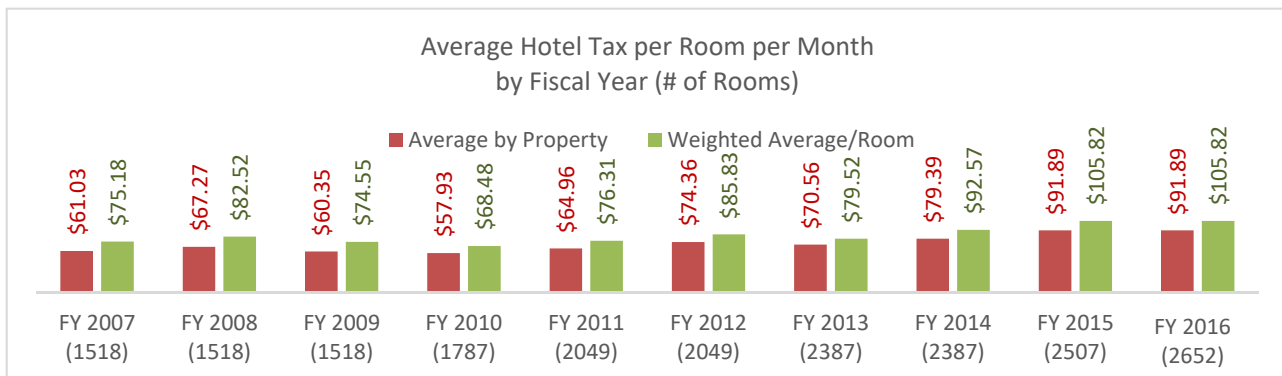
Fund Summary

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 (previously on the Cool Springs Conference Center and now 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 2017) to support the Williamson County Convention and Visitors Bureau.

Even during the recession, receipts in the hotel/motel fund largely met expectations as the chart below demonstrates.



One of the main reasons for this stability in budgeting is the continued growth in both the number of hotel rooms and the average revenue collected per room (Rev PAR), as demonstrated below.





City of Franklin, Tennessee **FY 2019 Operating Budget**

Organizational Chart

There is no organization chart associated with the Hotel/Motel Tax Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

There are no staff formally associated with the Hotel/Motel Tax Fund. It is supervised by personnel in the Finance Department.



City of Franklin, Tennessee

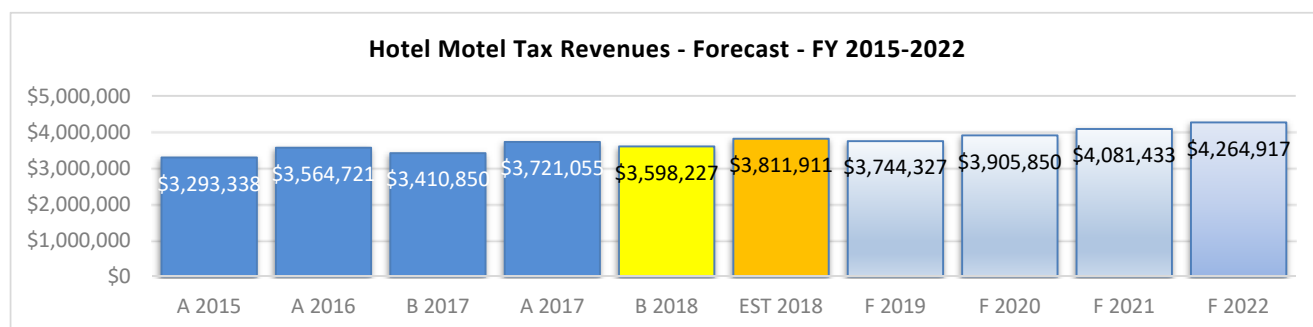
FY 2019 Operating Budget

Budget

	Actual 2016	Actual 2017	Budget 2018	Estd 2018	Budget 2019	Difference \$	%
Beginning Fund Balance	2,749,596	2,634,109	3,827,284	4,637,856	4,637,856		
Revenues							
HOTEL/MOTEL TAXES	3,557,971	3,710,589	3,594,227	3,791,911	3,733,827	139,600	3.9%
INTEREST INCOME	6,750	10,466	4,000	20,000	10,500	6,500	162.5%
CONTRIBUTIONS-OTHERS	-	-	-	-	-	-	
Total Available Funds	3,564,721	3,721,055	3,598,227	3,811,911	3,744,327	146,100	4.1%
Expenses							
WATER & SEWER SERVICE	-	-	-	-	-	-	
CONTRACTUAL SERVICES	180,172	40,994	140,000	143,750	25,000	(115,000)	-82.1%
REPAIR & MAINT. SERVICES	17,600	1,551	-	-	-	-	0.0%
OPERATING SUPPLIES	162,574	93,015	-	-	-	-	0.0%
COOL SPRINGS CONF. CENT.	(123,453)	(92,792)	-	(151,423)	-	-	0.0%
CONTRACTED SERVICES	767,131	849,271	895,557	926,602	979,813	84,256	9.4%
TRANSFER TO DEBT SERV. FUND	1,121,213	1,119,916	1,112,812	1,112,812	1,112,960	148	0.0%
TRANSFER TO CAPITAL PROJECTS	1,207,565	195,000	-	-	-	-	0.0%
LAND ACQUISITION	214,286	214,285	214,286	214,286	214,286	-	0.0%
BUILDING IMPROVEMENTS	45,128	-	195,000	195,000	-	(195,000)	-100.0%
PARKS & RECREATION FACILITIES	87,992	106,640	80,000	80,000	-	(80,000)	-100.0%
INFRASTRUCTURE	-	-	150,000	85,000	-	(150,000)	-100.0%
Total Expenditures	3,680,208	2,527,880	2,787,655	2,606,027	2,332,059	(455,596)	-16.3%
Ending Fund Balance	2,634,109	3,827,284	4,637,856	5,843,740	6,050,124		

Notes & Objectives

The Hotel-Motel Fund is forecast to grow significantly over the next several fiscal years as revenues on the whole are forecast to continue growing and expenses are steady. We believe that this trend will continue as the overall revenue per room continues to grow, hotels continue to be built, occupancy rates remain low and the region, driven by the high room rates within Nashville show no signs of abating. The chart below shows estimated revenues FY 2015-FY 2022.



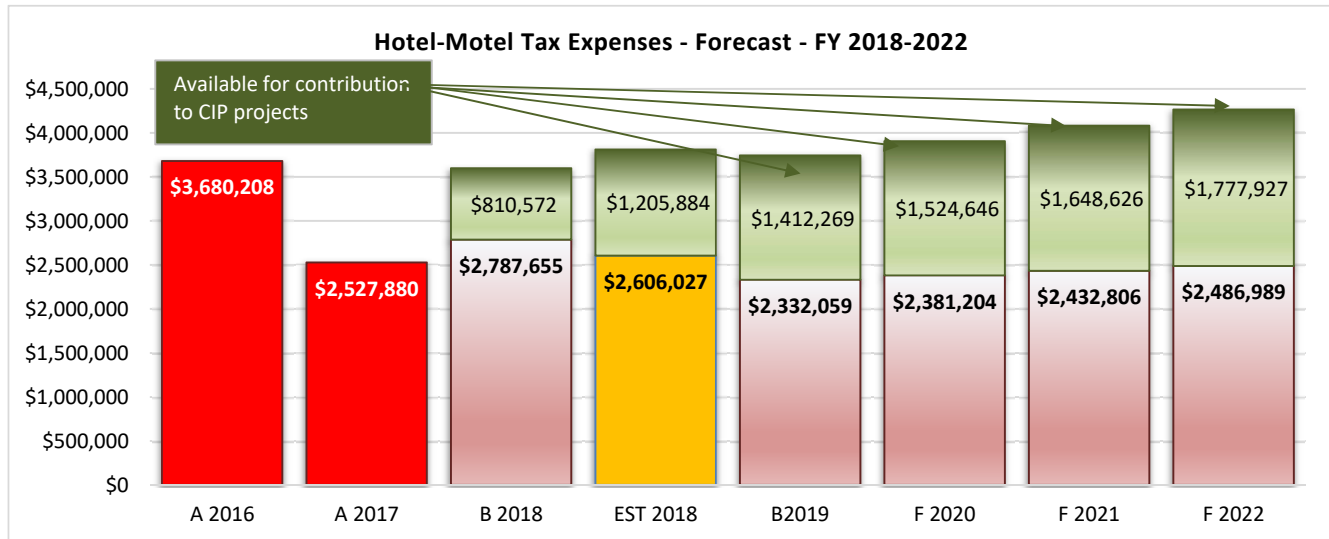


City of Franklin, Tennessee

FY 2019 Operating Budget

Budget

On the expense side, known (fixed cost) expenses in the next five years include debt service and the 1% contribution to the Williamson County Convention & Visitor's Bureau.



Given this forecast, there should be sufficient recurring revenues to continue paying for some but not necessarily all recreation and tourist capital projects proposed within the City of Franklin.



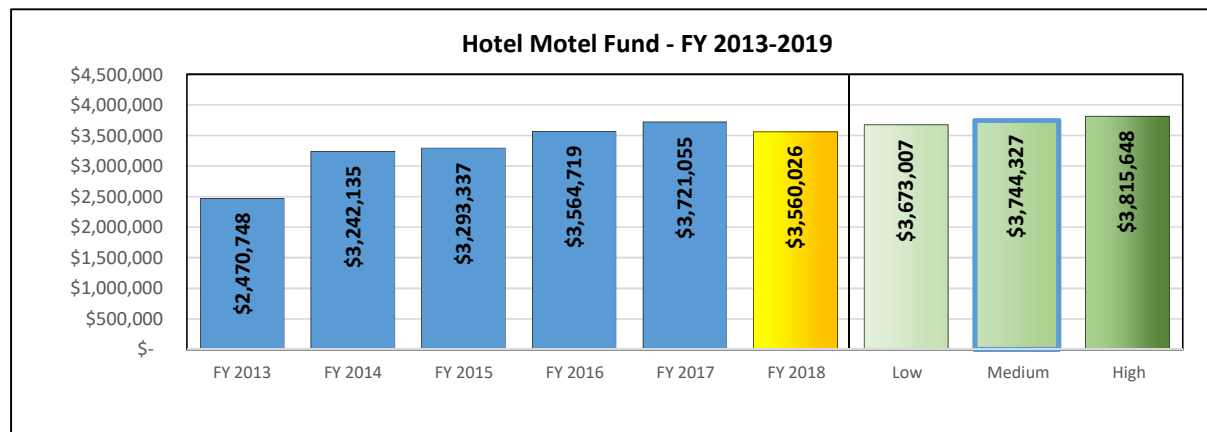
City of Franklin

Revenue Model

Fund:	Hotel Motel Fund	Percent of All Revenues	2.4%
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Hotel Motel Fund: The Hotel/Motel Fund is a special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel/Motel Tax is 4%. The fund is used to pay debt service on the Cool Springs Conference Center and the Harlinsdale and Battlefield parks. Also, the funds can be used to support projects and operations related to tourism.

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



	Actual					Budget	Forecasts (FY 2019)			Averages
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Low	Medium	High	
July	211,075	220,564	262,528	321,484	359,016	362,095	372,958	380,200	387,442	3-yr Average
August	175,021	202,941	273,788	255,448	299,477	305,417	314,580	320,688	326,796	\$ 3,526,370
September	195,057	219,382	310,183	306,676	335,101	340,487	350,702	357,511	364,321	0.3%
October	223,821	242,061	294,166	323,020	357,048	366,387	377,379	384,706	392,034	5-Yr Average
November	165,524	223,360	228,683	247,283	276,090	286,653	295,253	300,986	306,719	\$ 3,258,399
December	153,893	175,183	207,948	205,388	214,176	222,170	228,835	233,279	237,722	1.9%
January	152,698	184,875	213,640	235,170	222,664	219,274	225,852	230,238	234,623	10-Yr Average
February	185,118	214,823	231,263	266,011	255,252	241,899	249,156	253,994	258,832	\$ 2,528,516
March	244,633	274,024	321,936	348,031	341,392	310,283	319,591	325,797	332,003	4.1%
April	222,217	260,989	311,958	350,962	331,685	289,862	298,558	304,355	310,152	20-Yr Average
May	225,392	249,496	288,118	340,943	353,139	285,235	293,792	299,497	305,201	\$ 1,574,298
June	249,326	297,104	346,808	357,555	365,549	326,264	336,052	342,577	349,102	6.3%
JIM WARREN PARK TREE GRANT	60,000	-	-	-	-	-	-	-	-	
EASTERN FLANK LOOP GRANT	-	476,000	-	-	-	-	-	-	-	
INTEREST INCOME	6,973	1,333	2,318	6,750	10,466	4,000	10,300	10,500	10,700	
Totals	\$ 2,470,748	\$ 3,242,135	\$ 3,293,337	\$ 3,564,719	\$ 3,721,055	\$ 3,560,026	\$ 3,673,007	\$ 3,744,327	\$ 3,815,648	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2017 & Estimates from Finance & Revenue Management Departments.

	Account	Label	Actual 2016	Actual 2017	Budget 2018	YTD@3/29/2018	Estd 2018	Budget 2019	Forecast 2020	Forecast 2021
		Operations								
	82310	LEGAL NOTICES								
	82415	ELECTRIC SERVICE - STREETLIGHTS								
	82530	AUDIT SERVICES			15,000	18,750	18,750			
	82540	ENGINEERING SERVICES	44,639	814						
+	82560	CONSULTANT SERVICES	47,748	27,735	25,000		25,000	25,000	25,000	25,000
	1	FSSD - Design for shared facilities & land								
	10	FY 2018 - Bike-Sharing Program			25,000		25,000	25,000	25,000	25,000
	2	New Development Master Planning for Parkland Dedication								
	3	Historic Hayes Home (MP&E's)								
	4	Franklin Road Turning Lane Entrance Design for North Entrance of HF								
	5	Harlinsdale Restroom Redesign								
	6	Comprehensive Park Master Plan & Needs Assessment	47,748							
	7	Harpeth River Walk from Pinkerton to Lewisburg Pike Area								
	8	Friends of Franklin, LLC								
	9	Line Item 9		27,735						
	*	Amount missing from detail								
!	82599	OTHER CONTRACTUAL SERVICES	87,785	12,445	100,000	10,542	100,000			
=	XCTS	TOTAL CONTRACTUAL SERVICES	180,172	40,994	140,000	29,292	143,750	25,000	25,000	25,000
	82643	SIGN MAINTENANCE SERVICES								
	82650	PARK & FIELD MAINTENANCE SERVICES	17,600	1,496						
	82660	BUILDING REPAIR & MAINTENANCE SERVICES		55						
=	XRMSV	TOTAL REPAIR & MAINTENANCE SERVICES	17,600	1,551						
	83230	PARKS SUPPLIES	162,574	39,450						
	83290	SOLID WASTE CONTAINERS		46,364						
=	XOPS	TOTAL OPERATING SUPPLIES	162,574	85,814						
	83650	PARK & FIELD MAINTENANCE SUPPLIES		7,200						
	84910	COOL SPRINGS CONFERENCE CENTER OPERATIONS	(123,453)	(92,792)		(113,567)	(151,423)			
=	XOPU	TOTAL OPERATIONAL UNITS	(123,453)	(85,592)		(113,567)	(151,423)			
	85340	RECORDING & FILING FEES								
!	87110	CONTRACTED SERVICES	767,131	849,271	895,557	694,952	926,602	979,813	1,028,804	1,080,244
+	87130	APPROPRIATIONS TO CIVIC ORGANIZATIONS								
	1	Civil War Trust								
	*	Amount missing from detail								
=	XAPP	TOTAL APPROPRIATIONS	767,131	849,271	895,557	694,952	926,602	979,813	1,028,804	1,080,244
	88095	TRANSFER TO DEBT SERVICE FUND	1,121,213	1,119,916	1,112,812	361,107	1,112,812	1,112,960	1,113,114	1,113,276
	88100	TRANSFER TO CAPITAL IMPROVEMENT BONDS	1,207,565	195,000						
=	XTRAN	TOTAL TRANSFERS	2,328,778	1,314,916	1,112,812	361,107	1,112,812	1,112,960	1,113,114	1,113,276
=	XOP	TOTAL OPERATIONS	3,332,802	2,206,954	2,148,369	971,784	2,031,741	2,117,773	2,166,918	2,218,520
		Capital								
	89110	LAND ACQUIRED	214,286	428,571	214,286	214,286	214,286	214,286	214,286	214,286
	89120	EASEMENTS ACQUIRED		(214,286)						
=	XLAND	TOTAL LAND	214,286	214,285	214,286	214,286	214,286	214,286	214,286	214,286
+	89230	BUILDING IMPROVEMENTS	45,128		195,000		195,000			
	01	Historic Hayes Home MP&E's Construction								

2019 Budget - 15047100 HOTEL/MOTEL TAX
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	Account	Label	Actual 2016	Actual 2017	Budget 2018	YTD@3/29/2018	Estd 2018	Budget 2019	Forecast 2020	Forecast 2021
	02	Harlinsdale Farm Barn Restoration (Offices '15 & Restrooms '16)	45,128							
	03	Historic Hayes Home Exterior Restoration								
	04	Bicentennial Park Pavilion Structure								
	05	EFBP Facility - Kitchen Renovation Project								
	06	Concession Stand - Pavilion at Jim Warren Park								
	07	Enclosed Pavilion at Jim Warren Park								
	08	Harlinsdale Farm Restroom Construction								
	09	Various								
	10	Friends of Franklin, LLC								
	11	3rd Avenue Bicentennial Walkway								
	12	4th Ave Garage Vehicle Counting Control System								
	13	Parking Garage Cameras 2nd and 4th avenues								
	14	Hillsboro Road Phase II Contributions			195,000		195,000			
	*	Amount missing from detail								
=	XBLDG	TOTAL BUILDINGS	45,128		195,000		195,000			
+	89310	PARKS & RECREATION FACILITIES	87,992	106,640	80,000		80,000			
	02	Various								
	03	EFBP Fencing Project Along Lewisburg Pike								
	04	New Scoreboards for Fieldstone Park								
	05	Fort Granger New Entrance: Fencing, Signage & Gravel Parking								
	06	Fort Granger Boardwalk & Bridge								
	07	Harlinsdale Farm Park Main Entrance Road Resurfacing Project								
	08	Eastern Flank Battlefield Trail Removal & Installation								
	09	Eastern Flank Battlefield Outdoor Event Area								
	10	Harlinsdale Farm Park North Entrance Road Paving Project								
	11	Placement of Civil War Artillery Carriages								
	12	Eastern Flank Battlefield Access Improvements								
	13	2016 - Carter Hill Park Improvements		5,252						
	14	3 Plank Fencing for HF along Franklin Rd & Main Entrance								
!	15	2016 - Eastern Flank Rock Wall Completion	7,189							
	16	2016 - Bicentennial Park Pavilion & Environmental (\$638,200 over 3 years)	80,803	101,388						
	17	2016 - Carter's Hill Park Acquisition (\$1.5M Over 7 years)								
	18	Fleming Parking Lot Lighting								
	19	Tennis Courts			80,000		80,000			
	*	Amount missing from detail								
=	XIMPR	TOTAL IMPROVEMENTS	87,992	106,640	80,000		80,000			
!	89420	STREETS			150,000		85,000			
	89440	GATEWAY ENHANCEMENT & STREETSCAPE								
=	XINFR	TOTAL INFRASTRUCTURE			150,000		85,000			
	89530	MACHINERY & EQUIPMENT (>\$25,000)				9,210				
=	XMEO	TOTAL MACHINERY & EQUIPMENT (>\$10,000)				9,210				
=	XCAP	TOTAL CAPITAL	347,406	320,925	639,286	223,496	574,286	214,286	214,286	214,286
=	XTOT	TOTAL EXPENDITURES	3,680,208	2,527,879	2,787,655	1,195,280	2,606,027	2,332,059	2,381,204	2,432,806