



# City of Franklin Strategic Planning PFM's Peer Analysis

November 25, 2014

Prepared by  
Public Financial Management, Inc.



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**F R A N K L I N**  
TENNESSEE



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# Introduction



- Moody's Municipal Financial Ratio Analysis (MFRA) is a comprehensive database of standardized and comparable financial data and operating credit statistics.
- PFM has a subscription to Moody's MFRA database.
- The Moody's MFRA data for Franklin is as of June 30, 2013.
- Primarily, PFM used Moody's MFRA database to create a standardized comparable analysis of Franklin to other triple-A rated cities. Unless otherwise noted, All data used in this analysis comes from Moody's MFRA database.

# Aaa Rated Local Governments:

## All Aaa Rated (Moody's) Cities



Acton, MA	Charlottesville, VA	Hudson, OH	New Castle Town, NY	Skokie, IL
Alexandria, VA	Chatham Borough, NJ	Huntersville, NC	Newport Beach, CA	South Portland, ME
Alpharetta, GA	Chesterfield, MO	Huntington Town, NY	Newton, MA	St Louis Park, MN
Alpine Borough, NJ	Collierville (Town of), TN	Huntsville, AL	North Castle Town, NY	Strongsville, OH
Anderson Township, OH	Columbus, OH	Indianapolis, IN	Northbrook, IL	Summit, NJ
Apple Valley, MN	Concord, MA	Iowa City, IA	Norwalk City, CT	Sunnyvale, CA
Austin, TX	Coppell, TX	Irving, TX	Oklahoma City, OK	Tredyffrin Township, PA
Avon Town, CT	Coronado, CA	Jupiter, FL	Orono, MN	Troy, MI
Beachwood, OH	Danville, CA	Kenilworth, IL	Overland Park, KS	Upper Arlington, OH
Bedford Town, NH	Darien Town, CT	Kings Point Village, NY	Palm Beach Gardens, FL	Upper Merion Township, PA
Bedford Town, NY	Deerfield, IL	Lake Bluff, IL	Palo Alto, CA	Upper Saddle River Borough, NJ
Bedminster Township, NJ	Denver, CO	Lake Forest, IL	Paradise Valley, AZ	Vernon Hills, IL
Bellevue, WA	Dover, MA	Lake Oswego, OR	Pepper Pike, OH	Vienna, VA
Belmont, MA	Dublin, OH	Lake Success Village, NY	Pittsford Town, NY	Virginia Beach, VA
Bernards Township, NJ	Durham, NC	Larchmont Village, NY	Plano, TX	Wallingford Town, CT
Bernardsville Borough, NJ	Eagan, MN	Leawood, KS	Plymouth, MN	Washington Township, OH
Beverly Hills, CA	Easton Town, CT	Lenexa, KS	Portland, OR	Wauwatosa, WI
Birmingham, MI	Eden Prairie, MN	Lexington, MA	Prairie Village, KS	Wayland, MA
Bloomfield Township, MI	Edina, MN	Lincoln, NE	Princeton Township, NJ	Wayne Township, NJ
Bloomington, MN	Fairfax, VA	Lower Gwynedd Township, PA	Raleigh, NC	Wellesley, MA
Boca Raton, FL	Fairfield Town, CT	Lower Merion Township, PA	Richardson, TX	West Chester Township, OH
Boston, MA	Farmington Town, CT	Madison Town, CT	Ridgefield Town, CT	West Des Moines, IA
Boulder, CO	Florham Park Borough, NJ	Madison, WI	Rochester, MN	West Hartford Town, CT
Bowie, MD	Fort Collins, CO	Mahwah Township, NJ	Rockville, MD	Westerville, OH
Brecksville, OH	Franklin Lakes Borough, NJ	Manhattan Beach, CA	Roseville, MN	Westlake, OH
Brentwood, TN	Franklin, TN	Maple Grove, MN	Roswell, GA	Weston Town, CT
Bronxville Village, NY	Garden City Village, NY	Marco Island, FL	Rumson Borough, NJ	Weston, FL
Brookfield, WI	Germantown, TN	Mason, OH	Rye City, NY	Weston, MA
Brookline, MA	Glastonbury Town, CT	Mendham Township, NJ	Salt Lake City, UT	Westport Town, CT
Buffalo Grove, IL	Glenview, IL	Menlo Park, CA	San Antonio, TX	Wheaton, IL
Burnsville, MN	Greenburgh Town, NY	Minnetonka, MN	Sands Point Village, NY	Whitpain Township, PA
Cambridge, MA	Greensboro, NC	Mission Hills, KS	Santa Monica, CA	Wilmette, IL
Cary, NC	Greenwich Town, CT	Montgomery, OH	Saratoga, CA	Wilton Town, CT
Champaign, IL	Harding Township, NJ	Morris Township, NJ	Scarsdale Village, NY	Winchester, MA
Chandler, AZ	Herndon, VA	Mountain Brook, AL	Schaumburg, IL	Winnetka, IL
Chapel Hill, NC	Highland Park, IL	Naperville, IL	Scottsdale, AZ	Winston-Salem, NC
Charleston, SC	Hilton Head Island, SC	New Berlin, WI	Seattle, WA	Woodbridge Town, CT
Charlotte, NC	Hingham, MA	New Canaan Town, CT	Simsbury Town, CT	Woodbury, MN

**Total 190 Cities  
Source: Moody's**

# Peer Analysis of 10 Identified Cities

Of the 192 Aaa rated cities, PFM researched 10 cities (**inclusive** of the 2 other TN Aaa credits) to determine the most comparable to Franklin, Tennessee. The following criteria is included in our research:

- Location to Metropolitan City
- Total General Fund Revenues
- Overall Net Debt Outstanding
- Direct Net Debt Per Capita
- Average Annual Tax Increase
- Top Ten Tax Payers as % of Total
- 2012 Estimated Population
- Percent Change in Population from 2010 to 2012
- 2012 Estimated Per Capita Income
- 2012 Estimated Median Home Value
- Debt Service - % of Operating Expenditures
- Total Current Assets
- Sales Tax Rate
- Property Tax Rate



# PFM surveyed 8 Cities OUTSIDE of TN to begin the peer analysis (noted in red font below):



Acton, MA	Charlottesville, VA	Hudson, OH	New Castle Town, NY	Skokie, IL
Alexandria, VA	Chatham Borough, NJ	<b>Huntersville, NC</b>	Newport Beach, CA	South Portland, ME
Alpharetta, GA	Chesterfield, MO	Huntington Town, NY	Newton, MA	St Louis Park, MN
Alpine Borough, NJ	Collierville (Town of), TN	Huntsville, AL	North Castle Town, NY	Strongsville, OH
Anderson Township, OH	Columbus, OH	Indianapolis, IN	Northbrook, IL	Summit, NJ
Apple Valley, MN	Concord, MA	Iowa City, IA	Norwalk City, CT	Sunnyvale, CA
Austin, TX	Coppell, TX	Irving, TX	Oklahoma City, OK	Tredyffrin Township, PA
Avon Town, CT	Coronado, CA	Jupiter, FL	Orono, MN	Troy, MI
Beachwood, OH	Danville, CA	Kenilworth, IL	Overland Park, KS	Upper Arlington, OH
Bedford Town, NH	Darien Town, CT	Kings Point Village, NY	Palm Beach Gardens, FL	Upper Merion Township, PA
Bedford Town, NY	Deerfield, IL	Lake Bluff, IL	Palo Alto, CA	Upper Saddle River Borough, NJ
Bedminster Township, NJ	Denver, CO	Lake Forest, IL	Paradise Valley, AZ	Vernon Hills, IL
Bellevue, WA	Dover, MA	Lake Oswego, OR	Pepper Pike, OH	Vienna, VA
Belmont, MA	Dublin, OH	Lake Success Village, NY	Pittsford Town, NY	Virginia Beach, VA
Bernards Township, NJ	Durham, NC	Larchmont Village, NY	Plano, TX	Wallingford Town, CT
Bernardsville Borough, NJ	Eagan, MN	Leawood, KS	Plymouth, MN	Washington Township, OH
Beverly Hills, CA	Easton Town, CT	Lenexa, KS	Portland, OR	Wauwatosa, WI
Birmingham, MI	Eden Prairie, MN	Lexington, MA	Prairie Village, KS	Wayland, MA
Bloomfield Township, MI	Edina, MN	Lincoln, NE	Princeton Township, NJ	Wayne Township, NJ
Bloomington, MN	Fairfax, VA	Lower Gwynedd Township, PA	Raleigh, NC	Wellesley, MA
Boca Raton, FL	Fairfield Town, CT	Lower Merion Township, PA	Richardson, TX	West Chester Township, OH
Boston, MA	Farmington Town, CT	Madison Town, CT	Ridgefield Town, CT	West Des Moines, IA
Boulder, CO	Florham Park Borough, NJ	Madison, WI	Rochester, MN	West Hartford Town, CT
Bowie, MD	Fort Collins, CO	Mahwah Township, NJ	<b>Rockville, MD</b>	Westerville, OH
Brecksville, OH	Franklin Lakes Borough, NJ	Manhattan Beach, CA	Roseville, MN	Westlake, OH
<b>Brentwood, TN</b>	<b>Franklin, TN</b>	<b>Maple Grove, MN</b>	Roswell, GA	Weston Town, CT
Bronxville Village, NY	Garden City Village, NY	Marco Island, FL	Rumson Borough, NJ	<b>Weston, FL</b>
Brookfield, WI	<b>Germantown, TN</b>	<b>Mason, OH</b>	Rye City, NY	Weston, MA
Brookline, MA	Glastonbury Town, CT	Mendham Township, NJ	Salt Lake City, UT	Westport Town, CT
Buffalo Grove, IL	Glenview, IL	Menlo Park, CA	San Antonio, TX	Wheaton, IL
Burnsville, MN	Greenburgh Town, NY	Minnetonka, MN	Sands Point Village, NY	Whitpain Township, PA
Cambridge, MA	Greensboro, NC	Mission Hills, KS	Santa Monica, CA	Wilmette, IL
<b>Cary, NC</b>	Greenwich Town, CT	Montgomery, OH	Saratoga, CA	Wilton Town, CT
Champaign, IL	Harding Township, NJ	Morris Township, NJ	Scarsdale Village, NY	Winchester, MA
<b>Chandler, AZ</b>	Herndon, VA	Mountain Brook, AL	Schaumburg, IL	Winnetka, IL
Chapel Hill, NC	Highland Park, IL	Naperville, IL	Scottsdale, AZ	Winston-Salem, NC
Charleston, SC	Hilton Head Island, SC	New Berlin, WI	Seattle, WA	Woodbridge Town, CT
Charlotte, NC	Hingham, MA	New Canaan Town, CT	Simsbury Town, CT	<b>Woodbury, MN</b>

Source: Moody's

# Additional Comparable Cities

- Additionally, the City requested the following cities to be added to the analysis:

- \* Bellevue, WA
- \* Broomfield, CO
- \* Carmel, IN
- \* *Cary, NC (included in PFM's selection)*
- \* Castle Rock, CO
- \* Dublin, OH
- \* Eden Prairie, MN
- \* Issaquah, WA
- \* Kirkland, WA
- \* Natick, MA
- \* Olathe, KS
- \* Overland Park, KS
- \* Pearland, TX
- \* Redmond, WA
- \* Rock Hill, SC
- \* *Woodbury, MN (included in PFM's selection)*

# PFM Selected Aaa Cities

Within 50 miles of Metropolitan City																																			
		Total General Fund Revenues (\$ million) <sup>3</sup>				Overall Net Debt Outstanding (\$ million) <sup>2</sup>				Direct Net Debt Per Capita (\$) <sup>2</sup>				Average Annual Collected Property tax Increase/decrease (%) <sup>3</sup>		Top Ten Tax Payers as % of Total (%) <sup>3</sup>		2012 Estimated Population <sup>1</sup>		Percent Change in Population from 2010 to 2012 (%)		2012 Estimated Per Capita Income (\$) <sup>1</sup>		2012 Estimated Median Home Value (\$) <sup>1</sup>		Debt Service - % of Operating Expend. (%) <sup>2</sup>		Total Current Assets (\$ million) <sup>2</sup>		Sales Tax Rate (%) <sup>4</sup>		Property Tax (per/\$100) <sup>3</sup>		Notes	
City	Metropolitan City	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011	2010	2009	2012	2011	2010	2009		
Franklin, TN	Nashville	52,677	315,501	1,452	4.19	8.33	63,117	1.01	38,342	309,400	17.90	72,495	9.25	0.38	info from 2013 CAFR																				
Brentwood, TN	Nashville	66,918	160,514	737	-3.74	9.96	39,012	5.27	56,559	489,700	10.00	69,314	9.25	0.44	info from 2013 CAFR																				
Cary, NC	Raleigh	259,500	369,300	912	4.43	4.80	145,693	7.73	42,332	302,500	9.04	106,841	6.75	0.33	info from 2013 CAFR																				
Chandler, AZ	Phoenix	195,520	525,779	1,172	N/A	N/A	239,538	1.45	30,388	232,900	17.20	362,628	7.80	N/A	info from 2013 CAFR																				
Germantown, TN	Memphis	39,426	134,547	576	1.96	4.66	38,844	-5.28	50,429	286,100	8.70	59,897	9.75	1.485	info from 2013 CAFR																				
Huntersville, NC	Charlotte	34,917	125,459	793	N/A	7.44	49,344	5.50	38,556	247,200	8.80	45,647	7.25	0.28	info from 2013 CAFR																				
Maple Grove, MN	Minneapolis	34,782	257,969	2,448	-13.85	11.10	64,420	4.63	42,956	249,300	27.80	305,784	7.28	0.00	info from 2013 CAFR																				
Mason, OH	Cincinnati	33,531	127,324	1,782	-0.91	7.80	31,039	1.06	40,918	222,300	10.90	76,972	6.75	6.72	info from 2013 CAFR																				
Rockville, MD	District of Columbia	101,205	314,264	1,264	3.54	8.01	63,244	3.32	50,160	481,700	15.30	46,733	6.00	0.29	info from 2013 CAFR																				
Weston, FL	Miami	36,686	131,236	182	3.47	5.72	65,448	5.83	41,941	390,700	1.20	109,411	6.00	2.00	info from 2013 CAFR																				
Woodbury, MN	Minneapolis	75,002	329,816	974	6.20	9.16	64,496	4.09	42,050	271,200	19.50	152,080	7.13	N/A	info from 2012 CAFR																				

1 Source: factfinder2.census.gov  
2 Source: Moody's Investors Service  
3 Source: Individual CAFRs  
4 Source: sales-tax.com

# Additional Cities Selected by The City

## Within 50 miles of Metropolitan City

### Total General Fund Revenues (\$ million)<sup>3</sup>

### Overall Net Debt Outstanding (\$ million)<sup>2</sup>

### Direct Net Debt Per Capita (\$)<sup>2</sup>

### Average Annual Collected Property tax Increase/decrease (%)<sup>3</sup>

### Top Ten Tax Payers as % of Total (%)<sup>3</sup>

### 2012 Estimated Population<sup>1</sup>

### Percent Change in Population from 2010 to 2012 (%)

### 2012 Estimated Per Capita Income (\$)<sup>1</sup>

### 2012 Estimated Median Home Value (\$)<sup>1</sup>

### Debt Service - % of Operating Expend. (%)<sup>2</sup>

### Total Current Assets (\$ million)<sup>2</sup>

### Sales Tax Rate (%)<sup>4</sup>

### Property Tax (per/\$100)<sup>3</sup>

### Notes

1 Source: factfinder2.census.gov  
2 Source: Moody's Investors Service  
3 Source: Individual CAFRs  
4 Source: sales-tax.com

Franklin, TN	Nashville	52,677	315,501	1,452	4.19	8.33	63,117	1.01	38,342	309,400	17.90	72,495	9.25	0.38	info from 2013 CAFR
Bellevue, WA	Seattle	171,886	892,076	1585	-1.10	7.57	124,600	1.83	55,136	541,600	0.00	182,963	9.50	1.18	info from 2013 CAFR
Broomfield, CO	Denver	26,808	664,116	3620	0.00	18.02	58,799	3.03	36,783	274,900	0.00	178,882	8.15	2.90	info from 2013 CAFR
Carmel, IN	Indianapolis	2,455	639,514	5,108	N/A	N/A	80,060	1.10	52,068	293,600	29.90	N/A	7.00	1.00	info from 2012 Audit
Castle Rock, CO	Denver	22,858	306,744	799	1.23	38.63	51,573	7.11	47,147	275,900	0.05	66,229	7.90	4.00	info from 2013 CAFR
Dublin, OH	Columbus	62,404	201,272	1,641	-0.04	7.78	43,103	3.24	49,939	330,300	10.09	654,156	7.50	2.95	info from 2012 CAFR
Eden Prairie, MN	Minneapolis	41,796	185,871	791	-0.29	11.60	62,004	-1.08	48,999	311,800	10.30	82,971	7.28	1.46	info from 2013 CAFR
Issaquah, WA	Seattle	34,774	32,135	1,035	N/A	N/A	30,690	0.84	47,949	444,900	10.00	35,910	9.50	N/A	info from 2012 CAFR



# Additional Cities Selected by The City

## Within 50 miles of Metropolitan City

Total General Fund Revenues (\$ million)<sup>3</sup>

Overall Net Debt Outstanding (\$ million)<sup>2</sup>

Direct Net Debt Per Capita (\$)<sup>2</sup>

Average Annual Collected Property tax Increase/decrease (%)<sup>3</sup>

Top Ten Tax Payers as % of Total (%)<sup>3</sup>

2012 Estimated Population<sup>1</sup>

Percent Change in Population from 2010 to 2012 (%)

2012 Estimated Per Capita Income (\$)<sup>1</sup>

2012 Estimated Median Home Value (\$)<sup>1</sup>

Debt Service - % of Operating Expend. (%)<sup>2</sup>

Total Current Assets (\$ million)<sup>2</sup>

Sales Tax Rate (%)<sup>4</sup>

Property Tax (per/\$100)<sup>3</sup>

Notes

1 Source: factfinder2.census.gov  
2 Source: Moody's Investors Service  
3 Source: Individual CAFRs  
4 Source: sales-tax.com

Franklin, TN	Nashville	52,677	315,501	1,452	4.19	8.33	63,117	1.01	38,342	309,400	17.90	72,495	9.25	0.38	info from 2013 CAFR
Kirkland, WA	Seattle	90,098	346,215	542	2.76	4.37	81,480	67.01	51,229	464,200	5.10	118,263	9.50	1.87	info from 2013 CAFR
Natick, MA	Boston	123,880	81,181	2,460	N/A	N/A	33,071	0.20	49,792	429,200	8.40	70,487	6.25	N/A	info from 2013 Audit
Olathe, KS	Kansas City	74,549	541,247	1,826	0.00	5.39	128,563	1.90	56,550	194,600	31.70	213,819	8.88	1.00	info from 2013 CAFR
Overland Park, KS	Kansas City	132,728	578,710	840	20.51	5.90	179,236	2.48	55,296	224,300	23.70	130,349	8.50	11.87	info from 2013 CAFR
Pearland, TX	Houston	52,617	896,581	3,588	0.16	5.61	99,800	6.06	32,196	179,000	29.50	92,526	8.25	0.71	info from 2013 CAFR
Redmond, WA	Seattle	83,866	350,897	1,202	1.79	25.54	55,360	3.13	60,090	456,500	7.40	102,605	9.50	1.73	info from 2013 CAFR
Rock Hill, SC	Charlotte	54,472	153,954	948	-0.48	10.22	67,423	-2.58	21,954	134,000	8.90	27,565	7.00	9.35	info from 2013 CAFR

# Rating Report Comments from PFM Comparable Cities

- Strong financial position with historical operating surpluses with significant reserves.
- Cities maintain formal policies requiring the maintenance of a working reserve.
- Large pay-go capital financing plan results in manageable debt position.
- Debt burden remains very manageable given the rapid amortization schedule already in place.
- Along with a reserve policy, cities' management have formal policies to guide budget practices, investment, capital spending, debt management and economic development and long-term financing planning and forecasting.
- Large/Growing/Diverse tax base with strong socio-economic indices