



City of Franklin, Tennessee
FY 2018 Operating Budget Request

Other (Development /Growth) Funds

City Facilities Tax
Road Impact Fund
Hotel Motel Tax Fund
In Lieu of Parkland Fund



City of Franklin, Tennessee - FY 2018 Budget Request Development/Growth Funds

Outline

- City Facilities Tax
- Road Impact Fund
- Hotel/Motel Tax Fund
- In Lieu of Parkland Fund



City of Franklin, Tennessee - FY 2018 Budget Request

City Facilities Tax Fund

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. Such taxes may be expended only upon police, fire, sanitation, and parks and recreation expenditures. Such expenses 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 2018 Budget Request

Facilities Tax Fund

Budget Summary

	2015 Actual	2016 Actual	2017		2018 Budget	2017 v. 2018	
			Budget	Estimated		\$	%
Beginning Fund Balance	6,253,611	6,717,764	6,976,276	6,976,276	9,247,325		
Revenues	2,482,412	4,886,088	2,910,000	3,773,362	3,852,692	942,692	32.4%
Expenditures	2,018,259	4,627,576	4,274,789	1,502,313	2,829,100	-1,445,689	-33.8%
Ending Balance	6,717,764	6,976,276	5,611,487	9,247,325	10,270,917		

Revenues: \$3,852,692 forecast; highly dependent upon what is built and when.

Expenses: \$2,829,100 forecast; only costs pertaining to Station 7 & currently. More to be added from Program Enhancements.



City of Franklin, Tennessee - FY 2018 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.



City of Franklin, Tennessee - FY 2018 Budget Request

Road Impact Fund

Budget Request:

Budget Summary

	2015 Actual	2016 Actual	2017 Budget Estimated		2018 Budget	2017 v. 2018 \$ %	
Beginning Fund Balance	-	397,976	5,019,848	5,019,848	4,628,758		
Revenues	3,358,555	7,595,878	6,811,334	6,764,937	8,508,560	1,697,226	24.9%
Expenditures	2,960,579	2,974,006	8,375,140	7,156,027	7,793,080	-582,060	-6.9%
Ending Balance	397,976	5,019,848	3,456,042	4,628,758	5,344,238		

Revenues within the Road Impact fund are completely dependent upon the timing of development activity. Expenses shown reflect only amount needed for debt service payments, Phase I CIP projects and potential reimbursements to developers for approved road construction by the City Engineer. *It does NOT assume any change to the Road Impact Fee structure at this time.*

This budget maybe amended as Fiscal Year 2018 progresses.



City of Franklin, Tennessee - FY 2018 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%. 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 2018 Budget Request

Hotel Motel Tax Fund

Base Budget Request:

Budget Summary

	2015	2016	2017		2018	2017 v. 2018	
	Actual	Actual	Budget	Estimated	Budget	\$	%
Beginning Fund Balance	1,971,048	2,774,649	2,659,162	2,659,162	2,523,779		
Revenues	3,293,338	3,564,721	3,410,850	3,428,418	3,598,227	187,377	5.5%
Expenditures	2,489,737	3,680,208	2,797,432	2,629,985	2,417,655	-379,777	-13.6%
Ending Balance	2,774,649	2,659,162	3,272,580	3,457,595	3,704,351		

The Hotel-Motel Fund is forecast to continue its healthy growth over the next several fiscal years as revenues on the whole are forecast to continue growing and expenses are steady.

Expenses include 1% for Williamson Co. CVB & Fixed Debt Service payments.

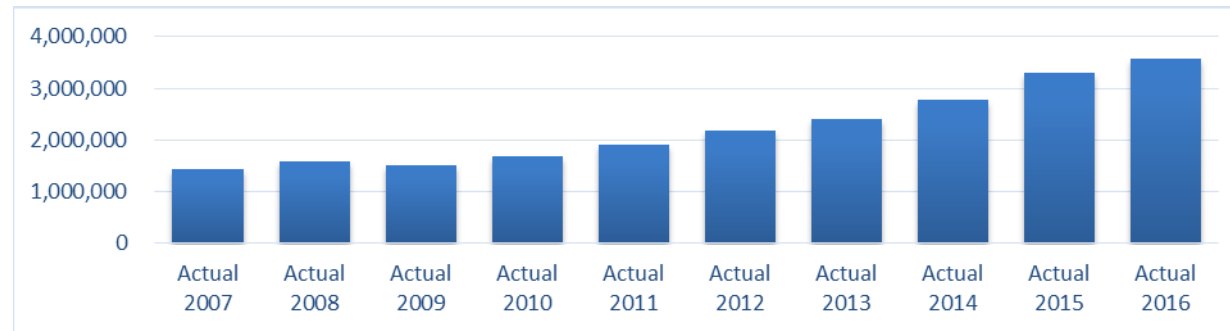


City of Franklin, Tennessee - FY 2018 Budget Request

Hotel Motel Tax Fund

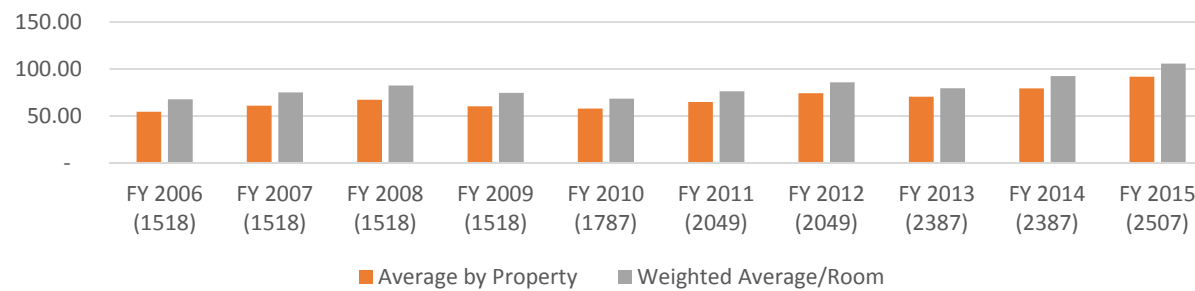
Forecast:

Despite the recent economy, receipts in the hotel/motel fund have largely met expectations.



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).

Average Hotel Tax per Room per Month
by Fiscal Year (# of Rooms)



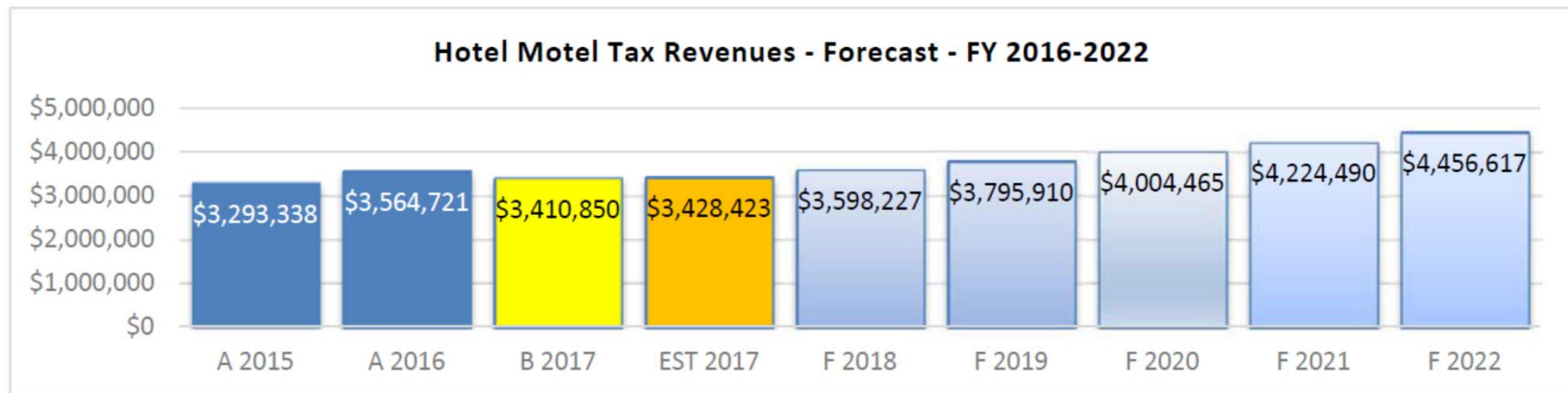


City of Franklin, Tennessee - FY 2018 Budget Request

Hotel Motel Tax Fund

Forecast:

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 2016-FY 2022.



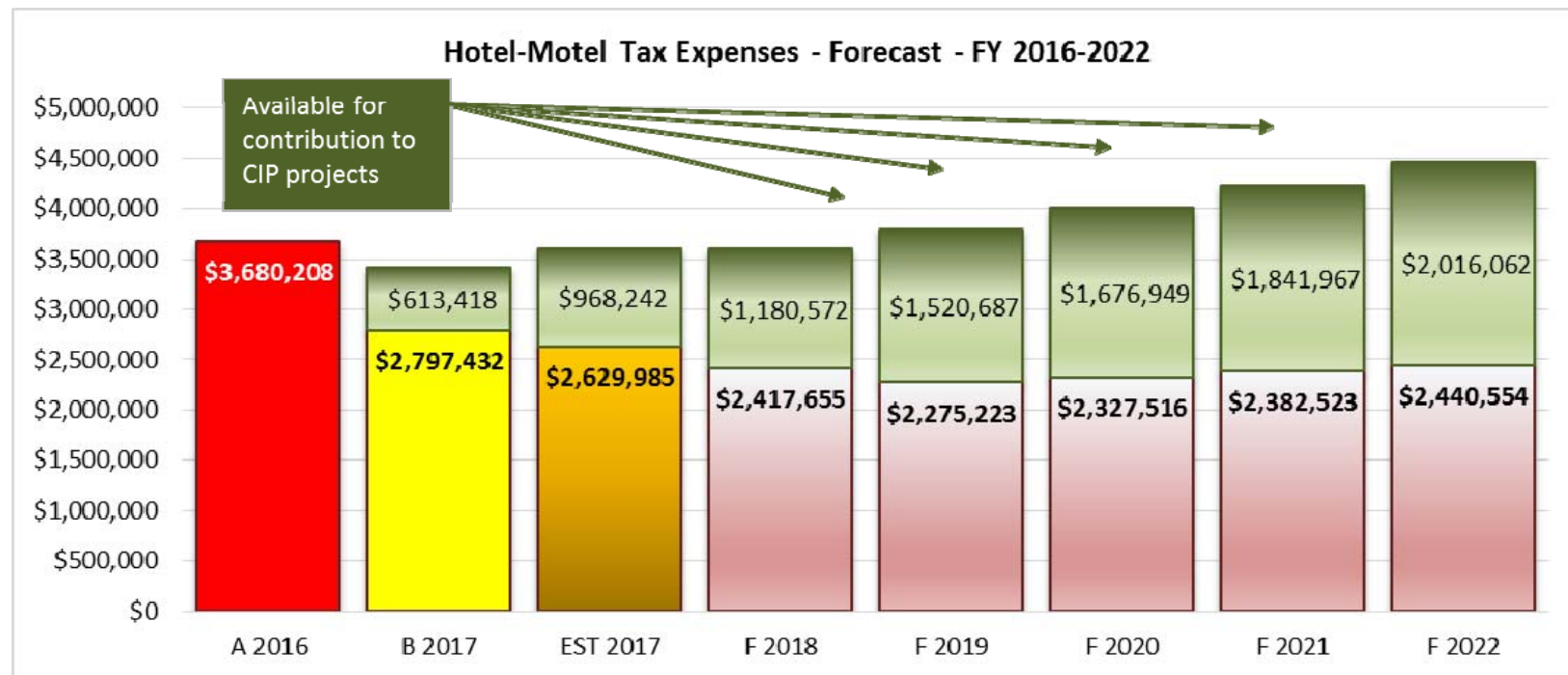


City of Franklin, Tennessee - FY 2018 Budget Request

Hotel Motel Tax Fund

Forecast:

On the expense side, known (fixed cost) expenses in the next five years include debt service and the 1% contribution to the Williamson County CVB.





City of Franklin, Tennessee - FY 2018 Budget Request **In Lieu of Parkland Fund**

Purpose of Fund

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

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



City of Franklin, Tennessee - FY 2018 Budget Request In Lieu of Parkland Fund

Base Budget Request:

Budget Summary

	2015 Actual	2016 Actual	2017 Budget Estimated		2018 Budget	2017 v. 2018 \$ %	
Beginning Fund Balance	2,280,119	2,491,967	4,365,912	4,365,912	4,518,129		
Revenues	213,957	1,878,360	1,207,525	152,217	2,407,178	1,199,653	99.3%
Expenditures	-	-	-	-	500,000	500,000	100.00%
Ending Balance	2,494,076	4,370,327	5,573,437	4,518,129	6,425,307		

Estimates are based upon analysis of projects currently within the development process in the City which are eligible to pay In Lieu of Parkland Fees. This fund is available for capital projects pertaining to public parks, greenways/blueways and open space in FY 2018 and beyond. Funds have been reserved for future use and will be recommended as a funding source for parks projects contained within the FY 2017-2026 Capital Improvements Plan.



City of Franklin, Tennessee - **FY 2018 Budget Request** **Development/Growth Funds**

Summary:

Forecasts for our Development /Growth related funds show a very healthy and robust local economy today and into the near term. This economy should continue to deliver ample revenues into the se funds.

The City would like to entertain creation of a County Facilities Tax fund for greater transparency of accounting. Removing these funds from the Capital Projects Fund would make reporting and monitoring of both easier.