



City of Franklin, Tennessee
FY 2017 Operating Budget

FY 2017 Proposed Operating Budget Presentation

June 14, 2016
Board of Mayor and Aldermen
Public Hearing





City of Franklin, Tennessee

FY 2017 Operating Budget

The Focus

Management

- 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

Community Development

- Desired location
- High Development Standards
- Educated workforce
- Sites ready for development
- Aggressive State incentives
- Work with partners at State and Williamson County
- Play “offense”

Strong Financial Base

- 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

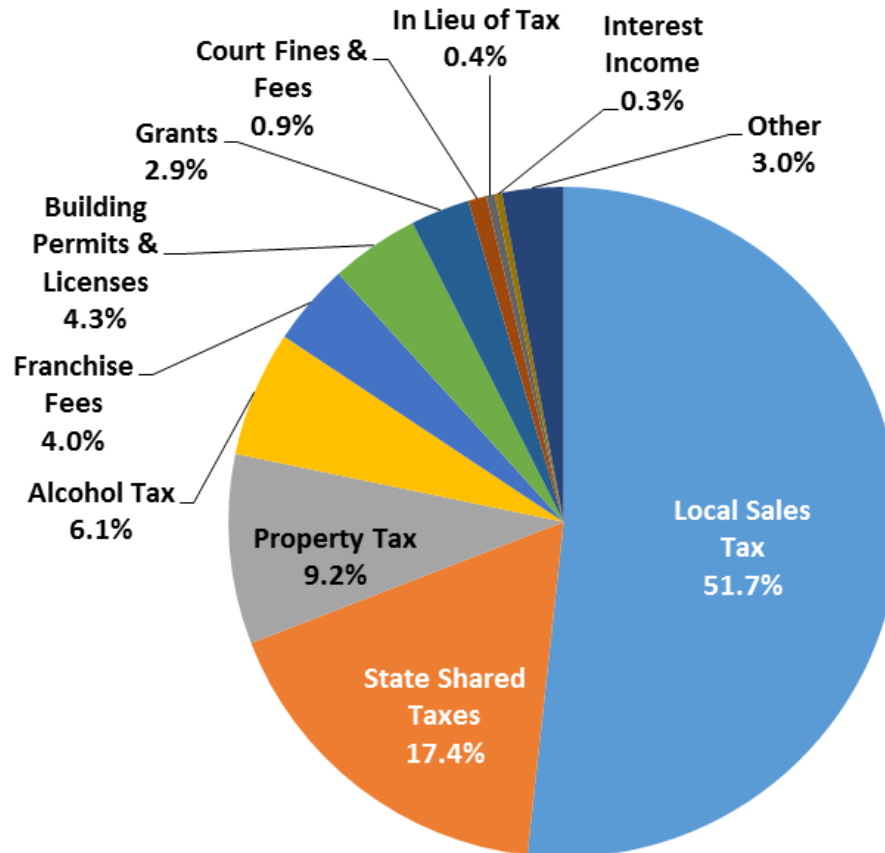


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City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund Overview: Revenues (pg. 35)



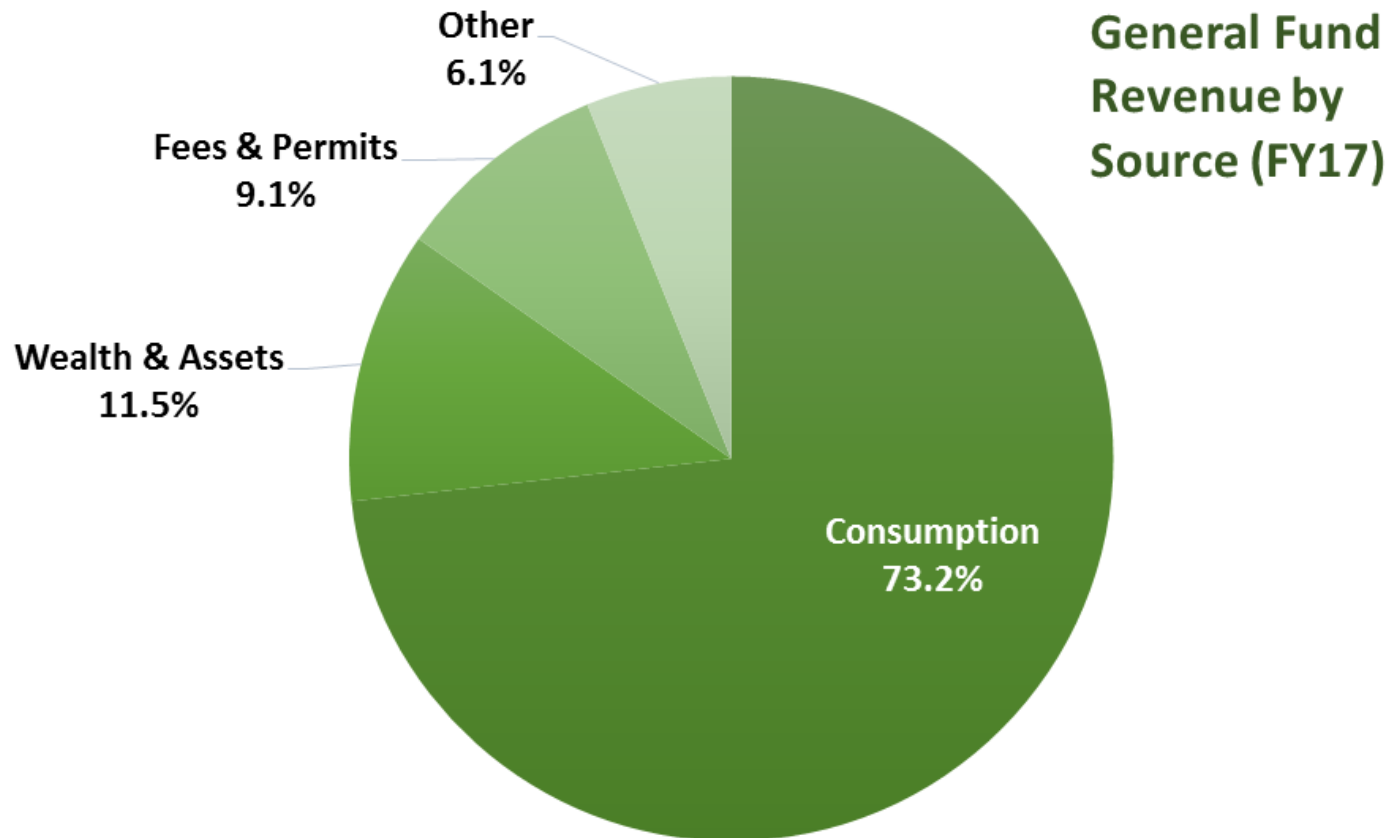


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FY 2017 Operating Budget

General Fund Overview: Revenues by Source (pg. 36)



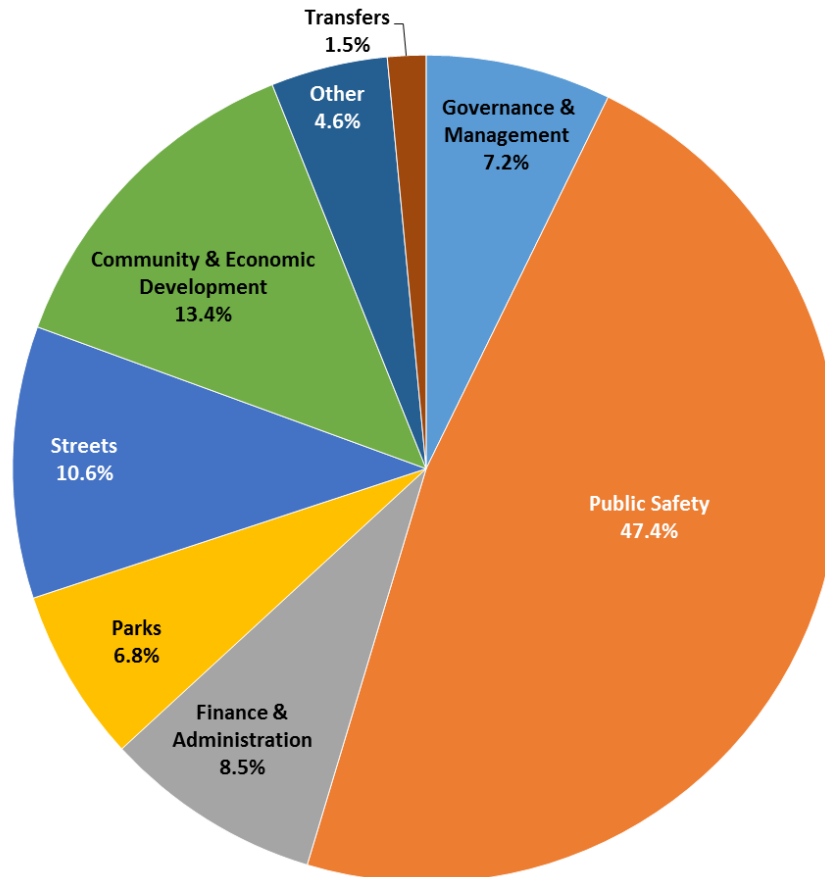


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FY 2017 Operating Budget

General Fund Overview: Expenses by Department/Function



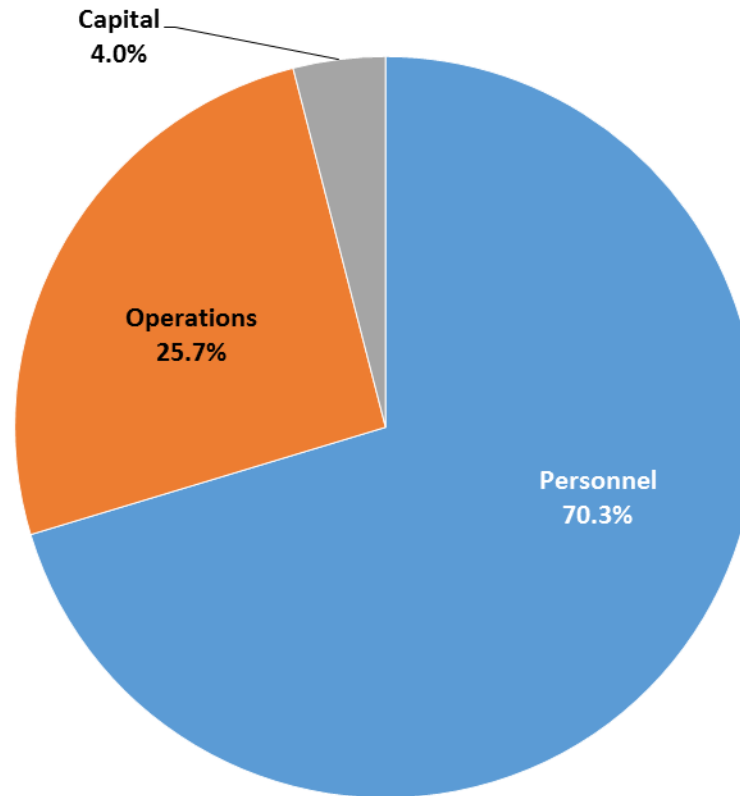


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General Fund Overview: Expenses by Category





City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund Overview: Opportunities

- Maintain high quality services.
- Invest in our future.
- Enhance our communities competitive position.
- Focus on possibilities, not just current challenges.
- Maintain Franklin's unique character.



City of Franklin, Tennessee

FY 2017 Operating Budget

Overview: Highlights

- The budget is balanced with current revenues equaling expenditures.
- In compliance with BOMA's debt and reserve policies.
- Net reduction of 11 positions across all funds.
- The annual pay adjustments for City team members will involve two tiers this year: 1) All employees will receive a \$500 base pay increase to offset medical insurance cost escalations in recent years and 2) a 4% general pay increase will be provided to employees. There will be a cap placed on total base pay increase of \$3,000 between these two elements. The pay adjustment will be effective July 1, 2016.
- The recommended budget includes \$125,000 for funding of the merit supplements for a fifth consecutive year.

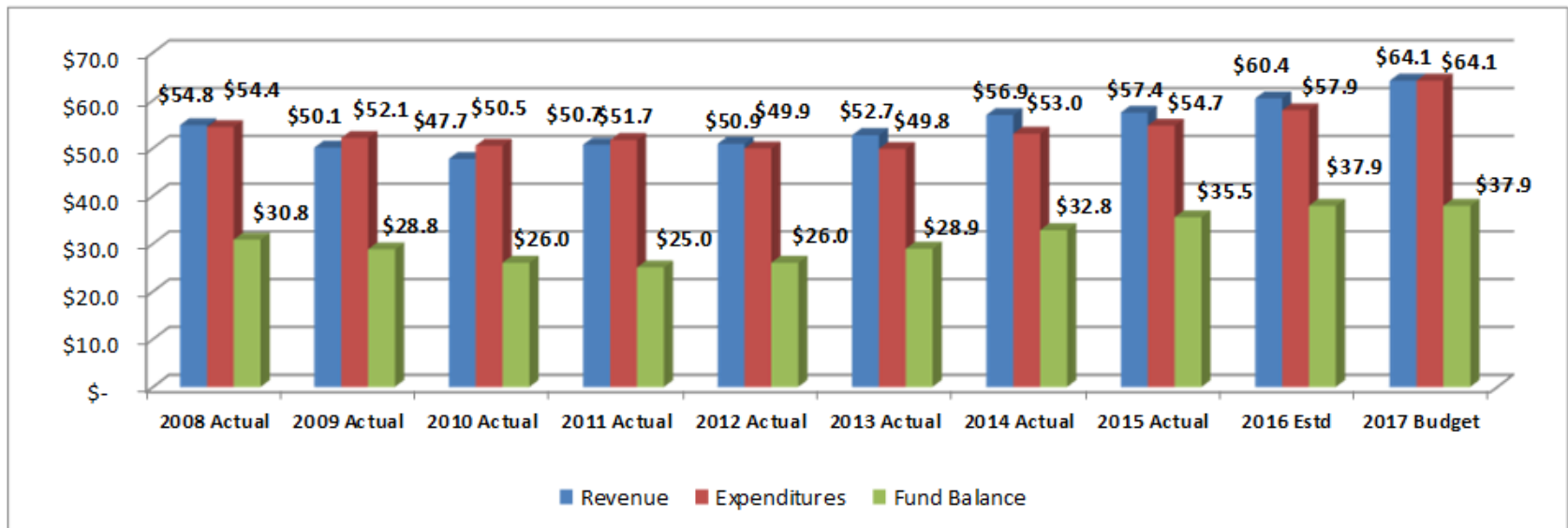


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FY 2017 Operating Budget

General Fund : Revenues: Financial Performance



	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Estd	2017 Budget
Revenue	\$ 54.8	\$ 50.1	\$ 47.7	\$ 50.7	\$ 50.9	\$ 52.7	\$ 56.9	\$ 57.4	\$ 60.4	\$ 64.1
Expenditures	\$ 54.4	\$ 52.1	\$ 50.5	\$ 51.7	\$ 49.9	\$ 49.8	\$ 53.0	\$ 54.7	\$ 57.9	\$ 64.1
Fund Balance	\$ 30.8	\$ 28.8	\$ 26.0	\$ 25.0	\$ 26.0	\$ 28.9	\$ 32.8	\$ 35.5	\$ 37.9	\$ 37.9

Note: Amounts above are in millions of dollars.



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FY 2017 Operating Budget

All Funds: Budget Summary

All Funds	<u>Actual 2014</u> <i>A</i>	<u>Actual 2015</u> <i>B</i>	<u>Budget 2016</u> <i>C</i>	<u>Estimated 2016</u> <i>D</i>	<u>Budget 2017</u> <i>E</i>	Difference '16 vs. '17	
						<i>F (E-C)</i>	<i>G (E/C)</i>
Revenues							
Personnel	\$ 45,698,038	\$ 46,778,025	\$ 52,028,091	\$ 50,262,141	\$ 55,601,838	\$ 3,573,747	6.87%
Operations	\$ 51,458,023	\$ 57,165,407	\$ 59,395,714	\$ 58,743,832	\$ 63,670,072	\$ 4,274,358	7.20%
Capital	\$ 6,859,460	\$ 8,154,452	\$ 16,146,129	\$ 10,725,718	\$ 15,728,014	\$ (418,115)	-2.59%
Total - All Funds Expenses	\$ 104,015,521	\$ 112,097,884	\$ 127,569,934	\$ 119,731,692	\$ 134,999,925	\$ 7,429,990	5.82%
Surplus / (Deficit) All Funds	\$ 13,055,851	\$ 16,247,515	\$ 646,982	\$ 13,962,823	\$ 231,487		
General Fund							
General Fund	<u>Actual 2014</u> <i>A</i>	<u>Actual 2015</u> <i>B</i>	<u>Budget 2016</u> <i>C</i>	<u>Estimated 2016</u> <i>D</i>	<u>Budget 2017</u> <i>E</i>	Difference '16 vs. '17	
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Revenues							
General Fund Expenditures (by major category)							
Personnel	\$ 36,957,341	\$ 38,017,541	\$ 42,451,594	\$ 41,411,801	\$ 45,110,622	\$ 2,659,028	6.3%
Operations	\$ 14,688,938	\$ 16,288,930	\$ 16,772,400	\$ 16,014,926	\$ 16,462,227	\$ (310,173)	-1.8%
Capital	\$ 1,447,891	\$ 427,800	\$ 2,392,200	\$ 525,916	\$ 2,575,000	\$ 182,800	7.6%
Total - General Fund Expenses	\$ 53,094,170	\$ 54,734,271	\$ 61,616,194	\$ 57,952,643	\$ 64,147,849	\$ 2,531,655	4.1%
Surplus / (Deficit)	\$ 3,824,334	\$ 2,754,998	\$ -	\$ 2,462,761	\$ -		



City of Franklin, Tennessee

FY 2017 Operating Budget

Invest Franklin

- Five Year reappraisal has occurred (still in process).
- Due to increased property values, the existing \$0.4065 per \$100 of assessed valuation will move to approximately \$0.3176 per \$100 of assessed valuation.
- Invest Franklin provides for a \$0.10 increment of property tax bringing the new rate to \$0.4176 per \$100 of assessed valuation.



City of Franklin, Tennessee

FY 2017 Operating Budget

Invest Franklin

Property Tax Rate summary:

- Existing Property Tax - \$0.3176:
 - \$0.2876 – Existing debt service and operations support.
 - \$0.03 – Established in 2014, 50% pledged to neighborhood street resurfacing, 50% to infrastructure/capital investment.
- Invest Franklin - \$0.10:
 - \$0.07 – Infrastructure and transportation investment. One penny dedicated transit, connectivity (sidewalks, multi-use trails), and other non-roadway transportation improvements.
 - \$0.03 – Dedicated to supporting City operations. The first such dedication of property tax rate capacity since 1987.



City of Franklin, Tennessee

FY 2017 Operating Budget

Invest Franklin

- Dedicated funding increases our capacity to invest in infrastructure and transportation over the 10-year planning horizon from approximately \$30 million to \$80 million.
- The ongoing Capital Investment Planning process identifies approximately \$240 million of capital (infrastructure, facilities) needs over the next 10 years.
- Invest Franklin provides important additional capacity, but the City will continue to work with Federal/State funding opportunities, other regional partners, and update development-related fees to fund key infrastructure investments.



City of Franklin, Tennessee

FY 2017 Operating Budget

Invest Franklin

An *example* of high-impact projects that could be implemented through Invest Franklin:

- McEwen Phase 4 – \$26.4 million
- Franklin Road - \$14.3 million
- Long Lane Connector - \$12.8 million
- Southeast Park - \$13.2 million



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FY 2017 Operating Budget

An example of property tax impact:

2011 Market Value: \$353,500

Assessed Value (25% of market): \$ 88,375

2015 City Property Tax at \$0.4065: \$ 359.24 per year

2016 Market Value: \$410,900

Assessed Value (25% of market): \$102,725

City Property Tax at \$0.3176: \$ 326.25 per year

(a reduction of \$33.60 per year)

City Property Tax at \$0.4176: \$ 428.98 per year

(an increase of \$69.74 per year or \$5.81 per month)



City of Franklin, Tennessee

FY 2017 Operating Budget

Property Tax Rate Summary

Total Rate of \$.4176/\$100 of value:

- New Penny = \$453,824
- Old Tax Collection (@ \$.3176) = \$14,540,412
- New Tax Collection (@ \$.4176) = \$18,951,680
- Tax Increase = \$4,411,267

- **How the \$18,951,680 will be spent:**

	<u>Tax Rate</u>	<u>Revenue</u>
• Debt Service Fund	\$.1614	\$7,324,715
• General Fund Operations (inclusive of the IDB Debt Service)	\$.1562	\$7,088,727
		(leaving a net of around \$5.75 million for ops)
• Street Aid Set-Aside	\$.0150	\$ 680,736
• Capital Projects Set-Aside	\$.0150	\$ 680,736
• General Fund – Capital Funding Account/Reserve	\$.0700	\$3,176,766



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FY 2017 Operating Budget

General Fund : Property Tax Summary

<u>Fiscal Year</u>	<u>Rate</u>	<u>Increase / (Decrease)</u>	<u>Fiscal Year</u>	<u>Rate</u>	<u>Increase / (Decrease)</u>
1984	\$1.7500	---	2001	\$0.6900	\$0.0000
1985	\$1.7500	\$0.0000	2002	\$0.5500	(\$0.1400)
1986	\$1.7500	\$0.0000	2003	\$0.5500	\$0.0000
1987	\$2.1500	\$0.4000	2004	\$0.5500	\$0.0000
1988	\$2.1500	\$0.0000	2005	\$0.5500	\$0.0000
1989	\$2.1500	\$0.0000	2006	\$0.5500	\$0.0000
1990	\$1.1000	(\$1.0500)	2007	\$0.4340	(\$0.1160)
1991	\$1.1000	\$0.0000	2008	\$0.4340	\$0.0000
1992	\$0.9900	(\$0.1100)	2009	\$0.4340	\$0.0000
1993	\$0.9900	\$0.0000	2010	\$0.4340	\$0.0000
1994	\$0.9400	(\$0.0500)	2011	\$0.4340	\$0.0000
1995	\$0.9400	\$0.0000	2012	\$0.3765	(\$0.0575)
1996	\$0.8900	(\$0.0500)	2013	\$0.3765	\$0.0000
1997	\$0.6900	(\$0.2000)	2014	\$0.3765	\$0.0000
1998	\$0.6900	\$0.0000	2015	\$0.4065	\$0.0300
1999	\$0.6900	\$0.0000	2016	\$0.4065	\$0.0000
2000	\$0.6900	\$0.0000			

2017 would be \$0.4176, or an increase of \$0.0111



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City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund Revenues: Property Tax Rate Comparison

Rank by Rate	City	2010 Census	City Rate
1	Franklin	62,487	\$ 0.41
2	Brentwood	37,060	\$ 0.44
3	Spring Hill	29,036	\$ 0.59
4	Lebanon	26,190	\$ 0.61
5	Hendersonville	51,372	\$ 0.65
6	Smyrna	39,974	\$ 0.88
7	Cookeville	30,435	\$ 0.90
8	Gallatin	30,278	\$ 0.99
9	La Vergne	32,588	\$ 1.00
10	Morristown	29,137	\$ 1.05
11	Clarksville	132,929	\$ 1.18
12	Murfreesboro	108,755	\$ 1.21
13	Columbia	34,681	\$ 1.44
14	Collierville	43,965	\$ 1.53

Rank by Rate	City	2010 Census	City Rate
15	Bartlett	54,613	\$ 1.62
16	Johnson City	63,152	\$ 1.62
17	Cleveland	41,285	\$ 1.77
18	Germantown	38,844	\$ 1.93
19	Jackson	65,211	\$ 1.96
20	Kingsport	48,205	\$ 2.07
21	Maryville	27,465	\$ 2.17
22	Bristol	26,702	\$ 2.25
23	Chattanooga	167,674	\$ 2.31
24	Oak Ridge	29,330	\$ 2.39
25	Knoxville	178,874	\$ 2.73
26	Memphis	646,889	\$ 3.40
---	Nashville (metro)*	626,681	\$ 0.59

*City rate only. City/County rate (Nashville/Davidson County is a unified government) is \$4.52.



City of Franklin, Tennessee

FY 2017 Operating Budget

Process: Base Budget vs. Program Enhancement

- Departments were asked to present two budgets:
 - The first, a base or ‘level-service’ budget demonstrated how much it will cost the City to provide the same level of service in FY 2017 that it does in the current fiscal year.
 - The second, identified program enhancements – any new or additional staff, major expenses or small capital equipment, or new programs. For each enhancement, departments filled out a one-page form which documented the basic information of program enhancements – both in a numeric and narrative format – in priority order. herein. All program enhancements requested are provided in the Appendices (p.347). All told, 143 enhancements totaling nearly \$12.35 million were submitted.

Process: Integration of Strategic Plan

- Departmental Budgets also have full integration of **FranklinForward** - the City's Strategic Plan and Performance Measures for the first time. These measures are organized in either Workload, Efficiency or Outcome Measures and are marked (where applicable) to the four themes of the strategic plan:



A Safe, Clean, and Livable City



Quality Life Experiences



Effective and Fiscally Sound
City Government Providing
High-quality Services



Sustainable Growth and
Economic Prosperity



City of Franklin, Tennessee

FY 2017 Operating Budget

Program Enhancements



A Safe, Clean, and Livable City

- The addition of a Crime Analyst position within the Police Department.
- Installation of an additional outdoor tornado warning siren (\$30,000).
- Technical rescue equipment for the Fire Department (\$75,000).
- Enhanced body armor for police officers (\$39,000).
- Enhanced video security, including cameras in City parking garages and other City facilities (\$90,600).
- Purchase of 110 body cameras (funded by reserves) for police officers and support services/staffing (carryover from FY16, \$342,550).



City of Franklin, Tennessee

FY 2017 Operating Budget

Program Enhancements



Effective and Fiscally Sound City Government Providing High-quality Services

- Additional and replacement vehicles in Sanitation, Parks, Police, Streets, Information Technologies, Stormwater, and Building and Neighborhood Services.
- Reclassification of the CIP Executive/City Engineer to an Assistant City Administrator for Public Works
- Creation of a utility location crew to meet “One Call” service requests.
- High mast interstate lighting (LED) retrofit (\$175,560).
- Franklin TV High Definition upgrades (\$125,672).
- Enhance Information System disaster recovery and data security initiatives.
- Special Census funding (\$100,000).
- Architectural service for City Hall building plan (carryover from FY16, \$250,000).



City of Franklin, Tennessee

FY 2017 Operating Budget

Program Enhancements



Quality Life Experiences

- Study of shared facility use and improvements between the Franklin Special School District and the Franklin Parks Department.
- Parks programming staffing enhancements.
- Eastern Flank Battlefield Park/Fleming Center lighting (\$20,000).



City of Franklin, Tennessee

FY 2017 Operating Budget

Program Enhancements



Sustainable Growth and Economic Prosperity

- Downtown parking study and traffic circulation study (\$250,000).
- Fourth Avenue parking garage vehicle counting/control system (\$70,000).
- Continued funding of the 91X regional bus service (\$13,600) and targeted expansion of Franklin Transit services (\$322,895).
- Along with the Metropolitan Planning Organization and the Regional Transit Authority, funding of the I-65 corridor study connecting Nashville and Franklin (\$12,500).



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City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund : Revenues: General Fund Revenue Comparison

	<u>Actual 2014</u>	<u>Actual 2015</u>	<u>Budget 2016</u>	<u>Estimated 2016</u>	<u>Budget 2017</u>	<u>Difference '16 vs. '17</u>	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F (E-C)</u>	<u>G (E/C)</u>
Revenues							
Local Sales Tax	\$ 27,254,742	\$ 28,943,994	\$ 30,956,093	\$ 31,603,598	\$ 33,183,778	\$ 2,227,685	7.2%
State Shared Taxes	\$ 10,677,057	\$ 12,796,277	\$ 11,172,496	\$ 11,106,242	\$ 11,148,733	\$ (23,763)	-0.2%
Property Tax	\$ 6,266,420	\$ 5,546,050	\$ 5,263,794	\$ 5,221,061	\$ 5,873,793	\$ 609,999	11.6%
Alcohol Tax	\$ 3,373,143	\$ 3,630,037	\$ 3,716,559	\$ 3,733,990	\$ 3,888,565	\$ 172,006	4.6%
Franchise Fees	\$ 2,449,724	\$ 2,462,903	\$ 2,511,230	\$ 2,504,860	\$ 2,536,790	\$ 25,560	1.0%
Building Permits & Licenses	\$ 2,088,774	\$ 2,208,560	\$ 2,315,577	\$ 2,623,851	\$ 2,741,289	\$ 425,712	18.4%
Grants	\$ 520,921	\$ 289,382	\$ 3,371,336	\$ 2,071,336	\$ 1,828,300	\$ (1,543,036)	-45.8%
Court Fines & Fees	\$ 657,229	\$ 586,479	\$ 720,572	\$ 399,468	\$ 560,935	\$ (159,637)	-22.2%
In Lieu of Tax	\$ 325,018	\$ 326,887	\$ 306,131	\$ 318,687	\$ 271,369	\$ (34,762)	-11.4%
Interest Income	\$ 189,013	\$ 145,098	\$ 197,802	\$ 212,637	\$ 217,582	\$ 19,780	10.0%
Other	\$ 3,116,463	\$ 553,601	\$ 1,084,605	\$ 619,673	\$ 1,896,716	\$ 812,111	74.9%
Total - General Fund Revenues	\$ 56,918,504	\$ 57,489,269	\$ 61,616,194	\$ 60,415,403	\$ 64,147,849	\$ 2,531,655	4.1%



City of Franklin, Tennessee

FY 2017 Operating Budget

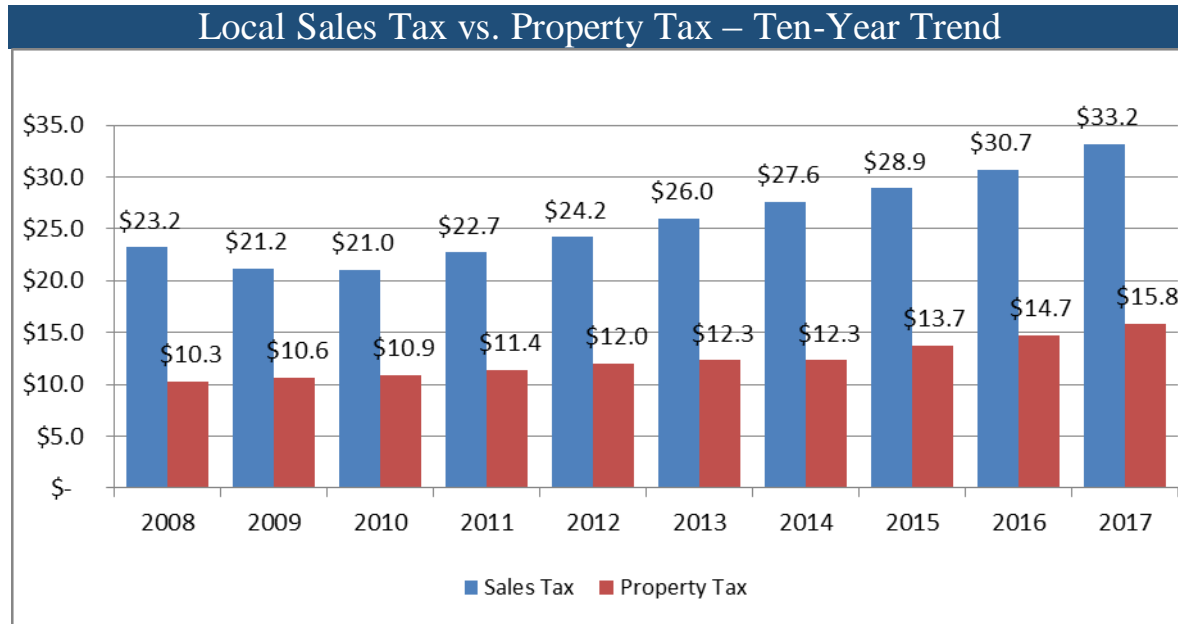
General Fund Revenues: Local Sales Tax (pg. 37)

- Budgeted to increase in 2016-17 (\$33.2 million).
- Growth of 7.2% (\$2.22 million) from 2015-16 budget, 5% increase compared to the 2015-16 estimate.
- Statewide estimate for growth is approximately 4.0% to 5.3%.
- 51.7% of total general fund revenue.

City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund Revenues: Property vs. Sales Tax



- Sales Tax continues to outpace Property Tax collections 2:1
- In FY 2017, even with an increase in the Property Tax, Sales Tax will comprise 51.7% of all General Fund Revenues, an increase from FY 2016.



City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund Revenues: Intergovernmental Revenue (pg. 38)

- Second largest general fund revenue source.
- Includes Business Tax within state shared taxes.
- Grant funding including TOC project revenue.
- Decrease (-0.2% or \$23,763) attributable to first year of reduction in the Hall Income Tax. (To be phased out completely by 2022).

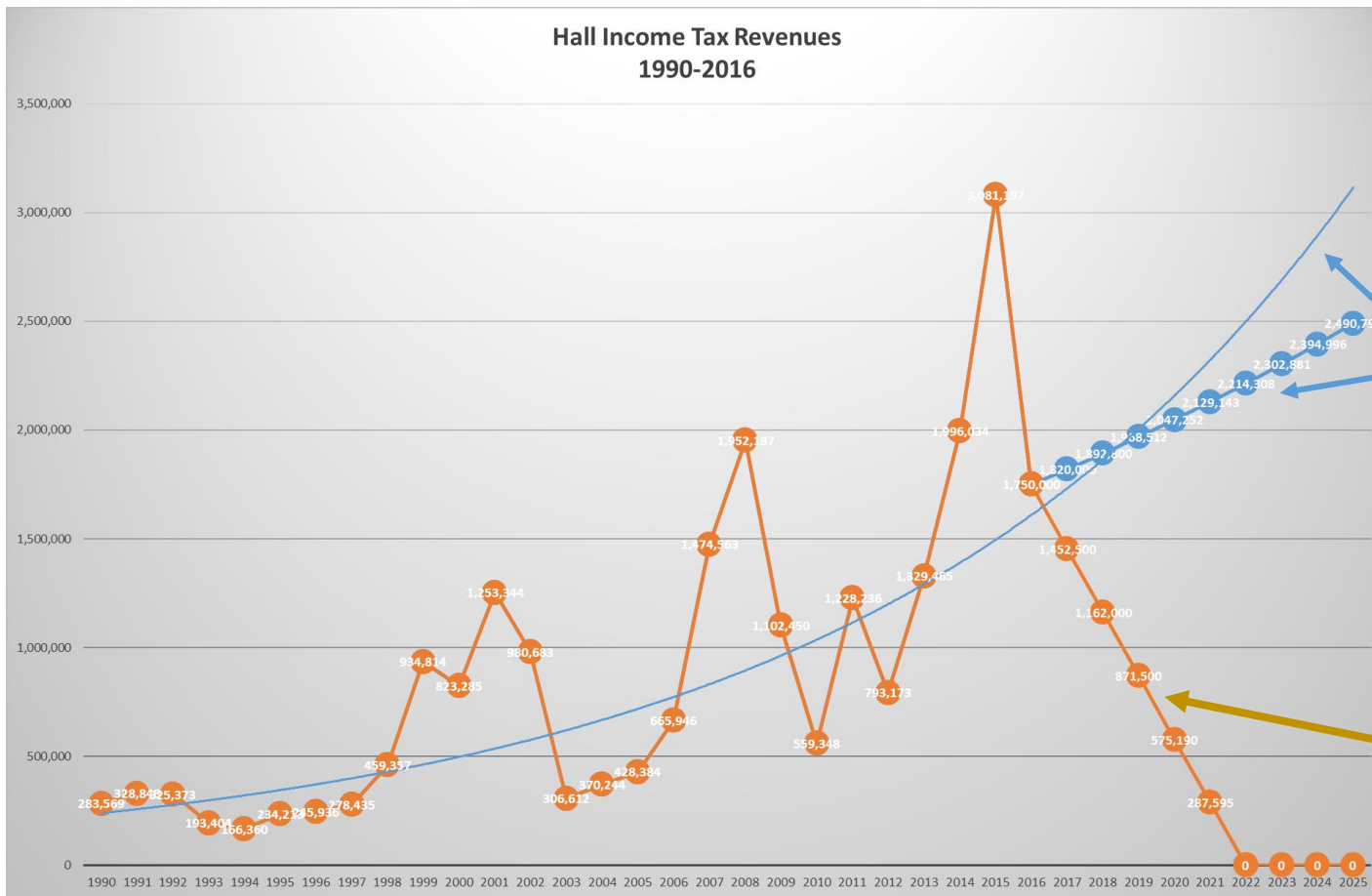


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FY 2017 Operating Budget

General Fund Revenues: Hall Income Tax (p. 38)



Projected Revenues w/o phase out.

Projected Actual w/ phase out in 2022.



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FY 2017 Operating Budget

General Fund Revenues: Other Taxes

- Local Beer Tax (*p. 40*)
- Business License & Gross Receipts Tax
- Wholesale Liquor Tax (*p. 40*)
- Alcohol Privilege Tax (*p. 40*)



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City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund Revenues: Fees & Other Income

- Franchise Fees (*pg. 41*)
- Building Permit Fees (*pg. 42*)
- Court Fines & Costs (*pg. 43*)
- Interest Earnings (*pg. 46*)



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City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund: Fund Balance Summary

General Fund Performance - FY 2013-2017

	Actual 2013	Actual 2014	Actual 2015	Budget 2016	Estimated 2016	Budget 2017
Beginning Fund Balance	26,011,331	28,890,118	32,714,451	35,469,449	35,469,449	37,932,209
+ Total General Fund Revenue	52,677,369	56,918,504	57,489,269	61,616,194	60,415,403	64,147,849
- Total General Fund Expenditures	49,798,582	53,094,171	54,734,271	61,616,194	57,952,643	64,147,849
Ending Fund Balance	28,890,118	32,714,451	35,469,449	35,469,449	37,932,209	37,932,209
*** Percent of Total Annual Revenues	54.8%	57.5%	61.7%	57.6%	62.8%	59.1%
*** Percent of Total Annual Expenditures	58.0%	61.6%	64.8%	57.6%	65.5%	59.1%

Note: Ending Fund Balance Amounts for Revised FY 2016 and Budget FY 2017 numbers subject to change via year-end close and final FY 2016 budget amendments.



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City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund: General Fund Expenditures by Department

	<u>Actual 2014</u>	<u>Actual 2015</u>	<u>Budget 2016</u>	<u>Estimated 2016</u>	<u>Budget 2017</u>	<u>Difference '16 vs. '17</u>	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F (E-C)</u>	<u>G (E/C)</u>
Expenses							
Governance & Management	\$ 3,714,650	\$ 4,092,514	\$ 4,610,629	\$ 4,356,517	\$ 4,649,889	\$ 39,260	0.9%
Public Safety	\$27,097,691	\$27,515,333	\$ 29,761,494	\$ 29,343,597	\$ 30,402,315	\$ 640,821	2.2%
Finance & Administration	\$ 5,585,864	\$ 5,237,569	\$ 5,369,554	\$ 5,331,451	\$ 5,462,056	\$ 92,502	1.7%
Community & Economic Developme	\$ 8,044,512	\$ 8,544,233	\$12,450,362	\$ 9,662,277	\$12,922,759	\$ 472,397	3.8%
Public Works	\$ 5,572,648	\$ 5,585,969	\$ 6,264,544	\$ 6,281,471	\$ 6,818,717	\$ 554,173	8.8%
Other Operating Expenses	\$ 3,078,805	\$ 3,758,653	\$ 3,159,610	\$ 2,977,329	\$ 3,892,114	\$ 732,504	23.2%
Total - General Fund Expenses	\$53,094,170	\$54,734,271	\$ 61,616,194	\$ 57,952,643	\$ 64,147,849	\$ 2,531,655	4.1%
General Fund Expenditures (by major category)							
Personnel	\$36,957,341	\$38,017,541	\$42,451,594	\$41,411,801	\$45,110,622	\$2,659,028	6.3%
Operations	\$14,688,938	\$16,288,930	\$16,772,400	\$16,014,926	\$16,462,227	\$ (310,173)	-1.8%
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City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund: Change in Personnel Expense

- Annual pay adjustments for City team members will involve two tiers this year:
 - All employees will receive a \$500 base pay increase to offset medical insurance cost escalations in recent years, and
 - a 4% general pay increase will be provided to employees.

There will be a cap placed on total base pay increase of \$3,000 between these two elements. The pay adjustment will be effective July 1, 2016.

In addition, the recommended budget includes \$125,000 for funding of the merit supplements for a fifth consecutive year.
- Net of 11 positions reduced.
- Cost sharing structure of health insurance with employees continues with 85% single/80% family premium City cost sharing. 8-9% increase in overall cost.
- 3.5% turnover factor (pay + benefits) used.
- Pension across all funds budgeted at \$3.8 million, an increase of \$1 million.

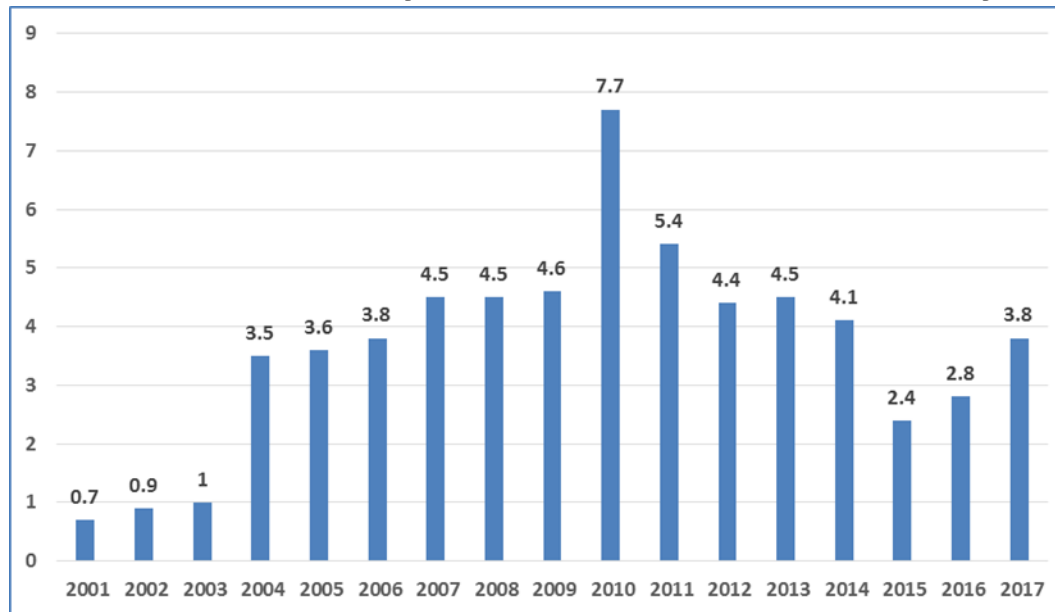


City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund: Pension Plan Contributions

Seventeen Year-History – Pension Contributions by Fiscal Year



- Increase of roughly \$1,000,000 across all funds or 33.5%.
- Increase attributable to a variety of factors; higher costs, lower returns and more retirees.
- Pension is approximately 12% of total payroll.

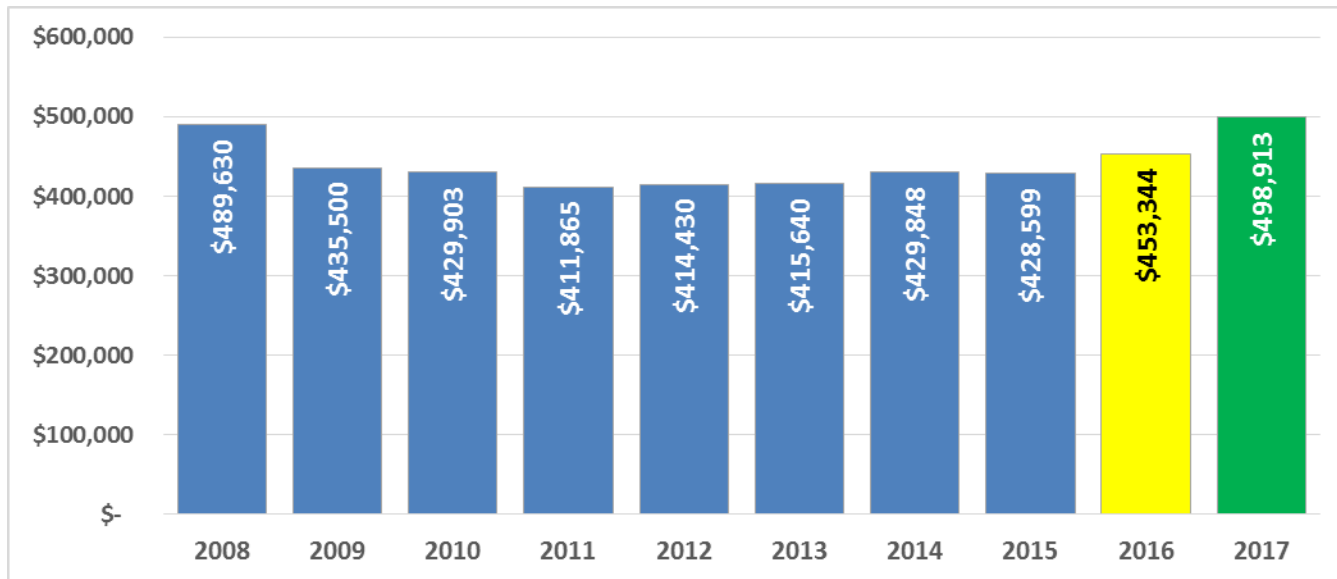


City of Franklin, Tennessee

FY 2017 Operating Budget

General Fund: Appropriations to Outside Entities

Ten Year- History – Appropriations to Outside Agencies



- Increase of \$45,569, or 10.1%
- Includes new one-time appropriations for I-65 Corridor Study (\$12,500) and Masonic Hall Historic Study (\$15,000)



City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Summary

- Drug Fund (*p. 111-112*)
- Sanitation & Environmental Services Fund (*p. 145-156*)
- Transit Fund (*p. 157-160*)
- Water & Sewer Fund (*p. 161-180*)
- Community Development Block Grant (CDBG) Fund (*p. 225-228*)
- Stormwater Fund (*p. 249-268*)
- Street Aid & Transportation Fund – Gas Tax (*p. 259-262*)
- Road Impact Fund (*p. 263-266*)
- Facilities Tax Fund (*p. 283-286*)
- Hotel/Motel Tax Fund (*p. 287-292*)
- Debt Service Fund (*p.293-296*)
- In Lieu of Parkland Fund (*p. 297-300*)



HISTORIC
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TENNESSEE

City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Change in Budget Amounts

All Funds	<u>Actual 2014</u> <i>A</i>	<u>Actual 2015</u> <i>B</i>	<u>Budget 2016</u> <i>C</i>	<u>Estimated 2016</u> <i>D</i>	<u>Budget 2017</u> <i>E</i>	<u>Difference '16 vs. '17</u> <i>F (E-C) G (E/C)</i>	
Revenues							
Personnel	\$ 45,698,038	\$ 46,778,025	\$ 52,028,091	\$ 50,262,141	\$ 55,601,838	\$ 3,573,747	6.87%
Operations	\$ 51,458,023	\$ 57,165,407	\$ 59,395,714	\$ 58,743,832	\$ 63,670,072	\$ 4,274,358	7.20%
Capital	\$ 6,859,460	\$ 8,154,452	\$ 16,146,129	\$ 10,725,718	\$ 15,728,014	\$ (418,115)	-2.59%
Total - All Funds Expenses	\$ 104,015,521	\$ 112,097,884	\$ 127,569,934	\$ 119,731,692	\$ 134,999,925	\$ 7,429,990	5.82%
Surplus / (Deficit) All Funds	\$ 13,055,851	\$ 16,247,515	\$ 646,982	\$ 13,962,823	\$ 231,487		
General Fund	<u>Actual 2014</u> <i>A</i>	<u>Actual 2015</u> <i>B</i>	<u>Budget 2016</u> <i>C</i>	<u>Estimated 2016</u> <i>D</i>	<u>Budget 2017</u> <i>E</i>	<u>Difference '16 vs. '17</u> <i>F (E-C) G (E/C)</i>	
Revenues							
General Fund Expenditures (by major category)							
Personnel	\$ 36,957,341	\$ 38,017,541	\$ 42,451,594	\$ 41,411,801	\$ 45,110,622	\$ 2,659,028	6.3%
Operations	\$ 14,688,938	\$ 16,288,930	\$ 16,772,400	\$ 16,014,926	\$ 16,462,227	\$ (310,173)	-1.8%
Capital	\$ 1,447,891	\$ 427,800	\$ 2,392,200	\$ 525,916	\$ 2,575,000	\$ 182,800	7.6%
Total - General Fund Expenses	\$ 53,094,170	\$ 54,734,271	\$ 61,616,194	\$ 57,952,643	\$ 64,147,849	\$ 2,531,655	4.1%
Surplus / (Deficit)	\$ 3,824,334	\$ 2,754,998	\$ -	\$ 2,462,761	\$ -		



City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Street Aid & Transportation Fund (pg. 259-262)

- Roadway resurfacing program of slightly above \$2.6 million – and increase of 9.6%. \$175,000 is included for sidewalk repair.
- The Capital Funding Initiative (begun in FY 2015) will add roughly \$689,000 from the Property Tax in FY 2017.



City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Sanitation & Environmental Services (pg. 145-156)

- Three Divisions: Administration, Collection, and Disposal.
- Direct revenues estimated at \$9.3 million.
- Expenditures also estimated at (\$9.3 million).
- No transfer planned from General Fund. 2008 subsidy was \$4.47 million. A transfer (\$400,000-500,000) will be needed in FY16 to meet reserve requirements.
- No increase in residential rate of \$16.50/month; limited increase in commercial rates proposed.



City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Water & Sewer Fund (p. 161-180)

- Includes rate-payer supported operation of Water, Wastewater, and Reclaimed Water utilities
- Second year of the biennial budget includes: Water (\$10.3 million), Water Reclamation/Wastewater (\$13.5 million), and Reclaimed Water (\$254,000).
- Based on updated independent cost-of-service study, adoption of rate increases for 2017 and 2018 are proposed:
 - 3.5% per year for Water.
 - 5.5% per year for Wastewater.



City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Road Impact Fund (pg. 263-266)

- \$6.38 million proposed budget for FY16 (an increase of 98.33%). \$7 million is estimated for FY16.
- Provides for Debt Service obligation (\$2.7 million) and budgeted Road Impact Offset agreement payments.

Other Funds: Facilities Tax Fund (pg. 283-286)

- \$4.27 million proposed budget for FY 17.
- Continued work on Fire Stations 7 & 8 projects.
- Purchase of Fire, Parks & Sanitation equipment.



City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Stormwater Fund (pg. 249-258)

- \$5.1 million proposed budget for FY17 (an increase of \$66,355 or 1.3%).
- One new position adding capacity to manage increased workload.
- Equipment purchase (Skid Steer & Street Sweeper) and capital projects.



City of Franklin, Tennessee

FY 2017 Operating Budget

Other Funds: Hotel/Motel Tax Fund (pg. 287-292)

- \$2.53 million proposed budget for FY17 (a decrease of 9%).
- Significant “unprogrammed” capacity that could be applied to priority projects identified in the Parks Master Plan/Capital Investment Plan.
- Funds debt service for acquisition of Harlinsdale and Eastern Flank and streetscape elements.
- Continued funding for Carter Hill acquisition/development and ongoing park improvement projects.

Other Funds: Debt Service Fund (pg. 293-296)

- \$13.2 million proposed budget for FY 17 (an increase of 2.3%).
- \$7.5 million of property tax for general obligation debt service plus contributions from various other funds.



City of Franklin, Tennessee

FY 2017 Operating Budget

Summary

- The budget includes the *Invest Franklin* initiative that will add funding capacity for key infrastructure investment and support operations for our growing community.
- Meeting budget goals and objectives with an enhanced emphasis on performance measures and the strategic plan.
- The budget features targeted program enhancements related to public safety and growth-related services.
- Revenues estimates show signs of growth.
- Reserves at year-end well above policy level.