



*City of Franklin*

## **FY 2019-2028 Capital Improvement Program Financing Model**

**Presentation to the Board of Mayor and Alderman  
November 27, 2018**



## *City of Franklin*

### FY 2019-2028 Capital Improvement Program Financing Model

#### Capital Financing Model - November 2018

##### **Executive Summary**

This financing model has been built to determine answers to the following questions:

- What is the amount of available resources from all funds which can be spent on Capital Projects over the next ten years?
- What will be the impact on the City's debt capacity and overall debt service?

This model has two main sections:

- This Executive Summary with summaries of current, future and remaining resources, a revised Debt Capacity Analysis, a list of unfunded capital obligations and a summary of unobligated resources for the ten-year horizon.
- 10-year Financing Analysis with detailed forecasts for most major internal funds of the City of Franklin.

In building this model, staff has tried to be conservative with our revenue projections and prudent when determining available resources.

"Available fund balances" are current estimated balances in most funds as of June 30th, less amounts reserved either through state law or BOMA policy.

The result is mostly positive - due to the prudent management of community resources, the passage of the Invest Franklin initiative and the receipt of new taxes on the horizon, the City can afford to take on a sizeable portion of the the FY 2019-2028 Capital Improvement Program.

There is one major difference of note: The FY 2019-2028 CIP presented to date has included Water & Sewer capital projects thus far. Those projects are not included within this financing model. A reconciliaiton is provided on the "Closing Summary" page of this model.



***City of Franklin***

FY 2019-2028 Capital Improvement Program Financing Model

HISTORIC  
FRANKLIN  
TENNESSEE

## **FY 2019-2028 Financial Model Summaries**



# City of Franklin

## FY 2019-2028 Capital Improvement Program Financing Model

HISTORIC  
FRANKLIN  
TENNESSEE

### Existing Resources (Cash)

The following shows the various funding sources currently available for use on Capital projects. While the City aggressively looks for outside funding to assist in stretching taxpayer dollars, the vast majority of resources available to the City are internal in nature.

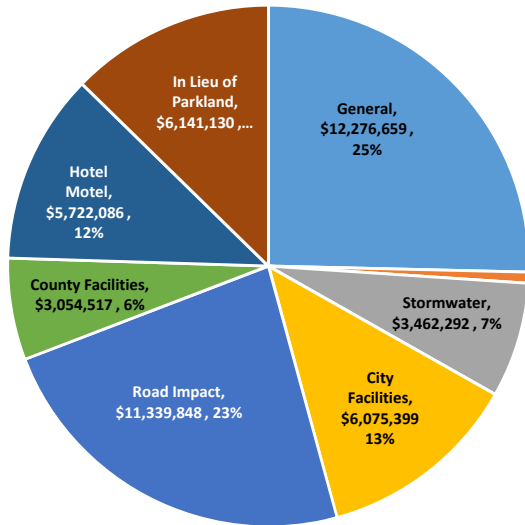
	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	Notes
<b>Internal</b>					
110 General					
Capital Funding Account (<45%)	\$ 8,347,536	\$ 8,101,435	\$ 13,836,612	\$ 9,462,024	Reduced for capital projects & to close deficit of Fund 310.
1.5 Cent Capital Set-Aside	\$ 508,038	\$ 1,034,046	\$ -	\$ -	
Invest Franklin	\$ -	\$ -	\$ 2,968,915	\$ 4,564,635	
124 Sanitation Fund	\$ -	\$ -	\$ -	\$ 334,543	
128 Road Impact Fund	\$ 397,796	\$ 5,014,098	\$ 5,889,789	\$ 11,339,848	
130 City Facilities Tax	\$ 6,717,764	\$ 6,976,276	\$ 10,441,436	\$ 14,410,218	
132 County Facilities Tax	\$ -	\$ -	\$ 3,488,072	\$ 4,804,517	
135 Stormwater	\$ 5,511,065	\$ 4,783,235	\$ 4,687,695	\$ 4,171,436	
150 Hotel Motel	\$ 2,749,596	\$ 2,634,109	\$ 3,827,284	\$ 5,722,086	
155 In Lieu of Parkland	\$ 2,494,076	\$ 4,425,966	\$ 4,584,138	\$ 6,141,130	
<b>Sub-Total Internal Resources</b>	<b>\$ 26,725,871</b>	<b>\$ 32,969,165</b>	<b>\$ 49,723,941</b>	<b>\$ 60,950,437</b>	
<b>Total All Available Resources</b>	<b>\$ 26,725,871</b>	<b>\$ 32,969,165</b>	<b>\$ 49,723,941</b>	<b>\$ 60,950,437</b>	

**Projected Resources (Cash)**

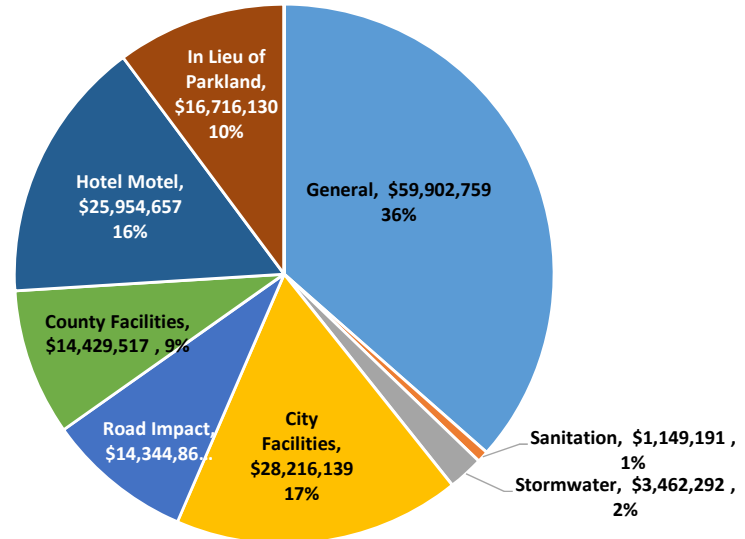
This summarizes the projected cash resources available to the City for the FY 2019-2028 Capital Improvement Program. Existing Fund Balance is shown at the far left, while annual anticipated revenue contributions are provided for the ten-year timeframe of the program. Available Debt Service, and the impact on available cash resources, are shown in the page entitled "Debt Capacity Analysis" on another summary. Detailed funding sheets for most internal funds are provided in the section entitled "10-year Financing Analysis" at the end of this packet.

	Fund Balance Available *	Ongoing Resources										Total Available	
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028		
<b>Internal</b>													
General													
Capital Funding Account	\$ 7,712,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,712,024
Invest Franklin	\$ 4,564,635	\$ 1,594,442	\$ 1,610,386	\$ 1,626,490	\$ 1,642,755	\$ 1,659,183	\$ 1,675,775	\$ 1,692,532	\$ 1,709,458	\$ 1,726,552	\$ 1,743,818	\$ 21,246,026	
TIF Roll-Off (eff. 2024)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 999,000	\$ 1,018,980	\$ 1,039,360	\$ 1,060,147	\$ 1,081,350	\$ 5,198,836	
.5% Sales Tax (eff. 2022)	\$ -	\$ -	\$ -	\$ -	\$ 3,360,000	\$ 3,460,800	\$ 3,564,624	\$ 3,671,563	\$ 3,781,710	\$ 3,895,161	\$ 4,012,016	\$ 25,745,873	
Sanitation Fund	\$ 334,543	\$ 76,096	\$ 77,252	\$ 78,421	\$ 79,605	\$ 80,803	\$ 82,014	\$ 83,240	\$ 84,480	\$ 85,734	\$ 87,003	\$ 1,149,191	
Road Impact Fund	\$ 11,339,848	\$ 3,005,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,344,869	
City Facilities Tax	\$ 6,075,399	\$ 2,211,740	\$ 2,093,000	\$ 2,093,000	\$ 2,093,000	\$ 2,275,000	\$ 2,275,000	\$ 2,275,000	\$ 2,275,000	\$ 2,275,000	\$ 2,275,000	\$ 28,216,139	
County Facilities Tax	\$ 3,054,517	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 1,137,500	\$ 14,429,517	
Stormwater	\$ 3,462,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,462,292	
Hotel Motel	\$ 5,722,086	\$ 1,089,969	\$ 1,424,067	\$ 1,538,581	\$ 1,865,214	\$ 1,998,734	\$ 1,701,966	\$ 2,359,706	\$ 2,528,480	\$ 2,704,366	\$ 3,021,489	\$ 25,954,657	
In Lieu of Parkland	\$ 6,141,130	\$ 1,440,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000	\$ 1,015,000	\$ 16,716,130	
<b>Total</b>	<b>\$ 48,406,473</b>	<b>\$ 10,554,768</b>	<b>\$ 7,357,205</b>	<b>\$ 7,488,993</b>	<b>\$ 11,193,074</b>	<b>\$ 11,627,019</b>	<b>\$ 12,450,878</b>	<b>\$ 13,253,521</b>	<b>\$ 13,570,987</b>	<b>\$ 13,899,460</b>	<b>\$ 14,373,176</b>	<b>\$ 164,175,554</b>	

**Existing Resources by Fund - FY 2018**



**Projected Resources by Fund - FY 2018-2029**



\* Fund Balance Available differs from Existing Resources due to amounts appropriated in FY 2019 for Capital projects (96W Sidewalk Project, Fire Station #7)

**Debt Capacity Analysis**

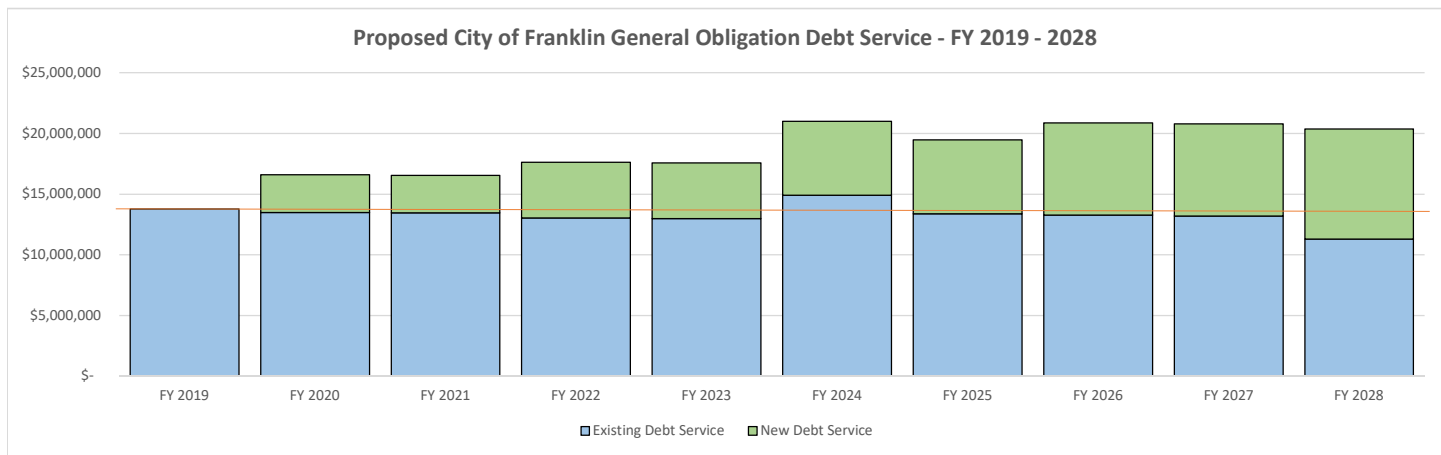
This summarizes the impact upon the City's G.O. Bonds should the City take projected cash resources to extend the available resources to fund capital projects through the issuance of additional bonds.

Proposed Debt Issuances			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Balance (FY 2028-FY 2043)
FY	Interest Rate	Issuance Amt.											
2019	4.50%	\$ 40,000,000	\$ -	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 3,100,000	\$ 34,100,000
2021	4.50%	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 19,500,000
2023	4.50%	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 22,500,000
2025	4.50%	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 25,500,000
2027	4.50%	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 28,500,000
<b>A</b>	<b>New Debt Service</b>		<b>\$ -</b>	<b>\$ 3,100,000</b>	<b>\$ 3,100,000</b>	<b>\$ 4,600,000</b>	<b>\$ 4,600,000</b>	<b>\$ 6,100,000</b>	<b>\$ 6,100,000</b>	<b>\$ 7,600,000</b>	<b>\$ 7,600,000</b>	<b>\$ 9,100,000</b>	<b>\$ 130,100,000</b>
<b>B</b>	<b>Existing Debt Service</b>		<b>\$ 13,764,063</b>	<b>\$ 13,490,559</b>	<b>\$ 13,454,204</b>	<b>\$ 13,026,056</b>	<b>\$ 12,987,492</b>	<b>\$ 14,915,891</b>	<b>\$ 13,366,922</b>	<b>\$ 13,278,680</b>	<b>\$ 13,201,317</b>	<b>\$ 11,284,568</b>	<b>\$ 33,665,096</b>
<b>C (A + B)</b>	<b>Cumulative G.O. Debt Service</b>		<b>\$ 13,764,063</b>	<b>\$ 16,590,559</b>	<b>\$ 16,554,204</b>	<b>\$ 17,626,056</b>	<b>\$ 17,587,492</b>	<b>\$ 21,015,891</b>	<b>\$ 19,466,922</b>	<b>\$ 20,878,680</b>	<b>\$ 20,801,317</b>	<b>\$ 20,384,568</b>	<b>\$ 163,765,096</b>

**Summary:**

A key financing component to the FY 2018-2027 Capital Improvement Plan is the issuance of debt. In order to finance Phase I of the CIP, staff is recommending the issuance of \$120,000,000 worth of General Obligation (G.O.) bonds in three separate issuances for a duration of 20 years. The assumed interest rate is 4.5%.

Five more issuances - (after the \$23.1M issuance in FY 2017) - starting in FY 2019, and occurring every two years will fund existing commitments (East McEwen Phase 4, Franklin Road, the East/Southeast Park) and new projects. The impacts on the overall debt service are shown above and to the



**Debt Funding Analysis**

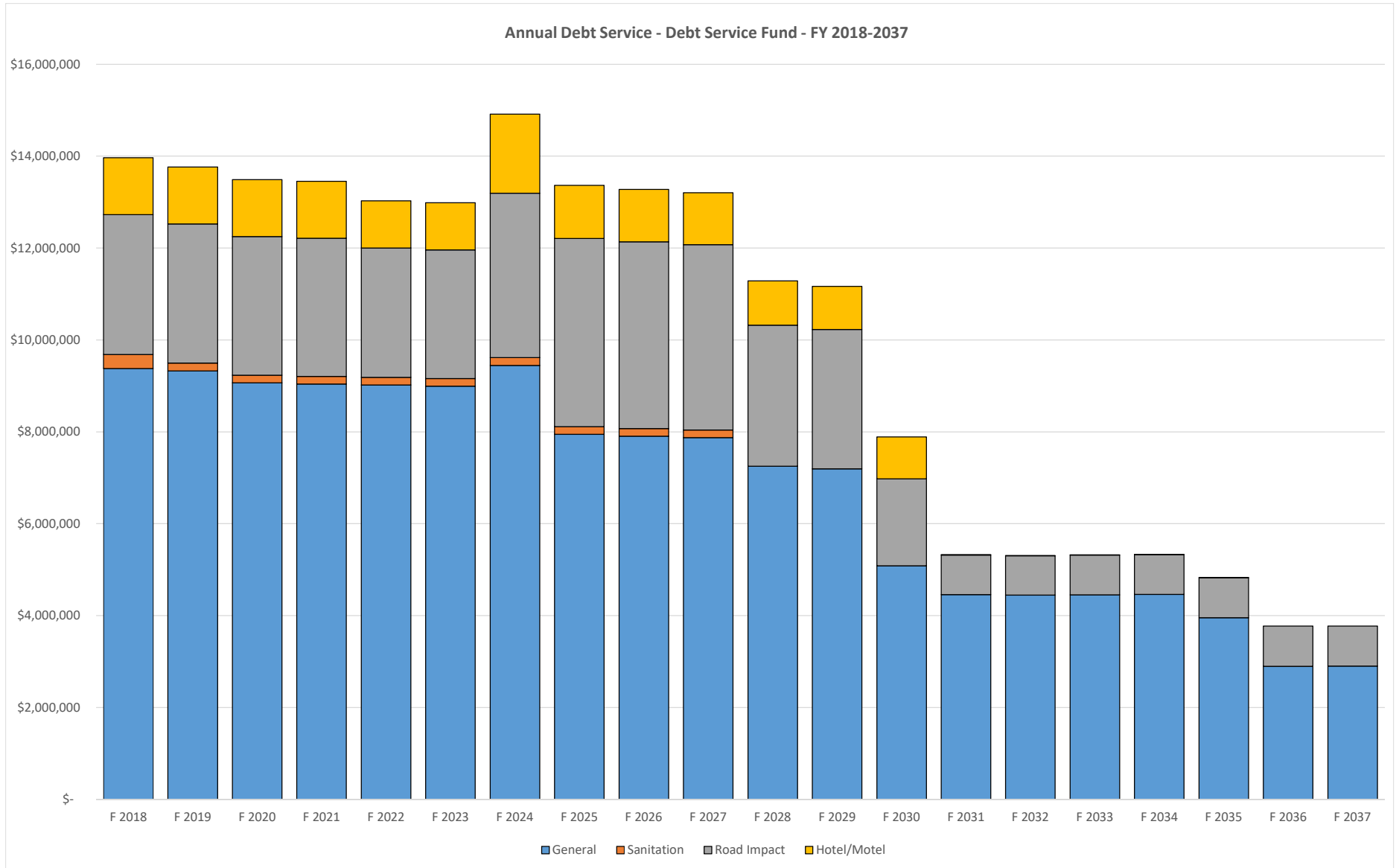
How the debt is issued is dependent upon many factors; but none more important than the ability to pay. The chart below shows the annual increase in debt service necessary to service the proposed \$120,000,000 in new bonds (Row D). Row E shows the available resources to be generated from the annual \$0.07 Invest Franklin initiative approved in FY 2017 (this amount is the balance - the first amount has been dedicated to payoff the 2017 G.O. Bonds). Row F is anticipated new tax revenue coming first from the .5% Sales Tax initiative raised for funding Williamson County Schools but returns to the City in FY 2022 and second from the retiring of the TIF district, which should begin to produce tax revenues in FY 2024 for the General Fund. Row G is the difference on an annual basis which will be required to be funded from accumulated capital cash reserves. Finally, Row H shows the ongoing balance of the G/F Capital Funding Account through 2028 if \$120,000,000 in additional bonds are issued.

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<b>D</b> Net Increase Debt Service Over Current Annual Debt Service (FY 2019)	\$ -	\$ 2,826,497	\$ 2,790,142	\$ 3,861,993	\$ 3,823,429	\$ 7,251,828	\$ 5,702,859	\$ 7,114,617	\$ 7,037,255	\$ 6,620,506
<b>E</b> Invest Franklin	\$ 1,594,442	\$ 1,610,386	\$ 1,626,490	\$ 1,642,755	\$ 1,659,183	\$ 1,675,775	\$ 1,692,532	\$ 1,709,458	\$ 1,726,552	\$ 1,743,818
<b>F</b> Capital Commitments from new Taxes (TIF Roll-off, .5% Sales Tax)	\$ -	\$ -	\$ -	\$ 3,360,000	\$ 3,460,800	\$ 4,563,624	\$ 4,690,543	\$ 4,821,069	\$ 4,955,308	\$ 5,093,365
<b>G (D-E-F)</b> Amount needed from G/F Cash	\$ 1,594,442	\$ (1,216,110)	\$ (1,163,651)	\$ 1,140,762	\$ 1,296,554	\$ (1,012,430)	\$ 680,216	\$ (584,090)	\$ (355,395)	\$ 216,678
<b>H</b> Balance of G/F Capital Cash	\$ 13,871,101	\$ 12,654,991	\$ 11,491,340	\$ 12,632,102	\$ 13,928,655	\$ 12,916,225	\$ 13,596,442	\$ 13,012,351	\$ 12,656,956	\$ 12,873,634



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 2018-2037. 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 and is not shown here.





**City of Franklin**

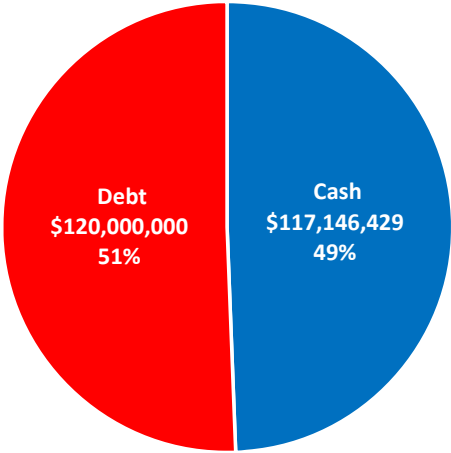
FY 2019-2028 Capital Improvement Program Financing Model

HISTORIC  
FRANKLIN  
TENNESSEE

**Resources Cash v. Debt**

The following shows the anticipated balances in available funding at the end of the ten-year CIP horizon in both cash only and a combination of cash and G.O. debt.

		FY 2019-2028 Projected Resources	
Internal		Cash Only	Cash & Debt
110 General			
Pay-as-you-go Cash <sup>1</sup>	\$	59,902,759	\$ 12,873,634
Debt Service <sup>2</sup>	\$	-	\$ 120,000,000
124 Sanitation Fund	\$	1,149,191	\$ 1,149,191
128 Road Impact Fund	\$	14,344,869	\$ 14,344,869
130 Facilities Tax	\$	28,216,139	\$ 28,216,139
132 County Facilities Tax	\$	14,429,517	\$ 14,429,517
135 Stormwater	\$	3,462,292	\$ 3,462,292
150 Hotel Motel	\$	25,954,657	\$ 25,954,657
155 In Lieu of Parkland	\$	16,716,130	\$ 16,716,130
<b>Total</b>	<b>\$</b>	<b>164,175,554</b>	<b>\$ 237,146,429</b>



**Notes:**

<sup>1</sup> Pay as you go cash includes the balance of the Capital Funding Account (over 45% of fund balance in the General Fund), Invest Franklin, and 50% of the assumed annual contributions from the TIF Roll-Off and the .5% Sales Tax increase.

<sup>2</sup> Debt Service resource is an estimated amount of \$120,000,000 based upon the amount of capacity gained from the amount of existing debt service to be retired and the addition of the \$0.07 of property tax from the **Invest Franklin** initiative, the TIF District Roll-Off and the .5% Sales Tax increase from early 2018 coming back to the City.





# City of Franklin

## FY 2019-2028 Capital Improvement Program Financing Model

### Obligated Financing Needs

While the availability of close to a quarter of a billion in available resources in the next ten years to fund capital projects is positive, the City has already made commitments to projects which need to be funded. The chart below shows those projects already committed to funding by the City and the outstanding balances necessary to complete them.

#### Project Needs

##### Phase I CIP - Approved under Res 2016-69

	<u>City Balance</u>	<u>Potential Source</u>
East McEwen Phase IV	\$ 23,837,992	General, Road Impact
SE Municipal Complex Phase I	\$ 19,653,110	General/Parkland/Sewer
Franklin Road	\$ 14,528,952	General
Mallory Station/Royal Oaks/Liberty Pike	\$ 2,499,235	Road Impact, County Facilities
Municipal Services (Century Court)	\$ 1,755,000	Sanitation/General

##### City Projects which we have obligated to participate in

	<u>City Balance</u>	
East McEwen Phase V	\$ 9,192,400	General, Road Impact
Harlinsdale Trail	\$ 1,032,960	Parkland, Private Partnership, General
Long Lane & Old Peytonsville Rd. Connector	\$ 22,288,800	General, Road Impact

<b>Total</b>	<b>\$ 94,788,449</b>	
--------------	----------------------	--

Not all of these projects have established timeframes - East McEwen Phase V and Long Lane are two which are likely to be built within the 10-year horizon of the plan, but are not active projects. Still, resources must be allocated for them when the time comes.



# City of Franklin

## FY 2019-2028 Capital Improvement Program Financing Model

### Closing Summary

The City of Franklin is fortunate to have a diversity of revenue streams which can be used to invest in necessary capital projects. This financing model has identified just short of \$240 million dollars of anticipated revenue which can be dedicated to general obligation capital projects (non-water & sewer) over the course of the next ten years. But some of these resources have already been committed. The net amount, over \$140,000,000 is detailed below:

<b>Total FY 2019-2028 CIP Projects (134 projects)</b>	\$	<b>710,548,854</b>
<u>less Water &amp; Sewer Projects</u>	\$	<u>(37,359,730)</u>
<b>Net FY 2019-2028 CIP Projects (82 Projects)</b>	\$	<b>673,189,124</b>
<b>Financing</b>		
<b>Total Estimated FY 2019-2028 Financing (less water &amp; sewer)</b>	\$	<b>237,146,429</b>
<u>less Obligated Financing Needs</u>	\$	<u>(94,788,449)</u>
<b>Net Estimated FY 2019-2028 Financing Resources</b>	\$	<b>142,357,980</b>

In other words, staff estimates that \$142 million of resources are available over the next ten years to fund capital projects from the list totaling near \$675 million in requests.

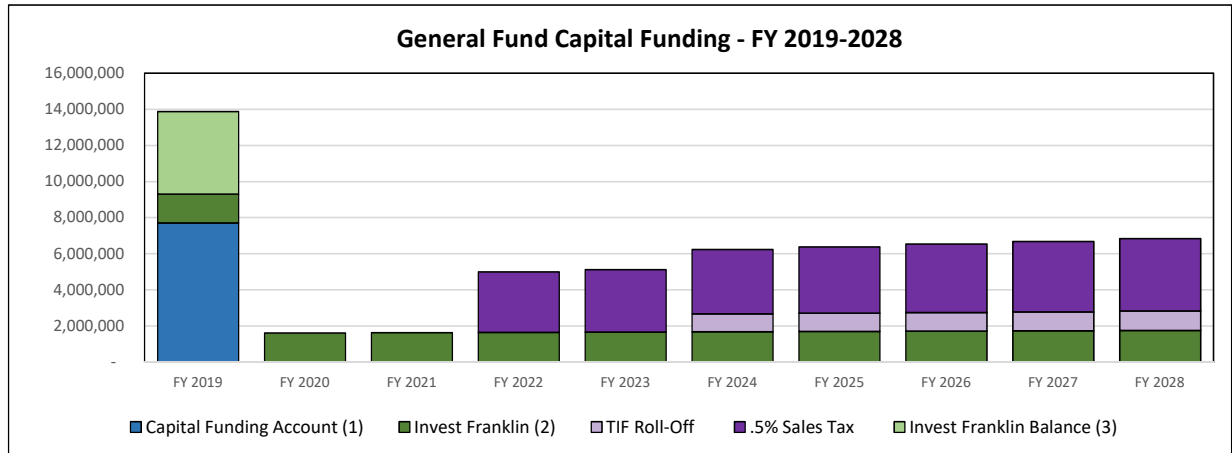
This model is inherently conservative. It assumes the City take on additional debt, but the city has the ability to pay all of the recommended debt with ongoing revenue streams and could afford to take on more should the board wish to do more projects. Even with the addition of \$120,000,000 of new debt over the course of the next ten years, the overall annual balance of General Fund cash capital is nearly \$12,000,000 a year - meaning that the City would be able to remain in its favored position of having cash resources available to take advantage of opportunities and grant matching should those opportunities arise in the future (as they have in the past). It also only assumes that of the new revenue streams forecast to come online - the .5% Sales Tax currently going to Williamson County Schools until nearly FY 2022 and the roll-off of the TIF district in FY 2024 - only 50% of that total would be dedicated to capital needs (the rest held in reserve for operational growth). It is highly likely that these streams could produce more capacity for capital projects.



## 10-Year Financing Analysis

<b>Fund:</b>	<b>General Fund</b>	<b>Percent of Total CIP Revenues</b>	<b>36.5%</b>
--------------	---------------------	--------------------------------------	--------------

**General Fund:** The largest funding source for Capital Projects is the General Fund. The property tax contributes the most to capital resources within the General Fund (In the form of the Invest Franklin initiative, the .5% Sales Tax currently going to Williamson County Schools until FY 2022 and money currently going to payoff TIF district bonds in FY 2025. It is anticipated that annual tax revenue will flow to the general fund for either operations and/or increased debt capacity. The amount of debt capacity is under review by the City's financial advisers and City staff.)



	Projections										Totals
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	
Capital Funding Account <sup>(1)</sup>	7,712,024	-	-	-	-	-	-	-	-	-	7,712,024
Invest Franklin <sup>(2)</sup>	1,594,442	1,610,386	1,626,490	1,642,755	1,659,183	1,675,775	1,692,532	1,709,458	1,726,552	1,743,818	16,681,391
Invest Franklin Balance <sup>(3)</sup>	4,564,635	-	-	-	-	-	-	-	-	-	4,564,635
TIF Roll-Off	-	-	-	-	-	999,000	1,018,980	1,039,360	1,060,147	1,081,350	5,198,836
.5% Sales Tax	-	-	-	3,360,000	3,460,800	3,564,624	3,671,563	3,781,710	3,895,161	4,012,016	25,745,873
<b>Totals</b>	<b>\$ 13,871,101</b>	<b>\$ 1,610,386</b>	<b>\$ 1,626,490</b>	<b>\$ 5,002,755</b>	<b>\$ 5,119,983</b>	<b>\$ 6,239,399</b>	<b>\$ 6,383,075</b>	<b>\$ 6,530,527</b>	<b>\$ 6,681,860</b>	<b>\$ 6,837,183</b>	<b>\$ 59,902,759</b>

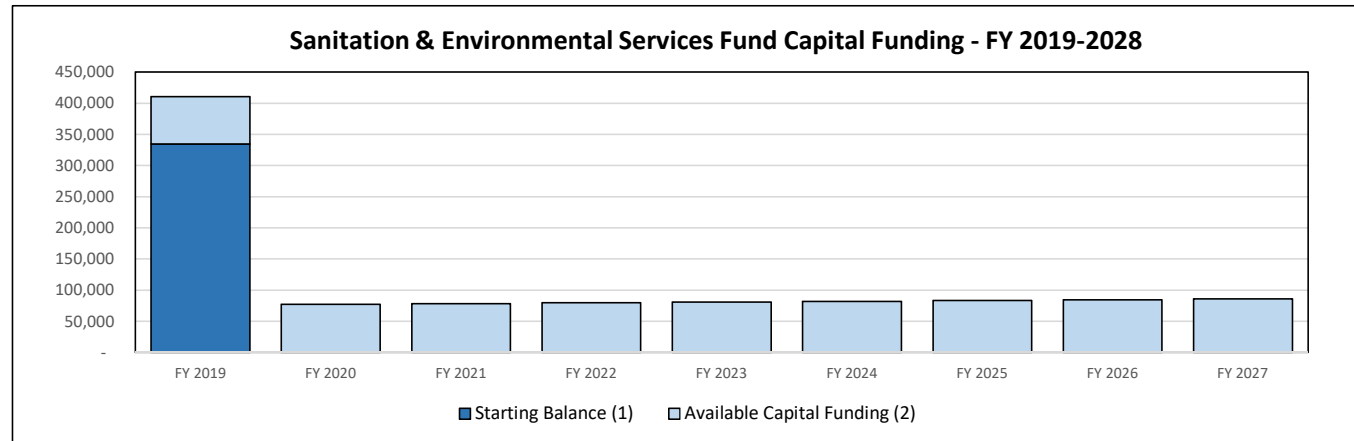
**Assumptions**

- (1) Balance of Capital Funding Account (that portion of G.F. Reserves over 45% of fund balance) varies annually. Amount reduced to take into account FY 2019 Budget Amendment #3 (96W Sidewalk Project).
- (2) The Invest Franklin receipts assume a 2% growth year-over-year for the 10-year CIP horizon. Further increases may occur in FY 2022 at the time of the next revaluation of property, dependent upon what future BOMA's decide to do. For this analysis, no change in the rate is assumed.
- (3) Invest Franklin Balance is amount of accumulated Property Tax generated from the dedicated 7 cents from Invest Franklin for Capital projects through FY 2018.

<b>Fund:</b>	<b>Sanitation</b>	<b>Percent of All Revenues</b>	<b>0.7%</b>
--------------	-------------------	--------------------------------	-------------

**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.

Beginning in FY 2019, the fund should be able to sustain without transfers from the General Fund, and will be able to be self-sustaining by FY 2020. This surplus should be reserved (at least in part) for Capital Renewal and Replacement. Given the growth of the community, another transfer station may be a real possibility.



	Projections										Totals
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10-year
Starting Balance (1)	334,543	-	-	-	-	-	-	-	-	-	334,543
Available Capital Funding (2)	76,096	77,252	78,421	79,605	80,803	82,014	83,240	84,480	85,734	87,003	814,648
<b>Totals</b>	<b>\$ 410,639</b>	<b>\$ 77,252</b>	<b>\$ 78,421</b>	<b>\$ 79,605</b>	<b>\$ 80,803</b>	<b>\$ 82,014</b>	<b>\$ 83,240</b>	<b>\$ 84,480</b>	<b>\$ 85,734</b>	<b>\$ 87,003</b>	<b>\$ 1,149,191</b>

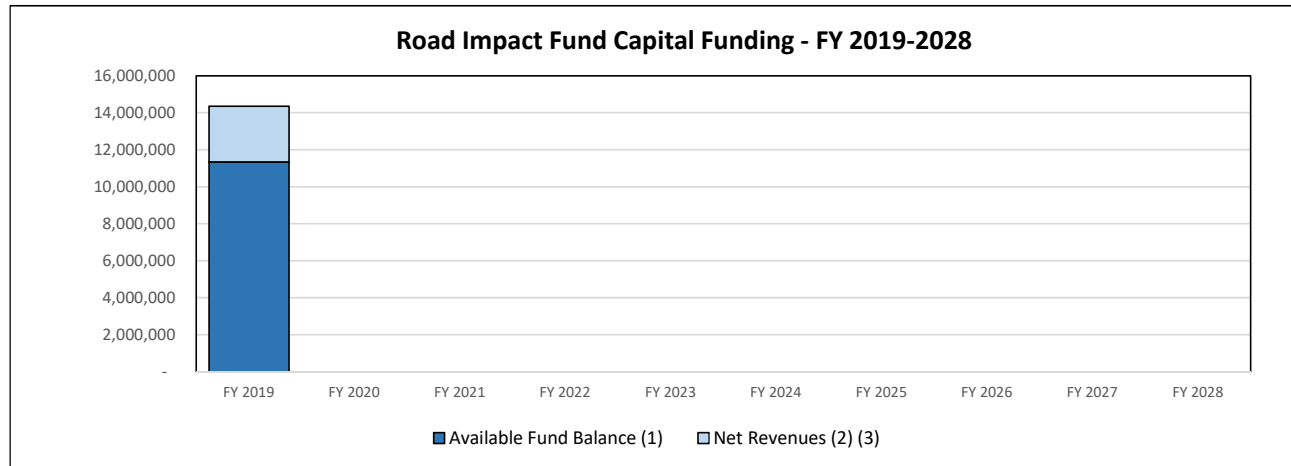
(1) Available Balance will be finalized once final FY 2018 Audited Financials are presented.

(2) Available Capital Funding is annual anticipated collections less one-month reserve for State cash/fund balance requirements.

<b>Fund:</b>	<b>Road Impact</b>	<b>Percent of All Revenues</b>	<b>8.7%</b>
--------------	--------------------	--------------------------------	-------------

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

The fund primarily is dedicated to servicing debt on already constructed arterial roadways. During the FY 2019-2028 CIP horizon, the debt service obligation assigned the Road Impact Fund is over \$38 million. (And nearly \$50 million total outstanding) Assuming the current balance is maintained as a sinking fund and reasonable collections remain to come into the fund, this obligation should be able to be met. But few - if any - new obligations should be planned at this time.



	Projections										Totals
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10-year
Available Fund Balance (1)	11,339,848	-	-	-	-	-	-	-	-	-	11,339,848
Net Revenues (2) (3)	3,005,021	-	-	-	-	-	-	-	-	-	3,005,021
<b>Totals</b>	<b>\$ 14,344,869</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,344,869</b>

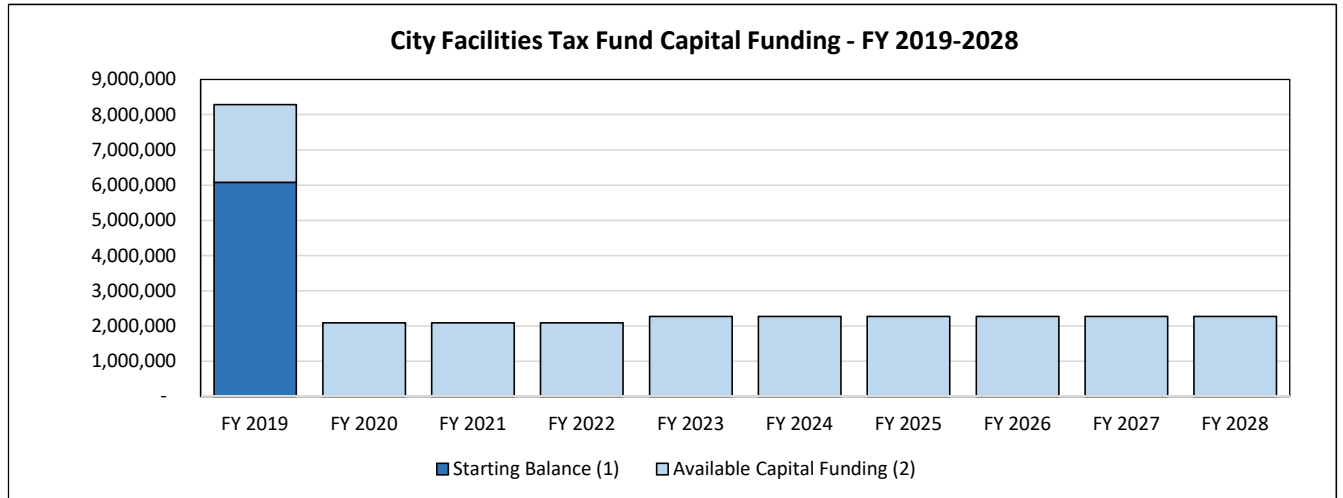
- (1) Available Balance will be finalized once final FY 2018 Audited Financials are presented.
- (2) Net Revenues less Debt Service and possible offsets.
- (3) Assumes average of \$4,250,000 collected annually from FY 2019-FY 2028.



<b>Fund:</b>	<b>City Facilities Tax Fund</b>	<b>Percent of All Revenues</b>	<b>17.2%</b>
--------------	---------------------------------	--------------------------------	--------------

**Facilities Tax Fund:** 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.

With the only known funding request against the fund the costs of Fire Station 7, (approx. \$5.25 M), ample resources are available to spend from the Facilities Tax on eligible capital projects during the 10-year CIP horizon.



	Projections										Totals
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10-Year
Starting Balance (1)	6,075,399	-	-	-	-	-	-	-	-	-	6,075,399
Available Capital Funding (2)	2,211,740	2,093,000	2,093,000	2,093,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	22,140,740
<b>Totals</b>	<b>\$ 8,287,139</b>	<b>\$ 2,093,000</b>	<b>\$ 2,093,000</b>	<b>\$ 2,093,000</b>	<b>\$ 2,275,000</b>	<b>\$ 2,275,000</b>	<b>\$ 2,275,000</b>	<b>\$ 2,275,000</b>	<b>\$ 2,275,000</b>	<b>\$ 2,275,000</b>	<b>\$ 28,216,139</b>

(1) Available Balance will be finalized once final FY 2018 Audited Financials are presented.

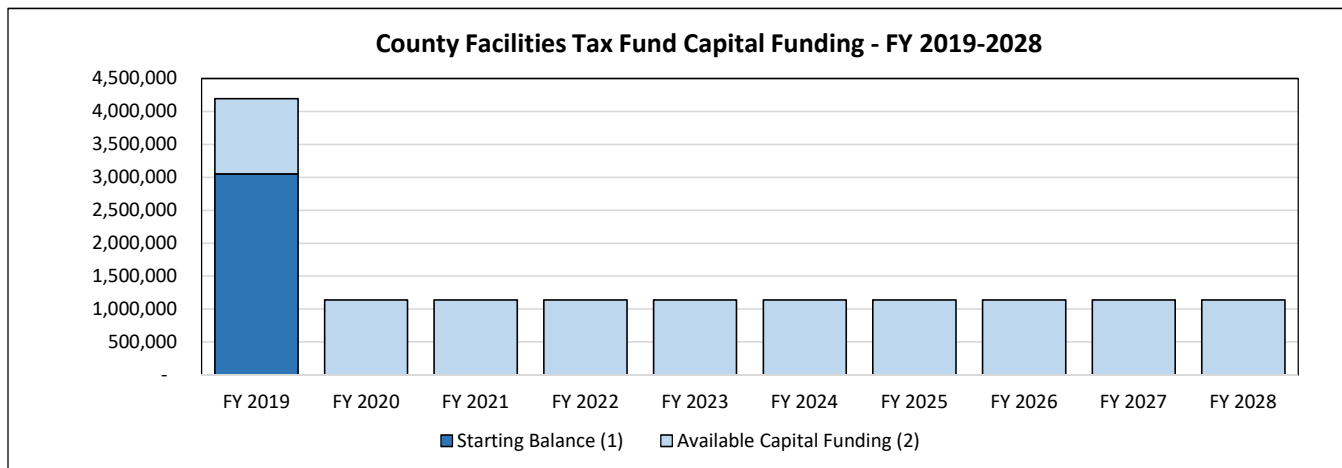
(2) Available Capital Funding is annual anticipated collections less one-month reserve for State cash/fund balance requirements.



<b>Fund:</b>	<b>County Facilities Tax Fund</b>	<b>Percent of All Revenues</b>	<b>8.8%</b>
--------------	-----------------------------------	--------------------------------	-------------

**Facilities Tax Fund:** 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.



	Projections										Totals
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	10-Year
Starting Balance (1)	3,054,517	-	-	-	-	-	-	-	-	-	3,054,517
Available Capital Funding (2)	1,137,500	1,137,500	1,137,500	1,137,500	1,137,500	1,137,500	1,137,500	1,137,500	1,137,500	1,137,500	11,375,000
<b>Totals</b>	<b>\$ 4,192,017</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 1,137,500</b>	<b>\$ 14,429,517</b>

(1) Available Balance will be finalized once final FY 2018 Audited Financials are presented. Amount reduced to take into account FY 2019 Budget Amendment #3 (96W Sidewalk Project).

(2) Available Capital Funding is annual anticipated collections less one-month reserve for State cash/fund balance requirements.





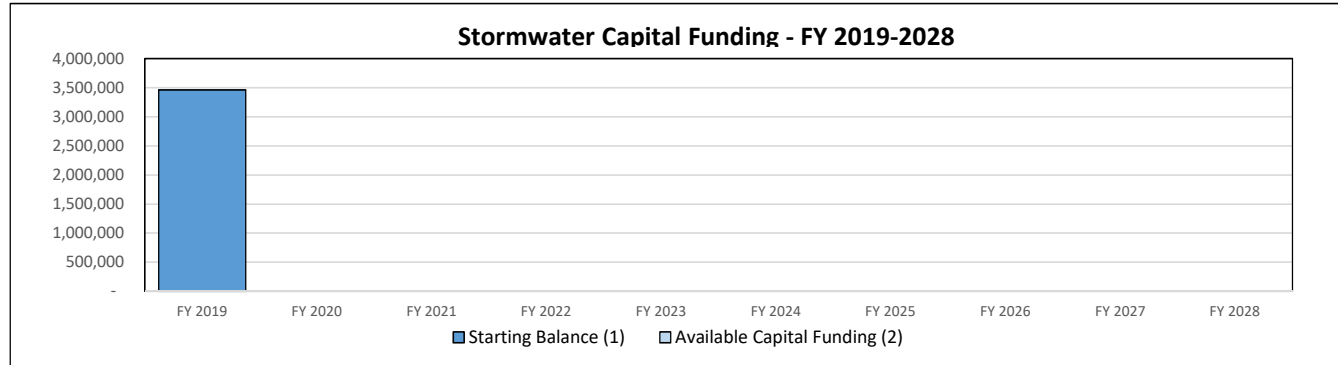
**City of Franklin**

FY 2019-2028 Capital Improvement Program Financing Model

<b>Fund:</b>	<b>Stormwater</b>	<b>Percent of Total CIP Revenues</b>	<b>2.1%</b>
--------------	-------------------	--------------------------------------	-------------

**Stormwater Fund:** A special revenue fund used to account for the City's Stormwater drainage projects and operations that prevent water issues. Revenues are primarily from charges to residential and commercial customers based on roofs and paved areas.

This is another fund dependent upon development. Should development increase faster than projected, or fees are increased, more money maybe come available for capital needs/requests. As it is, little annual surplus is forecast after operational concerns are met.



	Projections										Totals	
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028		
Starting Balance (1)	3,462,292	-	-	-	-	-	-	-	-	-	-	3,462,292
Available Capital Funding (2)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 3,462,292</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,462,292</b>

**Assumptions**

- (1) Available Balance will be finalized once final FY 2018 Audited Financials are presented.
- (2) Available Capital Funding is annual anticipated collections less one-month reserve for State cash/fund balance requirements.



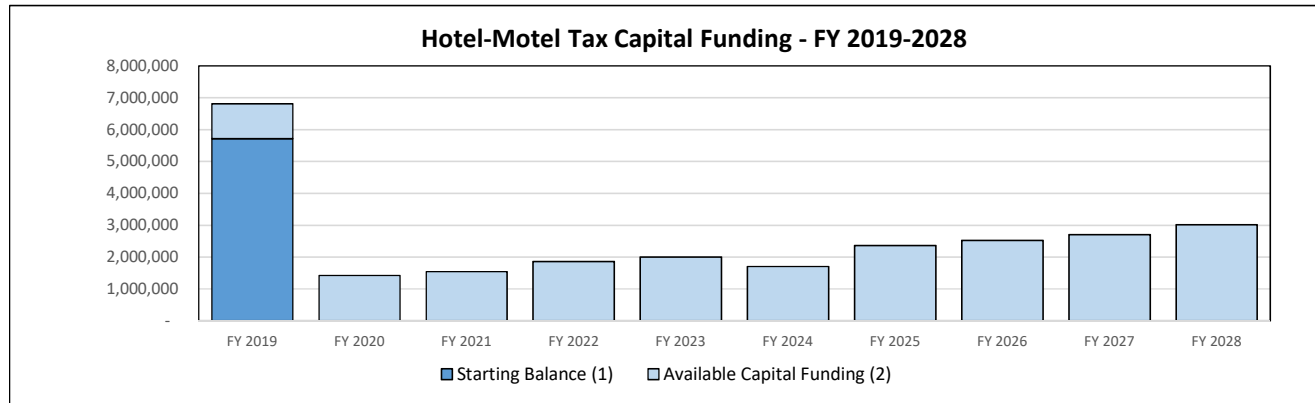
**City of Franklin**

FY 2019-2028 Capital Improvement Program Financing Model

<b>Fund:</b>	<b>Hotel Motel Tax</b>	<b>Percent of Total CIP Revenues</b>	<b>15.8%</b>
--------------	------------------------	--------------------------------------	--------------

Hotel Motel Tax: The Hotel/Motel Tax has been used in the past for those types of infrastructure projects which promote recreation and tourism. Specifically, these monies have been used for servicing debt related to the acquisition of the Carter's Hill Battlefield, Eastern Flank Battlefield and the Park at Harlinsdale Farm.

Future growth assumes 4.5% growth in revenues from hotel stays annually, less all known costs (existing debt service and the City's contribution to the Williamson County Convention & Visitors Bureau).



	Projections										Totals
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	
Starting Balance (1)	5,722,086	-	-	-	-	-	-	-	-	-	5,722,086
Available Capital Funding (2)	1,089,969	1,424,067	1,538,581	1,865,214	1,998,734	1,701,966	2,359,706	2,528,480	2,704,366	3,021,489	20,232,571
<b>Totals</b>	<b>\$ 6,812,055</b>	<b>\$ 1,424,067</b>	<b>\$ 1,538,581</b>	<b>\$ 1,865,214</b>	<b>\$ 1,998,734</b>	<b>\$ 1,701,966</b>	<b>\$ 2,359,706</b>	<b>\$ 2,528,480</b>	<b>\$ 2,704,366</b>	<b>\$ 3,021,489</b>	<b>\$ 25,954,657</b>

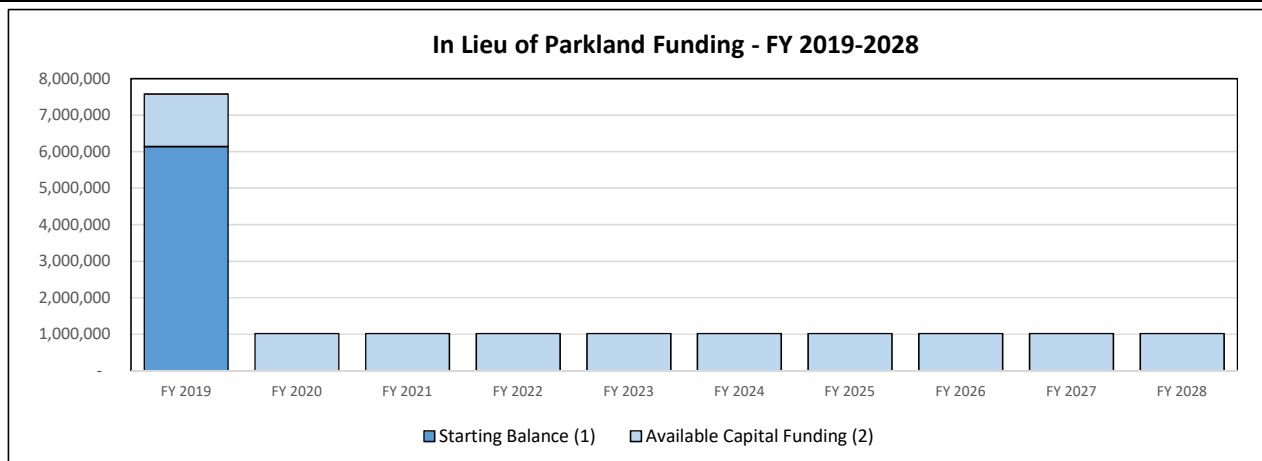
**Assumptions**

- (1) Available Balance will be finalized once final FY 2018 Audited Financials are presented.
- (2) Available Capital Funding is annual anticipated collections less one-month reserve for State cash/fund balance requirements.

<b>Fund:</b>	<b>In Lieu of Tax Parkland</b>	<b>Percent of Total CIP Revenues</b>	<b>10.2%</b>
--------------	--------------------------------	--------------------------------------	--------------

In Lieu of Parkland 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 for developers seeking alternatives to the development of green space 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 important issue of concern with these funds is the nexus issue: funds can only be spent in the quadrant of the community in which they are collected. Although funds are likely to be generated annually in excess of a million dollars, they cannot be spent City-wide. This limits how much can be spent on a particular project.



	Projections										Totals
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	
Starting Balance (1)	6,141,130	-	-	-	-	-	-	-	-	-	6,141,130
Available Capital Funding (2)	1,440,000	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	1,015,000	10,575,000
<b>Totals</b>	<b>\$ 7,581,130</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 1,015,000</b>	<b>\$ 16,716,130</b>

**Assumptions**

- (1) Available Balance will be finalized once final FY 2018 Audited Financials are presented.
- (2) Available Capital Funding is annual anticipated collections less one-month reserve for State cash/fund balance requirements.