



City of Franklin, Tennessee

FY 2020 Operating Budget

Debt Service Fund

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Fund Balance	5,000	90,197	106,587	106,587	102,169		
Revenues	12,981,945	13,657,071	13,684,617	13,759,644	13,496,453	-188,164	-1.38%
Expenditures	12,896,748	13,640,681	13,764,063	13,764,063	13,490,559	-273,503	-1.99%
Ending Balance	90,197	106,587	27,141	102,169	108,061		

Fund Summary

In the FY2010 budget, annual debt service previously paid by the General Fund was moved to this consolidated Debt Service Fund. While a portion of property tax is allocated directly to this fund to pay for General Fund's portion of debt service, transfers are made from the Sanitation & Environmental Services, Road Impact, and Hotel/Motel Tax funds to pay their respective shares of the debt service in accordance with policies and intentions delineated by the Board of Mayor & Aldermen.

Debt Management Policy Ratios

Appendix E of this document provides the City's adopted Debt Management Policy. The City of Franklin has had an adopted debt management policy since June 2009. Over the ensuing decade, this policy has been revised and amended to keep pace with changing economic and fiscal conditions. The policy was last reviewed and revised by the Board of Mayor and Alderman in December 2017.

Section V of this policy covers Debt Affordability. There are three ratios the City strives to balance in its overall execution and management of debt:

2) Direct Debt of Operating Revenues of less than or equal to 3x

FY 2019 Operating Revenues (All Funds):
\$ 151,997,610
3x FY 2019 Operating Revenues
\$ 455,992,830
Current Bonded Debt (all funds)
\$ 175,530,375
Direct Debt as x of Operating Revenues
1.2

Measure: Favorable

1) Direct Debt as a % of Full Value less than or equal to 1.75 %

Full Value of Franklin: (FY 2018)
\$ 15,550,483,075
1.75% of Full Value:
\$ 272,133,454
Current Bonded Debt (all funds)
\$ 175,530,375
As % of Full Value: 1.13%

Measure: Favorable

3) Total Governmental Funds Debt Service as a % of expenditures less than or equal to 25%

Total Governmental Funds Debt Service:
\$ 13,764,063
Total Governmental Funds Expenditures (All Funds Expenditures LESS Water & Wastewater Funds)
\$ 123,843,799
Gov. Funds Debt Service as % of Gov. Funds Expenditures
11.1%

Measure: Favorable



City of Franklin, Tennessee **FY 2020 Operating Budget**

Organizational Chart

There is no organization chart associated with the Debt Service Fund. It is supervised by personnel in the Finance Department.

Staffing by Position

There are no staff formally associated with the Debt Service Fund. It is supervised by personnel in the Finance Department.



City of Franklin, Tennessee

FY 2020 Operating Budget

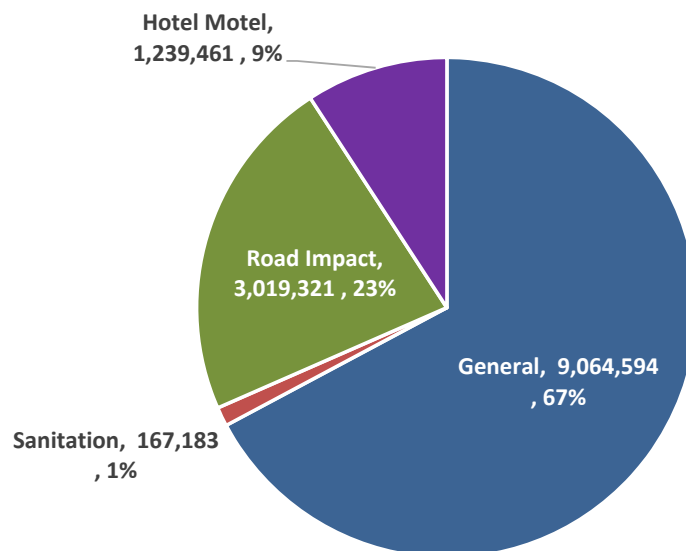
Budget

	Actual 2017	Actual 2018	Budget 2019	Estd 2019	Budget 2020	Difference \$	%
Beginning Fund Balance	5,000	90,197	106,587	106,587	102,169		
Revenues							
TOTAL LOCAL TAXES	7,503,769	8,505,949	8,620,102	8,682,201	8,464,681	(155,421)	-1.8%
TOTAL INTERGOVERNMENTAL	846,359	843,028	870,720	883,648	835,606	(35,114)	-4.0%
TOTAL USE OF MONEY & PROPE	4,354	16,390	5,000	5,000	5,000	-	0.0%
TOTAL OTHER REVENUE	4,627,463	4,291,704	4,188,795	4,188,795	4,191,166	2,371	0.1%
Total Available Funds	12,981,945	13,657,071	13,684,617	13,759,644	13,496,453	(188,164)	-1.4%
Expenses (Debt Service by Fund)							
General	8,029,359	9,120,354	9,327,839	9,327,839	9,064,594	(263,245)	-2.8%
Sanitation	628,454	273,390	167,184	167,184	167,183	(1)	0.0%
Road Impact	3,000,344	3,009,364	3,029,255	3,029,255	3,019,321	(9,934)	-0.3%
Hotel Motel	1,238,592	1,237,574	1,239,785	1,239,785	1,239,461	(324)	0.0%
Total Expenditures	12,896,748	13,640,681	13,764,063	13,764,063	13,490,559	(273,503)	-2.0%
Ending Fund Balance	90,197	106,587	27,141	102,169	108,061		

Notes & Objectives

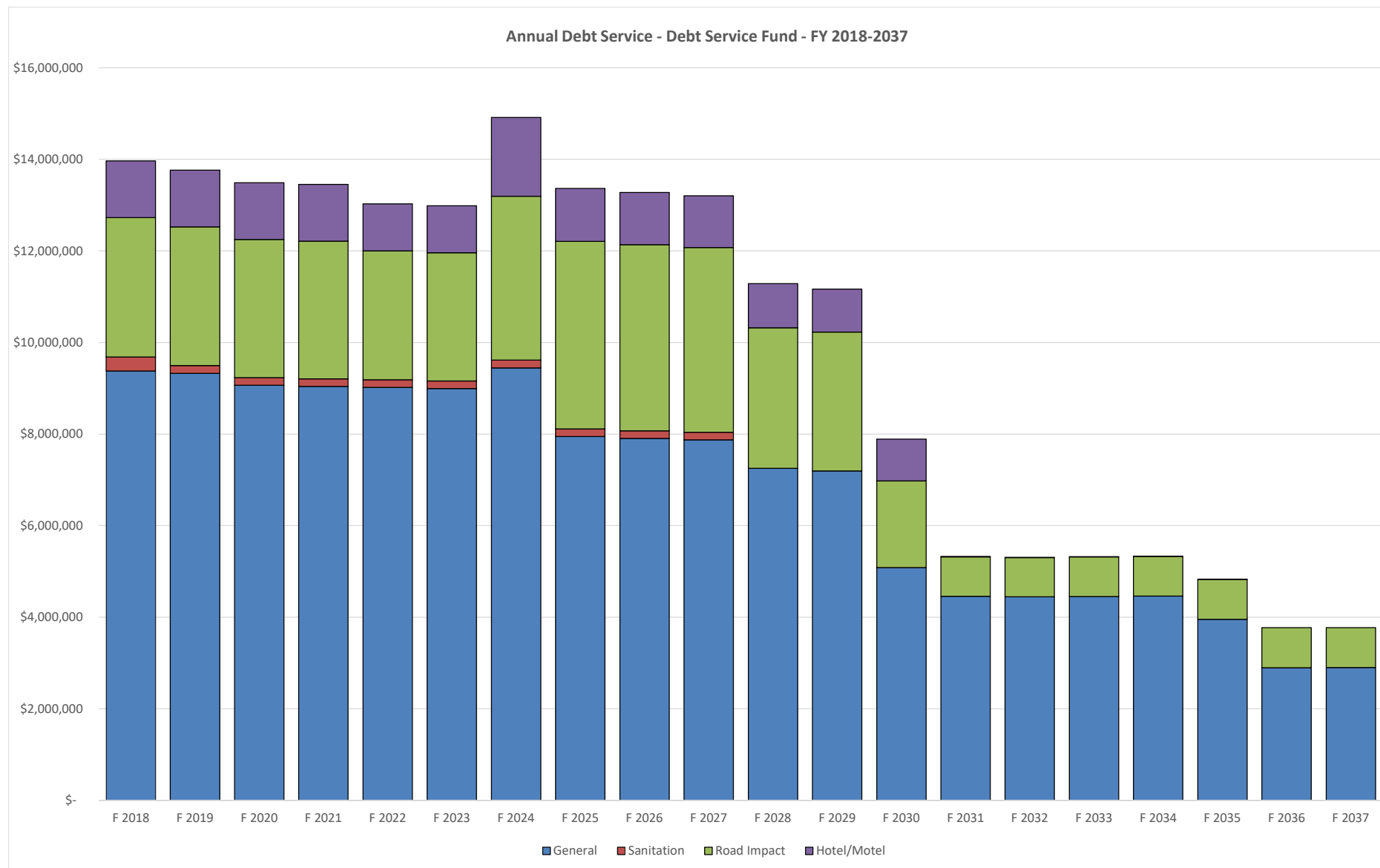
The Debt Service Fund for FY 2020 does not include the new money and refunding of G.O. Bonds currently underway. This budget will be amended once final bids are received and actual repayment schedules are known.

All that is shown herein is debt which has been issued to date. Below is FY 2020 G.O. Debt Service by fund. Water & Wastewater Debt is budgeted separately under the Water Management Department budget.



Debt Service Fund - General Obligation / Governmental Funds Debt Schedule

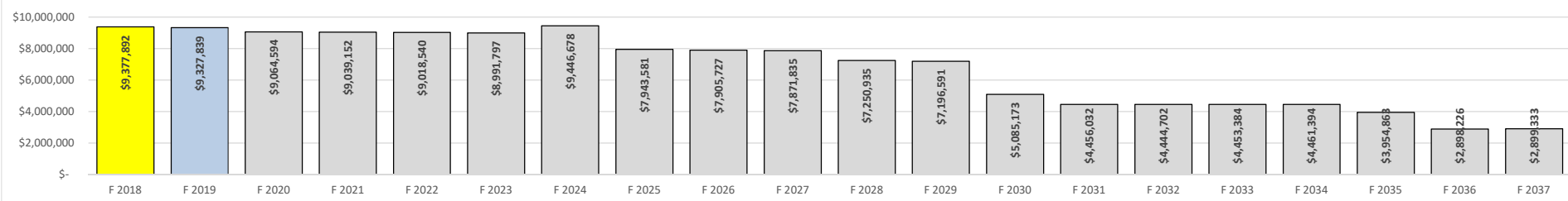
The chart below shows annual debt service for General Obligation Bonds for the City of Franklin, FY 2018-2037. Four funds - General, Sanitation, Road Impact and Hotel/Motel provide funding to service debt. Water & Wastewater Debt service is budgeted within the Water & Wastewater Fund.



Debt Service Fund - General Fund Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2037)	Total Outstanding (2020-2037)
PRINCIPAL										
Bonds 2007 - \$20m (Various)	2007	\$ 11,400,000							\$ 11,400,000	\$ 11,400,000
Bonds 2009 - \$44m (Various, including Police HQ)	2009A / 2009B	\$ 28,600,000	\$ 1,391,000	\$ 1,433,250	\$ 1,475,500	\$ 1,521,000	\$ 1,566,500	\$ 1,618,500	\$ 10,900,500	\$ 17,082,000
Bonds 2010 - \$16.59 (Refund 2004 Bonds & Harlinsdale)	2010	\$ 10,451,700	\$ 781,200	\$ 806,400	\$ 828,450	\$ 856,800	\$ 888,300	\$ 926,100	\$ 963,900	\$ 4,463,550
Bonds 2010 - \$15.725 (Hillsboro, 3rd Ave Ext, Columbia Stscoe)	2010	\$ 3,931,250							\$ 3,931,250	\$ 3,931,250
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	\$ 9,225,000	\$ 600,650	\$ 612,950	\$ 627,300	\$ 639,600	\$ 653,950	\$ 668,300	\$ 2,816,700	\$ 5,405,850
Bonds 2013 - \$10m (Pension Bonds)	2013	\$ 10,000,000	\$ 955,000	\$ 970,000	\$ 1,000,000	\$ 1,030,000	\$ 1,060,000	\$ 1,090,000	\$ 1,125,000	\$ 5,305,000
Bonds 2013 - \$7.405m (Public Works Bldg, Carlisle)	2013	\$ 7,405,000	\$ 315,000	\$ 320,000	\$ 325,000	\$ 330,000	\$ 340,000	\$ 350,000	\$ 4,565,000	\$ 5,910,000
Bonds 2015 - \$15m (Various)	2015	\$ 14,925,000	\$ 532,325	\$ 562,175	\$ 582,075	\$ 601,975	\$ 631,825	\$ 661,675	\$ 10,352,975	\$ 12,830,525
Bonds 2017 - \$23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	\$ 21,848,400	\$ 868,660	\$ 644,062	\$ 673,516	\$ 707,691	\$ 746,576	\$ 780,155	\$ 17,408,132	\$ 20,316,070
PRINCIPAL		\$ 117,786,350	\$ 5,443,835	\$ 5,348,837	\$ 5,511,841	\$ 5,687,066	\$ 5,887,151	\$ 6,094,730	\$ 63,463,457	\$ 86,644,245
INTEREST										
Bonds 2007 - \$20m (Various)	2007	Variable	\$ 454,860	\$ 454,860	\$ 454,860	\$ 454,860	\$ 454,860	\$ 454,860	\$ 3,904,016	\$ 5,723,456
Bonds 2009 - \$44m (Various, including Police HQ)	2009A / 2009B	2009 A - 2.5% / 2009 B 4.45% - 5.7%	\$ 1,013,951	\$ 952,052	\$ 886,839	\$ 818,228	\$ 745,220	\$ 667,678	\$ 2,163,583	\$ 5,281,548
Bonds 2010 - \$16.59 (Refund 2004 Bonds & Harlinsdale)	2010	2.0% - 4.0%	\$ 208,247	\$ 184,811	\$ 160,619	\$ 135,765	\$ 101,493	\$ 65,961	\$ 28,917	\$ 492,755
Bonds 2010 - \$15.725 (Hillsboro, 3rd Ave Ext, Columbia Stscoe)	2010	4.625% - 5.375%	\$ 198,932	\$ 198,932	\$ 198,932	\$ 198,932	\$ 198,932	\$ 198,932	\$ 842,322	\$ 1,638,051
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	2.13%	\$ 140,995	\$ 128,200	\$ 115,145	\$ 101,783	\$ 88,159	\$ 74,231	\$ 151,517	\$ 530,835
Bonds 2013 - \$10m (Pension Bonds)	2013	1.0% - 3.5%	\$ 208,313	\$ 183,510	\$ 164,410	\$ 134,410	\$ 106,600	\$ 74,800	\$ 39,375	\$ 519,595
Bonds 2013 - \$7.405m (Public Works Bldg, Carlisle)	2013	2.0% - 4.0%	\$ 192,618	\$ 192,619	\$ 192,620	\$ 179,918	\$ 173,418	\$ 166,818	\$ 996,054	\$ 1,708,828
Bonds 2015 - \$15m (Various)	2015	3.0% - 5.0%	\$ 528,037	\$ 501,420	\$ 478,933	\$ 461,471	\$ 431,372	\$ 399,781	\$ 2,376,991	\$ 4,148,548
Bonds 2017 - \$23.12m (Hillsboro/Roads /Communications/Sanit.)	2017	2.73%	\$ 733,016	\$ 919,654	\$ 887,451	\$ 853,775	\$ 818,391	\$ 781,062	\$ 6,126,686	\$ 9,467,365
INTEREST			\$ 3,678,969	\$ 3,716,058	\$ 3,539,809	\$ 3,339,142	\$ 3,118,445	\$ 2,884,123	\$ 16,629,461	\$ 29,510,981
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 255,088	\$ 262,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 175,536	\$ 227,312
PAYING AGENT & OTHER DEBT FEES			\$ 255,088	\$ 262,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 12,944	\$ 175,536	\$ 227,312
			\$ 9,377,892	\$ 9,327,839	\$ 9,064,594	\$ 9,039,152	\$ 9,018,540	\$ 8,991,797	\$ 80,268,454	\$ 116,382,538
TOTAL EXPENDITURES			\$ 9,377,892	\$ 9,327,839	\$ 9,064,594	\$ 9,039,152	\$ 9,018,540	\$ 8,991,797	\$ 80,268,454	\$ 116,382,538

Annual Debt Service - General Fund - FY 2018-2037





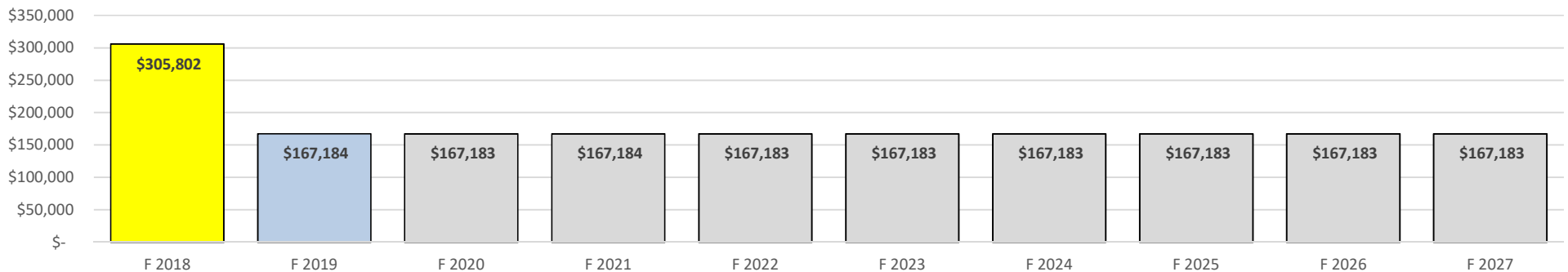
City of Franklin, Tennessee

FY 2020 Operating Budget

Debt Service Fund - Sanitation Fund Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2027)	Total Outstanding (2020-2027)
PRINCIPAL										
Bonds 2001 - \$2m (Century Court 2)	2003	\$ 2,000,000	\$ 173,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds 2017 - \$25.12M (Hillsboro/Roads)	2017	\$ 1,271,600	\$ 81,340	\$ 110,938	\$ 116,484	\$ 122,309	\$ 128,424	\$ 134,845	\$ 478,155	\$ 980,217
PRINCIPAL		\$ 3,271,600	\$ 254,340	\$ 110,938	\$ 116,484	\$ 122,309	\$ 128,424	\$ 134,845	\$ 478,155	\$ 980,217
INTEREST										
Bonds 2001 - \$2m (Century Court 2)	2003	Variable	\$ 467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds 2017 - \$25.12M (Hillsboro/Roads)	2017	2.73%	\$ 45,905	\$ 56,246	\$ 50,699	\$ 44,875	\$ 38,759	\$ 32,338	\$ 190,579	\$ 357,250
INTEREST			\$ 46,372	\$ 56,246	\$ 50,699	\$ 44,875	\$ 38,759	\$ 32,338	\$ 190,579	\$ 357,250
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 5,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PAYING AGENT & OTHER DEBT FEES			\$ 5,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES			\$ 305,802	\$ 167,184	\$ 167,183	\$ 167,184	\$ 167,183	\$ 167,183	\$ 668,734	\$ 1,337,467

Annual Debt Service - Sanitation Fund - FY 2018-2027



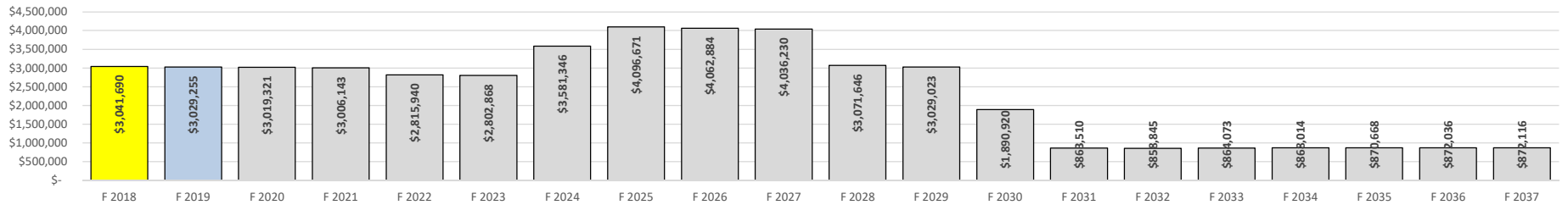


City of Franklin, Tennessee
FY 2020 Operating Budget

Debt Service Fund - Road Impact Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2037)	Total Outstanding (2020-2037)
PRINCIPAL										
Bonds 2005 - \$4.5m (McEwen ROW) - 45%	2005	\$ 2,025,000	\$ 155,250	\$ 159,750	\$ 166,500	\$ 173,250			\$ -	\$ 339,750
Bonds 2007 - \$20m (Various) - 43%	2007	\$ 8,600,000							\$ 8,600,000	\$ 8,600,000
Bonds 2009 - \$44m (Various) - 34.6%	2009A / 2009B	\$ 15,224,000	\$ 740,440	\$ 762,930	\$ 785,420	\$ 809,640	\$ 833,860	\$ 861,540	\$ 5,802,420	\$ 9,092,880
Bonds 2010 - \$15.725m (3rd Ave, Hillsboro) - 50%	2010	\$ 6,290,000							\$ 6,290,000	\$ 6,290,000
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	\$ 11,475,000	\$ 747,150	\$ 762,450	\$ 780,300	\$ 795,600	\$ 813,450	\$ 831,300	\$ 3,503,700	\$ 6,724,350
PRINCIPAL		\$ 43,614,000	\$ 1,642,840	\$ 1,685,130	\$ 1,732,220	\$ 1,778,490	\$ 1,647,310	\$ 1,692,840	\$ 24,196,120	\$ 31,046,980
INTEREST										
Bonds 2005 - \$4.5m (McEwen ROW) - 45%	2005	Variable	\$ 21,451	\$ 15,590	\$ 9,519	\$ 3,214				\$ 12,733
Bonds 2007 - \$20m (Various) - 43%	2007	Variable	\$ 343,140	\$ 343,140	\$ 343,140	\$ 343,140	\$ 343,140	\$ 343,140	\$ 2,944,999	\$ 4,317,559
Bonds 2009 - \$44m (Various) - 34.6%	2009A / 2009B	2009 A - 2.5% / 2009 B 4.45% - 5.7%	\$ 539,734	\$ 506,784	\$ 472,071	\$ 435,549	\$ 396,686	\$ 355,410	\$ 1,151,691	\$ 2,811,407
Bonds 2010 - \$15.725m (3rd Ave, Hillsboro) - 50%	2010	4.625% - 5.375%	\$ 318,292	\$ 318,292	\$ 318,292	\$ 318,292	\$ 318,292	\$ 318,292	\$ 1,347,718	\$ 2,620,886
Bonds 2012 - \$22.5m (Various - Refunding)	2009 / 2012 (Refund)	2.13%	\$ 175,383	\$ 159,469	\$ 143,229	\$ 126,608	\$ 109,662	\$ 92,336	\$ 188,474	\$ 660,309
INTEREST			\$ 1,398,000	\$ 1,343,275	\$ 1,286,251	\$ 1,226,803	\$ 1,167,780	\$ 1,109,178	\$ 5,632,882	\$ 10,422,894
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 8,980	\$ 12,380
PAYING AGENT & OTHER DEBT FEES			\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 850	\$ 8,980	\$ 12,380
TOTAL EXPENDITURES			\$ 3,041,690	\$ 3,029,255	\$ 3,019,321	\$ 3,006,143	\$ 2,815,940	\$ 2,802,868	\$ 29,837,982	\$ 41,482,254

Annual Debt Service - Road Impact Fund - FY 2018-2037



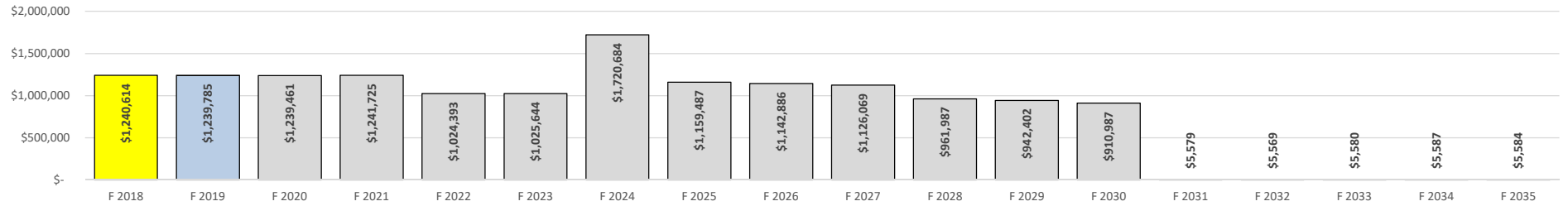


City of Franklin, Tennessee
FY 2020 Operating Budget

Debt Service Fund - Hotel / Motel Payment Schedule

Purpose	Issue Year	Orig. Amt. Issued / Interest Rate	F 2018	F 2019	F 2020	F 2021	F 2022	F 2023	Balance (2024-2035)	Total Outstanding (2020-2035)
PRINCIPAL										
Bonds 2005 - \$4.5m (Country Club) - 55%	2005	\$ 2,475,000	\$ 189,750	\$ 195,250	\$ 203,500	\$ 211,750			\$ -	\$ 415,250
Bonds 2009 - \$44m (Harlinsdale, Battlefield) - .4%	2009A / 2009B	\$ 176,000	\$ 8,560	\$ 8,820	\$ 9,080	\$ 9,360	\$ 9,640	\$ 9,960	\$ 67,080	\$ 105,120
Bonds 2010 - \$15.725m (Streetscape) - 50%	2010	\$ 5,503,750							\$ 5,503,750	\$ 5,503,750
Bonds 2010 - \$16.59m (Refund Harlinsdale) - 37.0%	2010 (Refund)	\$ 6,138,300	\$ 458,800	\$ 473,600	\$ 486,550	\$ 503,200	\$ 521,700	\$ 543,900	\$ 566,100	\$ 2,621,450
Bonds 2012 - \$22.5m Refunding	2009 / 2012 (Refund)	\$ 1,800,000	\$ 117,200	\$ 119,600	\$ 122,400	\$ 124,800	\$ 127,600	\$ 130,400	\$ 549,600	\$ 1,054,800
Bonds 2015 - \$15m (Hillsboro & 3rd Ave Only)	2015	\$ 75,000	\$ 2,675	\$ 2,825	\$ 2,925	\$ 3,025	\$ 3,175	\$ 3,325	\$ 52,025	\$ 64,475
PRINCIPAL		\$ 16,168,050	\$ 776,985	\$ 800,095	\$ 824,455	\$ 852,135	\$ 662,115	\$ 687,585	\$ 6,738,555	\$ 9,764,845
INTEREST										
Bonds 2005 - \$4.5m (Country Club) - 55%	2005	Variable	\$ 26,218	\$ 19,054	\$ 11,634	\$ 3,929			\$ -	\$ 15,563
Bonds 2009 - \$44m (Harlinsdale, Battlefield) - .4%	2009A / 2009B	2009 A - 2.5% / 2009 B 4.45% - 5.7%	\$ 6,240	\$ 5,859	\$ 5,457	\$ 5,035	\$ 4,586	\$ 4,109	\$ 13,314	\$ 32,502
Bonds 2010 - \$15.725m (Streetscape) - 50%	2010	4.625% - 5.375%	\$ 278,505	\$ 278,505	\$ 278,505	\$ 278,505	\$ 278,505	\$ 278,505	\$ 1,179,251	\$ 2,293,271
Bonds 2010 - \$16.59m (Refund Harlinsdale) - 37.0%	2010 (Refund)	2.0% - 4.0%	\$ 122,304	\$ 108,540	\$ 94,332	\$ 79,735	\$ 59,607	\$ 38,739	\$ 16,983	\$ 289,396
Bonds 2012 - \$22.5m Refunding	2009 / 2012 (Refund)	2.13%	\$ 27,511	\$ 25,015	\$ 22,467	\$ 19,860	\$ 17,202	\$ 14,484	\$ 29,564	\$ 103,578
Bonds 2015 - \$15m (Hillsboro & 3rd Ave Only)	2015	3.0% - 5.0%	\$ 2,653	\$ 2,520	\$ 2,407	\$ 2,319	\$ 2,168	\$ 2,009	\$ 11,945	\$ 20,847
INTEREST			\$ 463,431	\$ 439,492	\$ 414,802	\$ 389,383	\$ 362,068	\$ 337,846	\$ 1,251,058	\$ 2,755,156
PAYING AGENT & OTHER DEBT FEES										
Various			\$ 198	\$ 198	\$ 204	\$ 207	\$ 210	\$ 213	\$ 2,790	\$ 3,624
PAYING AGENT & OTHER DEBT FEES			\$ 198	\$ 198	\$ 204	\$ 207	\$ 210	\$ 213	\$ 2,790	\$ 3,624
TOTAL EXPENDITURES			\$ 1,240,614	\$ 1,239,785	\$ 1,239,461	\$ 1,241,725	\$ 1,024,393	\$ 1,025,644	\$ 7,992,403	\$ 12,523,625

Annual Debt Service - Hotel/Motel Tax Fund - FY 2018-2035





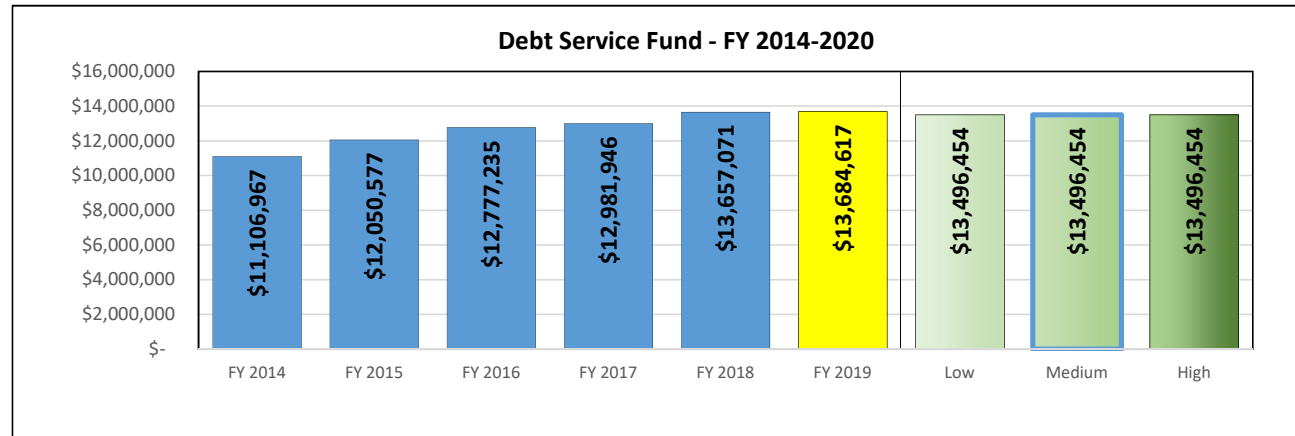
City of Franklin

Revenue Model

Fund:	Debt Service Fund	Percent of All Revenues	8.8%
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Debt Service Fund: The Debt Service Fund was created in FY 2010 for the purpose of accounting for resources set aside to fund debt service (payments of long term debt principal, interest, and related costs). All funds which have debt service are accounted for within this fund - General, Road Impact, Sanitation and Hotel / Motel.

FY 2020 revenues for the Debt Service Fund will be revised during the next few months once plans are finalized for next G.O. Bond Issuance for various projects contained in the 2019-2028 CIP.



	Actual					Budget	Forecast (FY 2020)			Averages
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Low	Medium	High	
PROPERTY TAXES COLLECTED	5,357,261	6,350,472	7,338,632	6,710,855	8,505,949	8,620,102	8,464,681	8,464,681	8,464,681	3-yr Average
REBATE ON BAB / RZEDB	832,179	838,508	840,316	846,359	843,028	870,720	835,606	835,606	835,606	\$ 13,138,751
INTEREST INCOME	2,205	1,514	3,296	4,355	16,390	5,000	5,000	5,000	5,000	1.4%
BOND PROCEEDS	0	0	0	0	0	0	-	-	-	5-Yr Average
TRANSFER FROM GENERAL FUND	0	0	0	792,914	0	0	-	-	-	\$ 12,514,759
TRANSFER FROM WATER	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1.9%
TRANSFER FROM SEWER	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
TRANSFER FROM SOLID WASTE	570,537	584,509	599,772	618,054	273,390	167,184	167,184	167,184	167,184	
TRANSFER FROM ROAD IMPACT	3,227,856	2,960,579	2,674,006	2,689,493	2,699,646	2,708,651	2,710,869	2,710,869	2,710,869	
TRANSFER FROM HOTEL/MOTEL	1,116,929	1,114,995	1,121,213	1,119,916	1,118,668	1,112,960	1,113,114	1,113,114	1,113,114	
Totals	\$ 11,106,967	\$ 12,050,577	\$ 12,777,235	\$ 12,981,946	\$ 13,657,071	\$ 13,684,617	\$ 13,496,454	\$ 13,496,454	\$ 13,496,454	

Source: City of Franklin, Comprehensive Annual Financial Reports - 1990-2018 & Estimates from Finance & Revenue Management Departments.