



City of Franklin, Tennessee
FY 2020 Operating Budget Request

Other (Development /Growth) Funds

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



City of Franklin, Tennessee - FY 2020 Budget Request Development/Growth Funds

Outline

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



City of Franklin, Tennessee - FY 2020 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 2020 Budget Request

City Facilities Tax Fund

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2018 v. 2019	
			Budget	Estimated		\$	%
Beginning Fund Balance	6,976,276	10,441,436	14,410,218	14,410,218	15,142,591		
Revenues	3,850,553	4,885,177	2,449,305	2,336,872	3,075,000	625,695	25.5%
Expenditures	385,393	916,395	8,572,384	1,604,500	5,469,292	-3,103,092	-36.2%
Ending Balance	10,441,436	14,410,218	8,287,139	15,142,591	12,748,298		

Revenues: \$3,075,000 forecast; highly dependent upon what is built and when.

Expenses: \$5,469,292 forecast; only costs pertaining to Station 7 programmed. More to be added from Program Enhancements.



City of Franklin, Tennessee - FY 2020 Budget Request **County Facilities Tax Fund**

Purpose of Department

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.



City of Franklin, Tennessee - FY 2020 Budget Request

County Facilities Tax Fund

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Fund Balance	-	3,488,072	4,804,517	4,804,517	3,661,920		
Revenues	3,488,072	1,616,445	1,250,000	607,403	1,310,000	60,000	100.0%
Expenditures	-	300,000	1,750,000	1,750,000	-	-1,750,000	100.0%
Ending Balance	3,488,072	4,804,517	4,304,517	3,661,920	4,971,920		

Revenues: \$1,310,000 forecast; highly dependent upon what is built and when.

Expenses: Nothing forecast; will be amended once staff produces financing recommendations for BOMA prioritization of FY 2019-2028 Capital Improvement Projects later in 2019.



City of Franklin, Tennessee - **FY 2020 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 2020 Budget Request

Road Impact Fund

Budget Request:

Budget Summary

	2017 Actual	2018 Actual	2019 Budget Estimated		2020 Budget	2019 v. 2020 \$ %	
Beginning Fund Balance	5,019,848	5,889,789	11,339,848	11,339,848	15,662,229		
Revenues	7,217,613	11,706,536	8,034,276	7,505,591	10,000,438	1,966,162	24.5%
Expenditures	6,347,672	6,256,477	5,708,651	3,183,210	5,710,869	2,218	0.0%
Ending Balance	5,889,789	11,339,848	13,665,473	15,662,229	19,951,798		

Revenues include estimates for Road Impact Fees collected from Arterial and Collector Roads.

The expenditures budget anticipates \$5.7 million, part in the form of a transfer to the debt service fund and part in the form of Road Impact Offset agreement payments. Additional funds may be transferred to Fund 310 to close out remaining road project capital deficits, but that decision will be made during FY 2019.



City of Franklin, Tennessee - FY 2020 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 2020 Budget Request

Hotel Motel Tax Fund

Base Budget Request:

Budget Summary

	2017 Actual	2018 Actual	2019		2020 Budget	2019 v. 2020	
			Budget	Estimated		\$	%
Beginning Fund Balance	2,634,109	3,827,284	5,722,086	5,722,086	7,013,952		
Revenues	3,721,055	4,136,321	3,744,327	3,936,425	4,051,849	307,522	8.2%
Expenditures	2,527,880	2,241,519	2,557,059	2,644,559	2,381,204	-175,855	-6.9%
Ending Balance	3,827,284	5,722,086	6,909,354	7,013,952	8,684,598		

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.

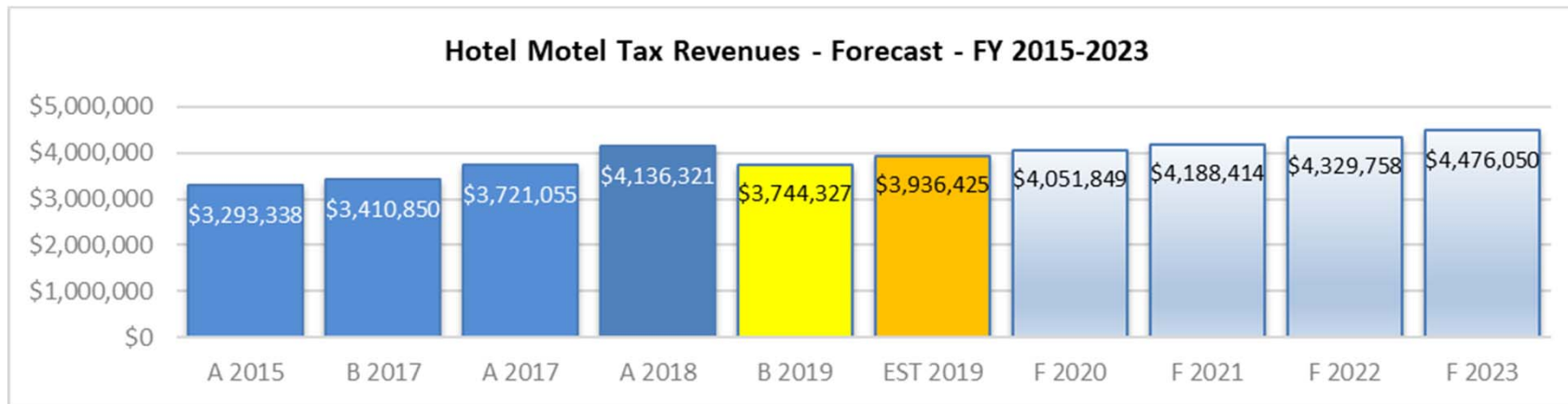


City of Franklin, Tennessee - FY 2020 Budget Request

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 2015-FY 2023.



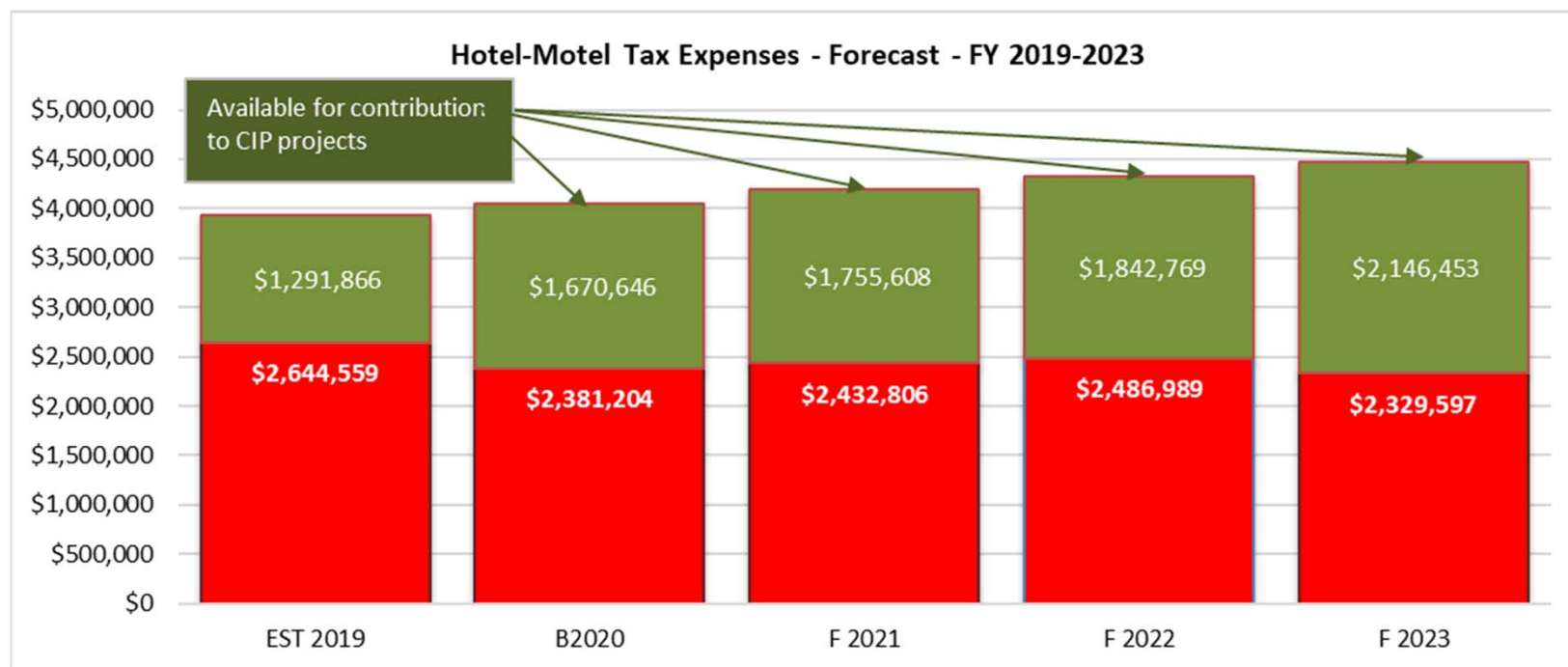


City of Franklin, Tennessee - FY 2020 Budget Request

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 2020 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 2020 Budget Request **In Lieu of Parkland Fund**

Base Budget Request:

Budget Summary

	2017 Actual	2018 Actual	2019 Budget Estimated		2020 Budget	2019 v. 2020 \$ %	
Beginning Fund Balance	4,425,966	4,584,138	6,141,130	6,141,130	7,716,130		
Revenues	158,172	2,062,394	1,440,000	1,575,000	1,570,000	130,000	9.0%
Expenditures		505,402	-	-	-	0	100.00%
Ending Balance	4,584,138	6,141,130	7,581,130	7,716,130	9,286,130		

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. Aside from the Robinson Lake purchase in FY 2018, funds have been reserved for future use and will be recommended as a funding source for parks projects contained within the FY 2019-2028 CIP.



City of Franklin, Tennessee - FY 2020 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 forecast is, of course, **heavily dependent** upon private development. This economy should continue to deliver ample revenues into these funds.