
**BOARD OF MAYOR AND ALDERMEN SPECIAL CIP WORK SESSION
TUESDAY, JULY 2, 2019 @ 3:00 P.M.
CITY HALL BOARDROOM
FRANKLIN, TENNESSEE**

Board Members

Mayor Ken Moore	P		
Vice Mayor Clyde Barnhill	P	Alderman Dana McLendon	P
Alderman Brandy Blanton	P	Alderman Margaret Martin	P
Alderman Pearl Bransford	P	Alderman Ann Petersen	P
Alderman Beverly Burger	P	Alderman Scott Speedy	P

Department Directors/Staff

Eric Stuckey, City Administrator	P	Paul Holzen, Engineering Director	P
Vernon Gerth, ACA Community/Economic Dev.	P	Jonathan Marston, Assistant Director Engineering	P
Mark Hilty, ACA Public Works	P	Michael Walters Young, Budget/Analytics Manager	P
Kristine Tallent, ACA/CFO	P	Lanaii Benne, Assistant City Recorder/Records	P
Lisa Clayton, Parks Director	P	Linda Fulwider, Board Recording Secretary	P

Call to Order

Dr. Ken Moore, Mayor, called the Special CIP Work Session to order at 3:00 p.m.

Citizen Comment:

- Pitts Hinson, 913 Evans Street: Ongoing problem with flooding. The water from several blocks away flows into their street. The issue has been discussed before. He and the other residents on Evans Street would like the City to consider a sewer project to fix the issue.
- Fred Reynolds on behalf of Carey Reynolds, 1110 Adams Street: In addition to water on Evans Street, the neighbors on Adams Street are getting water as well. On the other side of Fowlkes Street there is standing water for 3-4 days after a rainfall. The development up Adams Street backs up and floods Evans Street. He asked for consideration to bump up the timeframe to take care of this problem.
- Ted Baker, 105 Evans Street: Following his request for help at the last Work Session, City workers were at his home four days last week. He referred to the other side of Fowlkes Street and asked about installing a pump to absorb that water. This is a health and Safety issue. The timelines of 1.5 to 5 years to solve the problem is unacceptable.
- Paul Holzen said studies done back to the 1980s show mismatched pipes and piecemeal work from the Harpeth River up to Evans Street. Three studies show the same results. It would take five years to do Church Street and another five years to go the rest of the way. Water and sewer lines need to be replaced as well as Atmos gas lines. This is a two-prong project.
- Other options were mentioned. Some are not viable.
- Mr. Stuckey: Appreciated the residents coming out, but there is not a quick and easy solution. A specific study would show the short and long-term options and costs. Information will be gathered to see what can be done in the meantime.

SPECIAL WORK SESSION DISCUSSION ITEMS (CIP)

1. 19-0224 Presentation & Discussion on Projects for the FY 2019-2028 Capital Investment Program (CIP).

Eric Stuckey, City Administrator

Since the last session, input from the Board was considered and other projects that may be a community need. All are within financial capacity over next 10-year window.

Michael Walters Young and Eric Stuckey shared the presentation.

Revenues: Available Resources (Cash) - \$179,392,570

This model shows gross available revenues for all committed and proposed capital projects. Taking into account all available fund balances which can be used for capital purposes and forecasting all future revenues for the next decade, we project slightly more than \$179,392,570 for capital projects between now and the end of FY 2028.

Note: This is \$15 million more than we forecast in November; continued healthy growth in Development Funds and in Sales Tax collections have contributed to this increase.

General	\$49,172,449 - 27%
Stormwater	\$2,550,000 - 1%
City Facilities	\$33,085,087 - 18%
Road Impact	\$20,203,216 - 11%
County Facilities	\$15,194,377 - 9%
Hotel Motel	\$26,000,496 - 15%
In Lieu of Parkland	\$19,758,294 - 11%
Water & Sewer	\$13,428,650 - 8%

Of Note:

- General Fund Cash includes current Capital Funding Account balance (over 45%), Invest Franklin dollars, 50% of anticipated Sales Tax monies currently going to Williamson County for Schools (beginning in 2022) and 50% of Property Tax monies currently paying off TIF District (beginning in FY 2024)

Revenues: Debt Capacity Review

- Although the forecast of over \$179 Million in cash resources for capital projects is a notable achievement for the next ten years, there is far more need than what we can afford in cash alone. Staff continues to be a proponent of leveraging our cash resources and responsibly borrow to fund eligible capital projects.
- Staff proposes \$95 million in additional borrowing (to join the existing \$37 million already issued in debt) over the next 8 years to fund capital investment.

Notes:

- The Debt Capacity Analysis takes into account all debt rolling off over the next ten years.
- The Debt Capacity Analysis assumes issuing bonds in level principal payments (the most conservative approach to issuing debt) at an annual rate of 4.5% for a duration of 20 years.
- The analysis is predicated on using monies generated from the Williamson County Schools taxes and the TIF district to service additional debt.
- Staff attempted to balance overall debt and cash at 50% each for the next ten years to fund capital.

Revenues: \$301,899,016 available (all sources)

- Debt - \$132,172,799 44%
- Cash - \$169,726,217 - 56%

Expenses: \$281,510,872 in total projects

- 37 recommended projects \$281,510,872 over the next ten years
- Comprised of 3 tiers:
2017 Tier - 7 - (BOMA Authorized under Resolution 2016-69)
2019 Tier - 13 (BOMA Prioritization from earlier in 2019)
Opportunity Tier - 17 - comprised projects which received majority support of BOMA members, of staff believes are either vital to achieve to maintain the health, safety and value of community assets or maximize external funding support.

Capital Project Tiers:

- 2017 Tier - \$107,478,452 - 38%
- 2019 Tier - \$108,674,300 - 39%
- Opportunity Tier - \$65,358,120 - 23%

Capital Project Tiers: 2017 Tier:

Project	Total Project Cost	FY 2020 Budget
FD16001 - Fire Station 7	\$ 7,062,500	\$ 5,082,305
ST16007 - McEwen Phase 4	\$ 34,067,000	\$ 5,000,000
ST16009 - Franklin Road	\$ 18,178,952	\$ 8,296,432
Major Road Resurfacing	\$ 8,425,000	\$ 2,725,000
FM19003 - Sanitation Facility	\$ 3,255,000	\$ 1,755,000
PK16014 - SE Park - Phase 1	\$ 31,200,000	\$ 1,300,000
ST16020 - 96 West Trail	\$ 5,300,000	\$ 3,500,000
	\$ 107,478,452	\$ 27,658,737

Capital Project Tiers: 2019 Tier:			
Project	Total Project Cost		FY 2020 Budget
ST16017 – Long Ln & Old Peytonsville Rd Connector	\$	22,288,800	\$ 450,000
PK16020 – Bicentennial Park	\$	4,175,000	\$ 300,000
SW16003 – 100 Block Battle Avenue Drainage Improvements	\$	2,500,000	\$ 2,500,000
FM19001 – 5 th Avenue Parking Lot	\$	500,000	\$ 500,000
ST16011 – Mallory/N Royal Oaks & Liberty Intersection Improvements	\$	15,000,000	\$ 450,000
PK16013 – Greenway & Bridge (Harlinsdale to Chestnut Bend)	\$	3,032,960	\$ 350,000
PK16016 – Lockwood Glen Park	\$	5,530,000	\$ 602,300
ST16006 – Jordan Road (Aspen Grove Dr-Mallory Lane)	\$	4,670,480	\$ 200,000
ST16030 – Lewisburg Ave Sidewalk Improvements	\$	1,162,260	\$ 426,380
FM16001 – New City Hall	\$	24,500,000	\$ 250,000
PK19001 – FSSD (Freedom Middle/Poplar Grove)	\$	5,150,000	\$ 276,300
ST16012 – E McEwen Dr Extension (Wilson Pike to City Limits)	\$	19,634,800	\$ 250,000
SW16007 – Maplewood Stormwater Project	\$	530,000	\$ 530,000
	\$	108,674,300	\$ 7,0084,980

- Totals 13 projects; these were prioritized by BOMA earlier in 2019.
- 2 projects NOT included within this recommendation though they were prioritized by BOMA:
 - a) ST16014 – Franklin Road & Mallory Station Intersection Improvement @ \$6,740,000: Staff strongly suggests waiting and seeing impact of current improvements as part of the Ironhorse PUD development and if TDOT will want to participate on expanding Franklin Road before embarking on this improvement.
 - b) ST16022 – Carothers Parkway Widening (Long Lane to Falcon Creek) @ \$12,030,800: Staff Recommends improving the northern section of Carothers first (Falcon Creek to Highway-96 at a cost of more than double (\$26.2M est.) Otherwise there will be a bottleneck on Carothers.

Capital Project Tiers: Opportunity Tier:

Project	Total Project Cost		FY 2020 Budget
PK16009 – Liberty Park Improvements	\$	5,400,000	\$ 250,000
PK16002 – Main Barn, Harlinsdale	\$	1,719,070	\$ 217,870
PK16018 – Eastern Flank Road Circle	\$	160,000	\$ 160,000
PK16011 – Greenway Aspen Grove Park to Mack Hatcher	\$	1,555,000	\$ 75,000
ST19004 – McEwen Drive Interchange Modifications	\$	1,000,000	\$ 1,000,000
ST19006 – Church Street (Columbia to 2 nd Avenue South)	\$	11,231,644	\$ 215,415
ST16005A – Peytonsville Rd & Pratt Ln Int. Improvements	\$	9,913,416	\$ ---
ST16005B – Pratt Lane Bridge Replacement	\$	1,500,000	\$ 100,000
SW19003 – USACE Home Raising Project	\$	4,000,000	\$ 4,000,000
SW19004 – West Main Bridge Widening Project	\$	455,000	\$ 60,000
ST16001 – Carlisle Ln (SR-96W-Future Mack Hatcher Parkway)	\$	8,490,720	\$ ---
PK19010 – Thompson Alley Neighborhood Park	\$	222,000	\$ 20,000
ST19001 – Main Street Sidewalk Repair Project	\$	2,200,000	\$ 520,000
ST16024 – Mack Hatcher Multiuse Trail (Franklin-Hillsboro)	\$	3,600,000	\$ ---
PK19007 – Greenway (Pinkerton Park to Franklin Road Bridge)	\$	5,328,400	\$ ---
FM19002 – New Public Parking Structure of Surface Lot	\$	8,100,000	\$ ---
PK16001 – Hayes Home Restoration (Harlinsdale)	\$	482,870	\$ ---
	\$	65,358,120	\$ 6,618,285

2020 Capital Budget:

- ♦ In keeping with our commitment to further enhance our financial management of the community and communicate a clear expectation of what will be accomplished in the upcoming year, we have broken down for the first time this ten-year CIP year by year. This effort represents an annual capital budget, to be reviewed and appropriated by the BOMA annually.
- ♦ This will occur for FY 2020 through the first budget amendment at the August Budget & Finance Committee. Moving forward, this will be submitted as part of the Annual Operating Budget in May for your consideration.
- ♦ The FY 2020 Capital Investment Budget will consist of elements of 31 of the 37 projects, totaling \$41,362,002.
- ♦ All 7 of the 2017 Tier Projects (\$27,658,737)
- ♦ All 13 of the 2019 Tier Projects (\$7,084,980)
- ♦ 11 of the 17 Opportunity Tier Projects (\$6,618,285)
- ♦ This is an aggressive capital work plan for the next 12 months. While some of this investment is in the actual production of projects (First Station 7, Sanitation Facility Improvement, Major Road Resurfacing, Franklin Road, Maplewood Stormwater, 100 Battle Ave, etc.) the majority of expenditures are for design of future projects in the 10-year window. This is to maximize future funding and construction opportunities.

Summary:

- ♦ Staff estimates that \$301 million of resources are available over the next ten years to fund 37 capital projects from the list totaling over \$281 million in requests.
- ♦ Model is conservative with revenue assumptions but maximizes funding opportunities. It assumes the City take on additional debt, but the City has the ability to pay the recommended debt with ongoing revenue streams.
- ♦ This will be revisited every two years and amended.

Questions and Comments:

- Mack Hatcher Trail: want to get ready to seek grants.
- Additional parking downtown needed for merchant employees to park.
- Hayes Home ripe for partnership money
- Mayor Moore asked when a Resolution would go to the Board.
- Mr. Stuckey responded if the Board is comfortable with what was presented today, it could be on the July 9 BOMA agenda.
- Church Street project is 2-3 year out for resurfacing.
- Alderman Petersen expressed concern at putting a resolution of the Board agenda so soon.
- Lisa Clayton commented that some of the Park projects have a timeline.
- Alderman Burger: Need to look at the projects that are for safety. Downtown parking a problem and need to get employees out the parking garage. Impacting the quality of life. Developments, schools, moving traffic and the things to be addressed.
- The CIP projects will be placed on the Work Session Agenda.

Other Business

None

Adjournment

Work Session adjourned @ 4:44 p.m.

Dr. Ken Moore, Mayor

Minutes prepared by: Linda Fulwider, Board Recording Secretary, City Administrator's Office - 8/7/2019 4:31 PM