



Legislation Text

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DATE: November 22, 2016

TO: Board of Mayor and Aldermen
Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
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SUBJECT:
Discussion of the Status of the Capital Projects Fund

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the balance of Fund 310 - Capital Projects Fund and to provide the Board of Mayor and Alderman an explanation of how the fund operates.

Background

This report is designed to reconcile the Capital Projects Fund from FY 2005 through the end of the most current Fiscal Year, FY 2016. The major questions which this report attempts to answer are:

- What is the historical performance of the fund?
- What are the components of revenues and expenses which comprise the fund?
- What is the current balance of the fund? (and what are the component which make up the current balance - both expenses and reserves against fund balance?)
- What is the plan to alleviate the remaining deficit in the future?

To answer these questions, staff has compiled several exhibits:

- Summary: Provides the historical performance of the fund showing Revenue and Expense Totals, FY 2005-2016
- Revenues: Provides Line-Item Detail per source per Fiscal Year from all sources of Revenues deposited into the Capital Projects Fund, FY 2005-2016
- Projects: Provides Line-Item Detail per project per fiscal year for all projects by category of project, FY 2005-2016
- Current Deficit: Provides project by project deficits and balances of all reservations against fund balance as of June 30, 2016

The results of the reconciliation show that the deficit is larger than the amount provided for in the 2016 Audit, but that the reservations against fund balance and the causes of the deficit are relatively straightforward and should be alleviated throughout the ensuing month and fiscal year.

Staff will provide printed copies of the attachment and summarize these findings via a PowerPoint on December 1, 2016.

This is the first of two parts of the reconciliation. A further recommendation on how to alleviate the remaining deficit and from which funding source (or sources) the deficit will be made up from will be forthcoming after the first of the year.

Financial Impact

The receipt of this reconciliation will not result in any direct Financial Impact. The presence of the deficit in the Capital Projects Fund will require dedication of either existing resources (reserves) or issuance of new bonds to fully alleviate the deficit.

Recommendation

Staff recommends receipt of the report and discussion.