



Legislation Text

File #: 16-0718, **Version:** 1

DATE: August 4, 2016

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
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Michael Walters Young, Budget & Analytics Manager

SUBJECT:
Discussion of Financing Model for Capital Investment Plan

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning revenue forecasts for the FY 2017-2026 Capital Investment Program and its effect on the modelling of debt capacity for capital projects.

Background

Continuing a conversation begun last month with the visit from the City's financial advisory firm, Public Financial Management, the discussion this evening will center around a refinement of available revenues - both cash and debt - for the FY 2017-2026 Capital Investment Program.

The preliminary results from PFM are attached. Overall, the analysis from a month ago showed the City can remain within recommended debt capacity metrics, medians and comply with the City's Debt Management Policy by embarking upon a series of new projects which rated highly through the Board's initial CIP ranking process.

The financing model attached herein and developed by staff is a further refinement of that effort. It includes detailed funding needs for each project in Phase I of the CIP, detailed 10-year forecasts for major internal funding sources, a summary of existing resources, projected resources after Phase I CIP projects are completed and a revised debt capacity analysis and funding usage of the resources raised through the Invest Franklin initiative.

Financial Impact

This is a report only. No financial impact results from the presentation of the model.

Recommendation

Staff recommends consideration of the findings of the model in capital investment decisions by the Board.