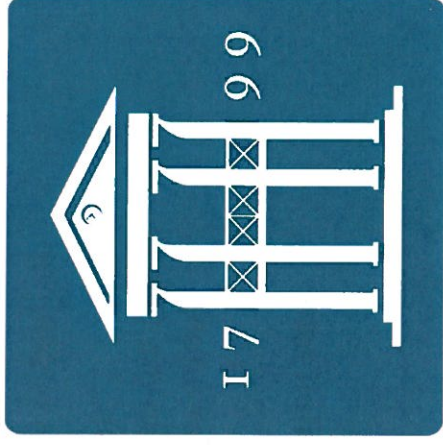




# City of Franklin, TN Capacity Model

December 14, 2011



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TENNESSEE

**The PFM Group**  
530 Oak Court Drive  
Suite 160  
Memphis, TN 38117

# Affordability Ratios



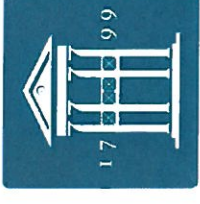
HISTORIC  
**F R A N K L I N**  
T E N N E S S E E

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As part of the Capacity model, we also include the General Fund balance as a % of Revenues. The policy level for this ratio is 33% per the City’s Reserve policy.

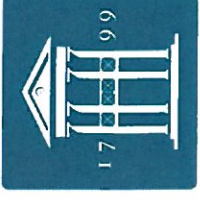
# Capacity Model Updates



HISTORIC  
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T E N N E S S E E

- Historical Revenues and Expenses updated to include FY 2011
- Budgeted FY 2012 Revenues and Expenses
- Growth Rate Assumptions Revenue and Expenditure line items
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# Capacity Model Functionality



HISTORIC  
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TENNESSEE

Model allows for flexibility by allowing...

- Modification on growth rate assumptions for revenues and expenditures line items for each year through 2041
- Sources of funding the CIP:
  - Replace existing debt as it matures
  - Issue new debt as long-term or short-term
  - Pay-as-you go financing - draw on GF Balance
  - Consider additional income from other sources (impact fees, hotel taxes, user charges, state and federal subsidized and stimulus funding)
- Estimated borrowing rate, debt structure (level debt service or level principal) and borrowing term
- Modify existing debt service as it relates to the overall debt picture
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# Top 10 Priority of Projects list as of 6/29/11

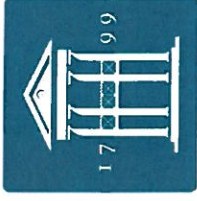
## THE FOLLOWING IS THE PRIORITIZATION OF PROJECTS AS CALCULATED FROM THE PRIORITY RANKING VOTING BY THE BOMA

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\*\* The project listed below indicated with two asterisks next to the BOMA's priority rank is the project recommended by the Administration staff in April as an alternate for funding should the Water/Street/Fleet Facility (Admin 1) project not be considered as a priority.

CIP Book Page Number	PROJECT	Priority Rank	Proposed: Debt Service Paid By	Funds Spent * and/or Committed by Contract/Budget	CIP FY 2011	CIP FY 2012	CIP FY 2013	CIP FY 2014	CIP FY 2015	TOTAL
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Street 47	South Carothers Pkwy Improvements (Falcon Creek to Harpeth River)	<b>2*</b>	General - Bond	\$ 2,020,000	\$ 1,685,000	\$ 10,200,300	\$ 4,371,700			\$ 18,277,000
Street 43	McEwen Dr, Phase IV from Cool Springs Blvd to Wilson Pike	<b>3*</b>	General - Bond, Road Im pact	\$ 514,697		\$ 377,580	\$ 4,000,000	\$ 6,450,000	\$ 6,450,000	\$ 17,792,277
Public Safety 2	Fire Station #8 to be located in the Westhaven Development	<b>4*</b>	Facilities Tax		\$ 156,000	\$ 1,875,000	\$ 962,000			\$ 2,993,000
Street 9	Century Court/Beasley Drive Connector	<b>5*</b>	General - Bond	\$ 162,096	\$ 5,505	\$ 457,000				\$ 624,601
Street 7	Carlisle Lane/Boyd Mill Ave @ Highway 96 West Signalization	<b>6**</b>	General - Bond & Development Contribution	\$ 176,380	\$ 5,240	\$ 2,062,952				\$ 2,244,572
Admin 1	Consolidated Public Works Facility	<b>7*</b>			\$ 3,400,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 4,150,000
Street 11	Clovercroft Road & Wilson Pike Intersection Improvements	<b>8</b>	General - Bond		\$ 60,000	\$ 25,000	\$ 365,000			\$ 450,000
Street 12	Columbia Ave Improvements from Downs Blvd to Mack Hatcher Pkwy	<b>9</b>	General - Bond, State & Road Im pact	\$ 21,500			\$ 821,500	\$ 6,000,000	\$ 12,200,000	\$ 19,043,000
Parks 6	The Park at Harlinsdale Farm Improvements	<b>10*</b>	General - Bond & Hotel/Motel	\$ 2,759,388	\$ 215,000	\$ 245,000	\$ 290,000	\$ 250,000	\$ 275,000	\$ 4,034,388

# Staff Recommended Scenarios

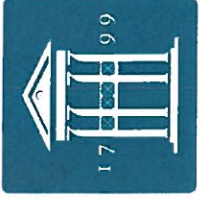


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## Scenario 5 Details:

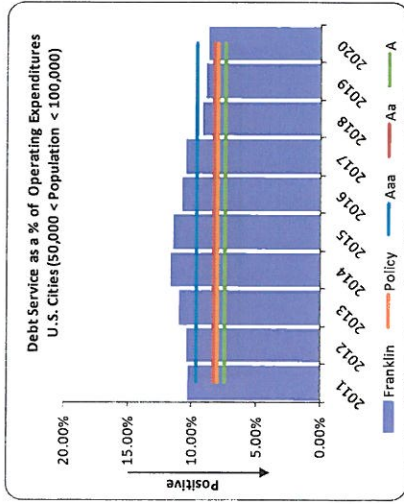
Scenario 5 Staff Project Recommendation						
2012-16 CIP Work Sheet						
Priority	Project Description	2012	2013	2014	2015	2016
Committed Project 1	Hillsboro Road	1,000,000	5,000,000	5,000,000	-	-
Committed Project 2	Consolidated Public Works Facility	2,500,000	2,500,000	-	-	-
<b>Total Committed Projects</b>		<b>3,500,000</b>	<b>7,500,000</b>	<b>5,000,000</b>	-	-
Priority Projects:						
<b>1</b>	Consolidated Public Works Facility	-	-	-	-	-
	Net Funding Needs	-	-	-	-	-
<b>2</b>	Fire Station Design #7 & #8 Westhaven	225,000	-	-	-	-
	Net Funding Needs	225,000	-	-	-	-
<b>3</b>	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-
	Net Funding Needs	131,300	-	-	-	-
<b>4</b>	McEwen Drive, Wilson Pike to City Limit	240,000	-	-	-	-
	Net Funding Needs	240,000	-	-	-	-
<b>5</b>	McEwen Drive @ Wilson Pike Intersection	450,000	-	-	-	-
	Net Funding Needs	450,000	-	-	-	-
<b>6</b>	McEwen Drive Cool Springs to Wilson Pike	680,000	-	-	-	-
	Net Funding Needs	680,000	-	-	-	-
<b>7</b>	South Carothers Parkway (north segment)	-	3,600,000	3,600,000	-	-
	Net Funding Needs	-	3,600,000	3,600,000	-	-
<b>8</b>	Century Court/Beasley Drive Connector	5,505	457,000	-	-	-
	Net Funding Needs	5,505	457,000	-	-	-

# Debt Affordability Ratios – Debt Service as a % of Operating Expenditures

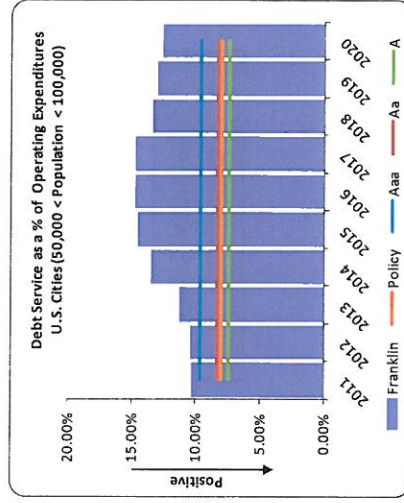


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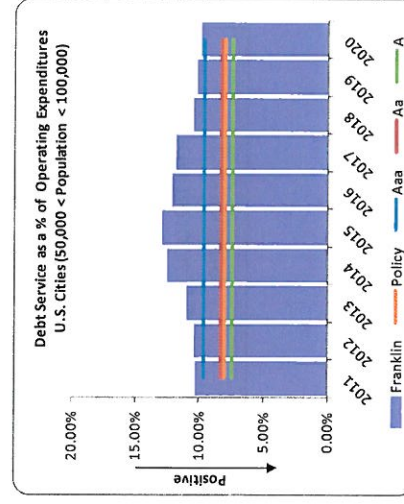
**Base**  
(Committed)



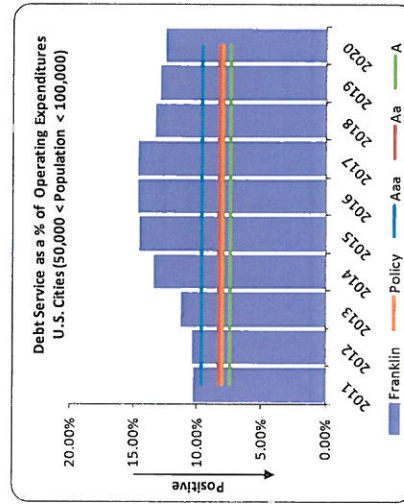
**Scenario 1**  
(Top 5)



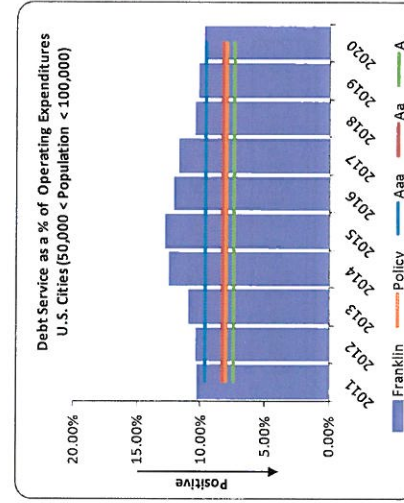
**Scenario 2**  
(Top 5 w/phasing)



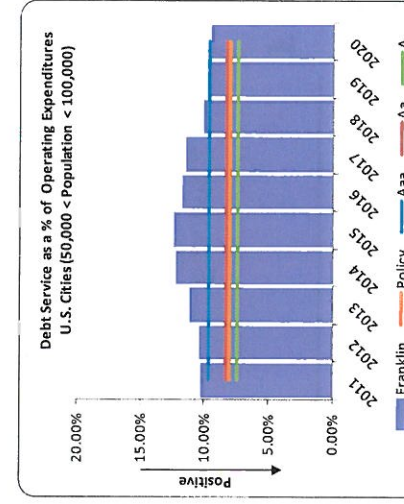
**Scenario 3**  
(Top 3)



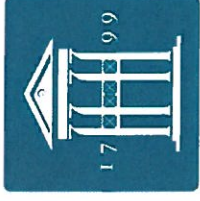
**Scenario 4**  
(Top 3 w/phasing)



**Scenario 5**  
(Staff Recommendation)



# Debt Affordability Ratios – Per Capita Debt/Per Capita Income



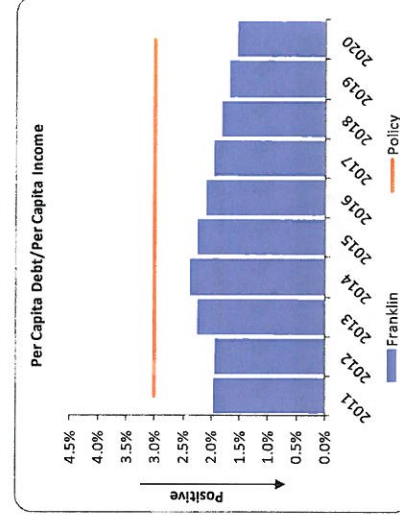
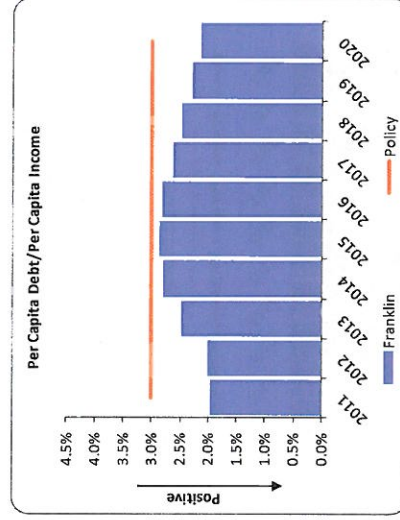
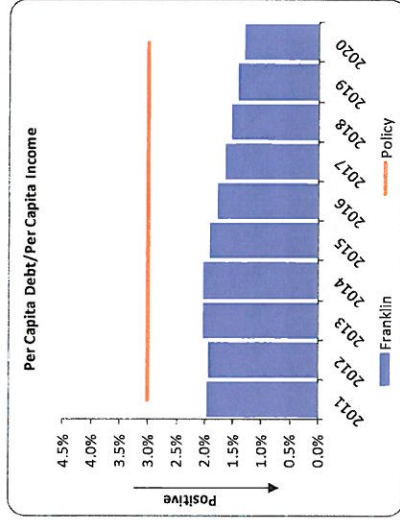
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Population & Per Capita  
Income Grows at 2%

Base  
(Committed)

Scenario 1  
(Top 5)

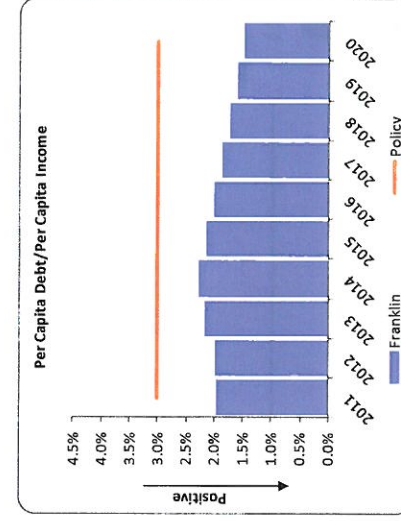
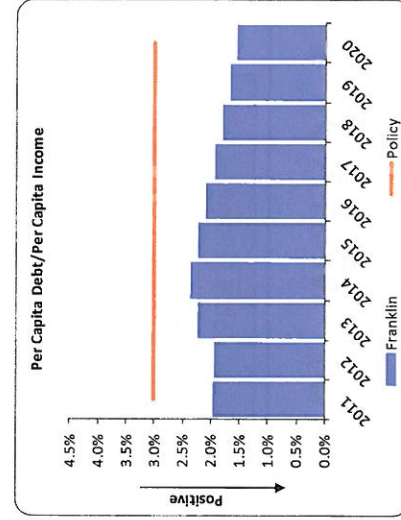
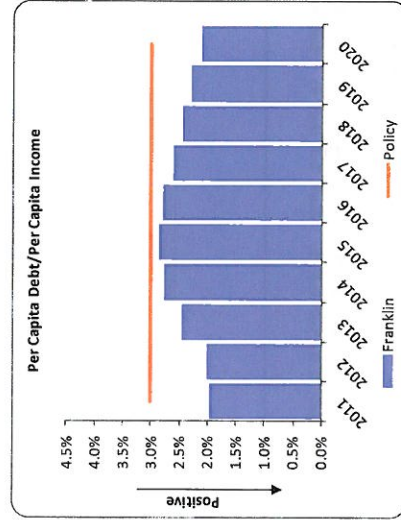
Scenario 2  
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(Top 3)

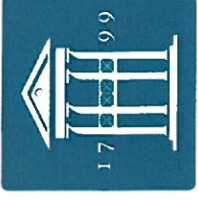
Scenario 4  
(Top 3 w/phasing)

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(Staff Recommendation)





# Scenario Summary



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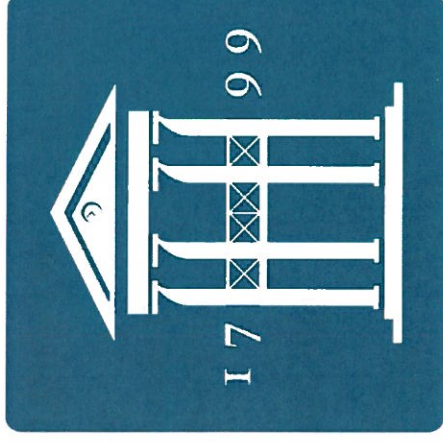
Affordability Matrix - \$52.3 Million Budget (FY 2012)

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# City of Franklin, TN Capacity Model

December 14, 2011



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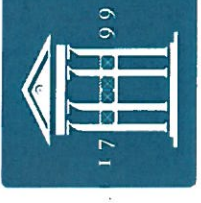
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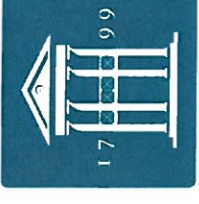
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**F R A N K L I N**  
T E N N E S S E E

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# Staff Recommended Scenarios

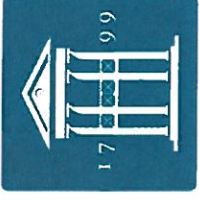


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## Scenario 5 Details:

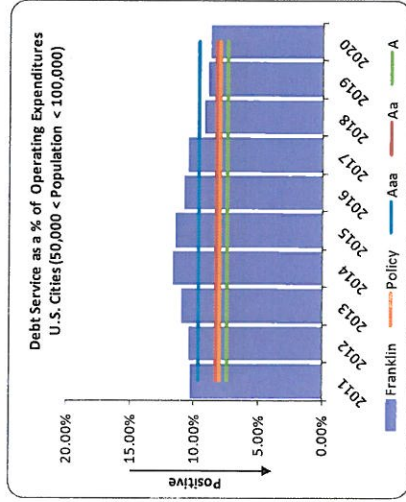
Scenario 5 Staff Project Recommendation		2012	2013	2014	2015	2016
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<b>Total Committed Projects</b>		<b>3,500,000</b>	<b>7,500,000</b>	<b>5,000,000</b>	-	-
<b>Priority Projects:</b>						
<b>1</b>	Consolidated Public Works Facility	-	-	-	-	-
	Net Funding Needs	-	-	-	-	-
<b>2</b>	Fire Station Design #7 & #8 Westhaven	225,000	-	-	-	-
	Net Funding Needs	225,000	-	-	-	-
<b>3</b>	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-
	Net Funding Needs	131,300	-	-	-	-
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	Net Funding Needs	240,000	-	-	-	-
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	Net Funding Needs	-	3,600,000	3,600,000	-	-
<b>8</b>	Century Court/Beasley Drive Connector	5,505	457,000	-	-	-
	Net Funding Needs	5,505	457,000	-	-	-

# Debt Affordability Ratios – Debt Service as a % of Operating Expenditures

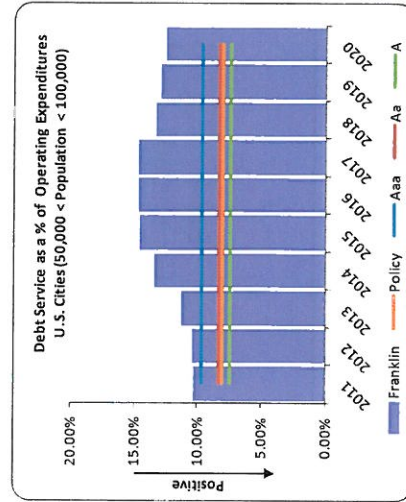


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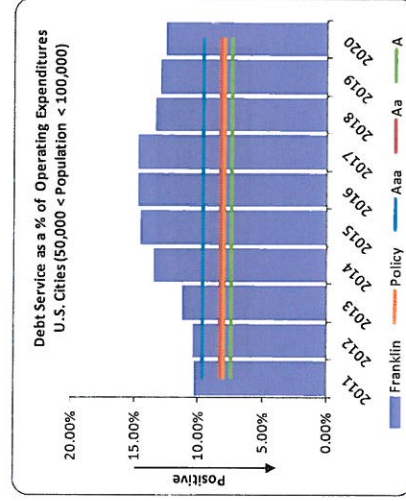
**Base  
(Committed)**



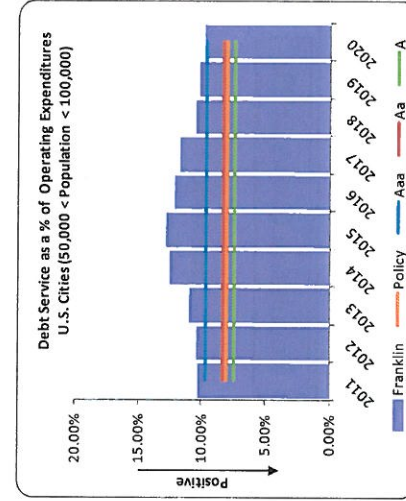
**Scenario 3  
(Top 3)**



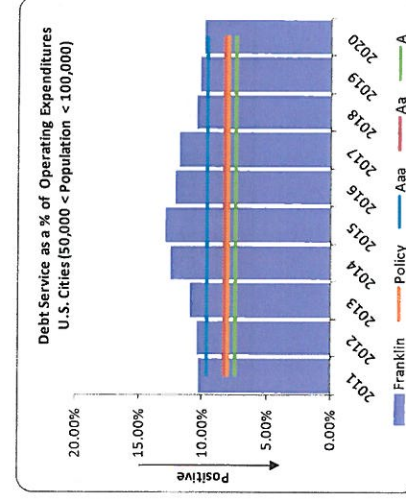
**Scenario 1  
(Top 5)**



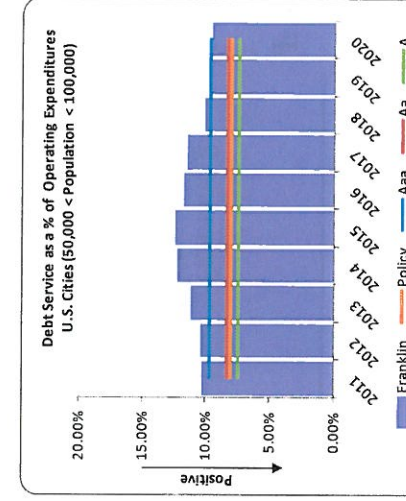
**Scenario 4  
(Top 3 w/phasing)**



**Scenario 2  
(Top 5 w/phasing)**



**Scenario 5  
(Staff Recommendation)**





# Debt Affordability Ratios – Per Capita Debt/Per Capita Income



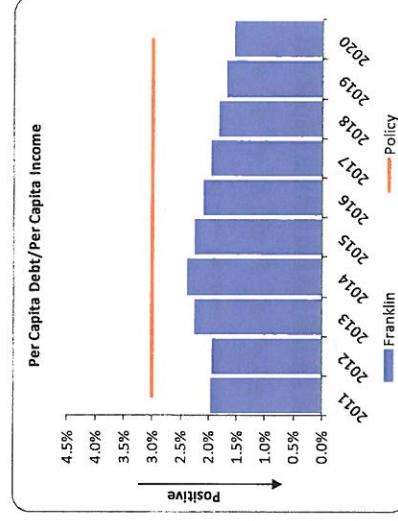
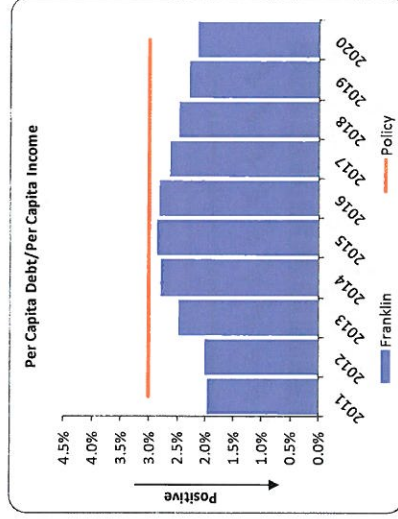
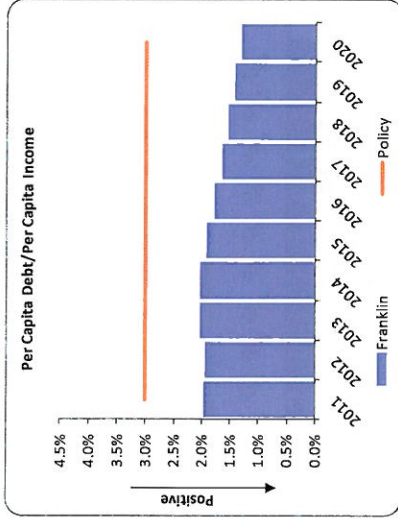
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TENNESSEE

Population & Per Capita  
Income Grows at 2%

Base  
(Committed)

Scenario 1  
(Top 5)

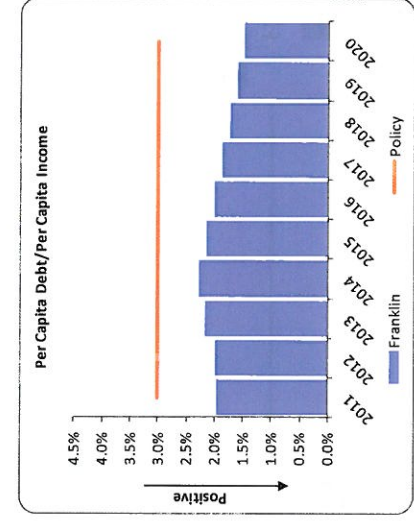
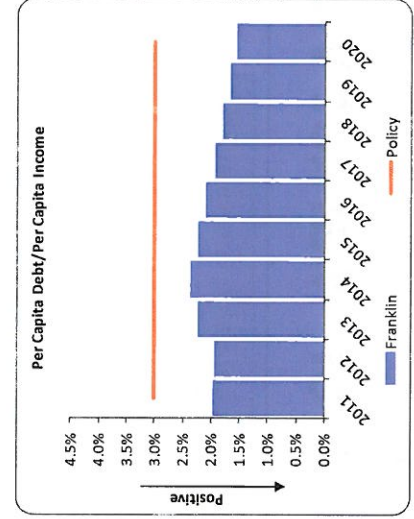
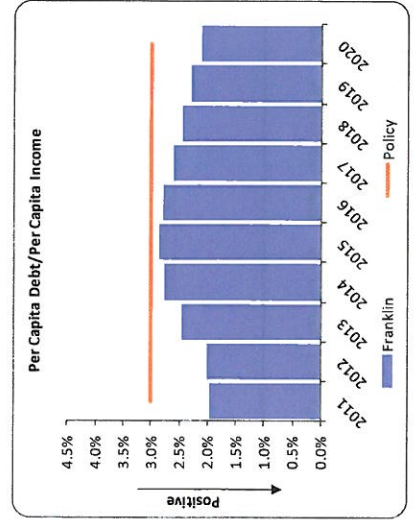
Scenario 2  
(Top 5 w/phasing)



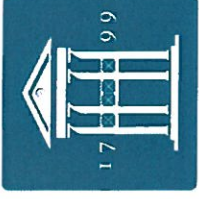
Scenario 3  
(Top 3)

Scenario 4  
(Top 3 w/phasing)

Scenario 5  
(Staff Recommendation)



# Scenario Summary



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**FRANKLIN**  
TENNESSEE

Affordability Matrix - \$52.3 Million Budget (FY 2012)

	General Fund Balance as a % of Operating Revenues	Debt Service as a % of Operating Expenditures	Net Debt per Capita	Per Capita Debt/Per Capita Income	Net Direct Debt as a % of Market Value
<b>Base</b> <i>(Committed)</i>	Yrs 2011-2020 Ratio is above policy	Yrs 2011-2020 Ratio is above policy			
<b>Scenario 1</b> <i>(Top 5)</i>	Yrs 2016 - 2020 Ratio is below policy	Yrs 2011-2020 Ratio is above policy			Yrs 2013-2019 Ratio is above policy
<b>Scenario 2</b> <i>(Top 5 w/phasing)</i>		Yrs 2011-2020 Ratio is above policy			Yrs 2014 Ratio is weak
<b>Scenario 3</b> <i>(Top 3)</i>	Yrs 2016 - 2020 Ratio is below policy	Yrs 2011-2020 Ratio is above policy			Yrs 2013-2019 Ratio is above policy
<b>Scenario 4</b> <i>(Top 3 w/phasing)</i>		Yrs 2011-2020 Ratio is above policy			
<b>Scenario 5</b> <i>(Staff Recommendation)</i>		Yrs 2011-2020 Ratio is above policy			