



HISTORIC
FRANKLIN
TENNESSEE

Debt Capacity Model Update

Presented on
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Capacity Model Updates

The following updates to the Capacity Model have been made:

- Actual, Unaudited Revenues and Expenditures for FY 2013
 - Total revenues greater than originally forecasted in the Capacity Model
 - Total expenditures greater than originally forecasted in the Capacity Model
 - However, Revenues exceeded expenditures
 - Resulting in a General fund balance higher than forecasted
- Budgeted FY 2014 Revenues and Expenditures included
 - Total revenues greater than originally forecasted
 - Total expenditures lower than originally forecasted
- Revenue and Expenditure Growth Rate Assumptions
- General Obligation Bond Issuances Include
 - FY 14 - \$10 million
 - FY 16 - \$10 million
 - FY 18 - \$15.3 million

Capacity Model Updates

The following updates to the Capacity Model have been made:

- Capital Projects Amounts and Expenditure Timing
 - ✓ Hillsboro Road (Del Rio to Mack Hatcher)
 - ✓ Consolidated Public Works Facility
 - ✓ Eastern Flank Battlefield Access Road
 - ✓ Park at Harlinsdale Farm Improvements
 - ✓ McEwen Drive at Wilson Pike to City Limit
 - ✓ McEwen Drive at Wilson Pike Intersection
 - ✓ McEwen Drive Cool Springs to Wilson Pike – Additional Preliminary Design
 - ✓ Carothers Parkway South
 - ✓ Century Court Beasley Drive Connector
 - ✓ McEwen Drive Connector
 - ✓ Carlisle Lane Signalization
 - ✓ Fire Station 7 and 8 (Design/Construction*)

*Not yet approved by BOMA

Debt Capacity Model Scenarios

The following scenarios have been included:

Scenario 1

- Capital Projects Amounts
 - Details on Project Amounts and Funding Needs *see page 5*
 - Contingency Funding for changes to currently funded projects *see page 5 (#12)*
- *Additional* \$10 million Pension Obligation Bonds

Scenario 2

- Capital Projects Amounts
 - Same as Scenario 1
- NO Pension Obligation Bonds

Scenario 3

- Capital Projects Amounts
 - Same as Scenario 1/2
- *Additional* \$10 million Pension Obligation Bonds
- *Additional* \$5 million General Obligation Bonds in FY 2015

Scenario 1 – Projects + POBs

	Project Description	Previous Payments	2014	2015	2016	2017	2018	5 Year Total (14-18)	Project Total
Committed Projects									
1	Hillsboro Road- Del Rio to Mack Hatcher	-	-	6,000,000	6,000,000	-	-	12,000,000	12,000,000
	Net Funding Needs	-	-	3,750,000	4,500,000	-	-	8,250,000	8,250,000
2	Consolidated Public Works Facility	2,300,000	3,200,000	858,276	-	-	-	4,058,276	6,358,276
	Net Funding Needs	2,300,000	2,700,000	858,276	-	-	-	3,558,276	5,858,276
3	Eastern Flank Battlefield Access Road	207,020	1,026,378	515,000	-	-	-	1,541,378	1,748,398
	Net Funding Needs	-	-	-	-	-	-	-	-
4	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-	-	-	131,300
	Net Funding Needs	-	-	-	-	-	-	-	-
5	McEwen Drive, Wilson Pike to City Limit	-	345,400	-	-	-	-	345,400	345,400
	Net Funding Needs	-	345,400	-	-	-	-	345,400	345,400
6	McEwen Drive @ Wilson Pike Intersection	162,096	3,053,628	-	-	-	-	3,053,628	3,215,724
	Net Funding Needs	-	-	-	-	-	-	-	-
7	McEwen Dr. Cool Springs to Wilson Pike- Additional Preliminary Design	-	150,000	-	-	-	-	150,000	150,000
	Net Funding Needs	-	150,000	-	-	-	-	150,000	150,000
8	Carothers Parkway S. (Both segments/2 lanes)	262,970	5,500,000	4,699,217	1,912,849	-	-	12,112,066	12,375,036
	Net Funding Needs	262,970	5,500,000	4,699,217	1,912,849	-	-	12,112,066	12,375,036
9	Century Court/Beasley Drive Connector	-	235,000	360,000	-	-	-	595,000	595,000
	Net Funding Needs	-	235,000	360,000	-	-	-	595,000	595,000
10	McEwen Drive Connector	-	3,328,937	-	-	-	-	3,328,937	3,328,937
	Net Funding Needs	-	2,328,937	-	-	-	-	2,328,937	2,328,937
11	Carlisle Lane Signalization	-	2,356,970	-	-	-	-	2,356,970	2,356,970
	Net Funding Needs	-	2,356,970	-	-	-	-	2,356,970	2,356,970
12	Residual Balance from Recovery Zone Projects	-	3,000,000	-	-	-	-	3,000,000	3,000,000
	Committed Project Subtotal	3,063,386	22,196,313	12,432,493	7,912,849	-	-	42,541,655	45,605,041
	Net Funding Needs	2,562,970	16,616,307	9,667,493	6,412,849	-	-	32,696,649	35,259,619
Priority Projects									
13	Fire Station Design #7 & #8 Westhaven*	225,000	-	2,775,000	-	-	-	2,775,000	3,000,000
	Net Funding Needs	-	-	-	-	-	-	-	-
14	Pension Obligation Bonds	-	10,000,000	-	-	-	-	10,000,000	10,000,000
	Priority Project Subtotal	225,000	10,000,000	2,775,000	-	-	-	12,775,000	13,000,000
	Net Funding Needs	-	10,000,000	-	-	-	-	10,000,000	10,000,000

Scenario 2 – NO POBs

Project Description		Previous Payments	2014	2015	2016	2017	2018	5 Year Total (14-18)	Project Total
Committed Projects									
1	Hillsboro Road- Del Rio to Mack Hatcher	-	-	6,000,000	6,000,000	-	-	12,000,000	12,000,000
	Net Funding Needs	-	-	3,750,000	4,500,000	-	-	8,250,000	8,250,000
2	Consolidated Public Works Facility	2,300,000	3,200,000	858,276	-	-	-	4,058,276	6,358,276
	Net Funding Needs	2,300,000	2,700,000	858,276	-	-	-	3,558,276	5,858,276
3	Eastern Flank Battlefield Access Road	207,020	1,026,378	515,000	-	-	-	1,541,378	1,748,398
	Net Funding Needs	-	-	-	-	-	-	-	-
4	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-	-	-	131,300
	Net Funding Needs	-	-	-	-	-	-	-	-
5	McEwen Drive, Wilson Pike to City Limit	-	345,400	-	-	-	-	345,400	345,400
	Net Funding Needs	-	345,400	-	-	-	-	345,400	345,400
6	McEwen Drive @ Wilson Pike Intersection	162,096	3,053,628	-	-	-	-	3,053,628	3,215,724
	Net Funding Needs	-	-	-	-	-	-	-	-
7	McEwen Dr. Cool Springs to Wilson Pike- Additional Preliminary Design	-	150,000	-	-	-	-	150,000	150,000
	Net Funding Needs	-	150,000	-	-	-	-	150,000	150,000
8	Carothers Parkway S. (Both segments/2 lanes)	262,970	5,500,000	4,699,217	1,912,849	-	-	12,112,066	12,375,036
	Net Funding Needs	262,970	5,500,000	4,699,217	1,912,849	-	-	12,112,066	12,375,036
9	Century Court/Beasley Drive Connector	-	235,000	360,000	-	-	-	595,000	595,000
	Net Funding Needs	-	235,000	360,000	-	-	-	595,000	595,000
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	Net Funding Needs	-	2,356,970	-	-	-	-	2,356,970	2,356,970
12	Residual Balance from Recovery Zone Projects	-	3,000,000	-	-	-	-	3,000,000	3,000,000
Committed Project Subtotal		3,063,386	22,196,313	12,432,493	7,912,849	-	-	42,541,655	45,605,041
Net Funding Needs		2,562,970	16,616,307	9,667,493	6,412,849	-	-	32,696,649	35,259,619
Priority Projects									
13	Fire Station Design #7 & #8 Westhaven*	225,000	-	2,775,000	-	-	-	2,775,000	3,000,000
	Net Funding Needs	-	-	-	-	-	-	-	-
14	Pension Obligation Bonds	-	-	-	-	-	-	-	-
Priority Project Subtotal		225,000	-	2,775,000	-	-	-	2,775,000	3,000,000
Net Funding Needs		-	-	-	-	-	-	-	-

Scenario 3 – Projects + POBs + \$5 MM

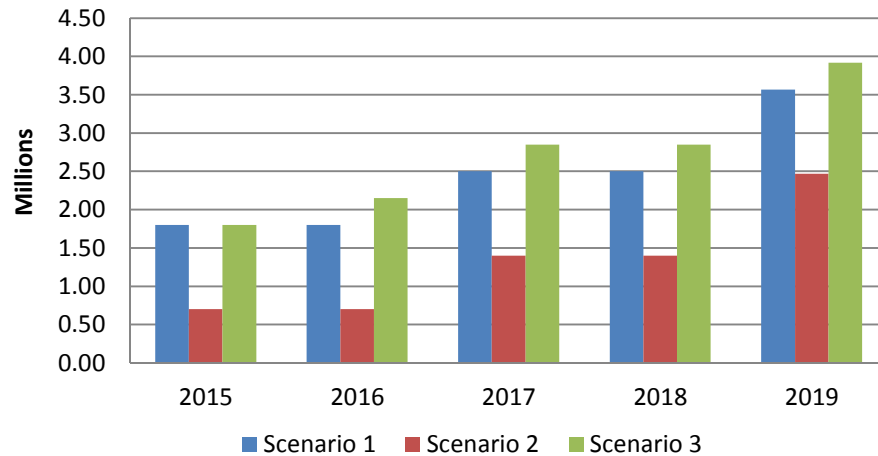
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Committed Projects									
1	Hillsboro Road- Del Rio to Mack Hatcher	-	-	6,000,000	6,000,000	-	-	12,000,000	12,000,000
	Net Funding Needs	-	-	3,750,000	4,500,000	-	-	8,250,000	8,250,000
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	Net Funding Needs	2,300,000	2,700,000	858,276	-	-	-	3,558,276	5,858,276
3	Eastern Flank Battlefield Access Road	207,020	1,026,378	515,000	-	-	-	1,541,378	1,748,398
	Net Funding Needs	-	-	-	-	-	-	-	-
4	Park @ Harlinsdale Farm Improvements	131,300	-	-	-	-	-	-	131,300
	Net Funding Needs	-	-	-	-	-	-	-	-
5	McEwen Drive, Wilson Pike to City Limit	-	345,400	-	-	-	-	345,400	345,400
	Net Funding Needs	-	345,400	-	-	-	-	345,400	345,400
6	McEwen Drive @ Wilson Pike Intersection	162,096	3,053,628	-	-	-	-	3,053,628	3,215,724
	Net Funding Needs	-	-	-	-	-	-	-	-
7	McEwen Dr. Cool Springs to Wilson Pike- Additional Preliminary Design	-	150,000	-	-	-	-	150,000	150,000
	Net Funding Needs	-	150,000	-	-	-	-	150,000	150,000
8	Carothers Parkway S. (Both segments/2 lanes)	262,970	5,500,000	4,699,217	1,912,849	-	-	12,112,066	12,375,036
	Net Funding Needs	262,970	5,500,000	4,699,217	1,912,849	-	-	12,112,066	12,375,036
9	Century Court/Beasley Drive Connector	-	235,000	360,000	-	-	-	595,000	595,000
	Net Funding Needs	-	235,000	360,000	-	-	-	595,000	595,000
10	McEwen Drive Connector	-	3,328,937	-	-	-	-	3,328,937	3,328,937
	Net Funding Needs	-	2,328,937	-	-	-	-	2,328,937	2,328,937
11	Carlisle Lane Signalization	-	2,356,970	-	-	-	-	2,356,970	2,356,970
	Net Funding Needs	-	2,356,970	-	-	-	-	2,356,970	2,356,970
12	Residual Balance from Recovery Zone Projects	-	3,000,000	-	-	-	-	3,000,000	3,000,000
Committed Project Subtotal		3,063,386	22,196,313	12,432,493	7,912,849	-	-	42,541,655	45,605,041
Net Funding Needs		2,562,970	16,616,307	9,667,493	6,412,849	-	-	32,696,649	35,259,619
Priority Projects									
13	Fire Station Design #7 & #8 Westhaven*	225,000	-	2,775,000	-	-	-	2,775,000	3,000,000
	Net Funding Needs	-	-	-	-	-	-	-	-
14	Pension Obligation Bonds/GO Bonds	-	10,000,000	5,000,000	-	-	-	15,000,000	15,000,000
Priority Project Subtotal		225,000	10,000,000	7,775,000	-	-	-	17,775,000	18,000,000
Net Funding Needs		-	10,000,000	5,000,000	-	-	-	15,000,000	15,000,000

Scenario Comparisons - Metrics

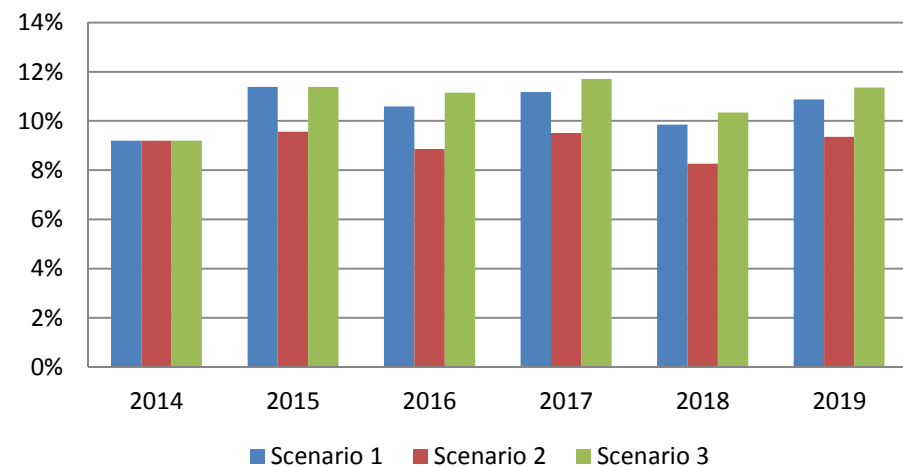
Scenario 1: POBs		Previous	2014	2015	2016	2017	2018	2019
	Committed Project Needs	2,562,970	16,616,307	9,667,493	6,412,849	-	-	n/a
	Priority Project Needs	-	10,000,000	-	-	-	-	n/a
	Cumulative Project Needs	2,562,970	26,616,307	9,667,493	6,412,849	-	-	n/a
	Bonds Issued		20,000,000	-	10,000,000	-	15,259,619	n/a
METRICS								
	additional debt service(total) =		-	700,000	-	700,000	-	1,068,173
	cumulative new debt service =		-	1,800,000	1,800,000	2,500,000	2,500,000	3,568,173
	estimated Gen Fund budget =		57,901,958	60,585,915	63,401,629	66,367,645	69,492,154	72,783,801
	additional debt service/ Budget =			2.97%	2.84%	3.77%	3.60%	4.90%
	existing debt service		5,326,264	5,096,859	4,916,555	4,917,227	4,342,314	4,345,600
	existing debt service/Budget =		9.20%	8.41%	7.75%	7.41%	6.25%	5.97%
	all debt service/Budget =		9.20%	11.38%	10.59%	11.18%	9.85%	10.87%
Scenario 2: NO POBs		Previous	2014	2015	2016	2017	2018	2019
	Committed Project Needs	2,300,000	893,076	2,562,970	16,616,307	9,667,493	6,412,849	n/a
	Priority Project Needs	-	-	-	-	-	-	n/a
	Cumulative Project Needs	2,300,000	893,076	2,562,970	16,616,307	9,667,493	6,412,849	n/a
	Bonds Issued	0	10,000,000	-	10,000,000	-	15,259,619	n/a
METRICS								
	additional debt service(total) =		-	700,000	-	700,000	-	1,068,173
	cumulative new debt service =		-	700,000	700,000	1,400,000	1,400,000	2,468,173
	estimated Gen Fund budget =		57,901,958	60,585,915	63,401,629	66,367,645	69,492,154	72,783,801
	additional debt service/ Budget =			1.16%	1.10%	2.11%	2.01%	3.39%
	existing debt service		5,326,264	5,096,859	4,916,555	4,917,227	4,342,314	4,345,600
	existing debt service/Budget =		9.20%	8.41%	7.75%	7.41%	6.25%	5.97%
	all debt service/Budget =		9.20%	9.57%	8.86%	9.52%	8.26%	9.36%
Scenario 3: POBs + \$5 MM		Previous	2014	2015	2016	2017	2018	2019
	Committed Project Needs	2,562,970	16,616,307	9,667,493	6,412,849	-	-	n/a
	Priority Project Needs	-	10,000,000	5,000,000	-	-	-	n/a
	Cumulative Project Needs	2,562,970	26,616,307	14,667,493	6,412,849	-	-	n/a
	Bonds Issued		20,000,000	5,000,000	10,000,000	-	15,259,619	n/a
METRICS								
	additional debt service(total) =		-	700,000	-	700,000	-	1,068,173
	cumulative new debt service =		-	1,800,000	2,150,000	2,850,000	2,850,000	3,918,173
	estimated Gen Fund budget =		57,901,958	60,585,915	63,401,629	66,367,645	69,492,154	72,783,801
	additional debt service/ Budget =			2.97%	3.39%	4.29%	4.10%	5.38%
	existing debt service		5,326,264	5,096,859	4,916,555	4,917,227	4,342,314	4,345,600
	existing debt service/Budget =		9.20%	8.41%	7.75%	7.41%	6.25%	5.97%
	all debt service/Budget =		9.20%	11.38%	11.15%	11.70%	10.35%	11.35%

Scenario Comparisons – Debt Service
















Cumulative New Debt Service (\$)



All Debt Service/Budget (%)



Scenario Comparisons – Debt Ratios

Affordability Matrix - \$58 Million Budget (FY 2014)										
	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	
				Yrs 2014-2022: Ratio is above policy						Yr 2018: Ratio is weak
				Yrs 2014-2022: Ratio is above policy						
				Yrs 2014-2022 Ratio is above policy						Yrs 2016 ratio is at policy level and Yrs 2018 ratio is above policy
Scenario 1 - With POBs (\$10 Million)										
Scenario 2 - NO POBs										
Scenario 3- With POBs + \$5 Million										