



City of Franklin, Tennessee
FY 2018 Operating Budget

FY 2018 Proposed Operating Budget Presentation

May 11, 2017

Budget and Finance Committee





City of Franklin, Tennessee

FY 2018 Operating Budget

Outline

- Focus**
- Process**
- General Fund**
 - Overview**
 - Revenues**
 - Expenses**
- Other Funds**
- Summary**



City of Franklin, Tennessee

FY 2018 Operating Budget

The Focus

Management

- Policy development and implementation
- Budget process
- High quality service levels
- Department level key performance measurers
- Benchmarking program
- Capital Investment project oversight and delivery
- Telling “Franklin’s story” locally and beyond

Community Development

- Desired location
- High Development Standards
- Educated workforce
- Sites ready for development
- Aggressive State incentives
- Work with partners at State and Williamson County
- Play “offense”

Strong Financial Base

- Long-Term financial planning (revenue diversification)
- Capital Investment plan process
- Multi-year financial planning
- Healthy reserve levels
- Triple-A Bond rating from both Moody’s and S&P.
- Support changing service needs



City of Franklin, Tennessee

FY 2018 Operating Budget

Process: Timeline

Initial Meeting with B&F to discuss Calendar & Process Changes & Introduce Budget Goals	December 1, 2016
Department Budget Information Meetings	To begin January 2017
Department Requests Due	January 15, 2017
Initial Meetings with Finance	3 weeks before budget presentation
Initial Meetings with City Administrator	2 weeks before budget presentation
Proposed Department Budgets Distributed to Committee and Board for Budget Presentations	1 week before budget presentation
Budget Presentations to Finance Committee	Each Finance Committee meeting in January, February, March, and April
Proposed Budget Distributed to Board of Mayor and Aldermen	Friday, May 5, 2017
Budget Hearings (as needed)	Thursday, May 11, 2017
First Reading of Budget & Tax Rate Ordinances (Solid Waste + Water Rates Ordinances, if necessary)	Tuesday, May 23, 2017
Budget Notice	No later than June 2, 2017
Second Reading (Public Hearing)	Tuesday, June 13, 2017
Third & Final Reading	Tuesday, June 27, 2017
New Fiscal Year	Saturday, July 1, 2017





City of Franklin, Tennessee

FY 2018 Operating Budget

Process: Base Budget vs. Program Enhancement

- Departments were asked to present two budgets:
 - The first, a base or ‘level-service’ budget demonstrated how much it will cost the City to provide the same level of service in FY 2018 that it does in the current fiscal year.
 - The second, identified program enhancements – any new or additional staff, major expenses or small capital equipment, or new programs. For each enhancement, departments filled out a one-page form which documented the basic information of program enhancements – both in a numeric and narrative format – in priority order. herein. All program enhancements requested are provided in Appendix H (p.381). All told, 153 enhancements totaling nearly \$12.35 million were submitted.



City of Franklin, Tennessee

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General Fund : Property Tax Summary

Fiscal Year	Rate	Increase / (Decrease)	Fiscal Year	Rate	Increase / (Decrease)
1984	\$1.7500	---	2002	\$0.5500	(\$0.1400)
1985	\$1.7500	\$0.0000	2003	\$0.5500	\$0.0000
1986	\$1.7500	\$0.0000	2004	\$0.5500	\$0.0000
1987	\$2.1500	\$0.4000	2005	\$0.5500	\$0.0000
1988	\$2.1500	\$0.0000	2006	\$0.5500	\$0.0000
1989	\$2.1500	\$0.0000	2007	\$0.4340	(\$0.1160)
1990	\$1.1000	(\$1.0500)	2008	\$0.4340	\$0.0000
1991	\$1.1000	\$0.0000	2009	\$0.4340	\$0.0000
1992	\$0.9900	(\$0.1100)	2010	\$0.4340	\$0.0000
1993	\$0.9900	\$0.0000	2011	\$0.4340	\$0.0000
1994	\$0.9400	(\$0.0500)	2012	\$0.3765	(\$0.0575)
1995	\$0.9400	\$0.0000	2013	\$0.3765	\$0.0000
1996	\$0.8900	(\$0.0500)	2014	\$0.3765	\$0.0000
1997	\$0.6900	(\$0.2000)	2015	\$0.4065	\$0.0300
1998	\$0.6900	\$0.0000	2016	\$0.4065	\$0.0000
1999	\$0.6900	\$0.0000	2017	\$0.4176	\$0.0111
2000	\$0.6900	\$0.0000	2018	\$0.4176	\$0.0000
2001	\$0.6900	\$0.0000			



HISTORIC
FRANKLIN
TENNESSEE

City of Franklin, Tennessee

FY 2018 Operating Budget

General Fund Revenues: Property Tax Rate Comparison

Rank by Rate	City	2010 Census	City Rate	Rank by Rate	City	2010 Census	City Rate
1	Brentwood	37,060	\$ 0.36	15	Cleveland	41,285	\$ 1.77
2	Franklin	62,487	\$ 0.41	16	Collierville	43,965	\$ 1.78
3	Spring Hill	29,036	\$ 0.59	17	Johnson City	63,152	\$ 1.83
4	Lebanon	26,190	\$ 0.61	18	Germantown	38,844	\$ 1.93
5	Hendersonville	51,372	\$ 0.76	19	Jackson	65,211	\$ 1.96
6	Cookeville	30,435	\$ 0.84	20	Kingsport	48,205	\$ 2.07
7	Smyrna	39,974	\$ 0.88	21	Maryville	27,465	\$ 2.17
8	La Vergne	32,588	\$ 0.95	22	Bristol	26,702	\$ 2.25
9	Gallatin	30,278	\$ 0.99	23	Chattanooga	167,674	\$ 2.31
10	Morristown	29,137	\$ 1.20	24	Oak Ridge	29,330	\$ 2.52
11	Murfreesboro	108,755	\$ 1.21	25	Knoxville	178,874	\$ 2.73
12	Clarksville	132,929	\$ 1.24	26	Memphis	646,889	\$ 3.40
13	Columbia	34,681	\$ 1.44	---	Nashville (metro)	626,681	\$ *
14	Bartlett	54,613	\$ 1.62				

*City rate only. City/County rate (Nashville/Davidson County is a unified government) is \$3.92.

Source: TN Comptroller of the Treasury; 2016 Property Tax Rates



City of Franklin, Tennessee

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Process: Integration of Strategic Plan

- Departmental Budgets also have full integration of ***Franklin Forward*** - the City's Strategic Plan and Performance Measures for the first time. These measures are organized in either Workload, Efficiency or Outcome Measures and are marked (where applicable) to the four themes of the strategic plan:



A Safe, Clean, and Livable City



Quality Life Experiences



Effective and Fiscally Sound
City Government Providing
High-quality Services



Sustainable Growth and
Economic Prosperity



City of Franklin, Tennessee

FY 2018 Operating Budget

General Fund Overview: Opportunities

- Maintain high quality services.
- Invest in our future.
- Enhance our community's competitive position.
- Focus on possibilities, not just current challenges.
- Maintain Franklin's unique character.



City of Franklin, Tennessee

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Budget Overview:

- The proposed 2017-18 (FY18) general fund budget is \$68,942,027, which represents an increase of 1.2% compared to the current \$68.1 million budget for 2016-17 (FY17). This budget increase is primarily due to cost increases in personnel expenses and the funding of expanded services in the areas of public safety, parks, and streets, all of which are significantly impacted by growth.
- The proposed FY18 budget for all funds is \$145,221,130 which represents an increase of 1.5% compared to FY17. Increased budgeted expenditures across funds include increases in the General, Transit, Stormwater, Street Aid, Road Impact, Debt Service, and Water/Sewer funds.



City of Franklin, Tennessee

FY 2018 Operating Budget

Overview: Highlights

- The budget is balanced, with current revenues equaling expenditures.
- The budget is in compliance with the Board of Mayor and Aldermen's debt and fund reserve policies, significantly exceeding the reserve requirements.
- The City property tax remains unchanged at \$0.4176 per \$100 of assessed valuation. The *Invest Franklin* dedicated funding for infrastructure/transportation investment and support of City operations remains in place. The City of Franklin continues to maintain one of the lowest municipal property tax rates in the State of Tennessee.



City of Franklin, Tennessee

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Overview: Highlights

- Overall, the proposed budget has a net increase of 8.5 positions across all funds, 5.5 of which are included in the general fund. This targeted group of new positions are in areas such as Parks, Fire, Engineering, Streets, Water Management, and Stormwater, all of which have been impacted by growth.
- The general pay increase for City team members will be effective the first pay period of July 2017. The proposed budget includes a general pay increase of 2.5% plus an additional performance-based pay increase of up to an additional 2.5%.



City of Franklin, Tennessee

FY 2018 Operating Budget

Overview: Highlights

- The city's compensation plan will have a complete review. This analysis, initiated in FY17, recommends an overall 4% adjustment to all pay grades (following the annual pay adjustments) which has been included in the FY18 budget. There will also be a department-by-department review of positions to ensure the City's compensation plan remains highly competitive.
- Funding is provided for important investments in equipment replacements of \$3.9 million, technology enhancements of \$230,000, and facility improvements of \$350,000.



City of Franklin, Tennessee

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Overview: Highlights

- A rate increase is proposed for residential garbage collection and recycling service. The proposed increase from \$16.50 per month to \$17.50 per month is the first increase of the residential service fee in four years.
- The proposed budget incorporates performance measures and sustainability initiatives for every department. The connection to our Strategic Plan, ***FranklinForward***, is clearly linked to performance measures and objectives throughout the budget, including insights from the recently completed citizen survey.



City of Franklin, Tennessee

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Program Enhancements



A Safe, Clean, and Livable City

- With the recent passage of legislation that provides “common sense” privacy protections to citizens, the Franklin Police Department will move forward with the purchase and deployment of 110 body worn cameras (funded by reserves) for police officers and support services/staffing (carryover from the FY17 budget, \$325,000).
- The replacement of 25 police vehicles, all of which have more than 100,000 miles on them (\$1.05 million).
- Virtual training equipment will be implemented that will enhance the quality and safety of training provided to Franklin Police Officers (\$195,000).
- Replacement of Fire Tower 1 (\$1.06 million).
- Purchase of Fire Engine 7 (\$569,000) and Wildland Pumper (\$424,000).



City of Franklin, Tennessee

FY 2018 Operating Budget

Program Enhancements



Effective and Fiscally Sound City Government Providing High-quality Services

- Additional and replacement vehicles/equipment in Sanitation, Streets, Water Management, Stormwater, and Building and Neighborhood Services.
- Data storage and disaster recovery enhancement within the City's Information Technologies infrastructure (\$111,400).
- Establish an Intelligent Traffic System Specialist to work with traffic signal technology and signal timing throughout the city.
- Pavement preservation sealing program (\$300,000).
- Leak detection equipment purchase within Water Management (\$32,000).
- Architectural service for City Hall building plan (carryover from FY17, \$250,000).



City of Franklin, Tennessee **FY 2018 Operating Budget**

Program Enhancements



Quality Life Experiences

- Purchase of the 80-acre Lockwood park parcel (including Robinson Lake) adjacent to the City's southeast park property (\$500,000).
- Begin implementation of recommendations for shared facility/field/open space use and improvements between the Franklin Special School District and the Franklin Parks Department.
- Parks programming staffing enhancements.
- Establishment of an Urban Forestry Division and Superintendent position.



City of Franklin, Tennessee

FY 2018 Operating Budget

Program Enhancements



Sustainable Growth and Economic Prosperity

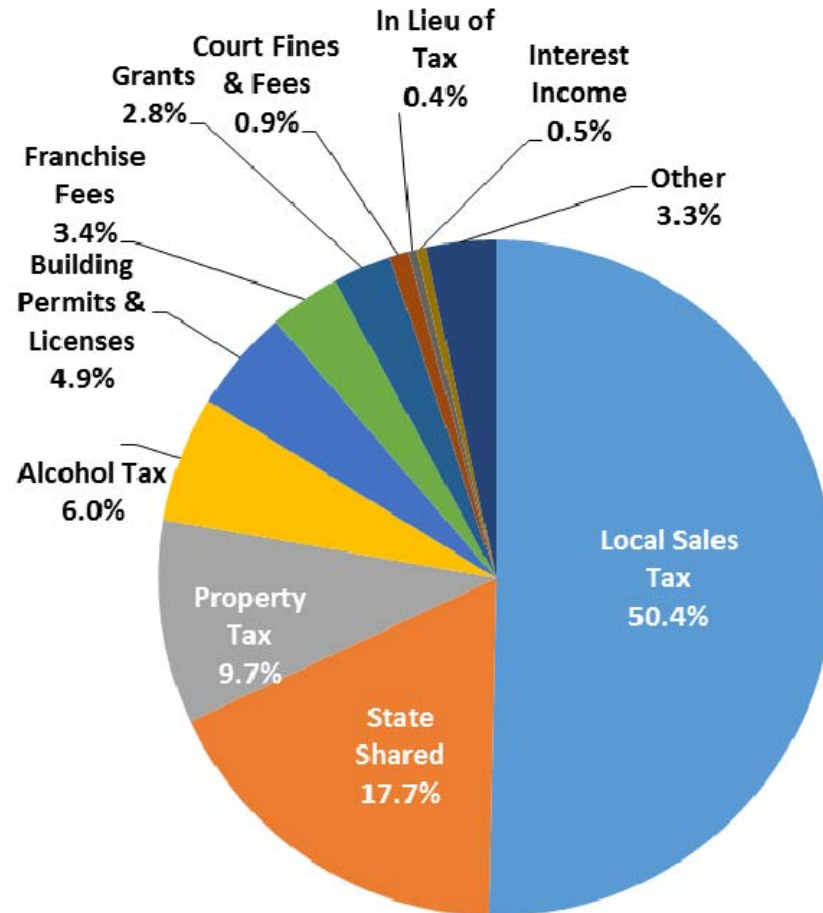
- Funding for a pilot program to work with the development community supporting the development of attainable/work force housing (\$100,000).
- Additional stormwater staffing to support efforts to obtain Qualified Local Program status, allowing the City to implement regulatory approval on behalf of the State of Tennessee.
- Addition of Assistant Director of Planning and Sustainability.
- Funding for enhance Franklin Transit fixed route system with 30-minute pick-up frequency for all stops.
- Along with the Metropolitan Planning Organization and the Regional Transit Authority, funding of the I-65 corridor study connecting Nashville and Franklin (\$12,500).



City of Franklin, Tennessee

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General Fund Overview: Revenues (pg. 35)

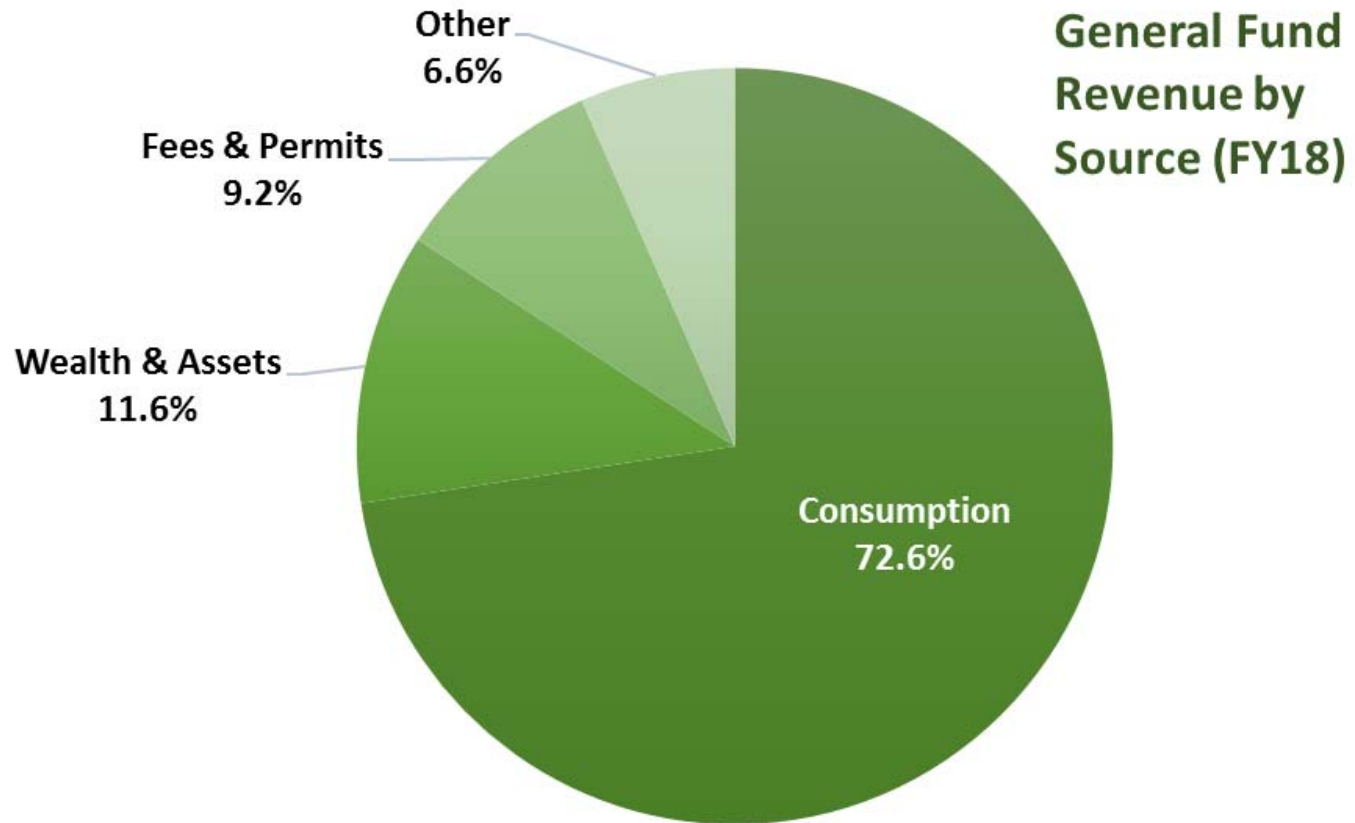




City of Franklin, Tennessee

FY 2018 Operating Budget

General Fund Overview: Revenues by Source (pg. 37)

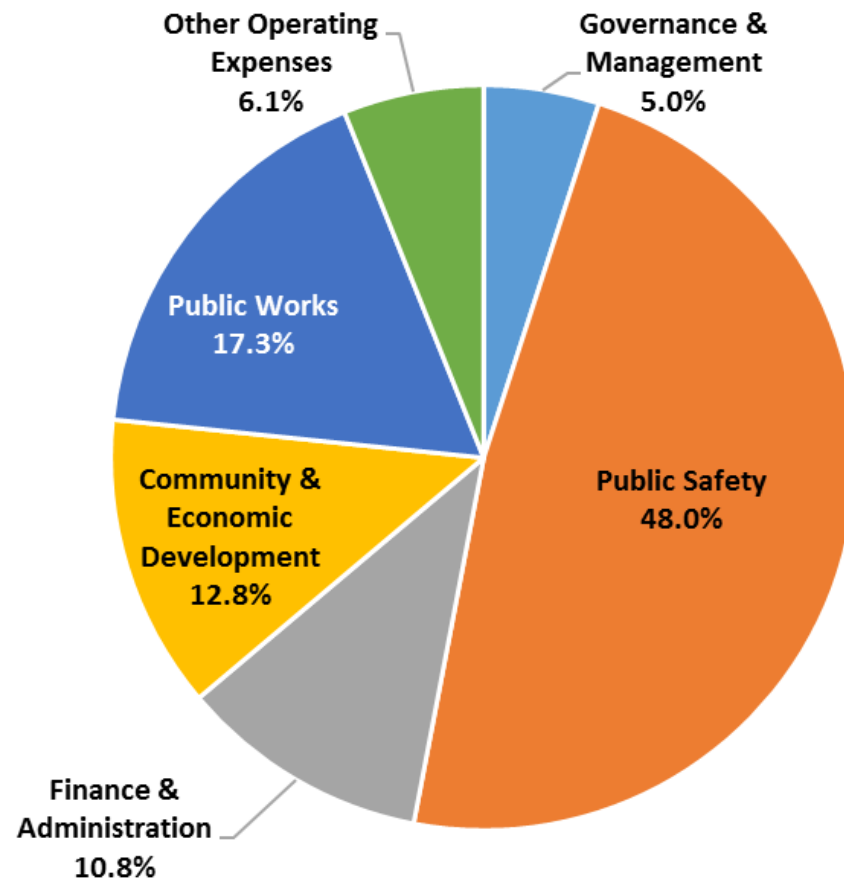




City of Franklin, Tennessee

FY 2018 Operating Budget

General Fund Overview: Expenses by Major Function/Program

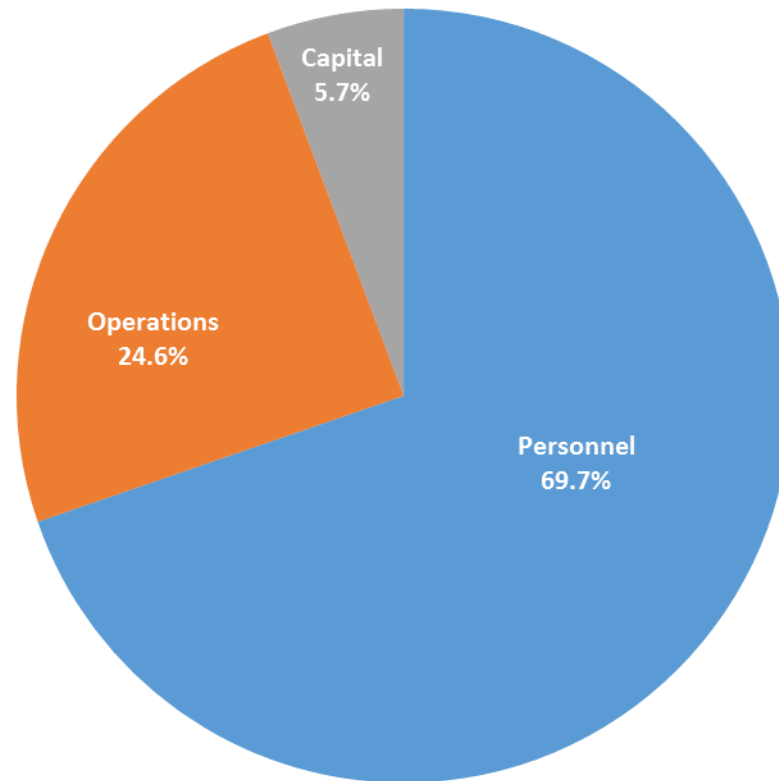




City of Franklin, Tennessee

FY 2018 Operating Budget

General Fund Overview: Expenses by Category

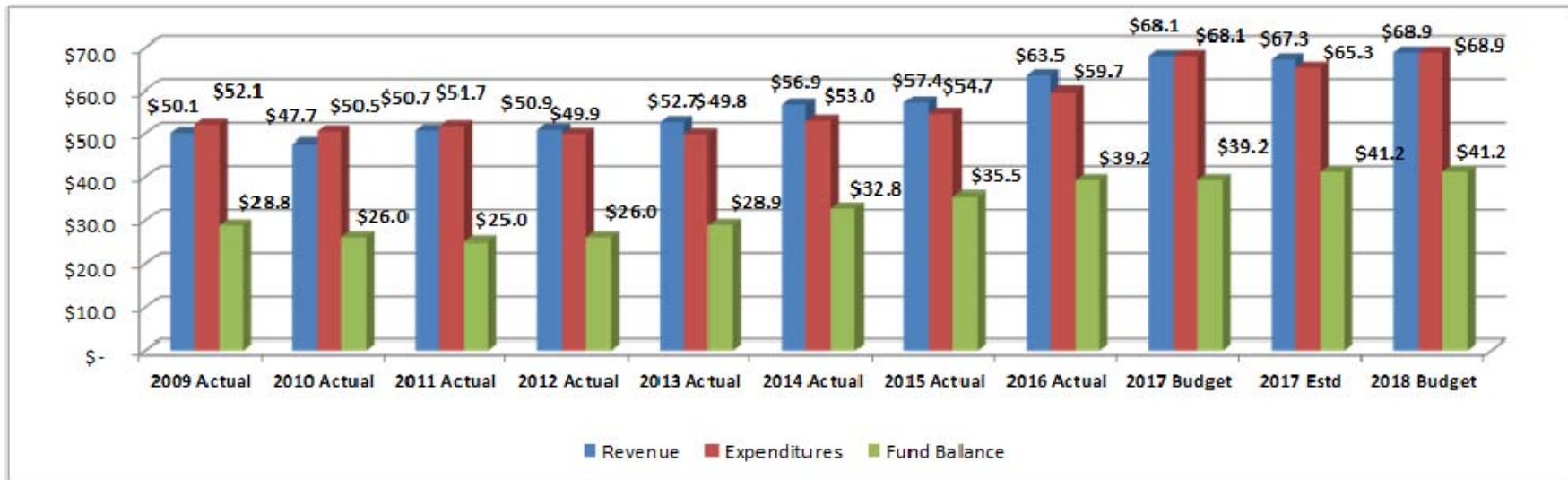




City of Franklin, Tennessee

FY 2018 Operating Budget

General Fund : Revenues: Financial Performance



	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2017 Estd	2018 Budget
Revenue	\$ 50.1	\$ 47.7	\$ 50.7	\$ 50.9	\$ 52.7	\$ 56.9	\$ 57.4	\$ 63.5	\$ 68.1	\$ 67.3	\$ 68.9
Expenditures	\$ 52.1	\$ 50.5	\$ 51.7	\$ 49.9	\$ 49.8	\$ 53.0	\$ 54.7	\$ 59.7	\$ 68.1	\$ 65.3	\$ 68.9
Fund Balance	\$ 28.8	\$ 26.0	\$ 25.0	\$ 26.0	\$ 28.9	\$ 32.8	\$ 35.5	\$ 39.2	\$ 39.2	\$ 41.2	\$ 41.2

Note: Amounts above are in millions of dollars.



City of Franklin, Tennessee

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General Fund : Revenues: General Fund Revenue Comparison

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Budget 2017</u>	<u>Estd 2017</u>	<u>Budget 2018</u>	<u>Difference '17 vs. '18</u>	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F (E-C)</u>	<u>G (E/C)</u>
Revenues							
Local Sales Tax	\$ 28,943,994	\$ 31,309,367	\$ 33,183,778	\$ 33,227,253	\$ 34,722,480	\$ 1,538,702	4.6%
State Shared	\$ 12,796,277	\$ 14,984,293	\$ 11,148,733	\$ 11,504,861	\$ 12,175,044	\$ 1,026,311	9.2%
Property Tax	\$ 5,546,050	\$ 4,973,334	\$ 5,948,793	\$ 5,742,536	\$ 6,713,809	\$ 765,016	12.9%
Alcohol Tax	\$ 3,630,037	\$ 3,926,711	\$ 3,888,565	\$ 3,985,759	\$ 4,147,690	\$ 259,125	6.7%
Building Permits & Licenses	\$ 2,462,903	\$ 2,850,548	\$ 2,817,396	\$ 3,295,045	\$ 3,393,896	\$ 576,500	20.5%
Franchise Fees	\$ 2,208,560	\$ 2,255,565	\$ 2,536,790	\$ 2,594,576	\$ 2,323,232	\$ (213,558)	-8.4%
Grants	\$ 289,382	\$ 1,612,487	\$ 1,828,300	\$ 345,010	\$ 1,949,098	\$ 120,798	6.6%
Court Fines & Fees	\$ 586,479	\$ 475,060	\$ 560,935	\$ 587,265	\$ 602,908	\$ 41,973	7.5%
In Lieu of Tax	\$ 326,887	\$ 326,438	\$ 271,369	\$ 280,518	\$ 288,934	\$ 17,565	6.5%
Interest Income	\$ 145,098	\$ 191,631	\$ 217,582	\$ 221,984	\$ 321,877	\$ 104,295	47.9%
Other	\$ 553,601	\$ 634,439	\$ 5,724,928	\$ 5,543,946	\$ 2,303,061	\$ (3,421,867)	-59.8%
Total - General Fund Revenues	\$ 57,489,269	\$ 63,539,872	\$ 68,127,169	\$ 67,328,753	\$ 68,942,027	\$ 814,858	1.2%

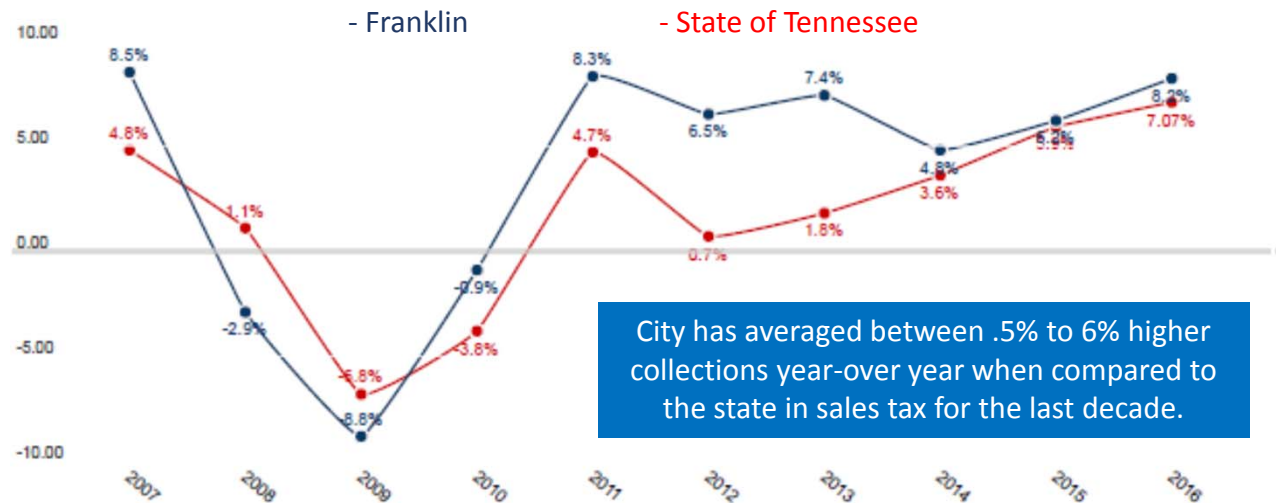


City of Franklin, Tennessee

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General Fund Revenues: Local Sales Tax (pg. 38)

- Budgeted to increase in 2016-17 (\$33.2 million).
- Growth of 4.6% (\$1.538 million) from 2016-17 budget, 4.5% increase compared to the 2016-17 estimate.
- Statewide estimate for growth is approximately 3.0% to 4.3%.
- 50.4% of total general fund revenue.

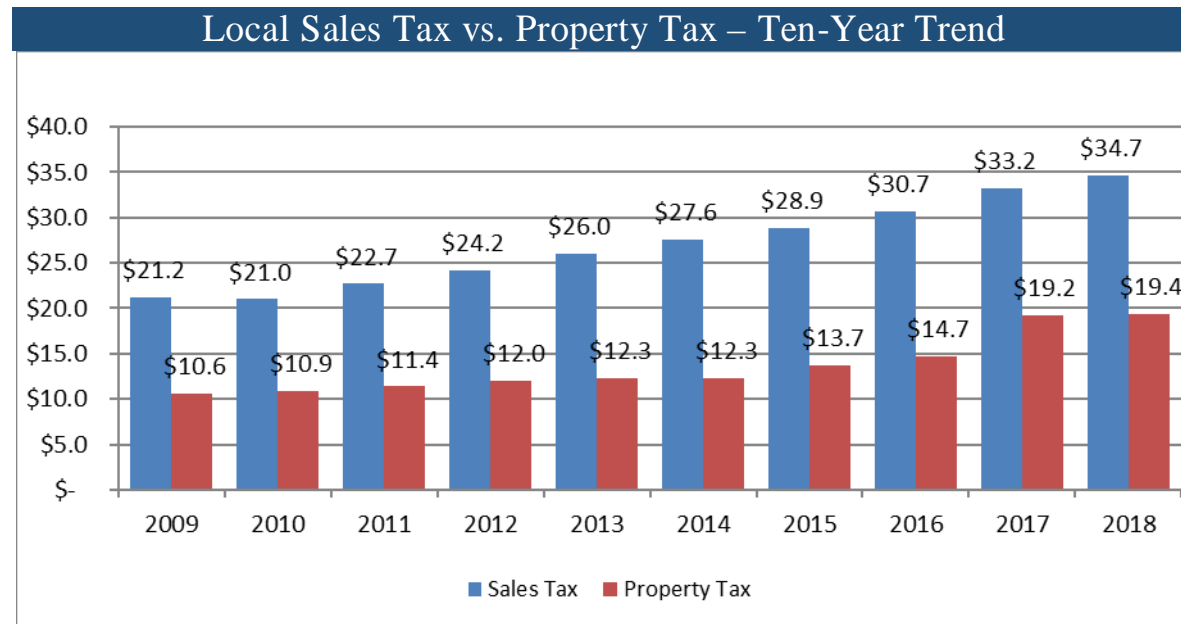




City of Franklin, Tennessee

FY 2018 Operating Budget

General Fund Revenues: Property vs. Sales Tax



- Sales Tax continues to outpace Property Tax collections slightly less than 2:1
- In FY 2018, Sales Tax will comprise 50.4% of all General Fund Revenues, a decrease from FY 2017.



City of Franklin, Tennessee **FY 2018 Operating Budget**

General Fund Revenues: Intergovernmental Revenue (pg. 39)

- Second largest general fund revenue source.
- Includes Business Tax within state shared taxes.
- Grant funding including TOC project revenue.
- Increase (9.2% or \$1,026,311) largely attributable to the larger population certified in the 2017 Special Census.
- This amount may be modified once full impact of the IMPROVE Act is known.



City of Franklin, Tennessee

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General Fund Revenues: Other Taxes

- Business License & Gross Receipts Tax (*pg. 40*)
- Local Beer Tax (*p. 41*)
- Wholesale Liquor Tax (*p. 41*)
- Alcohol Privilege Tax (*p. 41*)



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General Fund Revenues: Fees & Other Income

- Building Permit Fees (*pg. 42*)
- Franchise Fees (*pg. 43*)
- Court Fines & Costs (*pg. 45*)
- Interest Earnings (*pg. 47*)



City of Franklin, Tennessee

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General Fund: Fund Balance Summary

General Fund Performance - FY 2014-2018						
	Actual 2014	Actual 2015	Actual 2016	Budget 2017	Estimated 2017	Budget 2018
Beginning Fund Balance	28,890,118	32,714,451	35,469,449	39,249,586	39,249,586	41,249,706
+ Total General Fund Revenue	56,918,504	57,489,269	63,539,872	68,127,169	67,328,753	68,942,027
- Total General Fund Expenditures	59,094,171	54,734,271	59,759,734	68,127,169	65,328,633	68,942,027
Ending Fund Balance	32,714,451	35,469,449	39,249,586	39,249,586	41,249,706	41,249,706
*** Percent of Total Annual Revenues	57.5%	61.7%	61.8%	57.6%	61.3%	59.8%
*** Percent of Total Annual Expenditures	61.6%	64.8%	65.7%	57.6%	63.1%	59.8%

Note: Ending Fund Balance Amounts for Revised FY 2017 and Budget FY 2018 numbers subject to change via year-end close and final FY 2017 budget amendments.



City of Franklin, Tennessee

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General Fund: General Fund Expenditures by Department

	<u>Actual 2015</u>	<u>Actual 2016</u>	<u>Budget 2017</u>	<u>Estd 2017</u>	<u>Budget 2018</u>	<u>Difference '17 vs. '18</u>	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F (E-C)</u>	<u>G (E/C)</u>
Expenses							
Governance & Management	\$ 2,751,980	\$ 2,895,391	\$ 3,418,527	\$ 3,435,219	\$ 3,447,151	\$ 28,624	0.8%
Public Safety	\$ 27,515,333	\$ 29,181,019	\$ 31,210,406	\$ 31,855,999	\$ 33,101,585	\$ 1,891,179	6.1%
Finance & Administration	\$ 6,578,104	\$ 6,259,679	\$ 7,138,928	\$ 6,843,158	\$ 7,468,566	\$ 329,638	4.6%
Community & Economic Development	\$ 5,226,485	\$ 5,489,508	\$ 8,892,022	\$ 6,670,602	\$ 8,817,218	\$ (74,803)	-0.8%
Public Works	\$ 8,903,716	\$ 9,671,460	\$ 11,370,332	\$ 10,751,280	\$ 11,906,033	\$ 535,702	4.7%
Other Operating Expenses	\$ 3,758,653	\$ 6,262,677	\$ 6,096,954	\$ 5,772,375	\$ 4,201,475	\$ (1,895,479)	-31.1%
Total - General Fund Expenses	\$ 54,734,272	\$ 59,759,734	\$ 68,127,169	\$ 65,328,633	\$ 68,942,027	\$ 814,858	1.2%
General Fund Expenditures (by major category)							
Personnel	\$ 38,017,541	\$ 41,638,101	\$ 45,201,096	\$ 44,912,161	\$ 48,066,927	\$ 2,865,831	6.3%
Operations	\$ 16,288,930	\$ 17,943,694	\$ 20,257,122	\$ 19,862,850	\$ 16,935,355	\$ (3,321,767)	-16.4%
Capital	\$ 427,800	\$ 177,939	\$ 2,668,950	\$ 553,623	\$ 3,939,744	\$ 1,270,794	47.6%
Total - General Fund Expenses	\$ 54,734,271	\$ 59,759,734	\$ 68,127,169	\$ 65,328,633	\$ 68,942,027	\$ 814,858	1.2%



City of Franklin, Tennessee

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General Fund: Change in Personnel Expense

- Annual pay adjustments for City team members will involve two tiers this year:
 - The general pay increase for City team members will be effective the first pay period of July 2017. The proposed budget includes a general pay increase of 2.5% plus an additional performance-based pay increase of up to an additional 2.5%.
 - The city's compensation plan will have a complete review. This analysis, initiated in FY17, recommends an overall 4% adjustment to all pay grades (following the annual pay adjustments) which has been included in the FY18 budget. There will also be a department-by-department review of positions to ensure the City's compensation plan remains highly competitive.
- Net of 5.5 positions added.



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General Fund: Change in Personnel Expense

- Cost sharing structure of health insurance with employees continues with 85% single/80% family premium City cost sharing. 10% increase in overall cost.
- In FY18, the City will be modifying the structure of health insurance plan option for City team members. For many years, the City has offered either single or family coverage options. Going forward, the City will offer four options to its team members:
 - single coverage
 - single plus spouse
 - single plus children, and
 - family coverage
- 3.5% turnover factor (pay + benefits) used.
- Pension across all funds budgeted at \$4.4 million, an increase of \$600,000 or 15%.

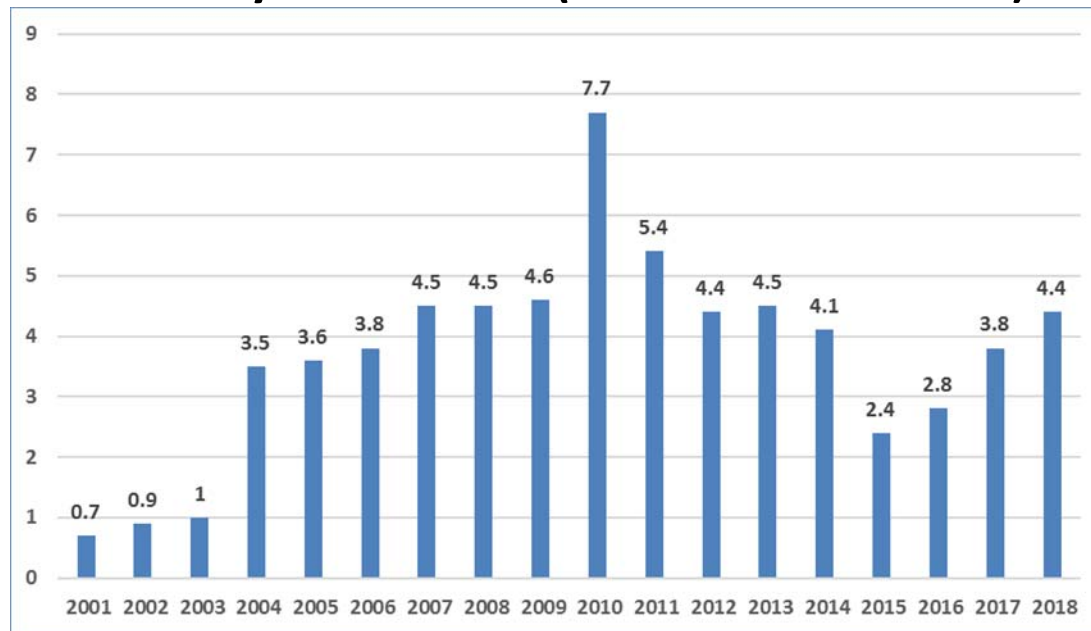


City of Franklin, Tennessee

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General Fund: Pension Plan Contributions

Pension Contributions by Fiscal Year - (Amounts in millions) Position



- Increase of roughly \$600,000 across all funds or 15%.
- Increase attributable to higher costs and more retirees.
- Pension is approximately 10% of total payroll.

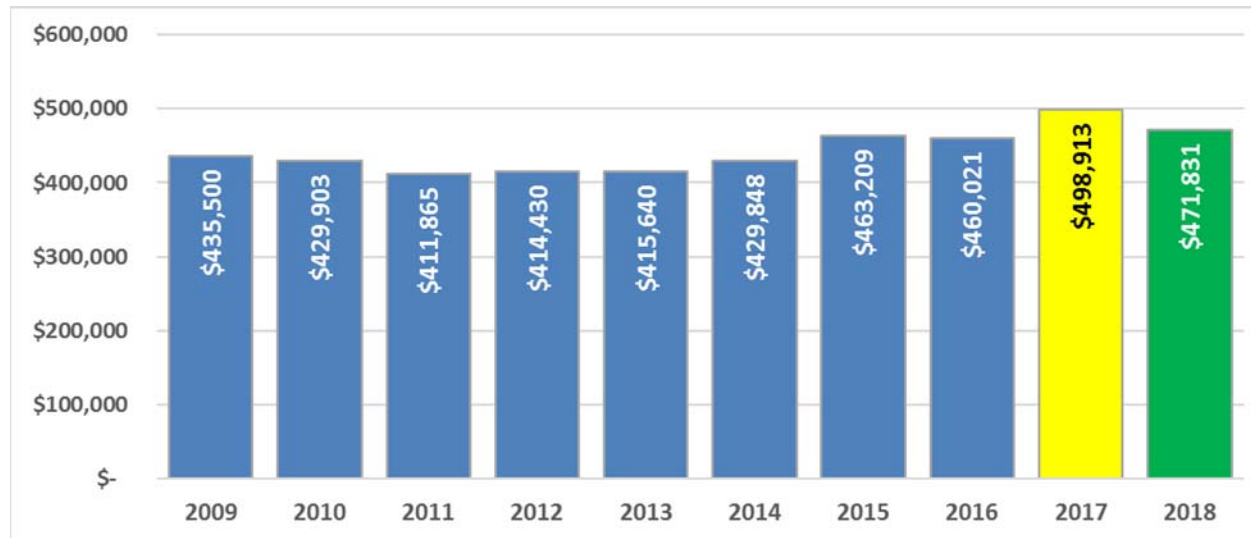


City of Franklin, Tennessee

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General Fund: Appropriations to Outside Entities

Ten Year- History – Appropriations to Outside Agencies



- Decrease of 37,857, or 7.61%. Decrease is due to the elimination of annual funding for the J.L. Clay Senior Center, which has now been absorbed by the Williamson County Recreation program and the one-time as well as one time contribution in FY 17 for Masonic Hall.
- Additional funding was granted, but capped at a total increase of \$5,000 per agency.
- Carries over from FY17 the one-time contribution of \$12,500 to the transportation/transit study of the Interstate 65 south corridor connecting Nashville and Franklin.



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Other Funds: Summary

- Drug Fund (*p. 107-110*)
- Community Development Block Grant (CDBG) Fund (*p. 187-190*)
- Transit Fund (*p. 191-196*)
- Stormwater Fund (*p. 215-222*)
- Street Aid & Transportation Fund – Gas Tax (*p. 223-226*)
- Road Impact Fund (*p. 227-230*)
- Sanitation & Environmental Services Fund (*p. 239-250*)
- Water & Sewer Fund (*p. 251-270*)
- City Facilities Tax Fund (*p. 287-290*)
- County Facilities Tax Fund (*p. 291-294*)
- Hotel/Motel Tax Fund (*p. 295-299*)
- Debt Service Fund (*p.301-304*)
- In Lieu of Parkland Fund (*p. 305-309*)



City of Franklin, Tennessee

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Other Funds: Change in Budget Amounts

All Funds:	Actual 2015	Actual 2016	Budget 2017	Estimated 2017	Budget 2018	Difference '17 vs. '18	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F (E-C)</u>	<u>G (E/C)</u>
Personnel	\$ 46,778,025	\$ 50,880,683	\$ 55,731,274	\$ 55,065,888	\$ 59,244,699	\$ 3,513,425	6.30%
Operations	\$ 57,165,407	\$ 62,381,369	\$ 70,103,470	\$ 68,150,834	\$ 65,676,311	\$ (4,427,159)	-6.32%
Capital	\$ 8,154,452	\$ 6,206,319	\$ 17,306,864	\$ 8,389,590	\$ 20,300,120	\$ 2,993,256	17.30%
Total - All Funds Expenses	\$ 112,097,884	\$ 119,468,372	\$ 143,141,608	\$ 131,606,312	\$ 145,221,130	\$ 2,079,522	1.5%

Surplus / (Deficit) All Funds \$ 10,252,143 \$ 18,914,832 \$ (3,625,036) \$ 11,371,916 \$ 4,954,334

General Fund	Actual 2015	Actual 2016	Budget 2017	Estd 2017	Budget 2018	Difference '17 vs. '18	
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F (E-C)</u>	<u>G (E/C)</u>
General Fund Expenditures (by major category)							
Personnel	\$ 38,017,541	\$ 41,638,101	\$ 45,201,096	\$ 44,912,161	\$ 48,066,927	\$ 2,865,831	6.3%
Operations	\$ 16,288,930	\$ 17,943,694	\$ 20,257,122	\$ 19,862,850	\$ 16,935,355	\$ (3,321,767)	-16.4%
Capital	\$ 427,800	\$ 177,939	\$ 2,668,950	\$ 553,623	\$ 3,939,744	\$ 1,270,794	47.6%
Total - General Fund Expenses	\$ 54,734,271	\$ 59,759,734	\$ 68,127,169	\$ 65,328,633	\$ 68,942,027	\$ 814,858	1.2%

Surplus / (Deficit) \$ 2,754,998 \$ 3,780,138 \$ 0 \$ 2,000,120 \$ 0



City of Franklin, Tennessee **FY 2018 Operating Budget**

Other Funds: Street Aid & Transportation Fund (pg. 223-226)

- Roadway resurfacing program of \$3.145 million – an increase of 6.2%. \$175,000 is included for sidewalk repair. Increase due to added money from special census and IMPROVE Act.
- The Capital Funding Initiative (begun in FY 2015) will add roughly \$695,000 from the Property Tax in FY 2018.



City of Franklin, Tennessee **FY 2018 Operating Budget**

Other Funds: Sanitation & Environmental Services (pg.239-250)

- Three Divisions: Administration, Collection, and Disposal.
- Direct revenues estimated at \$8.5 million.
- Expenditures also estimated at \$8.5 million.
- \$250,000 transfer planned from General Fund. 2008 subsidy was \$4.47 million. A transfer (\$500,000-750,000) will be needed in FY17 to meet cash reserve requirements.
- Increase in residential rate to \$17.50/month (from \$16.50/month); first increase in four years.
- Develop a five year rate plan similar to Water/Sewer.
- Continue to monitor/analyze the impact of growth on service delivery.



City of Franklin, Tennessee **FY 2018 Operating Budget**

Other Funds: Water & Sewer Fund (p. 251-270)

- Includes rate-payer supported operation of Water, Wastewater, and Reclaimed Water utilities
- First year of the biennial budget includes: Water (\$11.7 million), Water Reclamation/Wastewater (\$13.7 million), and Reclaimed Water (\$206,000).
- Based on updated independent cost-of-service study, adoption of rate increases for 2018 are proposed:
 - 3.5% per year for Water.
 - 5.5% per year for Wastewater.



City of Franklin, Tennessee **FY 2018 Operating Budget**

Other Funds: Road Impact Fund (pg. 227-230)

- \$7.8 million proposed budget for FY18 (a decrease of 6.9% from budget). \$7.1 million is the estimated expenses for FY17.
- Provides for Debt Service obligation (\$3.0 million) and budgeted Road Impact Offset agreement payments.

Other Funds: City Facilities Tax Fund (pg. 287-290)

- \$4.05 million proposed budget for FY 18.
- Continued work on Fire Stations 7 project.
- Purchase of Fire, Parks & Police equipment.



City of Franklin, Tennessee

FY 2018 Operating Budget

Other Funds: Stormwater Fund (pg. 215-222)

- \$6.21 million proposed budget for FY18 (an increase of \$1.0 million or 19.4%, primarily driven by project funding).
- One new position adding capacity to manage increased workload.



City of Franklin, Tennessee

FY 2018 Operating Budget

Other Funds: Hotel/Motel Tax Fund (pg. 295-300)

- \$2.56 million proposed budget for FY18 (a decrease of 8.6%).
- Significant “unprogrammed” capacity that could be applied to priority projects identified in the Parks Master Plan/Capital Investment Plan.
- Funds debt service for acquisition of Harlinsdale and Eastern Flank and streetscape elements.
- Continued funding for Carter Hill acquisition/development and ongoing park improvement projects.

Other Funds: Debt Service Fund (pg. 301-305)

- \$14.06 million proposed budget for FY 18 (an increase of 6.3%).
- \$8.8 million of property tax for general obligation debt service plus contributions from various other funds.



City of Franklin, Tennessee

FY 2018 Operating Budget

Summary

- The budget includes continued support of the *Invest Franklin* initiatives that funding capacity for key infrastructure investment and support operations for our growing community.
- Meeting budget goals and objectives with an enhanced emphasis on performance measures and the strategic plan.
- The budget features targeted program enhancements related to public safety and growth-related services.
- Reserves at year-end well above policy level.