



City of Franklin, Tennessee

2021 Budget Summary

Board of Mayor & Aldermen

Ken Moore, Mayor

Aldermen

Clyde Barnhill	Brandy Blanton
Pearl Bransford	Beverly Burger
Margaret Martin	Dana McLendon, Vice-Mayor
Ann Petersen	Scott Speedy

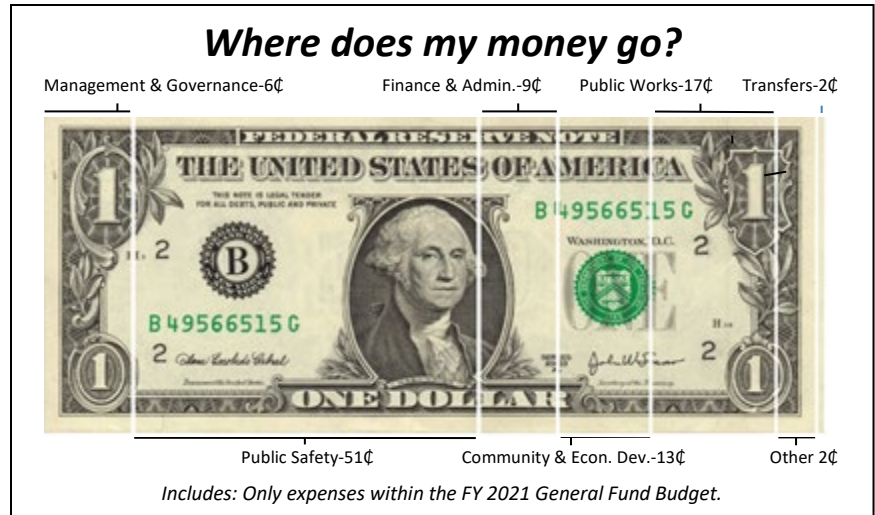
Issued by Eric Stuckey
City Administrator

"Where Progress and History Give You a Unique Sense of Place"

The City is pleased to present this summary of the annual budget for the fiscal year which begins July 1, 2020 and ends on June 30, 2021.

Highlights of 2020-21 Budget

- The budget is balanced, with a planned use of reserves to maintain services.
- Budget complies with the Board of Mayor and Aldermen's debt and fund reserve policies, significantly exceeding the reserve requirements.
- Essential service levels are maintained.
- There are no layoffs of existing staff.
- The City Property tax remains unchanged at \$0.4176 per \$100 of assessed valuation. The City of Franklin has one of the lowest municipal property tax rates in the State of Tennessee.
- The budget will likely be updated later in the year as more information is available regarding the revenue impact of the pandemic and economic downturn.
- Due to the COVID-19 pandemic and the economic downturn, we predict a 10.2% deficit in our revenue. We will be reducing our expenditures by 10.5%.
- City team member salaries are frozen at this time, with no market or merit increases.
- The City will not be hiring new employees unless considered essential to operations.
- The City is not accepting any program enhancement requests from departments unless the request is essential.



The next page will describe our revenues and expenses for the next budget in further detail.

Services Provided



Governance & Management



Board of Mayor & Alderman, City Administrator, Human Resources, Law, Communications,



Capital Investment Planning, Project & Facilities Management and Revenue Management



Public Safety



Emergency Management, Criminal Investigations Patrol, Support Services, Fire Suppression, Fire Investigation, Fire Prevention



Finance & Administration



Finance, Information Technology, Purchasing, Municipal Court, Sanitation & Environmental Services, Transit, Water & Wastewater Management



Community & Economic Development



Building & Neighborhood Services, Planning & Sustainability, Engineering, Parks, Economic Development, Streets

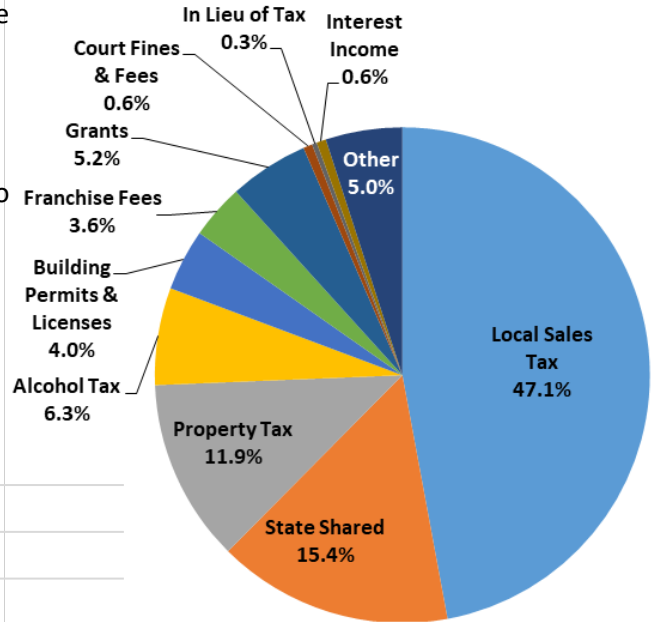


(including Road Maintenance, Traffic & Fleet Maintenance) and Stormwater Management

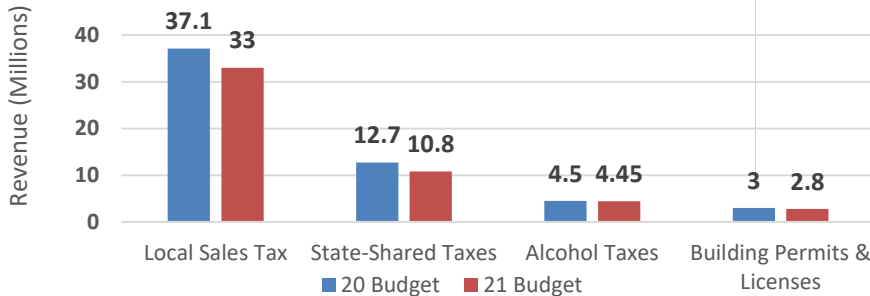


Revenues

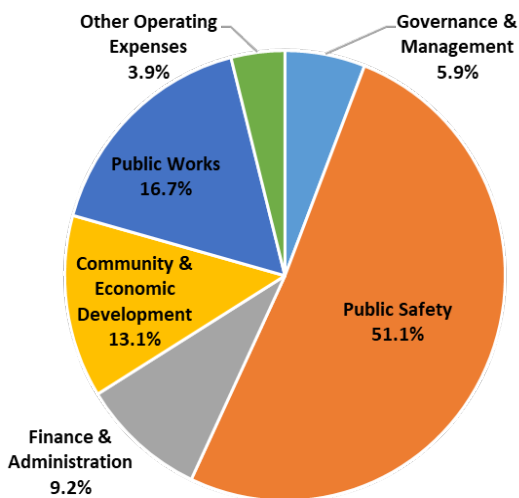
As seen in the bar chart below, there are four categories where revenues will decrease: sales tax (\$4.1 million decrease), state shared taxes (\$1.9 million decrease), alcohol taxes (\$50 thousand decrease), and building permit & licenses (\$200 thousand decrease). Other revenue categories of note include grants, municipal court fines/fees, and interest income will also decrease. The City of Franklin is projecting an \$8 million decrease from last year's budget. However, we will see an increase in property tax revenue and franchise fees.



Decreasing Revenue Categories



Cash Reserves The City of Franklin adopted a reserve policy that identifies a minimum 33% General Fund reserve as an important benchmark. The City will use \$5.3 million in this previous budget to sustain operations impacted by the COVID-19 and the economic downturn. The City is planning to \$2.8 million of General Fund reserves in FY21. Despite the current economic challenges, the City is maintaining significant reserves to comply with BOMA policy and to protect against future economic downturns.



Expenses

The total available resources within the General Fund is \$70.2 million for FY21. Here is how we are spending smart:

Employee Earnings and Benefits The City is closely monitoring vacant positions. Departments are adjusting roles and responsibilities of existing staff to compensate for positions that are being held vacant. 27 full-time and 11 part-time positions across the organization that will be held vacant during the upcoming fiscal year. The proposed budget contains no salary increases for City employees. The basic structure of employee benefits is unchanged from the previous year. The City will absorb the full impact of a projected 6.3% increase in healthcare premiums.

Operations The operations expenditure category is a broadly defined category that encompasses non-personnel and non-capital activities. It includes utilities, supplies, contractual services, repairs and maintenance, and vehicle fuel. The FY21 budget amount for operational expenses is \$14.2 million, a decrease of 26.9% compared to FY20.