

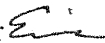


HISTORIC
FRANKLIN
TENNESSEE

ITEM #29
BOMA
12/14/2010

MEMORANDUM

November 17, 2010

TO: Board of Mayor and Aldermen
FROM: Eric S. Stuckey, City Administrator 
Russ Truell, Assistant City Administrator/CFO
SUBJECT: Designation of County Facilities Tax

Purpose

The purpose of this memorandum is to provide the Board of Mayor and Aldermen (BOMA) with information to consider designating the proceeds received from the County Facilities Tax to the Capital Projects fund.

Background

Per State statute, the County is required to remit to cities an amount equal to thirty percent of the County Adequate Facilities Tax that is collected from projects built within the city limits. BOMA has not made a declaration as to where this revenue should be spent. Absent such a declaration, our auditors require that the monies be received in the General Fund of the city.

Because these funds are collected from developers for the purpose of constructing capital projects, it is recommended that the proceeds be placed in the Capital Projects Fund to be expended for projects that have a long useful life and address capacity issues related to population growth or geographic expansion.

Options

Designate the funds for capital projects or take no action. No action would leave the funds in the General Fund for expenditures on capital or operating expenses.

Recommendation

Staff recommends designation of the Capital Projects Fund for proceeds from this source.

RESOLUTION 2010-89

**A RESOLUTION OF THE BOARD OF MAYOR AND
ALDERMEN FOR THE CITY OF FRANKLIN,
DESIGNATING COUNTY FACILITIES TAX TO CAPITAL
PROJECTS FUND**

WHEREAS, the State of Tennessee allows county governments to collect Facilities Taxes on new construction, and

WHEREAS, Williamson county has adopted the Facilities Tax provision for properties within the County, including the City of Franklin, and

WHEREAS, a portion of these Facilities Tax funds are distributed to the City of Franklin, according to the State law, and

WHEREAS, the City of Franklin desires to allocate the Facilities tax funds to capital projects that are related to growth generally associated with the construction that causes the tax to be collected; and

WHEREAS, these facilities tax funds by accounting rule would be placed in the General Operating Fund of the City if not designated otherwise, and

WHEREAS, the City has a Capital Projects fund that is specifically designated for current and future capital projects, and

WHEREAS, the Board of Mayor & Alderman wish to designate the Facilities Tax funds to keep them separate from the regular operations of the City.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin as follows:

Section 1. That all proceeds received from the Williamson County Facilities Tax shall be directed to the Capital Projects Fund,

Section 2. That that these funds will be appropriated according to the normal budgeting procedures contained within the City Charter and the Municipal Code.

Section 3. That this Resolution shall be effective upon adoption for the Fiscal Year ending June 30,2011 and all future years.

IT IS SO RESOLVED AND DONE on this 14th day of December,
2010.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

By: _____
Eric Stuckey
City Administrator

By: _____
John C. Schroer
Mayor