

CITY OF FRANKLIN TENNESSEE



HISTORIC
FRANKLIN
TENNESSEE

FISCAL YEAR 2012 BUDGET MANUAL

Table of Contents

	<u>Page</u>
Section 1 – Introduction	
City Administrator Transmittal Letter	3
State Requirement for Annual Budgets by Cities	4
City Budget Requirements	8
Budget Preparation	11
Budget Goals	13
Budget Calendar	15
Budget Meetings Calendar	16
Budget Teams	17
Budget Sections	18
Budgeted Funds	19
Overall Budget Summary	21
Section 2 – Personnel Guidance	23
Section 3 – Operations Guidance	24
Section 4 – Capital Guidance	25
Section 5 - Forecaster Budget Program and Objectives	32
Login	33
Useful options before entering budget data	36
Change Password	40
2012 Personnel and Capital Listings to Finance	43
Budget Entry Basics	43
Direct Input (of Amounts) with Notes option	50
Itemized Input (of Amounts)	59
Making sure your changes have been saved	83
Leaving the Program	84
Submit Budget for Review (workflow)	91
Section 6 – Budget Forecasts 2013 – 2016	92
Section 7 - Budget Survey Form	93

City Administrator Transmittal Letter

To be added by Friday, May 6, 2011

State Requirement for Annual Budget by Cities

6-2-103. Annual operating budget and budgetary comparisons — Publication. —

(a) Notwithstanding the provisions of any other law to the contrary, the governing body shall publish the annual operating budget and budgetary comparisons of the proposed budget with the prior year's actual figures and the current year's estimated figures, which information shall include the following:

(1) Revenues and expenditures for the following governmental funds: general, streets/public works, general purpose school and debt service;

(2) Revenues for each fund shall be listed separately by local taxes, state of Tennessee, federal government and other sources;

(3) Expenditures for each fund shall be listed separately by salaries and other costs;

(4) Beginning and ending fund balances shall be shown for each fund; and

(5) The number of full-time equivalent employee positions shall be shown for each fund.

(b) The publication shall be in a newspaper of general circulation and shall be published not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

[Acts 1991, ch. 484, § 8; 1992, ch. 760, § 2.]

6-56-203. Annual budget ordinance. —

The governing body of each municipality shall adopt and operate under an annual **budget** ordinance. The **budget** ordinance shall present a financial plan for the ensuing fiscal year, including at least the following information:

(1) Estimates of proposed expenditures for each department, board, office or other agency of the municipality, showing in addition, the expenditures for corresponding items for the last preceding fiscal year, projected expenditures for the current fiscal year, and reasons for recommended departures from the current appropriation pattern in such detail as may be prescribed by the governing body. It is the intent of this subdivision (1) that, except for moneys expended pursuant to a project ordinance or accounted for in a proprietary type fund or a fiduciary type fund that are excluded from the **budget** ordinance, all moneys received and expended by a municipality shall be included in a **budget** ordinance. Therefore, notwithstanding any other provision of law, no municipality may expend any moneys regardless of their source, including moneys derived from bond and long-term note proceeds, federal, state or private grants or loans, or special assessments, except in accordance with a **budget** ordinance adopted under this section or through a proprietary type fund or a fiduciary type fund properly excluded from the **budget** ordinance;

(2) Statements of the bonded and other indebtedness of the municipality, including the debt redemption and interest requirements, the debt authorized and unissued, and the condition of the sinking fund;

(3) Estimates of anticipated revenues of the municipality from all sources including current and delinquent taxes, nontax revenues, and proceeds from the sale of any bonds or long-term notes with a comparative statement of the amounts received by the municipality from each of such sources for the last preceding fiscal year, the current fiscal year, and the coming fiscal year in such detail as may be prescribed by the governing body;

(4) A statement of the estimated balance or deficit, as of the end of the current fiscal year;

(5) A statement of pending capital projects and proposed new capital projects, relating to respective amounts proposed to be raised therefor by appropriations in the **budget** and the respective amounts, if any, proposed to be raised therefor by the issuance of bonds during the fiscal year; and

(6) Such other supporting schedules as the governing body deems necessary, or otherwise **required** by law.

[Acts 1982, ch. 626, § 1.]

6-56-205. Excess appropriations prohibited — Emergencies. —

The governing body shall not make any appropriations in excess of estimated available funds, except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of all members of the governing body present, when there is a quorum.

[Acts 1982, ch. 626, § 1.]

6-56-206. Notice and hearing on proposed budget. —

(a) A public hearing shall be held on the proposed budget ordinance before its final adoption by the governing body, at such time and place as the governing body shall direct.

(b) The governing body of each municipality shall cause to be published the proposed annual operating budget and budgetary comparisons of the proposed budget with the prior year's actual figures and the current year's estimated figures, which information shall include the following:

(1) Revenues and expenditures for the following governmental funds: general, streets/public works, general purpose school and debt service;

(2) Revenues for each fund shall be listed separately by local taxes, state of Tennessee, federal government and other sources;

(3) Expenditures for each fund shall be listed separately by salaries and other costs;

- (4) Beginning and ending fund balances shall be shown for each fund; and
- (5) The number of full-time equivalent employee positions shall be shown for each fund.

The publication shall be in a newspaper of general circulation and shall be published not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

(c) The budget and all supporting data shall be a public record in the office of the chief financial officer of the municipality and shall be open to public inspection by anyone.

(d) The chief financial officer shall cause sufficient copies of the budget ordinance and budget message, if there is one, to be prepared for distribution to interested persons at least ten (10) days before the hearing.

[Acts 1982, ch. 626, § 1; 1991, ch. 484, § 11; 1993, ch. 448, § 5.]

6-56-207. Limitation on tax levies and appropriations. —

Except in cases of emergency as set out in § 6-56-205, no levy of property taxes shall be made by any municipality unless and until a budget ordinance has been adopted and no appropriation of moneys or revenues shall be made for any purpose contrary to the estimates in the budget ordinance.

[Acts 1982, ch. 626, § 1.]

6-56-208. Amendment of budget ordinance. —

Except as otherwise restricted by law, the governing body may amend the budget ordinance in the same manner as any other ordinance may be amended.

[Acts 1982, ch. 626, § 1.]

6-56-209. Transfer of money. —

The governing body by appropriate resolution or ordinance may authorize the budget officer to transfer moneys from one appropriation to another within the same fund, subject to such limitations and procedures as it may prescribe. Any such transfers shall be reported to the governing body at its next regular meeting and shall be entered in the minutes.

[Acts 1982, ch. 626, § 1.]

6-56-210. Carry over of appropriations. —

If for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations for the last fiscal year shall become the appropriations for the next fiscal year,

until the adoption of the new budget ordinance.

[Acts 1982, ch. 626, § 1.]

6-56-211. Unexpended appropriations. —

Any portion of an annual appropriation remaining unexpended and unencumbered at the close of a fiscal year shall lapse and be credited to the general fund, except that any balance remaining in any other fund at the end of a fiscal year may remain to the credit of that fund and be subject to further appropriation.

[Acts 1982, ch. 626, § 1.]

6-56-212. Intragovernmental service funds. —

(a) If a local government or public authority establishes and operates one (1) or more intragovernmental service funds, it need not include such a fund in its budget ordinance. However, at the same time it adopts the budget ordinance, the governing body shall approve a balanced financial plan for each intragovernmental service fund. A financial plan is balanced when estimated expenditures do not exceed estimated funds available.

(b) The budget officer shall include in the budget such officer submits to the governing body a proposed financial plan for each intragovernmental service fund to be operated during the budget year by the local government or public authority. The proposed financial plan shall be in such form and detail as prescribed by the budget officer or governing body.

(c) The approved financial plan shall be entered in the minutes of the governing body, as shall each amendment to the plan approved by the governing body.

(d) Any changes in a financial plan must be approved by the governing body.

[Acts 1982, ch. 626, § 1.]

CITY BUDGET REQUIREMENTS

FRANKLIN MUNICIPAL CHARTER, ARTICLE VIII - FINANCE

Section 1. - Fiscal Year.

The fiscal year of the city shall begin on the first day of July and end on the last day of June.

(As replaced by Priv. Acts 1974, ch. 301)

Section 2. - Budget Required.

The adoption of an annual budget for all departments except utilities shall be a prerequisite to the appropriation of money for municipal purposes and the levy of property taxes.

Section 3. - Budget Preparation.

Prior to the beginning of each fiscal year the city administrator shall prepare and submit to the Board of Mayor and Aldermen a budget for that fiscal year.

(As amended by Priv. Acts 1976, ch. 295, § 1, and replaced by Priv. Acts 1987, ch. 45, § 4)

Section 4. - Budget.

The budget shall provide a financial plan of all city funds and activities for the ensuing fiscal year, excepting funds of utilities, and, except as required by law shall be in such form as the city administrator deems desirable or the board may require.

(As amended by Priv. Acts 1976, ch. 295, § 2, and replaced by Priv. Acts 1987, ch. 45, § 4)

Section 5. - Public Hearing on Budget.

The budget shall be a public record in the office of the recorder. A public hearing on the budget shall be held before its adoption on final passage by the Board at such time and place as the board shall direct, and notice of such hearing shall be published ten days in advance of the date fixed. Any resident or taxpayer of the city, in person or by attorney, shall be given a reasonable opportunity to be heard for or against any purpose or estimate in the budget.

Section 6. - Adoption of Budget.

After the public hearing the Board may adopt the budget with or without amendment, but no amendment shall decrease expenditures required by law for debt service or for estimated cash deficit, and no amendment shall increase authorized expenditures to an amount greater than the total of estimated income. The budget shall be adopted for the ensuing fiscal year within ninety-five (95) days from and after the presentation of the budget to the Board of Mayor and Aldermen by the Mayor. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

(As amended by Priv. Acts 1978, ch. 270, and Priv. Acts 1979, ch. 27, § 1)

Section 7. - Amendment after Adoption.

If during the fiscal year the city administrator certifies that there are available for appropriation revenues in excess of those estimated in the budget, the board by ordinance may make supplemental appropriations for the year up the amount of such excess.

(As replaced by Priv. Acts 1987, ch. 45, § 4)

Section 8. - Emergency Appropriations.

Upon a declaration by the Board that there exists a public emergency affecting life, health, property or the public peace, the Board may make emergency appropriations by ordinance. To the extent that there are no available unappropriated revenues to meet such appropriations, the Board is authorized to borrow by issuing negotiable notes in any one fiscal year to meet the emergency. Provision shall be made in the budget for the succeeding fiscal year for payment of such notes and their maturity shall not be extended nor shall they be renewed.

Section 9. - Reduction in Appropriations.

If at any time during the fiscal year it appears probable to the city administrator that the revenues available will be insufficient to meet the amount appropriated, he shall report to the board without delay, indicating the estimated amount of the deficit, and remedial action taken by him and his recommendations as to any other steps to be taken. The board shall then take such further action as it deems necessary to prevent or minimize any deficit and for that purpose it may by ordinance reduce appropriations.

(As replaced by Priv. Acts 1987, ch. 45, § 4)

Section 10. - Transfer of Appropriations.

Transfer of appropriations shall be decided by ordinance.

(As replaced by Priv. Acts 2010, ch. 58)

Section 11. - Lapse of Appropriations.

Every appropriation shall lapse at the end of the fiscal year to the extent that it has not been expended or encumbered.

Section 12. - Expenditures and Obligations to be Within Appropriations.

No payment shall be made or obligation incurred against any appropriation unless the city administrator first certifies that an appropriation has been made for that purpose and that there is unexpended and unencumbered in the appropriations for that purpose an amount sufficient to meet the obligation or to make the expenditure. However, except where prohibited by law, nothing herein shall be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year.

(As replaced by Priv. Acts 1987, ch. 45, § 4)

FRANKLIN MUNICIPAL CODE, TITLE 5, CHAPTER 9 (Budget Ordinance)**Sec. 5-901. – Amendment after Adoption**

If during the fiscal year, the City Administrator certifies that there are available for appropriation revenues in excess of those estimated in the budget for a fund, the Board by ordinance of two (2) readings (the second being a public hearing) may make supplemental appropriations for the year up to the amount of the excess.

(Ord. No. 10-61, § 1- -2010)

Sec. 5-902. – Transfer of Appropriations within a fund.

At any time during the fiscal year, the City Administrator may transfer part or all of any unencumbered appropriation balance among or within departments or divisions within a fund. These transfers between departments may include:

1. Personnel positions and funding of those positions or other personnel costs,
2. Operating items including fuel and utilities,
3. Capital items,
4. Transfer of funds between personnel, operations, and capital.

Any such transfers made by Administrative action shall be less than \$25,000 per item and shall be reported at least quarterly to the Board of Mayor and Aldermen or an appropriate committee with budget oversight.

(Ord. No. 10-61, § 1- -2010)

Sec. 5-903. – Transfer of Appropriations between funds.

Any movement of appropriations between funds shall be approved by the Board by ordinance of two (2) readings (the second being a public hearing).

(Ord. No. 10-61, § 1- -2010)

BUDGET PREPARATION

In January, City staff outlines budget goals and a schedule for the upcoming fiscal year. During February, March and April, budget presentations are conducted by the Budget and Finance Committee with each department. Normally budget goals, financial and non-financial, are discussed with the Budget and Finance Committee and department staff.

After reviewing the FY 2011 budget, requests for the new fiscal year are submitted by the various departments to the City Administrator and Assistant City Administrators. The requests are analyzed with a focus on maintaining or enhancing service levels within the City's fiscal capabilities, identifying opportunities for community development, and avoiding employee layoffs and related negative service impacts.

Budget officers recognize the need to maintain a strong financial position overall, consistent objectives with budget goals, a balance of revenue to expenditures, and long-term cost implications. We recognize that adoption of an annual budget establishes a short term (i.e., one year) fiscal plan. Short term fiscal decisions can have long term fiscal impacts. Each year in the Capital Investment Program (CIP) we seek to discuss and evaluate long term fiscal trends and then utilize that for short term spending and service level decisions during the annual budget process, recognizing the demands anticipated with continued growth projections. Decisions on new programs or services require the same consideration.

The City of Franklin is committed to efficient operations and ethical standards in all services provided to our citizens and visitors. In conjunction with the beginning of the budget preparation process, Department Directors are encouraged to again emphasize our continuing commitment to operational excellence. While much of the focus and debate within the community centers on growth and development issues, the operations of City government have remained focused on continuous improvement.

The City has been able to maintain an outstanding level and quality of services delivered to the residents and businesses of this City. For the past six (6) years, our Police, Fire and Solid Waste departments have participated in a benchmarking project with other Tennessee cities. Results from those studies show that Franklin residents receive an above average level of service. (Please note: these benchmarking results are included in the discussions of the participating departments). The City has formed a performance measurement team with representatives from every department. In this budget, each department has identified key performance measures related to their service delivery efforts and sustainability initiatives.

Departments within the City participate in peer group studies and continue to review and adopt "best practices" that are recommended by the International City Managers Association, the Government Finance Officers Association, American Public Works

Association, American Planning Association, and other national and international organizations.

City of Franklin departments and staff have received annual awards and recognition. For example, here are only a few of the extremely positive recognitions to the City of Franklin:

1. Aaa (Triple A) Bond Rating by Moody's and Standard & Poor's
2. GFOA Award for Excellence and Financial Reporting (19th year)
3. GFOA Distinguished Budget Presentation Award (3rd year)
4. Tennessee 3-Star Award for Community Economic Preparedness (7th year)
5. Tree City USA (7th year)
6. Updated Fire ISO Rating from 3 to 2 (Highest rating in the state)

As we do each year, we respectfully request of the Board of Mayor and Aldermen that, as you read the facts, figures, and percentages set forth on these pages, you look beyond the statistics and examine the numerous programs and services provided daily to the residents of this community. Many facets of the community's daily life are impacted by municipal government. Whether it is maintaining the roads or drainage system, responding to an emergency, enforcing building and zoning codes, or providing a park for children to play in, the City of Franklin is directly involved in the quality of life for local citizens.

The annual budget reflects the quality of life, development policies and service level priorities of the Board and the citizens of Franklin. The relationship between the budget review and approval process and the high quality level of services available within this community as cited above.

BUDGET GOALS

Financial Goals

Maintain and enhance the positive fiscal position of the City by adherence to financial management principles for public funds.

Continue to pursue options for revenue diversification among property taxes, sales taxes, fees, interest earnings, other income, and state shared revenues with expenditure growth reviewed annually in terms of population increases and desired public service levels.

Produce a structurally balanced budget with ongoing revenues meeting ongoing expenses.

Maintain an undesignated reserve fund in compliance with the Board of Mayor and Aldermen's adopted policy.

Stabilize our operational expenses through prudent actions, such as joining a fuel hedging contract with Metro Davidson County.

Non-Financial Goals

Maintain and enhance services to citizens. Avoid employee layoffs and other actions that would negatively impact the delivery of City services.

Develop, adopt, and implement programs and policies which promote, protect, and preserve the health, safety and welfare of the community, and thereby enhance the high quality of life enjoyed by all residents of the City.

Develop, adopt, and implement programs and policies, which create and sustain a positive economic environment within the City of Franklin.

Cooperate with other agencies to generate significant economic development opportunities within Franklin and Williamson County.

Continue an emphasis on maintenance of facilities and equipment with replacement of the City's fixed assets as necessary, which include equipment, infrastructure, and facilities.

Continue emphasis on employee safety and safety education.

Continue and further enhance our commitment to employee training and professional development, and thereby providing a positive work environment for teamwork, individual and department initiatives, productivity, and individual development.

Maintain and continue to enhance the compensation and benefit plan for employees within our financial capabilities; to retain qualified and motivated employees in a highly competitive market.

Enhance community services through the promotion of and with provision for the expansion of City/County, City/Non-Profit, and public/private cooperation in areas deemed feasible.

Continue commitment to the vitality of the downtown area and individual historical areas.

Encourage Community improvement projects to maintain and improve the visual improvements of the City's existing residential neighborhoods and business area.

Continue maintaining membership and active participation of City officials in regional and statewide organizations benefiting the City of Franklin.

Specific Fiscal Year 2012 Initiatives

To continue the emphasis that will maintain and enhance existing level of services to the citizens of Franklin to focus upon core values of excellence, innovation, teamwork, integrity and an action-orientation.

Determine an action plan to implement the long-term assessment of City Hall facilities and operational needs due to growth, service requirements, and technology.

To continue to identify opportunities to expand and enhance the City's communication with the public through various strategies and mediums.

To promote/market the City as a preferred economic development location in cooperation with the State of Tennessee, Williamson County and other partners.

To encourage a County wide study of economic development structures and opportunities.

To continue the City's participation in the benchmarking program through UT-MTAS and other organizations, such as ICMA or GFOA.

Support the sustainability efforts identified by staff and the City's sustainability committee.

Continue efforts to recruit qualified employees including the efforts to diversify the workforce.

Continue efforts to find a workable solution to public transportation needs that would provide needed services with a more effective financial solution.

BUDGET CALENDAR (TENTATIVE)

Department Budget / Information Meetings	Beginning Thursday, January 21, 2011 (Leadership Meeting)
Department Requests Due	Due same month as budget presentations
Initial Meetings – Finance	3 weeks before budget presentation
Initial Meetings – 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 February, March, April
Proposed Budget Compiled for Board of Mayor and Aldermen	Friday, May 6, 2011
Budget Notice	Thursday, May 12, 2011
Budget Hearings (as needed)	Finance Committee Monday-Thursday, May 16-19, 2011
Budget Hearings (as needed)	Finance Committee (special meetings), Wednesday, May 18, 2011; Thursday, May 26, 2011
Third & Final Reading	Tuesday, June 28, 2011
New Fiscal Year	Friday, July 1, 2011

BUDGET MEETINGS CALENDAR (TENTATIVE)

Budget Presentations Adopt Budget Calendar	Finance Committee, Wednesday, January 26, 2011
Budget Presentations Police, Drug Fund Fire Facilities Tax Fund Road Impact Fund	Finance Committee, Tuesday, February 15, 2011 [Meet with Finance: Fri, Jan 28] [Meet with City Administrator: Fri, Feb 4] [Distributed: Fri, Feb 11]
Budget Presentations Solid Waste Parks Streets/Traffic/Fleet Street Aid Fund Engineering/TOC Stormwater Fund Planning & Sustainability/Bldg & Neighborhood Services/CDBG Fund	Finance Committee, Thursday, March 17, 2011 [Meet with Finance: Fri, Feb 25] [Meet with City Administrator: Fri, Mar 4] [Distributed: Fri, Mar 11]
Budget Presentations Elected Officials, Administration, Communications, Legal, HR, Capital Investment Planning, Facilities Management, Court, Revenue Management, MIT, Finance, Purchasing	Finance Committee, Thursday, April 21, 2011 [Meet with Finance: Fri, Apr 1] [Meet with City Administrator: Fri, Apr 8] [Distributed: Fri, Apr 15]
Budget Presentations Revenue, Pay Plan Appropriations Capital Projects Fund Transit Fund Debt Service Fund Water/Wastewater/Reclaimed	Special Finance Committee, Tuesday, April 19, 2011
Budget Delivered to BOMA	Friday, May 6, 2011
Budget Hearings (as needed)	Finance Committee Monday-Thursday, May 16-19, 2011
Budget Hearings (as needed)	Finance Committee (special meetings), Wednesday, May 18, 2011; Thursday, May 26, 2011

BUDGET TEAMS

ELECTED OFFICIALS	Eric Stuckey/Lanaii Benne
COURT	Steve Sims
ADMINISTRATION	Eric Stuckey/Lanaii Benne
CAPITAL INVESTMENT PLANNING	David Parker/Krissy McNeely
REVENUE MANAGEMENT	Steve Sims/Clay Matthews
PROJECT AND FACILITIES MANAGEMENT	Brad Wilson
COMMUNICATIONS	Millissa Reiersen/Monique McCullough
PURCHASING	Brian Wilcox
MIT	Fred Banner
LEGAL	Shauna Billingsley
FINANCE	Katie Marra
ENGINEERING	Eric Gardner/Sarah Roop/Paul Holzen
TRAFFIC OPERATIONS CENTER (TOC)	Eric Gardner/Kevin Comstock
HUMAN RESOURCES	Shirley Harmon/Sherry Lovett
PLANNING & SUSTAINABILITY	Brenda Woods
BUILDING & NEIGHBORHOOD SERVICES	Gary Luffman/Tom Marsh/Allen Lewis
POLICE	David Rahinsky/Scott Butler/Maxine Nichols
FIRE	Todd Horton
STREETS-MAINTENANCE DIVISION	Steve Grubb
STREETS-TRAFFIC DIVISION	Carl Scott
STREETS-FLEET MAINT DIVISION	David Barker
PARKS	Lisa Clayton
GENERAL EXPENSES	Mike Lowe
DEBT SERVICE	Mike Lowe
APPROPRIATIONS	Russell Truell
ECONOMIC DEVELOPMENT	Vernon Gerth
TRANSFERS TO OTHER FUNDS	Mike Lowe
STREET AID	Steve Grubb
SOLID WASTE	Becky Caldwell
ROAD IMPACT FEES	Russell Truell
FACILITIES TAX	Russell Truell
STORMWATER	Eric Gardner/Steve Grubb
DRUG FUND	David Rahinsky/Scott Butler/Maxine Nichols
HOTEL/MOTEL TAX	Russell Truell
TRANSIT	Russell Truell
CDBG	Kathleen Sauseda
DEBT SERVICE	Mike Lowe
WATER, SEWER, RECLAIMED	Mark Hilty

BUDGET SECTIONS

The proposed budget will include the following sections:

- Department Overview**
- Department Organization Chart**
- Performance Measurements and Goals**
- Performance Measures for the Next Fiscal Year**
- Sustainability Initiatives**
- Proposed Budget for Fiscal Year 2012**
- Projected Budgets for Fiscal Years 2013, 2014, 2015, 2016**

Amendments to the proposed budget may be made during the budget hearings and included in the approved budget at the second or third reading. Once the budget is approved, any budget amendments between funds are required according to Charter to have two (2) readings (the second being a public hearing) before the Board of Mayor and Aldermen. Any department, which is the legal level of budgetary control, that exceeds its legally adopted budgetary amount over \$25,000 will be required to have budget amendments or approved by the Board to cover the actual expenditures. If under \$25,000, the City Administrator has administrative authority to amend.

BUDGETED FUNDS

The City adheres to the requirements of state law in its annual budgeting by adopting an annual appropriated budget for its general and special revenue funds.

In Tennessee, it is a requirement that the budget approved by the Board of Mayor and Aldermen be balanced. This means planned expenditures equal anticipated revenues. Fund revenues and expenditures are budgeted using modified accrual where expenditures are recognized when incurred and payment is due, and revenues are recognized when they are measurable and available (generally collected within 60 days). This is the same basis as used in the City's audited financial statements.

In addition to the General Fund (the City's primary operating fund), the City has various separate special revenue funds and a capital projects fund that are restricted as to how the revenues can be used. These special funds are detailed below. It should be emphasized that these funds, except for the Solid Waste and Stormwater funds, do not include any personnel costs.

Street Aid Fund - Special Revenue fund for the accounting of the portion of State gasoline tax that is shared with cities, based on population. State law requires that these funds be used for the maintenance of streets.

Solid Waste (Sanitation) Fund – Special Revenue fund for the accounting of fees collected in the collection and disposal of residential and commercial garbage.

Stormwater Fund – Special Revenue fund for the accounting of fees collected for the purpose of preventive maintenance of drainage areas, as well as remediation of circumstances that cause flooding and pollution.

Road Impact Fee Fund – Special Revenue fund for the accounting of expenditures in accordance with City Ordinance 88-13 on the proceeds of road impact fees from new development.

Facilities Tax Fund – Special Revenue fund for the accounting of fees collected for the expenditures specified in City Ordinance 88-12, which assesses a privilege tax on the business of development.

Drug Fund – Special Revenue fund for the accounting of drug fines collected for the purpose of furthering drug investigations.

Hotel/Motel Tax Fund – Special Revenue fund for the accounting of hotel/motel taxes collected for the purpose of retiring the City debt on the City /County Conference Center and for purchase and development of park property intended to promote tourism.

Transit System Fund – Special Revenue fund for the accounting of activities of the City’s mass transit system.

Community Development Block Grant (CDBG) Fund – Special Revenue fund for the accounting of federal CDBG grant monies and their expenditures.

Debt Service Fund – Used to account for resources set aside to fund debt service and the actual principal and interest payments made.

The City has two (2) additional funds that are not included in this budget document:

Capital Projects Fund – Capital Project fund for the accounting of bond proceeds and expenditures in conjunction with long range capital projects. Although not required to be budgeted by state law, this fund is included in the City’s audited financial statements.

Water and Wastewater Fund – Proprietary Fund for the accounting of user charges and fees and expenses of the operations of the City’s Water, Wastewater, and Reclaimed Water system. A separate budget document is prepared on a biennial basis for its anticipated activity. This fund also is included in the City’s audited financial statements.

OVERALL BUDGET SUMMARY

The purpose of this summary and the following sections on personnel, operations, and capital is to describe significant items that will affect the development of the Fiscal Year 2011 budget.

Economic Indicators & Rate Information

Please utilize the following factors for fiscal year 2012 (and projecting 2013 through 2016).

Inflation (consensus estimate from bank economists):	< 2.0%
Revenue growth factor (from State Funding Board):	TBD
City population (from 2008 Development Report) growth:	3.2%
Interest rate forecast for investments:	2.2%

Re-appropriations

If you intend on carrying any purchase orders or contracts into fiscal year 2012, please estimate the amount of services or purchases that may not be delivered by June 30, 2011 in the 2012 budget under the appropriate budget code.

Personnel Requests

An easy-to-complete Excel file will be provided to each department to capture 2012 personnel requests. Changes can be entered directly or entered by drop-down box. Unless changed, the 2011 personnel budget will be used as the default in Forecaster. Please feel free in Forecaster to update the calculated 2011 estimated actual as it is simply a calculated default using December YTD projected to fiscal year-end.

If request has potential pay grade change, position must be submitted to HR for evaluation.

Operations

Most operations amounts for Estimated Actual 2011 and Budget 2012 can be entered directly by departments into Forecaster. The 2012 budget default in Forecaster is 2011 operations budget. 2011 estimated actual default is December YTD times two (2).

Capital

An easy-to-complete Excel file will be provided to each department to capture 2012 capital requests. 2012 budget default in Forecaster is zero. 2011 estimated actual default is December YTD.

Handling of Specific Items:

- Leases: If will own the asset, the amount of the asset must be included in Capital. (There is an offsetting revenue, Lease Proceeds, for the exact amount included in Capital). At the end of the asset's description, simply add (LEASE). This way we'll know to add lease payments in 2012 to operations.
- Grants Other than ARRA grants, grants may or may not have a specific line item. Either way, the entire expenditure must be added to the expenditure line(s). The offsetting grant will be shown as grant revenue.

PERSONNEL GUIDANCE

Personnel Costs: Personnel salaries and benefits will be calculated by Forecaster based on the proposed positions in each department.

Salary Increases: With current financial conditions, an estimate for pay increases is 2012 has not yet been determined.

Benefit Changes: Anticipated changes in the medical and dental rates have not yet been determined for 2012.

Reclassifications: The Human Resources departments should be notified of any potential reclassifications.

OPERATIONS GUIDANCE

Postage:

Item Description		FY 2012 Budget Estimate
U.S. postal rates	First-class	No rate increases are scheduled as of 1/28/11
	Pre-sort	Rates are expected to increase by 1/2-cent

Mileage:

Business mileage using a personal vehicle will be 51 cents, the current IRS rate. Wherever possible, a pool vehicle should be used in lieu of personal vehicles.

Fuel:

Item Description		FY 2012 Budget Estimate
Fleet fuel (1/28/11 prices plus 10%)	Unleaded regular	\$2.85 per gallon
	Diesel	\$3.10 per gallon

Utility Estimates:

Water Purchased for Resale:	2% increase (HVUD rates to increase March 2011)
Water:	TBD.
Wastewater	TBD.
Reclaimed	TBD.
Natural Gas	TBD.
Solid Waste	TBD.
Computer maintenance charge:	TBD.
Rent/occupancy reserve:	TBD.

CAPITAL GUIDANCE

The budget estimates for equipment are based on features that are typically purchased by the City of Franklin. Adjustments and allowances should be made for additional features desired.



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

January 28, 2011

TO: Department Heads
FROM: Purchasing Manager Brian Wilcox
SUBJECT: Budget estimates for FY 2012

For your use in preparing budgets for FY 2012, I am providing the attached budget estimates for certain purchases.

Please note that, except as otherwise noted, the budget estimates for equipment are based on features that are typically purchased by the City of Franklin. Adjustments and allowances should be made for additional features desired.

Please let me know if you have any questions or need any additional information. Thank you.

Item Description		FY 2012 Budget Estimate
Cisco IP Telephone (current prices plus 5%)	7940 2-line phone	\$330
	7960 4-line phone	\$390
Commercial-grade computer work station (HP8000 Elite) with 20-inch monitor	smaller footprint (sufficient for most users)	\$850
	larger footprint (allows for more memory)	\$1,000
Commercial-grade Laptop	HP 6550B	\$875
	HP 8540P	\$1,250
Fax machine		<p>Do not buy; do not replace.</p> <p>Inbound faxes may be routed to one or more network printers and/or Microsoft Outlook Inboxes. Outbound faxes may be sent via Microsoft Outlook. Contact MIT for more information.</p>

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Item Description		FY 2012 Budget Estimate					
<p>Printer (Caution: Although these printers are relatively inexpensive to purchase, they are extremely expensive per page to use. They should be purchased only if absolutely necessary, such as (in the case of laser printers) for print jobs that require a dedicated printer, and then they should be used only for the print jobs for which they were purchased, or for small print jobs of a very few pages or less. Other print jobs should be sent to a commercial-grade multi-function copier / scanner / printer that is connected to the network.)</p>	Inkjet tabletop printer		\$200 - \$500, plus 10 cents per page for toner				
	<p>Commercial-grade laser printer (PPM = pages per minute) (+\$PP = additional cost per page for toner (no service), based on national average)</p>	<p>color / black & white</p>	Speed (PPM)	Monthly Volume	Budget Price	+\$PP B&W	+\$PP Color
			20	100-250	\$500	\$0.07	\$0.25
			30	250-500	\$700	\$0.05	\$0.22
			35	500-1K	\$1,000	\$0.05	\$0.20
		<p>black & white only</p>	25	250-500	\$300	\$0.06	n/a
			30	500-1K	\$400	\$0.05	n/a
			35	750-2K	\$600	\$0.05	n/a
			45	2-5K	\$900	\$0.04	n/a

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Item Description		FY 2012 Budget Estimate				
<p>Commercial-grade multi-function copier / scanner / printer (PPM = pages per minute) (+\$PP = additional cost per page for toner and service)</p>		Speed (PPM)	Monthly Volume	Budget Price	+\$PP B&W	+\$PP Color
	color / black & white	25	2-4K	\$5,000	\$0.0110	\$0.0690
		35	4-7K	\$8,000	\$0.0100	\$0.0632
		45	7-10K	\$11,000	\$0.0085	\$0.0496
		55	10-15K	\$13,000	\$0.0075	\$0.0491
		65	15-20K	\$16,000	\$0.0071	\$0.0483
	black & white only	25	2-4K	\$4,000	\$0.0110	n/a
		35	4-7K	\$7,000	\$0.0100	n/a
		45	7-9K	\$9,000	\$0.0085	n/a
		50	9-10K	\$10,000	\$0.0083	n/a
		60	10-15K	\$12,000	\$0.0070	n/a
		75	15-25K	\$15,000	\$0.0067	n/a

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Item Description			FY 2012 Budget Estimate	
<p>Motorola 800 MHz radio and accessories (current prices plus 5%)</p>	<p>portable radios (includes battery, antenna, belt clip, extended warranty, ADP encryption, Project 25 software (both 3600 and 9600 baud) and IV&D in every radio that can operate in all those modes)</p>	<p>radio</p>	<p>XTS 1500 (cannot do both 3600 and 9600 Baud; no IV&D)</p>	<p>\$1,700</p>
			<p>XTS 2500 Model 2 (all features listed)</p>	<p>\$3,800</p>
			<p>XTS 2500 Model 3 (full keypad, all features listed)</p>	<p>\$4,000</p>
			<p>APX 6500 800 MHz</p>	<p>\$4,500</p>
			<p>APX 7000 400/800 (full keypad)</p>	<p>\$6,400</p>
		<p>accessories</p>	<p>Impress single-unit charger</p>	<p>\$150</p>
			<p>Impress multi-unit charger</p>	<p>\$700</p>
			<p>leather swivel case</p>	<p>\$50</p>
			<p>remote speaker microphone, noise cancelling</p>	<p>\$100</p>
			<p>APX charger</p>	<p>\$125</p>
	<p>mobile radios (includes all features listed for portables)</p>	<p>XTL2500 radio</p>	<p>dash mount</p>	<p>\$3,600</p>
			<p>remote mount</p>	<p>\$3,750</p>
		<p>APX 6500</p>	<p>dash mount</p>	<p>\$4,650</p>
		<p>APX 7500</p>	<p>dash mount, dual band</p>	<p>\$6,800</p>

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Item Description			FY 2012 Budget Estimate	
Sedan (pricing based on FY2011 SWC plus 10%)	mid-size	gasoline engine	Ford Fusion	\$19,500
		hybrid engine	Ford Fusion	\$27,700
			2.4L 109.3"WB Toyota Camry	\$29,000
	full size (gasoline engine)		Chevrolet Impala 1WB19 (front-wheel drive)	\$20,900
			Ford Crown Victoria P7E (rear-wheel drive)	\$27,000
Police patrol sedan (pricing based on FY2011 SWC plus 10%)	full size (gasoline engine) (excludes upfitting to make street ready)		Chevrolet Impala Police 1WS19	\$23,700
			Ford Crown Victoria P7B	\$26,400
			Dodge Charger LXDH48	\$26,400
SUV (pricing based on FY2011 SWC plus 10%)	compact	gasoline engine	4WD Ford Escape	\$23,600
		hybrid engine	4WD Ford Escape	\$33,500
	mid-size (gasoline engine)		2WD Nissan Pathfinder	\$24,000
			4WD Nissan Pathfinder	\$26,700
	full size	gasoline engine	4WD Ford Expedition	\$31,100
		hybrid engine	4WD Chevrolet Tahoe	\$54,700
Compact pickup (pricing based on FY2011 SWC plus 10%)	regular cab (gasoline engine) (with 6-ft. bed)		2WD Ford Ranger	\$15,200
			4WD Chevrolet Colorado	\$18,700
	extended cab (gasoline engine) (with 6-ft. bed)		2WD Ford Ranger R1E	\$18,400
			4WD Dodge Dakota ND5M33	\$23,300

Item Description			FY 2012 Budget Estimate	
½-ton pickup (pricing based on FY2011 SWC plus 10%)	regular cab (gasoline engine)	6-ft. bed	2WD Ford F150 F1C	\$19,600
			4WD Ford F150 F1E	\$23,300
		8-ft. bed	2WD Ford F150 F1C LWB	\$19,900
			4WD Chevrolet Silverado 1500 CK10903	\$23,200
	extended cab (gasoline engine) (with 6-ft. bed)		4WD Ford F150 X1E	\$25,900
	crew cab	gasoline engine	2WD Dodge Ram DS1L98	\$23,100
			4WD Dodge Ram DS1L98	\$25,900
		hybrid engine	2WD Chevrolet Silverado 1500	\$38,300
			4WD Chevrolet Silverado 1500	\$41,700
	¾-ton pickup (pricing based on FY2011 SWC plus 10%)	regular cab (gasoline engine) (with 8-ft. bed)	2WD Ford F250 F2A	\$21,100
4WD Ford F250 F2B			\$25,100	
extended cab (gasoline engine) (with 8-ft. bed)		2WD Ford F250 X2A	\$24,200	
		4WD Ford F250 X2B	\$27,500	
crew cab (gasoline engine) (with 6-ft. bed)		2WD Ford F250 W2A	\$25,300	
		4WD Ford F250 W2B XL	\$28,700	