

<b>APPROVAL</b> <i>Slw</i> 	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>8/02/2016</b>
<b>REPORTS &amp; RECOMMENDATIONS</b>	<b>2016 Information Services and Police Department IT-Related Capital Outlay Budget: Project &amp; Expenditure Plan</b>	<b>ITEM NUMBER</b> <i>G.8.</i>

At their meeting of July 27th, the Technology Commission will review a proposed adjustment to the Capital Outlay items for the Information Services Department and for the Police Department's IT-related items. (Note: This CAS is being prepared in advance of that meeting.) During the second half of 2015 and beginning of 2016, the City moved forward with filling the newly created position of IS Director (IS Director Jim Matelski began with the City on 2/15/2016). Numerous capital outlay items/projects were put on hold pending completion of the hiring process. As such, in December of 2015, the Common Council authorized carrying forward the majority of the Capital Outlay appropriations for 2015 into 2016.

Combined with 2016 budgeted appropriations, that created a significant pool of resources to implement critical system-wide enhancements. Jim Matelski, IS Director, who will be present at the meeting to answer questions, spent the initial term of his employment completing a "Steady State Project," which is a detailed evaluation of the current network services and its critical components. The result is a revised 2016 Information Services capital outlay budget proposal and completion of a 2017 capital outlay proposal for submission to the 2017 budget process. It is that plan that is being presented to the Technology Commission.

In simple terms, the most critical projects are being addressed in 2016. 2016 will restructure and update the switches at City Hall and the Police Department that control service interactions and will significantly enhance and update the backbone of the network: the virtual servers and back-up storage capacity. Additionally, ensuring licensure compliance for all of the core components is incorporated. With these in place, upgrading the SQL software license to current versions, from our quite old versions, will position our databases, such as Govern, for other needed 2017 enhancements. Additionally, the core network will then be robust enough to implement a strategy for using terminal services to resolve remote site (DPW and Fire Stations 2 and 3) access and connection speed issues.

The attached sheets provide a summary table showing how the budgeted items and appropriations are reallocated to new project names. Projects listed in the left-hand column identify the currently budgeted project names while items along the top column identify the recommended 2016 projects. The table shows how appropriations are shifted, with the bottom right hand number showing a net, total change of \$0. The subsequent pages provide a detailed "Business Case" for each of the projects. I recommend reading the executive summary for each of the items and reading any additional detail for projects that catch your interest. [Note: the detailed business case documents provide lots of information for the Technology Commission's vetting of the proposed projects.] It is worth noting that this adjustment does not constitute a budget modification as appropriations themselves are not moved; they are simply being dedicated to different items. If approved, significant individual project awards will then be brought back to the Common Council for approval.

Also of note is that the project uses IT appropriations from both the PD and IS budgets. Although the total appropriations seem significant, it is important to recognize that some of the appropriations carried forward from 2014, so that, in reality, this is over 2 years of appropriations and important work that has been awaiting the level of detailed evaluation that the new IS Director was able to apply.

Three items are worth pointing out. First, in order to address the important 2016 network issues, \$4,050 of the \$50,000 appropriation for a video conferencing center has been reassigned for the network components. Second, the Common Council previously authorized a purchase of certain software security licenses from the operating budget with the understanding that \$5,000 of the capital outlay expenditures would remain unspent. That appropriation is, however, reallocated herein, but it is worth noting that the technology project for the Fire Station system cabinets in the Capital Improvement Fund remains over \$19,000 under budget and is completed. Lastly, the most significant project that was anticipated for 2016 that is being pushed back to 2017 is the upgrading of MS Office Licenses; however, securing the core network structure is vastly more important than moving to a more current version of Word or Excel.

The recommendation of the Technology Commission will be provided to you at your meeting. The Director of Administration and Information Services Director recommend approval.

### **COUNCIL ACTION REQUESTED**

Motion to authorize a re-designation of the 2016 Information Services and the Police Department's IT-Related Capital Outlay Budgets in accordance with the document entitled "2016 Information Services Capital Outlay: Project & Expenditure Plan".

# 2016 INFORMATION SERVICES CAPITAL OUTLAY:

## Project and Expenditure Plan

	Current Appropriation	Spent To Date	Misc. Anticipated	GIS/Edit AP Related	REALLOCATION / CONSOLIDATION OF FUNDING					Balance Available	
					1. Virtual Servers & Storage	2. Layer 3 Switches	3. Network License Compliance	4. SQL SERVER LICENSE UPGRADE	5. Remote Location Terminal Server Solution		
<b>Carryover 2015 IT Budget</b>											
SAN Hard Drives	\$ 5,000.00					\$5,000					\$0
Sever Memory	\$ 6,000.00					\$6,000					\$0
Laptop for IT	\$ 900.00	\$1,028									-\$128
VPN Upgrade	\$ 25,000.00	\$8,380					\$16,620				\$0
MS Office Licenses	\$ 16,250.00					\$5,000	\$11,250				\$0
Backup Solution	\$ 47,989.00					\$46,728	\$1,261				\$0
Edit App	\$ 25,000.00			\$25,000							\$0
<b>Sub total</b>	<b>\$ 126,139.00</b>										
<b>2016 IT Capital Items</b>											
Emergency Replacement	\$ 7,500.0	\$4,978	\$2,394								\$128
MS Office License Upgrades	\$ 16,250.0							\$3,500	\$1,800	\$10,950	\$0
Server Replacements (2)	\$ 13,500.0					\$13,500					\$0
Storage Network Replacement	\$ 10,000.0					\$10,000					\$0
IT Dept - ongoing service & analysis	\$ 10,000.0								\$2,500		\$0
Unanticipated software products	\$ 2,500.0										\$0
LPFM Radio Station Equipment	\$ 5,000.0					\$5,000					\$0
Export Transfer & Lead Software	\$ 2,500.0			\$2,500							\$0
ArcGIS Online User License	\$ 2,500.0			\$2,500							\$0
Dual-Wide Screen Monitors	\$ 5,000.0					\$2,011	\$2,989				\$0
<b>Sub total</b>	<b>\$ 74,750.0</b>										
<b>2016 Police Department Capital Items (IT RELATED)</b>											
Windows 2012 Licenses	\$ 4,560							\$4,560			\$0
Cluster Servers Replacements (2)	\$ 25,000					\$20,000		\$5,000			\$0
SAN Storage	\$ 50,000					\$50,000					\$0
<b>Sub total</b>	<b>\$ 79,560</b>										
<b>Ordinance 2016-2207</b>											
Video Conferencing Equipment	\$ 50,000		\$45,950							\$4,050	\$0
<b>GRAND TOTAL</b>	<b>\$ 330,449</b>	<b>\$14,386</b>	<b>\$48,344</b>	<b>\$30,000</b>	<b>\$123,739</b>	<b>\$65,000</b>	<b>\$29,660</b>	<b>\$4,300</b>	<b>\$15,000</b>		<b>\$0</b>

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Notes: Projects 1 and 2 include approximately \$15,000 in contingency.  
 Misc. Anticipated and GIS/Edit Ap Related will proceed generally as originally budgeted, except as noted.  
 Plan does not use approximately \$19,000 in IT Capital Improvements financing unspent from Fire Department wall cabinets.  
 Plan does use \$5,000 in appropriations previously scheduled to remain unspent due to operating budget purchase of antivirus software, as previously approved by the Common Council.

# 2016 Business Case for Hyper-V to VMWare Migration Project

June, 11 2016

Prepared by: James Matelski

## 1.0 Executive Summary

Windows 2008 Server is being deprecated by Microsoft, who does not support running Windows 2012 R2 servers as a guest OS on a Hyper-V virtual machine. Capital budgeting for 2016 recognized the need to move toward a Windows 2012 platform, while increasing both current server and storage capacity. Because Windows 2012 provides a dramatically different architecture (primarily through the introduction of network load balancing on virtual switches), a direct migration path does not exist between Windows 2008 and Windows 2012. Any migration would require rebuilding existing Hyper-V farm.

The migration issue present an opportunity to move away from Microsoft Hyper-V and instead implement a robust VMWare environment that is scaled for smaller 3-4 server farms. VMWare is better supported by Heartland Business Systems, where over 80% of their current clients are using this platform. VMWare allows for more resilient clustering capabilities and seamless transfer of virtual servers from one cluster member to another. The tools include much needed host and VM performance monitoring capabilities, tools that are lacking in the current Hyper-V architecture.

This proposal focuses on replacing the existing Hyper-V farms by creating a parallel server farm based on VMWare. New server, server farm switches, and storage will be acquired as part of the solution. The server farms between City Hall and PD will be built on the same platform, potentially allowing points of integration.

## 2.0 Introduction/ Background

Six years ago Microsoft Windows 2008 with Hyper-V virtualization services was first introduced to the City of Franklin in order to reduce server sprawl. At the time the server environments both at City Hall and the Police Station consisted of a mixture of rack mounted and tower based servers with little centralized resource management. The goal at the time was twofold: reduce the number of physical servers managed on site for better resource utilization, and second to create a platform that could provide on-demand computing services without the need to purchase physical hardware.

The Hyper-V project was quite successful in accomplishing these two principal objectives, while utilizing virtualization technology within the operating system in order to maintain low annual operational costs. Storage currently utilizes a converged

architecture, where individual iSCSI SAN chassis were acquired individual as they were needed. Existing networking hardware only uses a one gigabit copper connections, several interconnections lacking redundancy and are a single point of failure.

The environment itself has remained largely unchanged since Hyper-V was first implemented back in 2010. The server hardware, storage hardware, networking hardware, and even the virtualization operating system must be fully replaced in order to move to the next platform (Windows 2012 or 2016 Hyper-V). Now is the time to reflect and determine if the original Hyper-V platform should be retained as the virtualization platform of choice, as other virtualization platforms within the industry have competed for dominance over the past six years.

2016 Budgeting recognized the need to upgrade the software, server hardware and storage licensing due the age and capacity of the existing environment. Further existing capital funds can be utilized to create a new server hosting environment that will be fully utilized over the next five years.

## **2.0 Business Objective**

Today it is very common to outsource internal virtualization platforms either to a cloud based IaSS provider, or to place physical resources in an off-site data co-location data center that centrally manages infrastructure, cooling, and power needs for a variety of companies. Due to several business requirements of municipalities it is still being recommended that the primary server farms be kept on premise for the following key reasons:

- **Physical Security** – a cloud or co-managed provider cannot 100% guarantee limited physical access to servers and systems as compared to being hosted on premise. City of Franklin security background checks are required, along with Police escorting all technicians to the data center, for any work being done with the PD hosting systems. Outsourcing to a vendor may expand current Criminal Justice Information System auditing requirements.
- **Legacy Software Applications** – Many of the existing software applications being used by a specific department are not immediately transportable to a cloud based solution. At best, an entire virtual server could be migrated to an offsite vendor; however, many of the sensitive interfacing data communication streams would not be easily redirected.
- **Storage Volume** – Growth in data storage can largely be attributed to increases in photo and video archiving, some which must be protected as it would be constituted as evidence. Although a hosted provider would be better able to scale data storage, the recognized future for video archiving is dramatic and is a core element to future law enforcement strategic technology plans. Costs of storing this data with a third party provider would continue to escalate as video needs increase. Multiple levels of storage redundancy and archiving would be required.
- **Network Bottlenecks** – Existing networking for servers and storage is limited to 1GB with a 50MB/5MB Time Warner Cable Internet connections. Remote sites

historically have had significant performance and bandwidth issues. The 5MB Internet upload speed is an issue. Until Internet bandwidth is sufficiently increased, there is a risk saturating the network if IaSS were introduced without significant bandwidth capacity planning.

Capacity of existing on premise Hyper-V systems is reaching a point of limited capacity and expansion. Several major problems have been recognized with the system that would justify a replacement of existing software & hardware:

- Server Capacity – Server CPU and Memory is maximized to a point where a three server farm cannot lose a cluster member. Existing hardware has a very difficult time running all virtual machines if a single member is temporarily removed from the cluster. This impact the ability to do regular patching.
- Server Storage – Existing clustered aware storage volumes (CSV) are running only with 10% available disk space. Storage needs to be completely repartitioned to perform any SAN expansion.
- Virtualization Networking – Existing virtualization networking uses “access switches” with 1GB copper uplink ports. iSCSI to iSCSI SAN data transfers are not being utilized for backups, due to the fact that all storage traffic is physically segmented from VM network traffic. Upgrades to core switches opens up the possibility of significantly upgrading virtualization networking in order to dramatically expand bandwidth to 10MBps or 40MBps aggregated trunked connections.
- Backups – Several systems have storage presented as “pass-through disks,” which are not visible to existing disk-to-disk backup solutions. In order to guarantee full and transparent backups the pass-through-disks must be eliminated. Migration from a tape backup archiving over to disk-to-disk backups changed the needs to the storage architecture and needs to be fully addressed.

### **3.0 Current Situation and Problem/Opportunity Statement**

The age of the hardware and the deprecation by Microsoft as a virtualization hosting platform is driving the fundamental change to create a new virtualization farm. Hardware can be purchased and incorporated into the existing Hyper-V farms; however, there are multiple single points of failure within the existing architecture that this solutions is not being advocated. A better solution would be to build out a completely new virtualization farm on modern hardware, and then either migrate or convert the existing VMs over to the new parallel farm. This offers the opportunity to perform a phased migration without the risk of incurring outage, by making changes to the existing virtualization and storage platforms. The new virtualization environment can take advantage of any new networking changes made at the core level.

It is being advocated that the City of Franklin move from Microsoft Hyper-V as the virtualization platform and construct the new environment using VMWare. VMWare has the following advantages over the free version of Hyper-V (without also implementing Microsoft System Center Virtualization Manager):

- Knowledge – Engineers on site at the City of Franklin have an existing knowledge of VMWare vSphere that can be capitalized upon. Over 80% of HBS use VMware over Hyper-V, hence there are more immediate available consulting resources for this platform over Microsoft's.
- Cisco NX Virtual Switching – Virtual switches within VMWare can restrict traffic at the virtual port level for additional security. It is possible on a per virtual machine basis (instead of by VLAN or routing subnet) to restrict who can or cannot access the virtual machine. This enhanced security is of great value for the law enforcement virtualization environment.
- VMFS – Over six years significant performance issues have been encountered with the Microsoft clustered shared volume file system, to the point that heavily accessed servers needed to use pass-through-disk instead of a virtualized file system.
- Patching – Because the VMWare kernel is UNIX based, there inherently is less patches that when using Microsoft Hyper-V with a fully installed desktop GUI. A Hyper-V Windows 2008 R2 host requires at minimum 304 patches to be standards compliant. VMWare uses more service packs (a.k.a. update releases) that incorporates all patches into the release, and only requires 20-30 patches to be installed for baseline compliance.
- Orchestration – VMWare allows for orchestration tools to automate administrative task and to create performance baselines. These tools are not available out of box with Hyper-V.
- Load Balancing – Microsoft first introduced NIC network load balancing in Windows 2012, which requires a complete rearchitecture of the cluster network. VMWare load balancing is dramatically simpler and has been core to the platform since ESX 2.0.
- Disaster Recovery & Replication Tools – VMWare has add-on modules that can be purchased that allow for disaster recovery replication, when strategy warrants.

#### **4.0 Critical Assumption and Constraints**

When looking at new on premise virtualization solutions a decision must be made to implement either a “converged” or “hyper-converged” architecture. A converged architecture may have all servers within the farm incorporates as blades within a single blade center chassis. Within the chassis all server, networking, power, cooling, and remote administrative components are installed. Storage is presented to the blades via iSCSI or Fiber Channel networking, which are stored in separate chassis. Converged architecture allows for greater expandability of storage, but does require that a high speed network be allocated and optimized for data traffic. Converged architecture is more complex, as it requires the skill sets of server, network, and storage engineers to craft a solution.

Hyper-Converged platforms offer server, storage, and network all within a single chassis. Often an admin shell is created to help simplify the setup of the chassis and VM provisioning, so specific technical skill sets are not required to complete the setup. This can be accomplished because a single vendor is used for all hardware, hence simplified

integration is possible. Although Hyper-Converged platforms offer simplified setup and management, they are less scalable to dramatically changing business requirements. If additional storage is needed beyond that which can be accommodated within the chassis, an additional Hyper-Converged chassis is required. Hyper-Converged platforms do offer simplified cable management, racking, and setup. All networking and data access is performed within the backplane of the unit. Many Hyper-Converged hardware vendors do require an IPV6 addressing be used within the network environment.

Whether a converged or hyper-converged architecture is chose, the platform must allow for the additional more servers/blades and disk storage. VM failover from one cluster member to another requires that a network connection be available at all times through the migration. Due the sensitivity of maintaining RMS or CAD connectivity, a network outage greater than 2 seconds cannot be tolerated. Existing backup software must fully function with the new virtualization platform.

## **5.0 Analysis of Option and Recommendation**

Approval was received to use existing 2016 Police Department funding for storage and licensing as part of the overall project costs. It is anticipated that current storage SAN will be replaced due to their inability to support 10GB or 40GB networking. Unless cost constraints are prohibitive, it is recommended to migrate to a hyper-converged platform with at minimum four physical blade servers per chassis. The hyper-converged environment offers the following benefits:

- Separate storage switches to not need to be purchased and configured for storage networking. All storage traffic is software virtualized and fully contained within the chassis backplane.
- Both storage and server networking can be upgraded to 40GB by a simple installation of a daughter card. These can be connect to the core switch as uplink ports via a 40GB DAC cable.
- Blades can easily be replaced and swapped out within the chassis if more capacity or CPU is needed.
- Hyper-converged systems allow for easier setup and administrator by less skilled administrators. The add chassis to the system as you grow model functions well within the existing City of Franklin strategy and knowledge sets.
- Each chassis can hold up to 24TB of disk capacity, which is sufficient for current computing needs.

## **6.0 Preliminary Project Requirements**

Physical Network Equipment Requirements:

- Completion of the Layer 3 Core & Access Switch Project. Availability of 10GB or 40GB networking to the core.
- Physical racking and space to install the parallel environment
- Power and cooling

Logical Requirements:

- Compatibility to Veeam disk-to-disk backups solutions
- Compatibility to Symantec Backup Exec disk-to-disk backup solutions.
- IPV6 production routing

### **7.0 Budget Estimate and Financial Analysis**

It is estimated that \$65,000 - \$70,000 of 2015 capital funding will exist for creating two VMWare server environments at each location. An additional \$20,000 is available for VMWare licensing for the Police Department. An additional \$50,000 is available for architecting storage solutions for the Police Department. It is estimated that total budget availability will be within \$110,000 - \$120,000. \$10,000 may be allocated for project reserves to handle any cabling, electrical, or racking infrastructure.

### **8.0 Schedule Estimate**

If a hyper-converged environment is implemented the Layer 3 switching project must be fully implemented and using the IPV6 routing protocol. Core switch upgrades must be completed prior to implemented a parallel network for changes to the virtualization network. It is estimated that the farm will be built within October or November. Due to holidays and elections, scheduling feasibility within November and December is difficult, meaning that many project tasks will need to be implemented concurrently with the Layer 3 upgrade project.

### **9.0 Potential Risks**

Potential risks can be attributed to the following:

- Device incompatibility with the new Layer 3 network.
- Schedule feasibility for implementation, particularly for City Hall with upcoming Presidential elections.
- Incompatibility of existing Hyper-V VHD images being able to be transparently converted over to VMWare images. This may require that the application server will have to be rebuilt.
- Incompatibility issues with tape or disk-to-disk backups. VMWare does offer some limited backup solutions that may be able to capitalized upon.

### **10.0 Exhibits**

Exhibit A: Financial Analysis

**2016 - Business Case for  
Layer 3 Network Upgrade Project  
June, 2 2016  
Prepared by: James Matelski**

**1.0 Executive Summary**

Existing network infrastructure located both at City Hall and the Police Department exists through organic growth, neither being planned for long-term needs or architected. This has led not only to a large variety of equipment from different manufacturers, but has also introduced a series of points of failure on the network that could potentially inhibit network operations. It is being recommended that a new network architecture be implemented, one that focuses around three key goals: standardization, visibility, and segmentation.

**2.0 Introduction/ Background**

The network infrastructure currently in place at the City of Franklin is a layer 2 network that consists of three different equipment vendors. The existing architecture was organically grown over a period of 10-15 years and was never specifically planned, either for scalability, security segmentation, traffic utilization or isolating data storage traffic. In almost every City of Franklin office multiple single points of failure exist, where network equipment or cabling connections are not redundant.

In order to provide a stable network infrastructure for both on premise and cloud based applications, it is essential that wired and wireless services be architected for current and future needs. Current layer 2 technology does not provide network visibility and security segmentation needed for growing computing needs. It is being proposed that the existing networks be replaced over a two year period of time with newer networking technology, one that can safely account for the variety of computing devices proliferating both wired and wireless networks.

**2.0 Business Objective**

The necessity for a stable and scalable network is essential for existing on premise applications, while bandwidth utilization will significantly change with the introduction of cloud based/Internet hosted applications. Wireless networks are no longer considered a luxury or convenience for guest access, but rather are essential in the daily usage of wireless tablets, health devices, security monitoring devices, cameras, audio/visual devices, and network connectivity for emergency management services. Characterization of the wireless/wired devices should be by assigned security profiles, where system access to applications are only allowed connectivity within that of the defined profile.

Data storage needs, largely attributed to the collection of large amounts of video data, continue to tax the existing network. Utilization of virtual servers and creating snapshot backups of entire virtual machines is now regularly pushing 4 terabytes weekly over existing office-to-office connection links. The introduction of offsite disaster recovery systems will increase data replication by several times its existing levels. The organically

grown network that has served the City of Franklin is now beyond its useful lifespan and can no longer handle the growing needs for wireless connectivity within a world of IOT, nor can it transport terabytes of replicated data without incurring bottlenecks.

### **3.0 Current Situation and Problem/Opportunity Statement**

Modern computing networks implement a combination of both switching and routing within the campus network. Typically network switching (layer 2) is performed within an area of floor, while routing is performed to access enterprise applications or remote areas of the campus network. Routing boundaries are natural areas to implement security access control lists, where traffic is not allowed to pass if it does not meeting the conditions of the security requirements. Segmenting the networking into routing or security zones (cordons) not only decreases bottlenecks and increases performance, but it also ensures that only authorized personnel are able to access specific areas of the internal network. Under the existing architecture any employee has access to attempt logon to systems or devices within the entirety of the network. Network segmentation will allow for security requirements to be fully recognized before any traffic is allowed to be routed outside of the local LAN.

As equipment is replaced to allow for the implementation of routing and layer 3 segments, any existing single point of failure in the network will be eliminated. All connectivity between network devices must be accomplished through dual links. All access switches implemented must utilize stacking technology. Any core switch must either implement staving or HSRP (hot standby routing protocol) to allow redundant switches to assume control in the event of a failure.

As part of the network redesign it will be architecture for segmentation, redundancy, performance, future scalability, and the ability to upgrade network interlinks by a simple upgrade of the fiber optic transceiver. Any access switch implemented must fully support both POE (power over Ethernet) and VoIP (Voice over IP) in the event that a new digital PBX is implemented in the future.

### **4.0 Critical Assumption and Constraints**

In order to provide full layer 3 segmentation, all campus networks must be readdressed to implement a common addressing scheme. The new network must be implemented in parallel in order to provide for a transparent and gradual migration from the old networking equipment over to the new. The building of a parallel network requires a separate IP schema with routing to occur between the parallel networks. All devices connected to the network must be fully inventoried and accounted for when implementing the new IP addressing schema.

### **5.0 Analysis of Option and Recommendation**

Although it is possible to replace existing equipment and slowly remedy all single points of failure, because there are multiple networking equipment vendors currently in use transparent migration is much more difficult. Each vendor may have different protocol hold down times, or implementation of proprietary or customization of standard

protocols. At the Police Department a single class C address has been implemented and there are much fewer available IP addresses.

For stability, consistency, and transparent migration it is recommended that at City Hall and the Police Department a brand new wired and wireless network be created using the exact same new vendor equipment. The new network will have a different IPV4 addressing scheme, while IPV6 as the primary protocol for devices existing on the new network. If the core and access switches are replaced at the two largest offices, now is the time to migrate over to using IPV6.

The redundant equipment, utilization of network segmentation, implementation of multiple internetwork connections between devices, and readdressing under both IPV4 and IPV6 will significantly simplify the network, while dramatically increasing bandwidth. The implementation of stacks and inter-site routing will eliminate the possibility of spanning tree loops, while allowing for quickly increasing capacity using a central configuration file.

## **6.0 Preliminary Project Requirements**

### **Physical Network Equipment Requirements:**

- Dual modular or stacked core switches are implemented in order to provide routed connectivity to other campus location. Each layer 3 core switch must have at least 8 SPF+ ports and 8 Gigabit Ethernet ports to allow for fiber and copper interlinks.
- The Police Department will have minimally four 48-port access switches configured as a single stack. The stack is connected to the core switch using 10GB fiber connections of DAC cables.
- City will have a dual 48-port switch stack for the demark and mailroom IDFs, while the Inspection IDF will have a dual 24-port switch stack.

### **Logical Requirements:**

- Both a IPV4 and IPV6 addressing scheme will be created for all campus offices.
- Each IDF will be assigned its own subset of addresses within the addressing schema.
- For security purposes servers must be assigned a subnet of the addresses within the site addressing schema. This allows segmentation of servers and access devices.
- Firewalls must be modified and internal/external routing testing to account for the new internal addressing schemas.
- All access devices must be carefully inventoried and assigned an IP address within the new schema. As devices are cutover to the new network they will be assigned a new IP address.

## **7.0 Budget Estimate and Financial Analysis**

\$60,000 - \$70,000 has been allocated for replacing switches at the Police Department and City Hall. This fund does not include installation and design costs or any necessary cabling costs. At least four architecture proposals must be given using either Cisco or HP equipment. Vendors are expected to compete on price on order to leverage the best

possible project costs.

### **8.0 Schedule Estimate**

Due to budgetary constraints and the potential for other projects to be subject to the completion of the Layer 3 Switching project, total project time cannot exceed that of four months. It is estimated that the planning, building, and design phases of the project will take 3 months to complete. Implementation of the solution will be implemented within four weeks.

### **9.0 Potential Risks**

Potential risks can be attributed to the following:

- Device incompatibility with the new network – Any device not performing well under the new equipment or IP addressing schedule can be cabled back to the old network. The issue will need to be identified and resolved.
- Incorrectly Inventoried Devices – devices may not report their hardware or OS level correctly or may not be able to be located. External vendors may be needed to come on site in order to perform the readdressing. This is common for alarm, fire, or security systems.
- Routing Loops – although unlikely it is possible that a routing loop may occur within the campus network or (more likely) within another site on the WiseNet network.
- External Site Unavailable – all external routing must be performed through the firewalls, which must be readdressed within the NAT rules in order to account for the new addressing scheme. Routing issue or misinterpretation of the rules can occur.
- IPV6 Security Issues – if global addressing is used other security mechanisms other than NAT have to be deployed to prevent internal network visibility.

### **10.0 Exhibits**

Exhibit A: Financial Analysis

**2016 - Business Case for  
Microsoft Network License Compliance  
July 19, 2017  
Prepared by: James Matelski**

**1.0 Executive Summary**

A recent audit was performed of all Microsoft licenses, in order to produce a consolidated license portfolio. The audit revealed several areas of license non-compliance, where the number of servers deployed exceed the number of licenses purchased. Currently there are 57 servers currently in production. To date 5 Windows 2012 server licenses were purchased along with 18 Windows 2003/2008 purchased. No Windows 2012 Server user CALs were ever obtained. This proposal is to perform a True-Up and obtain the necessary licenses to be in compliance with licensing agreements, in addition to moving servers towards a Microsoft Data Center licensing model. This will help ensure future compliance.

**2.0 Introduction/ Background**

Over the course of years the City of Franklin has purchased licenses from multiple vendors through Microsoft Select volume purchase programs. The Open License program allows companies that purchase large number of licenses to be able to leverage better pricing and offers the ability to download installation files directly from Microsoft portals, instead of receiving individual DVD copies of the software. Three different Microsoft Select contracts currently exist with licenses spread out amongst the different contracts. The Police Department purchased licenses under one contract, while two different City Hall contracts were setup, depending if the license were purchased through CDW or HBS. Licenses being split up over multiple contracts with different administrators gave different perspectives on licensing compliance.

**2.0 Business Objective**

A recent of all Microsoft licenses in order to create a consolidate view of all licenses purchased over the past 5-7 years. Although Microsoft Office licenses were in compliance, Windows network and server licenses were significantly under purchased for the number of machines deployed. This proposal focuses on obtaining Windows Server and User Client Access Licenses necessary to become compliant.

Note: Windows SQL 2008 servers are compliant and licensed under a per processor model. Windows Exchange licenses are currently compliant, but a capital request is being made for 2017 to upgrade these licenses to the latest version of Exchange.

### **3.0 Current Situation and Problem/Opportunity Statement**

2016 is a hallmark year in that Microsoft is releasing a new series of products: Windows Server 2016, Exchange Server 2016, SQL Server 2016, SharePoint Server 2016, and Office 2016. Any new license purchased will allow for the upgrade to the latest version of the product, along with option of running previous versions the product with the ability to upgrade to the current version at a later date. Any new licenses purchased will be at the latest versions level, with a new version of the product not being scheduled for release until at least another 2-3 years. Because the vast number of new products being released this year, I am not recommending software assurance be purchased (with the exception of SQL) as a new product version is not on the horizon. Continued investment in perpetual licenses at this point in time is the most financially prudent course of action.

### **4.0 Critical Assumption and Constraints**

Although three Microsoft Select volume license agreements are known, there is a possibility that another contract may also exist and is currently undocumented. The 2016 internal audit of all Microsoft Licenses only revealed three license agreements. Recommendations are based upon the information contained within these agreements.

### **5.0 Analysis of Option and Recommendation**

Although slight cost reduction may be introduced by entering into an annual Microsoft Enterprise Licensing agreement, the cost savings only would be experienced for bundled user CALs (often known as a Core CAL). Server licenses are not bundled and must be purchased separately. The large focus of the True-Up costs is reflected in additional Windows Server licenses, therefore, an Enterprise Licensing agreement would have only a small impact on lowering costs.

Windows Server licenses can be purchased individually for each VM (a.k.a. guest OS) installed on a Hyper-V/VMWare host. To date 57 servers exists with 34 servers being unlicensed. Total cost of upgrading would be \$19,380 (34 x \$570).

Instead of licensing each and every host, it is being recommended that the City of Franklin move towards using Microsoft Data Center licenses for each virtualization host. This model allows for unlimited guest OS, as long as the host is fully licensed. This licensing model is preferred, as it ensures licensing compliance in the future as any newly deployed virtual machines will always be license. In the event that a new virtualization host is installed, Data Center licensing should be included within the project costs. Total project costs for data center licenses would be \$23,862 (6 x \$3,977).

## **6.0 Preliminary Project Requirements**

The following deliverables are anticipated to be met with the successful completion of the project:

- Purchase of Windows Server 2012/2106 User CAL Licenses
- Purchase of six Windows Server 2012 Data Center Licenses

## **7.0 Budget Estimate and Financial Analysis**

- Office Upgrade Licenses:
  - Windows Server 2016 User CALs – 240 users - \$5904 (\$24.60 license)
  - Windows Server Data Center License – City Hall – 3 hosts - \$11,931
  - Windows Server Data Center License – PD – 3 hosts - \$11,931

**Total Project Costs: \$29,766**

## **8.0 Schedule Estimate**

NA

## **9.0 Potential Risks**

NA

## **10.0 Exhibits**

**2016 Business Case for  
SQL 2012/2014 Server for City Hall  
July 15, 2017  
Prepared by: James Matelski**

**1.0 Executive Summary**

Due to the needs of GIS and Govern application upgrades, a Microsoft SQL 2012 server needs to be introduced into the production environment as a consolidated SQL server.

**2.0 Introduction/ Background**

Currently City Hall has a single virtual server (CH-SQL) that is used to provide relational database services to all core applications. The server currently runs Microsoft SQL 2008 Server R2 on a Windows 2008 virtual machine. ESRI has reported that in order to run Open Forms, the foundation upon which new Govern forms are based, SQL must minimally run on SQL Server 2012. The newest version of Govern requires this platform as a minimum specification, therefore, in order to run the Govern Open Forms toolkit at new SQL 2012 Server must be installed in the production and development environments.

**2.0 Business Objective**

Both the Govern and GIS teams require a SQL 2012 server be provided for development efforts, in order for new code and databases to be fully tested prior to migrating production services over to the new application platform. GIS and Govern both require an updated version of SQL server in order to execute Open Forms development. Once server farm capacity has been increased to allow for the installation of a new SQL server, licensing should be obtained for a new a SQL instance.

**3.0 Current Situation and Problem/Opportunity Statement**

Current backup and infrastructure does not require a specific version of SQL and is compatible with all current Microsoft SQL editions. It is recommended that a new SQL virtual server be created for housing SQL databases, one that is isolated and independent from current SQL databases. Running multiple versions of SQL server on the same virtual server is not recommended, as it increases administrative overhead and the possibility of copying the wrong database to the incorrect production or test environment.

#### **4.0 Critical Assumption and Constraints**

Currently SQL 2012 services are needed only for Govern Open Forms development and testing. It is anticipated that as applications are upgraded this requirement will continue to other application platforms as well.

#### **5.0 Analysis of Option and Recommendation**

Current application infrastructure and backup archives does not require a specific version of SQL and is compatible with all current Microsoft SQL editions.

#### **6.0 Preliminary Project Requirements**

The following deliverables are anticipated to be met with the successful completion of the project:

- Installation of a Windows 2012 R2 virtual server
- Installation of Microsoft SQL Server 2014
- Configuration of a database maintenance job that performs regular database backups and database optimization

#### **7.0 Budget Estimate and Financial Analysis**

- SQL 2014 Server License (standard edition - per processor) - \$2,316
- SQL 2014 Device Access License - \$629.44
- SQL 2014 Software Advantage (OPEX - required for vMotion) - \$1,351

**Total Project Costs: \$4,296.44**

#### **8.0 Schedule Estimate**

Installation of a virtual machine and SQL installation should take between 2-3 days to complete, once adequate capacity and resources have been made within the server farm.

#### **9.0 Potential Risks**

Minor. The server is being installed as a separate virtual server that is isolated from all current production and development databases.

#### **10.0 Exhibits**

**2016 - Business Case for  
Remote Location terminal Sever Solution Project  
July 15, 2017  
Prepared by: James Matelski**

**1.0 Executive Summary**

Application performance at remote offices has been a source of constant frustration with multiple solutions being proposed to solve bandwidth issues. Due to technological restrictions with our current ISP bandwidth needs cannot be satisfied, therefore, it is being recommended to change work habits and implement thin computing via a Citrix terminal servers in order to provide much needed application performance. This proposal builds out a two server Citrix farm that will be used for both remote office and emergency management hosting.

**2.0 Introduction/ Background**

Deployment of application software onto desktops and laptops is a completely manual process that has change little over the past fifteen years. Methods that are being used to install software onto new or existing equipment utilize block-based image files specific to each department. Often the desktop OS is deployed from an existing image and all software is installed applicat as required by the user. This practice has led to a desktop environment where application software is inconstantly configured, for each IT technician deploying the software may select different configuration options. Upgrading existing software onto desktop/laptops requires manual intervention, as no tools exist to automate the push of the application onto each computer. It is not uncommon for a new desktop to take 24-48 hours to setup and configure, due to the heavy reliance on manual configuration processes.

**2.0 Business Objective**

In order to reduce the number of manpower hours necessary to deploy or reconfigure application software, it is recommended that "centralized application computing" be implemented in order to promote standardization and increase application performance in remote offices. The four remote offices (DPW, Water, Fire Station 2, and Fire Station 3) have long complained that running application software on the desktops is painfully slow, due to lack of sufficient bandwidth. Centralized application computing (a.k.a. running programs on a terminal server at a main office) promotes standardization of software deployment, due to software being installed and configured on a limited number of servers instead of a large number of desktops. Application performance is normally increased, due to the fact that the application and files are executed locally on the same

network segment. Data does not need to traverse a slow WAN link in order for the program to operate.

The time to upgrade applications is significantly decreased in a centralized computing environment. Instead of requiring that the software be upgraded on each and every desktop, the applications are simply upgraded on the terminal servers as a single maintenance task. Centralized application computing allows the use of hardware thin clients, a stripped down device that contains just a CPU and memory (no hard disk) along with a basic ROM based OS that communicates to the terminal server farm. "Thin computing" allows for very rapid deployment of computers within a very short time, as only the operating system or hardware thin client needs to be deployed. All application software is executed remotely on the terminal server farm. This environment is ideal of disaster recovery or the setup of an emergency operations center.

### **3.0 Current Situation and Problem/Opportunity Statement**

A recent analysis was performed of bandwidth utilization at the four remote offices, in order to gain a better understanding of how much bandwidth is currently consumed and what should be the expected levels of application performance. Each remote site is equipped with a Time Warner Cable 50/5 Mbps (50 megabit download / 5 megabit upload) connection. It should be strongly noted that this is a megabit connection and not megabyte connection. On a point-to-point VPN connection one site must always be sending while the other site receiving. This limits the connection to a maximum throughput of 5 Mbps. Because each site remote site is terminating to City Hall, the site-to-site VPN connection is a shared connection where the 5 Mbps upload bandwidth is shared by four locations. The bandwidth analysis concluded that under optimal conditions the maximum bandwidth utilization a remote site can expect to utilize is 250 – 350 KBps (kilobyte).

Currently only Time Warner Cable and AT&T provide Internet services within the Franklin area for these locations. For both Internet Service Providers the maximum upload bandwidth is constrained to 5 Mbps. The only way to increase bandwidth beyond this point would be to install TWC fiber optic cabling at each location, dramatically increasing monthly bandwidth costs. Under the current architecture bandwidth is capped at current levels and cannot be cost effectively increased.

Since additional bandwidth cannot be provided to the remote offices, it is instead being recommended to change how data computing is being performed. Instead of loading application software onto each desktop computer (for example Microsoft Office) and accessing mail/application/file servers remotely over the WAN links, it is being proposed that the user launch the application on a terminal server at City Hall. Data between the terminal server and mail/file is kept locally at City Hall, while only screen glyphs are relayed back to the remote user. Instead of consuming 100-300 KBps per user running application software, only 10-30 KBps is used when using thin computing. It is being planned that desktops in the four remote offices will contain an operating system, web

browser, and Citrix client and nothing more. All applications will be hosted on a central terminal server farm at City Hall.

#### **4.0 Critical Assumption and Constraints**

Although the proposed model streamlines application deployment and reduces the consumed bandwidth at each site, it must be recognized that an Internet outage (where the site-to-site VPN is down) would hamper the ability to run applications. Currently mail and user files are not kept on servers at each remote office, but instead all data files are store on servers at City Hall. Today, if an Internet outage were to occur, users would be able to launch applications from their desktops, but would not have access to the file/mail themselves. It is recognized that the remote offices can work in limited capacity for a short period of time without a functional Internet connection. Switching the computing model to centralized computing and running all applications remotely is still justifiable.

#### **5.0 Analysis of Option and Recommendation**

In order to maximize bandwidth utilization it is being recommended that a Citrix XenApp terminal server farm be implemented for a total number of 25 concurrent users. Citrix has a 20 year history of providing robust computing solutions for very low bandwidth environments, and has optimized their product to use advanced compression and data stream techniques that is superior to "out of box" Microsoft terminal server solutions. Although the farm is primarily intended for remote office computing, it can be easily expanded and leveraged for other computing needs as well. Emergency operating center and customer counter computers could very easily utilize the new solution, along with making applications available for remote access. A small two server (load balanced) Citrix XenApp terminal services farm should be created, with the option to expand servers and concurrent user licensing as needs demand.

#### **6.0 Preliminary Project Requirements**

The following deliverables are anticipated to be met with the successful completion of the project:

- Installation of a two server Citrix XenApp terminal server farm that allows for fully load balanced connections.
- Installation of terminal services license servers
- Applications deployed to the farm should be scripted and configured within the Citrix Package Manager application in order to promote standardized configuration.
- Testing of all applications using both desktops and hardware thin clients
- Testing of all Citrix based applications and printing at remote offices

### **7.0 Budget Estimate and Financial Analysis**

- Citrix XenApp 7.x – 25 User Licenses - \$8,825
- Microsoft Terminal Services Licenses – \$875 (\$35 x 25)
- Hardware thin clients - \$600
- MTM Consulting & Installation Costs (40 hrs) - \$8,000

**Total Project Costs: \$18,300**

### **8.0 Schedule Estimate**

It is anticipated that installation will require 2-5 days to perform. This would include all server installations, application packing, and testing.

### **9.0 Potential Risks**

Minor. Because a new application and hosting platform is being created and introduced, no system or service outage is anticipated with the introduction of a central computing environment. In the event of unexpected problems, users can continue to use application software currently loaded on their existing desktops.

### **10.0 Exhibits**

<b>APPROVAL</b> <i>Stu</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MTG. DATE</b> 8/2/16
Reports & Recommendations	<b>SUBJECT:</b> Transfer of street improvement funds from St. Martins Road to W. Elm Court and S. 83 <sup>rd</sup> Street, as part of 2016 Local Street Improvement Program	<b>ITEM NO.</b> <i>6.9.</i>

**BACKGROUND**

The Common Council at their meeting of 7/19/2016 rejected bids for the construction of the bridge crossing on W. St. Martins Road. The bridge construction would have preceded the paving improvement of W. St. Martins Road from S. North Cape Road west to City limits, anticipated for October, 2016.

**ANALYSIS**

This paving improvement will need to be deferred until the bridge reconstruction anticipated being in 2017. The 2016 Street Program contractor chooses not to extend 2016 bid prices to 2017. It is recommended that a street(s) of similar length/width and construction method be substituted in the 2016 Street Improvements for St. Martins Road. This will allow the City to use the extremely competitive prices received.

W. Elm Court from S. 79<sup>th</sup> Street to S. 83<sup>rd</sup> Street and with S. 83<sup>rd</sup> Street from W. Elm Court to W. Puetz Road (find site map) meets the requirements for this substitution.

Staff has reviewed the route and found it to be a proper substitution completing the Security Heights Subdivision paving. These streets rated as three were proposed for 2017.

**OPTIONS**

Defer improvement of St. Martins Road without substitute  
 or  
 Substitution of W. Elm Court and S. 83<sup>rd</sup> Street for St. Martins Road

**FISCAL NOTE**

The bid amount of St. Martins Road Improvement was \$75,713. The estimated cost for W. Elm Court and S. 83<sup>rd</sup> Street is \$64,320.75.

**RECOMMENDED COUNCIL ACTION**

Motion to accept Staff's recommendation to transfer street improvement funds for St. Martins Road to W. Elm Court and S. 83<sup>rd</sup> Street as part of the 2016 Local Street Improvement Program.

Department of Engineering RJR/db



W  
PUETZ  
ROAD

STREET

1" = 100'

W  
ELM  
COURT

S. 79 TH

8334 8315 8311 8223 8205 8113 8035 8023 8013 8707 8723 8724 8708  
8740 8739 8755 8748 8138 8126 8114 8102 8028 8014 8755 8739 8756 8740 8724  
8772 8771 8786 8785 8137 8123 8111 8037 8025 8013 8771 8785 8772 8786  
8802 8801 8817 8212 8138 8124 8112 8038 8026 8014 8801 8817 8802 8818  
8818 8817 8801 8211 8137 8123 8111 8037 8025 8013 8771 8785 8772 8786  
8842 8843 8213 8204 8136 8117 8105 8844 8843 8846  
8842 8843 8213 8204 8136 8117 8105 8844 8843 8846

<p><b>APPROVAL</b></p> <p><i>Slw</i></p>	<p><b>REQUEST FOR COUNCIL ACTION</b></p>	<p><b>MEETING DATE</b></p> <p><b>August 2, 2016</b></p>
<p><b>REPORTS AND RECOMMENDATIONS</b></p>	<p>An Ordinance to Amend the Municipal Code to Allow Board, Commission and Committee Member Appointment Confirmation Action by the Common Council to Include More Than a Singular Nominee by Deleting the Requirement that Each Nominee Submitted for Common Council Confirmation Shall be Voted Upon by the Common Council Separately (Ald. Taylor)</p>	<p><b>ITEM NUMBER</b></p> <p><i>G. 10.</i></p>

Attached is a draft copy of the proposed above entitled ordinance. The history and source of the existing Ordinance proposed for amendment, as well as the rationale for the amendment is set forth in the preamble to the draft ordinance.

**COUNCIL ACTION REQUESTED**

A motion to adopt An Ordinance to Amend the Municipal Code to Allow Board, Commission and Committee Member Appointment Confirmation Action by the Common Council to Include More Than a Singular Nominee by Deleting the Requirement that Each Nominee Submitted for Common Council Confirmation Shall be Voted Upon by the Common Council Separately.

## ORDINANCE NO. 2016-\_\_\_\_\_

AN ORDINANCE TO AMEND THE MUNICIPAL CODE TO ALLOW BOARD,  
COMMISSION AND COMMITTEE MEMBER APPOINTMENT CONFIRMATION  
ACTION BY THE COMMON COUNCIL TO INCLUDE MORE THAN A SINGULAR  
NOMINEE BY DELETING THE REQUIREMENT THAT EACH NOMINEE  
SUBMITTED FOR COMMON COUNCIL CONFIRMATION SHALL BE VOTED UPON  
BY THE COMMON COUNCIL SEPARATELY

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WHEREAS, §10.23 of the Municipal Code, Appointment of members; terms, was amended by Ordinance No. 2001-1639 on March 6, 2001, Section 4 thereof providing in part that the following provision be added to the existing text: “[e]ach nominee for membership to any board or commission submitted for Common Council confirmation, shall be voted upon by the Common Council separately and not together with any other appointee”; and

WHEREAS, the preamble to the Ordinance provided in part that the Common Council appointed a Boards and Commissions Review Task Force on June 6, 2000, to study the effectiveness of the existing City of Franklin boards and commissions and boards and commissions membership so as to better facilitate the efficient administration of City government; that the Task Force completed its charge in December 2000 and made recommendations and comments to the Common Council, which were reviewed by the Common Council in detail, together with then existing Municipal Code regulations and practice pertaining to municipal boards and commissions; and

WHEREAS, in the past fifteen years since the aforesaid amendment, it has been rare for an appointee nominated for confirmation to receive less than a unanimous roll call vote to approve by the Common Council members present and voting, while numerous appointees appear on agendas for confirmation at annual terms expiration times, requiring separate roll call votes upon each under the aforesaid Ordinance, extending the time required for all such actions, with the Common Council under lengthy meeting agendas under some circumstances having chosen to put the confirmation items off until the next meeting, as well as requiring more extensive minutes preparation and publication of the separate actions for each; and

WHEREAS, upon a motion to confirm more than one appointment, should a Council member choose to consider an appointment separately from a motion to confirm all appointees submitted, that may occur by way of a motion to divide the question, which upon a second may then be acted upon by the Common Council; and

WHEREAS, the Common Council having considered the efficiency anticipated to result from removing the separate vote requirement for appointments and having determined such efficiency is in the public interest.

NOW, THEREFORE, the Mayor and Common Council of the City of Franklin, Wisconsin, do ordain as follows:

SECTION 1: §10.23 of the Municipal Code, Appointment of members; terms, of the Municipal Code of the City of Franklin, Wisconsin is hereby amended to delete: “[e]ach nominee for membership to any board or commission submitted for Common Council confirmation, shall be voted upon by the Common Council separately and not together with any other appointee.”

SECTION 2: The terms and provisions of this ordinance are severable. Should any term or provision of this ordinance be found to be invalid by a court of competent jurisdiction, the remaining terms and provisions shall remain in full force and effect.

SECTION 3: All ordinances and parts of ordinances in contravention to this ordinance are hereby repealed.

SECTION 4: This ordinance shall take effect and be in force from and after its passage and publication.

Introduced at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by Alderman \_\_\_\_\_.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

APPROVED:

\_\_\_\_\_  
Stephen R. Olson, Mayor

ATTEST:

\_\_\_\_\_  
Sandra L. Wesolowski, City Clerk

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_

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<b>APPROVAL</b> 	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b>  <b>8/02/2016</b>
<b>REPORTS &amp; RECOMMENDATIONS</b>	<b>Duties and Authority of Building Inspectors</b>	<b>ITEM NUMBER</b>  <i>6.11.</i>

[NOTE: This Council Action Sheet is prepared by the Director of Administration and is presented from his viewpoint.]

Since I have worked for the City of Franklin, it has been presented to me from multiple fronts that the City of Franklin's Building Inspection Department is too strict and that we have the toughest inspectors in the region. In examining the building codes, one could argue that the Inspectors have little to no latitude in application of the code, meaning every code requirement must be strictly adhered to. At the same time, there was wording in the code that could also clearly suggest that Inspectors have some limited discretion that could be applied in application of the code, provided they do not risk the public health. As an analogy, one could consider a Police Officer not issuing a ticket to an individual going 43mph in a 40mph zone, but stopping the individual going 50 mph. Acknowledgement by the State that Inspectors have such discretion could alter the manner in which the department executes their duties.

To that end, I prepared a letter with supporting arguments to the Division Administrator of the Industry Services Division of the Department of Safety and Professional Services, the State agency that oversees inspection services. In that letter, I pointed out specific statutory language that suggests that Building Inspectors should have some discretion in application of the code. I requested confirmation that such discretion applies. A copy of that letter is attached.

The State's response, also attached, is clear and specific. **Inspectors do not have discretion in application of the Wisconsin Uniform Dwelling Code or in the Wisconsin Commercial Building Code.** The letter notes that a permit may be issued with errors identified, but the errors must be corrected during construction. Similarly, occupancy may be granted if construction errors remain, provided they are not of a significant public safety nature, but the errors must be corrected. The State's instructions are very clear and unambiguous: "Once a violation of the building codes have been found, the municipality cannot ignore them, but must act upon them so dwellings meet the uniform standard and commercial buildings meet the minimum standard set forth in the Wisconsin building codes."

In short, the City of Franklin is not more strict than other communities; it simply does a better job than other communities. Franklin is not imposing its own standards; it is enforcing, non-discretionary State statutes designed to ensure the public's safety.

It is my intent to incorporate aspects of the State's letter into the permit documents as issued in order to help educate builders and property owners as to the City's inspection obligations, so that the builders and property owners can better understand their own construction obligations and, importantly, can understand that the City's enforcement of these uniform codes is not discretionary.

**COUNCIL ACTION REQUESTED**

None.

Wisconsin Department of Safety and Professional Services  
Division of Legal Services and Compliance  
1400 East Washington Avenue  
P.O. Box 7190  
Madison WI 53707-7190  
**RETURN SERVICE REQUESTED**



Phone: 608-266-2112  
Web: <http://dsps.wi.gov>  
Email: [dsps@wisconsin.gov](mailto:dsps@wisconsin.gov)

**Scott Walker, Governor**  
**Dave Ross, Secretary**

July 13, 2016

MARK LUBERDA  
DIRECTOR OF ADMINISTRATION  
9229 W LOOMIS ROAD  
FRANKLIN WI 53132

RECEIVED  
CITY OF FRANKLIN  
2016 JUL 18 PM 1:51

Re: Clarification of Code Compliance

Dear Mr. Luberda:

Thank you for your inquiry to the Department of Safety and Professional Services (Department). This response is intended as an explanation of the provisions cited in your initial inquiry, as well as providing guidance on how the Wisconsin building codes shall be applied.

The Wisconsin Uniform Dwelling Code (UDC) requires compliance. Wis. Admin. Code § SPS 320.04. It is a uniform standard that must be met. Wis. Admin. Code § SPS 320.01(1). The language in Wis. Admin. Code § SPS 320.09(8) stating that a municipality may approve plans that “substantially conform” is for granting a conditional plan approval. There may be violations of the UDC present in these conditionally approved plans and those should be noted in the conditional approval. Once a plan reviewer has noticed a violation, it should be referred to the responsible party for correction. This also applies for the final inspection. Inspectors may allow occupancy if no critical violations are found, however, any non-critical violations found must still be corrected. Wis. Admin. Code § SPS 320.10(3)(h).

The Wisconsin Commercial Building Code (CBC) also requires compliance. Wis. Admin. Code § SPS 361.03(1)(a). The CBC is a minimum standard for commercial buildings. Wis. Admin. Code § SPS 361.01. A municipality may grant conditional approval to a plan if it is substantially compliant, however, all violations found by the plan reviewer should be noted for correction among the conditions of approval. Wis. Admin. Code § SPS 361.31(3)(c).

It is important to note that the onus is on the building owner, through their building design professional, to ensure their building is constructed to code. It is the municipality’s responsibility to review the plans to determine whether they are “substantially compliant”. Any violations of the building code that the plan reviewer finds needs to be noted and corrected. Additionally, any violations found by the municipal inspector shall be corrected. Once a violation of the building codes have been found, the municipality cannot ignore them, but must act upon them so dwellings meet the uniform standard and commercial buildings meet the minimum standard set forth in the Wisconsin building codes.

If the building owner does not wish to comply with a certain aspect of either the UDC or the CBC, they may file a petition for variance from the code. It is not the role of the Department or its delegated agents to allow variances from the code without the owner first establishing a code equivalency.

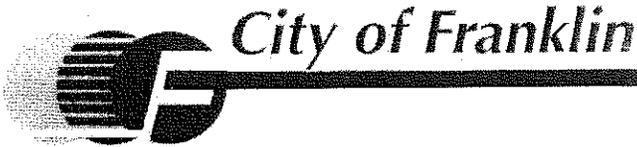
Please contact me if you have any further questions. The Department appreciates all the work our designated agent municipalities perform on its behalf.

Sincerely,



Zachary Hetfield  
Attorney  
Division of Legal Services and Compliance  
Tel. (608) 266-9814  
zachary.hetfield@wisconsin.gov

CC: Kirsten Reader  
Amy Millard



Mark W. Luberda  
Director of Administration

July 8, 2016

Kirsten Reader  
Division Administrator, Industry Services  
Department of Safety and Professional Services  
PO Box 7302  
Madison, WI 53707-7302

Amy Millard  
Bureau Director, Bureau of Technical Services  
Department of Safety and Professional Services  
PO Box 7302  
Madison, WI 53707-7302

Dear Ms. Reader and Ms. Millard,

I am the Director of Administration for the City of Franklin. In that role, the Building Inspector reports directly to me, although I am not a certified inspector myself. The purpose of my letter is to seek some guidance, clarification, or interpretation of statutes and DSPS standards and expectations so that I can ensure that the City of Franklin's Building Inspection Department appropriately enforces the Wisconsin Commercial Building Code and the Wisconsin Uniform Dwelling Code. I was unclear as to who at DSPS would be the best individual to address my concern. As such, I have sent it to both of you, with copies by email for your convenience. If there is a more appropriate individual to provide us the needed guidance, please feel free to forward this letter to them.

Broadly stated, I am seeking information relative to the extent of discretion a building inspector has in application of these codes, particularly relative to enforcement at inspection. Franklin has a reputation in the area of following very strict application of the code, with no room for discretion. Whereas a police officer, for example, may elect not to ticket an individual for going 43 mph in a 40 mph zone, a building inspector must enforce the code as written and such similar discretion is not clearly provided for in the code.

Inspectors for the City are naturally reticent to consider any such use of discretion over concerns they would be in violation of the code, would put their certification at risk, and may create a liability issue for the City. As such, Franklin needs direction from the State as to what extent discretion is provided for in application of the code. For clarification, I will briefly address the question with each of the two codes referenced above and will identify an example or two of language from the code that instigates this request for guidance.

Wisconsin Uniform Dwelling Code: This code has always been expressed to me as being a "min/max" code, but I see that the statement "Therefore, the UDC is a maximum and minimum code..." was dropped from the text of SPS 320 when it converted from Comm 20. One of the reasons, I presume some level of discretion is allowed is that SPS 320.09(8) requires that an approval of plans only requires that a city "determines that the plans submitted...substantially conform to the provisions of this code." It would seem impractical and unreasonable to then increase the standard at the time of inspection. As such, it would seem reasonable that inspections only need to determine that the construction based

Kirsten Reader  
Amy Millard  
July 8, 2016 – Page 2

upon those plans “substantially conform(s) to the provisions of the code.” Unfortunately, that parallel language is not noted in SPS 320.10(2) that establishes the “General Inspection Requirements” or in SPS 320.10(3)(a) which states that, in general, “inspections...shall be performed to determine if the work complies with this code.” “Final Inspection” [320.10(3)(h)] wording appears to set a more reasonable standard for occupation: “a final inspection has been made that finds no critical violations of this code that could reasonably be expected to affect the health or safety of a person using the dwelling.”

Therefore, I am looking for confirmation that the extent of discretion that the City of Franklin and its building inspectors have in application and enforcement of the Uniform Dwelling Code is that the building, as constructed, must only “substantially conform to the provision of the code” such that the inspector finds “no critical violations of this code that could reasonably be expected to affect the health or safety of a person using the dwelling.”

Commercial Building Code (CBC): The standard of “substantial compliance” is throughout the CBC relative to plan approvals, for example see SPS 261.31(3)(c) and SPS 361.60(5)(f)1 for a certified municipality such as Franklin. The standard for inspections relative to violations not affecting the health or safety, however, does not appear to be referenced in the CBC. SPS 361.20(1)(a) does note that “The person responsible for supervision shall also be responsible for the construction and installation being in substantial compliance with the approved plans and specifications,” but that section doesn’t seem to apply to the City’s inspections. In fact, “Inspections” [SPS 361.41(1)] does not include the “substantial compliance” language directly, only indirectly since we are still inspecting against plans approved to that standard.

SPS 361.60, relative to certified municipalities, however, references in multiple locations that the municipality must ensure that “the standards specified by the department are being met.” This concept is also reflected in the “Application for Commercial Building Delegated Municipality Authority” where item 13 requires that we “Conduct inspections in a manner acceptable to the department.” As such, I am looking for confirmation as to the standards of the DSPS relative to the extent of discretion that the City of Franklin and its building inspectors have in application and enforcement of the Commercial Building Code. Specifically, is the standard for a commercial building similar to the Uniform Dwelling Code, as discussed above, which is that the building as constructed, must only “substantially conform to the provision of the code” such that the inspector finds “no critical violations of this code that could reasonably be expected to affect the health or safety of a person using the dwelling?”

With both the Uniform Dwelling Code and the CBC, the City would understand that any such application of the discretion would still be intended to be limited in scope such that it would follow the same broad standard as for granting of variances, meaning it “does not impair statewide uniformity of this code” (SPS 320.20). Similarly, I also presume that in both areas a “reasonableness” standard comes into play when determining whether or not to allow a minor code violation not affecting the health or safety to remain uncorrected. The specific circumstances, including the nature of the violation and potential fixes, could be taken into consideration. In other words, striving to maintain statewide uniformity of the code would suggest that contractors generally be required to correct such minor violations if the effort required to do so is reasonable. Inspectors simply should not ignore all minor violations, but may evaluate or balance the reasonableness of the effort (etc.) and the affect on health and safety, if any.

Kirsten Reader  
Amy Millard  
July 8, 2016 – Page 3

Although I have been fairly specific in the phrasing of my concerns by including some detail as to the potential nature of the discretion, a simple, more generic confirmation that municipalities do have discretion in the application of the code would, in and of itself, be helpful.

Once we are provided an answer as to the extent of discretion, if any, that the City and its building inspectors have, I can work with our City Attorney and insurance company to ensure that we have established appropriate record keeping practices, unless you already have a prescribed methodology for tracking minor deviations from the code that are identified but allowed to remain.

Thank you for taking the time to address this important matter. The City of Franklin needs to ensure we are operating within the standards and expectations of the DSPS. At the same time, we want to ensure that we are not over-enforcing compliance such that construction standards are effectively more stringent in Franklin. Such more-stringent application of the code would also run opposed to the stated goal of statewide uniformity in application of the code. We very much appreciate any guidance or direction that can be provided in this regard. Although I am in need of a written (or emailed) direction, you may also feel free to call me at 414-858-1100 if you have any questions related to my request.

Sincerely,



Mark W. Lubberda  
Director of Administration  
City of Franklin

cc: Fred Baumgart, Building Inspector

<b>APPROVAL</b> <i>Slw</i> <i>AR</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>August 2, 2016</b>
<b>REPORTS &amp; RECOMMENDATIONS</b>	<b>June, 2016 Quarterly Financial Report</b>	<b>ITEM NUMBER</b> <i>G.12.</i>

**Background**

The June, 2016 Financial Report is attached.

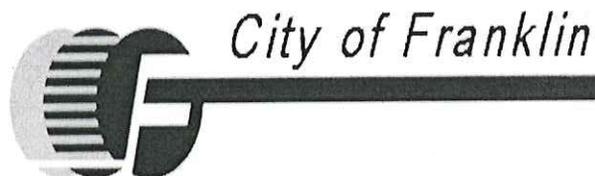
The Finance Committee did not review these statements, as the Finance Committee did not meet in late July.

Highlights of the report are contained in the transmittal memo.

The Finance Director will be on hand to answer any questions.

**COUNCIL ACTION REQUESTED**

Motion to Receive and place on file



Date: July 21, 2016  
To: Mayor Olson, Common Council and Finance Committee Members  
From: Paul Rotzenberg, Director of Finance & Treasurer *PR*  
Subject: June 2016 Financial Report

The June, 2016 financial reports for the General Fund, Debt Service Fund, TID 3 Fund, TID 4 Fund, Library Fund, Solid Waste Fund, Capital Outlay Fund, Equipment Replacement Fund, Capital Improvement Fund, Street Improvement Fund, Development Fund, Utility Development, Sanitary Sewer Fund, Water Fund, Self Insurance Fund, Employee Retirement Insurance Fund and other non-major funds are attached.

The budget allocation is completed using an average of the last five years actual spending. Caution is advised in that spending patterns may have changed. Comments on specific and trending results are provided below to aid the reader in understanding or explaining current year financial results.

**Cash & Investments Summary** – is provided to aid in understanding the resources available to meet current activities. Cash & investments are positions with safety and liquidity as primary objectives as stated in the City's Investment policy. Investment returns are secondary in the investment decisions, while return potential is not ignored. An overdraft in the Retiree Health Fund relates to funds advanced by the General Fund to the Trust in excess of the Annually Required Contributions.

Cash & Investments in General Government declined \$735,182 from May to June. The biggest decline was in the Property Tax fund – as the May collections were distributed in June. The TID funds incurred project costs on the South 27<sup>th</sup> Street project.

**General Fund** revenues of \$17,085,798 are \$283,238 greater than budget. Nearly all of this is faster collection of Real Estate taxes, which will disappear as the year progresses. Real Estate taxes comprise 81.5% of total revenues thru June 30. The perceived improvement in Intergovernmental Revenues represents one of those budget timing issues noted above, as Fire insurance dues were collected earlier than prior years. Building permit revenue of \$238,260 is 74.0% of Year to Date budget. Fire plan review revenues of \$11,327, represents only 32% of Year to Date budget and are slower than expected due to staffing issues in the Fire Dept.

Other items of note in the General Fund activity are:

- General Government expenditures are under budget primarily due to late billings for professional services. The Assessor fees (\$61,000) are the largest delayed invoices. Mailing costs are \$7,000 under spent as well.
- Public Safety – the lack of a contract settlement with Public Safety unions has delayed a budgeted wage increase, and a vacant fire position is resulting in a temporary variance. Overtime in the Fire Dept is \$123,000 over budget related to personnel issues. The union contract will get settled and reverse the variance. Other reduced personnel expenditures may recover this overage.
- Public Works underspending is related to a personnel issue and delayed wage increases.
- The overspending in Conservation & Development is caused by professional fees on the economic development focus. This activity has very little professional fee expenditures in prior years to drive budget allocations.
- The Contingency expenditures relate to commitments for Professional fees for the Baseball Commons development proposal.

Overall, General Fund expenditures of \$12,160,663 are \$256,461 underspent to budget.

A \$4,925,135 surplus is \$539,699 greater than budget. This surplus will slowly disappear as tax revenues are substantially collected, but personnel costs occur ratably across the year.

**DEBT SERVICE** – Debt payments were made March 1 as required. The April/May refunding activity reflects the sale of the new bonds. A budget amendment for the refunding will be forthcoming.

**TID3** – Tax revenues were slightly greater than the Budget. Expenditures for the S 27<sup>th</sup> Street project are composed of the sidewalk, street lighting, street scaping and water main elements. Few of the contractor invoices for this work have arrived as yet.

**TID4** – Tax receipts are \$89,709 great than budget due to the overlapping taxing authorities tax levies. The TID retired the remaining portion of the Interfund Advance in February. No project costs are expected in 2016.

**LIBRARY FUND** – Revenues are as budgeted. The \$701,571 of expenditures are \$55,492 underspent to budget. The primary reason relates to personnel costs.

**SOLID WASTE FUND** – Revenue is comparable to budget and 2015. Tipping Fee costs typically arrive late, and so are not reflected in results.

**CAPITAL OUTLAY FUND** – revenues are in line with budget. Public Safety purchases relate to six police squad cars and Fire safety equipment. The Public Works expenditure was the purchase of the stump cutter/grinder. The contingency purchases were fire safety equipment, mailboxes and street lights.

**EQUIPMENT REPLACEMENT FUND** – Revenues are in line with budget. Purchases are in process for the Utility Tractor, Ford F-550 Pick-up truck, Roller, Tandem Axel Truck, and a Wheel Loader.

**CAPITAL IMPROVEMENT FUND** – Project expenditures include the Fire Station #1 roof replacement, St Martin's Road project, St. Martin's Road culvert project, and Emergency Vehicle Preemption system. Park projects include the Kayla's playground project, River Park Trail bridge engineering, and College Ave pathway project. Utility work on S North Cape Road project has also occurred

**STREET IMPROVEMENT FUND** – Revenues are in line with budget. The encumbrance for the 2016 Street Improvement program is now in place.

**DEVELOPMENT FUND** – Impact fee collections were enhanced by the Autumn Leaves project. Impact fee collections now exceed budget by \$137,733. Transfers to the Debt Service fund were made in March to support debt service on the prior Police, Fire and Library projects. \$127,172 of park impact fees have been transferred to the Capital Improvement fund to date.

**UTILITY DEVELOPMENT FUND** – activity has been minimal with few connection fees or Special Assessments collected. The bulk of the Special Assessment collections occur in December when billing the tax roll.

**SANITARY SEWER FUND** – Revenues of \$1,634,575 are 7.3% less than budget on a rate reduction that was not considered in the budget. The \$1,581,290 of expenditures are \$100,598 less than budget. The MMSD bills are smaller in 2016 than expected. The Utility generated an operating surplus of \$53,285, slightly less than the budgeted \$80,482, principally as a result of the lower revenues.

**WATER UTILITY** – Revenues of \$2,670,123 are \$227,039 less than budget. The budget anticipated a 3% rate increase effective January 1, 2016, however, the Utility did not receive PSC approval until June. Water usage has been more than expected, likely related to the dry conditions. The \$2,804,881 of expenditures have been impacted by professional fees (to contest the supplier construction case with the PSC) and water leak mitigation programs. (A firm was engaged to locate main leaks using specialized sound equipment. After the leaks were located, they were then addressed. The program cost approximately \$85,000 in Q2, and are expected to pay for themselves in reduced water purchase costs in less than a year). The Operating loss of \$134,758, compared to a budgeted \$29,093 surplus. It is the result of the delayed rate increase, the professional fees to contest the supplier construction application and the water leak detection program.

**SELF INSURANCE FUND** – Premium revenues are approximately equal to budget. These will vary to budget as participation changes during the year given separations and subsequent replacements. Health claims costs are stronger than last year through June by \$224,138. The fund operated with a \$186,289 deficit thru June, 2016. Claims experience in 2016 is less concentrated than last year, evidenced by having fewer stop loss claims.

**RETIREE HEALTH FUND** – Insurance results generated a \$14,024 Implicit rate subsidy thru June compared to a \$92,986 subsidy last year. That reflects lower claims this year. The 2016 Annually Required Contribution is much smaller due to a lower actuarial value computed in 2015 and the 2015 over payment (\$150,000). As such, the ARC is not sufficient to cover the

combined monthly premiums and the Implicit rate subsidy. Depending upon experience later in the year, the trust fund may have to cover some of the claims.

Caution is advised when reviewing results over such a short period of time. Not only are insurance experience volatile, but investment results can be as well. 2016 is showing a favorable \$129,114 (2.7% return on Jan 1, 2016 balances) investment return at this time.

**Non-Major Funds** – A summary of the other non-major funds is presented. Various funds are in process of receiving revenue from grants or activities. The St. Martin's Fair Fund will not have much activity until closer to the September event. At the same time, the Civic Celebrations fund has many of the 2016 expenses recorded, but none of the revenue until July. The Donations fund net surplus is a result of the donation from the Kayla's Krew organization.

**City of Franklin**  
**Cash & Investments Summary**  
**June 30, 2016**

	<b>Cash</b>	<b>American Deposit Management</b>	<b>Institutional Capital Management</b>	<b>Local Gov't Invest Pool &amp; Other</b>	<b>Total</b>	<b>May Total</b>
General Fund	\$ 310,712	\$ 4,187,686	\$ 7,579,381	\$ 234,821	\$ 12,312,601	\$ 12,368,480
Debt Service Funds	39,807	80,182	438,957	-	558,946	556,960
TIF Districts	51,271	2,115,110	1,100,000	-	3,266,381	3,794,500
Nonmajor Governmental Funds	611,841	4,882,376	8,298,710	-	13,792,927	13,946,096
<b>Total Governmental Funds</b>	<b>1,013,631</b>	<b>11,265,354</b>	<b>17,417,048</b>	<b>234,821</b>	<b>29,930,854</b>	<b>30,666,036</b>
Sewer Fund	33,077	352,333	400,000	-	785,410	816,465
Water Utility	3,682	666,339	-	-	670,021	1,021,957
Self Insurance Fund	17,386	125,226	3,070,239	-	3,212,851	3,215,947
Retiree Health Fund	(169,782)	-	-	4,838,031	4,668,250	4,682,857
Property Tax Fund	451,438	276,530	-	324	728,293	4,716,951
Other Trust Funds	7,289	-	-	-	7,289	10,096
<b>Total Other Funds</b>	<b>343,090</b>	<b>1,420,428</b>	<b>3,470,239</b>	<b>4,838,356</b>	<b>10,072,112</b>	<b>14,464,273</b>
<b>Grand Total Cash &amp; Investments</b>	<b>1,356,721</b>	<b>12,685,782</b>	<b>20,887,287</b>	<b>5,073,177</b>	<b>40,002,967</b>	<b>45,130,308</b>
<b>Average Rate of Return</b>		0.41%	1.11%	0.42% LGIP only		
<b>Maturities:</b>						
Demand	1,356,721	10,970,782	22,686	539,666	12,889,854	17,734,965
Fixed Income & Equities	-	-	-	3,707,175	3,707,175	3,802,310
2016	-	1,470,000	5,002,938	-	6,472,938	6,738,779
2017	-	245,000	6,029,406	172,581	6,446,987	6,437,093
2018	-	-	4,190,061	172,483	4,362,544	4,350,710
2019	-	-	2,019,719	151,727	2,171,446	2,161,120
2020	-	-	3,622,477	150,546	3,773,023	3,728,560
2021	-	-	-	178,999	178,999	176,773
	<b>1,356,721</b>	<b>12,685,782</b>	<b>20,887,287</b>	<b>5,073,177</b>	<b>40,002,966</b>	<b>45,130,309</b>

**City of Franklin**  
**General Fund**  
**Comparative Statement of Revenue, Expenses and Fund Balance**  
**For the 6 months ended June 30, 2016 and 2015**

<b>Revenue</b>	<b>2016 Amended Budget</b>	<b>2016 Year-to-Date Budget</b>	<b>2016 Year-to-Date Actual</b>	<b>Var to Budget Surplus (Deficiency)</b>	<b>2015 Year-to-Date Actual</b>
Property Taxes	\$ 16,248,800	\$ 13,672,309	\$ 13,930,949	\$ 258,640	\$ 14,124,706
Other Taxes	1,885,000	791,363	763,135	(28,228)	737,360
Intergovernmental Revenue	2,321,200	645,577	732,908	87,331	757,134
Regulation and Compliance	847,350	471,250	395,770	(75,480)	419,812
Law and Ordinance Violations	440,000	245,644	270,310	24,666	266,075
Public Charges for Services	1,544,975	704,856	600,656	(104,200)	672,286
Intergovernmental Charges	203,200	79,734	78,644	(1,090)	77,125
Investment Income	205,200	102,600	197,615	95,015	148,385
Miscellaneous Revenue	160,100	89,227	115,811	26,584	103,152
Transfers from Other Funds	-	-	-	-	-
Encumbrances	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 23,855,825</b>	<b>\$ 16,802,560</b>	<b>\$ 17,085,798</b> 101.69%	<b>\$ 283,238</b>	<b>\$ 17,306,035</b>
<b>Expenditures</b>	<b>2016 Amended Budget</b>	<b>2016 Year-to-Date Budget</b>	<b>2016 Year-to-Date Actual</b>	<b>Var to Budget Surplus (Deficiency)</b>	<b>2015 Year-to-Date Actual</b>
General Government	\$ 3,105,510 A	\$ 1,633,474	\$ 1,494,593 E	\$ 138,881	\$ 1,426,901
Public Safety	16,142,346 A	8,356,830	7,880,123 E	476,707	7,901,367
Public Works	3,675,043 A	1,723,731	1,555,670 E	168,061	1,562,685
Health and Human Services	684,191	339,774	299,300	40,474	309,268
Other Culture and Recreation	193,911 A	81,253	77,525 E	3,728	76,245
Conservation and Development	618,273 A	275,257	312,148	(36,891)	273,196
Contingency and Unclassified	552,500	233,207	36,314	196,893	170,425
Anticipated underexpenditures	(470,220)	(226,402)	-	(226,402)	-
Transfers to Other Funds	1,200,000	-	600,000	(600,000)	500,000
Encumbrances	-	-	(95,010)	95,010	(243,910)
<b>Total Expenditures</b>	<b>\$ 25,701,554</b>	<b>\$ 12,417,124</b>	<b>\$ 12,160,663</b> 97.93%	<b>\$ 256,461</b>	<b>\$ 11,976,177</b>
Excess of revenue over (under) expenditures	(1,845,729)	<u>4,385,436</u>	4,925,135	<u>\$ 539,699</u>	5,329,858
Fund balance, beginning of year	<u>9,049,908</u>		<u>9,049,908</u>		<u>8,633,112</u>
Fund balance, end of period	<u>\$ 7,204,179</u>		<u>\$ 13,975,043</u>		<u>\$ 13,962,970</u>

A Represents an amendment to Adopted Budget  
E Represents an encumbrance for current year from prior year

**City of Franklin**  
**General Fund**  
**Comparative Statement of Revenue**  
**For the 6 months ended June 30, 2016 and 2015**

Revenue	2016 Amended Budget	2016 Year-to-Date Budget	2016 Year-to-Date Actual	Var to Budget Surplus (Deficiency)	2015 Year-to-Date Actual
<b>Taxes:</b>					
General property	\$ 16,248,800	\$ 13,672,309	\$ 13,930,949	\$ 258,640	\$ 14,124,706
Water utility - tax equivalent	1,100,000	562,210	550,200	(12,010)	550,200
Cable television franchise fees	500,000	155,884	131,043	(24,841)	129,920
Mobile Home	25,000	12,500	12,749	249	13,171
Room tax	260,000	60,769	69,143	8,374	44,069
<b>Total taxes</b>	<b>18,133,800</b>	<b>14,463,672</b>	<b>14,694,084</b>	<b>230,412</b>	<b>14,862,066</b>
<b>Intergovernmental Revenue:</b>					
State shared revenue	476,000	5	-	(5)	-
Expenditure restraint revenue	220,100	-	-	-	-
State computer aid	277,000	-	-	-	-
State transportation aids	1,132,600	566,300	566,069	(231)	608,693
Fire insurance dues	133,000	53,200	141,878	88,678	130,512
Other grants	82,500	26,072	24,961	(1,111)	17,929
<b>Total intergovernmental</b>	<b>2,321,200</b>	<b>645,577</b>	<b>732,908</b>	<b>87,331</b>	<b>757,134</b>
<b>Regulation and Compliance:</b>					
Licenses	146,850	126,423	130,122	3,699	138,356
Permits	700,500	344,827	265,648	(79,179)	281,456
Fines, forfeitures and penalties	440,000	245,644	270,310	24,666	266,075
<b>Total regulation and compliance</b>	<b>1,287,350</b>	<b>716,894</b>	<b>666,080</b>	<b>(50,814)</b>	<b>685,887</b>
<b>Public Charges for Services:</b>					
Planning related fees	65,275	37,297	30,325	(6,972)	33,864
General government	6,650	3,608	6,064	2,456	5,410
Architectural Board Review	5,300	2,597	3,050	453	2,600
Police and related	7,000	2,465	7,215	4,750	1,661
Ambulance services - ALS	675,000	335,960	333,384	(2,576)	333,884
Ambulance services - BLS	425,000	221,651	163,871	(57,780)	228,220
Fire safety training	1,000	352	265	(87)	255
Fire Sprinkler Plan Review	70,000	34,627	11,327	(23,300)	27,230
Fire Inspections	25,000	9,596	7,897	(1,699)	11,019
Quarry reimbursement	42,000	9,343	-	(9,343)	5,060
Weed cutting	15,000	-	1,321	1,321	-
Engineering fees	9,500	4,866	1,290	(3,576)	(456)
Public works fees	15,000	4,169	5,625	1,456	5,433
Weights & Measures	8,000	1,630	-	(1,630)	169
Landfill Operations - Siting	19,500	9,750	-	(9,750)	-
Landfill Operations - Emerald Park	75,000	18,878	22,590	3,712	14,647
Health Department	80,750	8,067	6,432	(1,635)	3,290
<b>Total charges for services</b>	<b>1,544,975</b>	<b>704,856</b>	<b>600,656</b>	<b>(104,200)</b>	<b>672,286</b>

A Represents an amendment to Adopted Budget  
E Represents an encumbrance for current year from prior year

**City of Franklin**  
**General Fund**  
**Comparative Statement of Revenue**  
**For the 6 months ended June 30, 2016 and 2015**

<u>Revenue</u>	<u>2016 Amended Budget</u>	<u>2016 Year-to-Date Budget</u>	<u>2016 Year-to-Date Actual</u>	<u>Var to Budget Surplus (Deficiency)</u>	<u>2015 Year-to-Date Actual</u>
<b>Intergovernmental Charges:</b>					
Milwaukee County - paramedics	125,000	40,634	32,546	(8,088)	36,452
School Liaison Officer	78,200	39,100	46,098	6,998	40,673
<b>Total intergovernmental charges</b>	<b>203,200</b>	<b>79,734</b>	<b>78,644</b>	<b>(1,090)</b>	<b>77,125</b>
<b>Investment Income:</b>					
Interest on investments	105,000	52,500	74,952	22,452	65,909
Market value change on investments	(15,000)	(7,500)	60,612	68,112	25,714
Interest - tax roll	114,700	57,350	61,950	4,600	56,690
Other interest	500	250	101	(149)	72
<b>Total interest revenue</b>	<b>205,200</b>	<b>102,600</b>	<b>197,615</b>	<b>95,015</b>	<b>148,385</b>
<b>Miscellaneous Revenue:</b>					
Rental of property	49,000	25,750	26,486	736	39,304
Refunds/reimbursements	10,000	2,866	41,252	38,386	5,373
Insurance dividend	35,000	35,000	38,308	3,308	52,162
Other revenue	66,100	25,611	9,765	(15,846)	6,313
<b>Total miscellaneous revenue</b>	<b>160,100</b>	<b>89,227</b>	<b>115,811</b>	<b>26,584</b>	<b>103,152</b>
<b>Transfer from Other Funds:</b>					
Capital Improvement Fund	-	-	-	-	-
Street Improvement Fund	-	-	-	-	-
<b>Total transfers from other funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>\$ 23,855,825</b>	<b>\$ 16,802,560</b>	<b>\$ 17,085,798</b>	<b>\$ 283,238</b>	<b>\$ 17,306,035</b>
			101.69%		

A Represents an amendment to Adopted Budget

E Represents an encumbrance for current year from prior year

**City of Franklin**  
**General Fund**  
**Comparative Statement of Expenditures**  
**For the 6 months ended June 30, 2016 and 2015**

<b>Expenditures</b>	<b>2016 Amended Budget</b>	<b>2016 Year-to-Date Budget</b>	<b>2016 Year-to-Date Actual</b>	<b>Var to Budget Surplus (Deficiency)</b>	<b>2015 Year-to-Date Actual</b>
<b>General Government:</b>					
Mayor & Aldermen - Labor	\$ 65,979	\$ 31,767	\$ 32,994	\$ (1,227)	\$ 32,999
Mayor & Aldermen - Non-Personnel	37,500 A	25,442	19,918	5,524	18,996
Municipal Court - Labor	181,151	87,221	89,830	(2,609)	82,103
Municipal Court - Non-Personnel	47,150	26,649	30,013	(3,364)	24,580
City Clerk Labor	288,640	138,829	142,694	(3,865)	138,207
City Clerk - Non-Personnel	31,000	14,093	11,984	2,109	14,698
Elections - Labor	35,548	22,727	29,181	(6,454)	13,080
Elections - Non-Personnel	25,600	9,650	7,653	1,997	3,334
Information Services - Labor	116,816 A	57,121	47,155 E	9,966	-
Information Services - Non-Personnel	369,189 A	190,505	192,649	(2,144)	153,088
Administration - Labor	285,888	149,066	138,438	10,628	137,536
Administration - Non-Personnel	176,745 A	77,856	68,991 E	8,865	79,963
Finance - Labor	416,636	218,536	204,040	14,496	200,658
Finance - Non-Personnel	98,930	55,700	49,044	6,656	46,026
Independent Audit	31,810	29,616	28,600	1,016	27,385
Assessor - Labor	18,200 A	28,792	9,567	19,225	26,662
Assessor - Non-Personnel	223,200 A	67,770	842	66,928	59,195
Legal Services	340,225	156,231	155,888	343	169,299
Municipal Buildings - Labor	95,800	53,183	43,310	9,873	22,953
Municipal Buildings - Non-Personnel	113,595	53,731	50,873 E	2,858	56,408
Property/liability insurance	105,908	138,989	140,929	(1,940)	119,731
<b>Total general government</b>	<b>3,105,510</b>	<b>1,633,474</b>	<b>1,494,593</b>	<b>138,881</b>	<b>1,426,901</b>
<b>Public Safety:</b>					
Police Department - Labor	7,950,563	4,129,428	3,922,879	206,549	4,014,763
Police Department - Non-Personnel	1,095,370 A	560,794	504,991 E	55,803	464,647
Fire Department - Labor	5,609,357	2,899,162	2,730,910	168,252	2,720,180
Fire Department - Non-Personnel	434,600	222,033	209,942	12,091	210,522
Public Fire Protection	273,200	139,928	134,537	5,391	137,117
Building Inspection - Labor	736,312	381,876	359,932	21,944	337,122
Building Inspection - Non-Personnel	35,344 A	16,009	9,332 E	6,677	10,216
Weights and Measures	7,600 A	7,600	7,600	-	6,800
<b>Total public safety</b>	<b>16,142,346</b>	<b>8,356,830</b>	<b>7,880,123</b>	<b>476,707</b>	<b>7,901,367</b>
<b>Public Works:</b>					
Engineering - Labor	603,481	298,412	271,246	27,166	259,686
Engineering - Non-Personnel	26,347 A	11,234	10,429 E	805	14,806
Highway - Labor	1,819,785	960,495	872,286	88,209	881,906
Highway - Non-Personnel	823,680 A	285,156	244,601 E	40,555	253,260
Street Lighting	386,700 A	166,874	156,067 E	10,807	150,562
Weed Control	15,050	1,560	1,041	519	2,465
<b>Total public works</b>	<b>3,675,043</b>	<b>1,723,731</b>	<b>1,555,670</b>	<b>168,061</b>	<b>1,562,685</b>

A Represents an amendment to Adopted Budget  
E Represents an encumbrance for current year from prior year

**City of Franklin**  
**General Fund**  
**Comparative Statement of Revenue, Expenses and Fund Balance**  
**For the 6 months ended June 30, 2016 and 2015**

<b>Expenditures</b>	<b>2016 Amended Budget</b>	<b>2016 Year-to-Date Budget</b>	<b>2016 Year-to-Date Actual</b>	<b>Var to Budget Surplus (Deficiency)</b>	<b>2015 Year-to-Date Actual</b>
<b>Health and Human Services:</b>					
Public Health - Labor	576,741	299,533	268,127	31,406	274,226
Public Health - Non-Personnel	68,950	18,746	15,198 E	3,548	14,957
Animal Control	38,500	21,495	15,975	5,520	20,085
<b>Total health and human services</b>	<b>684,191</b>	<b>339,774</b>	<b>299,300</b>	<b>40,474</b>	<b>309,268</b>
<b>Culture and Recreation:</b>					
St. Martins Fair	11,000	70	-	70	-
Civic Celebrations	13,000	-	-	-	-
Senior Travel & Activities	22,000 A	7,740	8,872	(1,132)	10,181
Parks - Labor	118,261	61,210	56,056	5,154	54,336
Parks - Non-Personnel	29,650 A	12,233	12,597	(364)	11,728
<b>Total culture and recreation</b>	<b>\$ 193,911</b>	<b>\$ 81,253</b>	<b>\$ 77,525</b>	<b>\$ 3,728</b>	<b>\$ 76,245</b>
<b>Conservation and Development:</b>					
Planning - Labor	332,469	172,872	156,536	16,336	157,918
Planning - Non-Personnel	61,200	20,726	16,997	3,729	17,320
Economic Dev - Labor	130,689	67,958	58,678	9,280	16,500
Economic Dev - Non-Personnel	93,915 A	13,701	79,937	(66,236)	81,458
<b>Total conservation and development</b>	<b>618,273</b>	<b>275,257</b>	<b>312,148</b>	<b>(36,891)</b>	<b>273,196</b>
<b>Contingency and Unclassified:</b>					
Restricted - other	375,000 A	187,500	-	187,500	37,500
Unrestricted	175,000 A	44,860	36,300 E	8,560	132,925
Unclassified	2,500	847	14	833	-
<b>Total contingency</b>	<b>552,500</b>	<b>233,207</b>	<b>36,314</b>	<b>196,893</b>	<b>170,425</b>
<b>Anticipated underexpenditures</b>	<b>(470,220)</b>	<b>(226,402)</b>	<b>-</b>	<b>(226,402)</b>	<b>-</b>
<b>Transfers to other funds:</b>					
Capital Improvement Fund	1,200,000	-	600,000	(600,000)	-
Other Funds	-	-	-	-	500,000
<b>Total transfers to other funds</b>	<b>1,200,000</b>	<b>-</b>	<b>600,000</b>	<b>(600,000)</b>	<b>500,000</b>
<b>Total expenditures</b>	<b>\$ 25,701,554</b>	<b>\$ 12,417,124</b>	<b>\$ 12,255,673</b>	<b>\$ 161,451</b>	<b>\$ 12,220,087</b>
% of YTD Budget			98.70%		

A Represents an amendment to Adopted Budget  
E Represents an encumbrance for current year from prior year

**City of Franklin  
General Fund  
BALANCE SHEET**

<b>ASSETS</b>	<b>6/30/2016</b>	<b>6/30/2015</b>
Cash and investments	\$12,312,601	\$12,503,981
Accounts & Taxes receivable	2,826,545	2,489,053
Due from/Advances to other funds	2,221,348	2,169,085
Due from other governments	25,493	14,148
Prepaid expenditures & Inventories	28,264	22,142
<b>Total Assets</b>	<u>\$17,414,251</u>	<u>\$17,198,409</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 202,696	\$ 311,560
Accrued liabilities	544,231	505,003
Due to other funds & governments	160,115	139,120
Special deposits	126,244	142,150
Unearned revenue	2,406,261	2,137,606
<b>Total Liabilities</b>	<u>3,439,547</u>	<u>3,235,439</u>
 <b>FUND BALANCES</b>		
Nonspendable - Inventories, Prepaids, Advances, Assigned	2,249,612	2,191,227
Unassigned	11,725,092	11,771,743
<b>Total fund balances</b>	<u>13,974,704</u>	<u>13,962,970</u>
<b>Total Liabilities and fund balances</b>	<u>\$17,414,251</u>	<u>\$17,198,409</u>

City of Frankin  
Debt Service Funds  
Balance Sheet  
June 30, 2016 and 2015

	2016 Special Assessment	2016 Debt Service	2016 Total	2015 Special Assessment	2015 Debt Service	2015 Total
<b>Assets</b>						
Cash and investments	\$ 512,005	\$ 46,941	\$ 558,946	\$ 471,610	\$ 51,643	\$ 523,253
Taxes receivable	-	-	-	-	-	-
Special assessment receivable	111,456	-	111,456	135,635	-	135,635
Total Assets	\$ 623,461	\$ 46,941	\$ 670,402	\$ 607,245	\$ 51,643	\$ 658,888
<b>Liabilities and Fund Balance</b>						
Unearned & unavailable revenue	\$ 111,456	-	\$ 111,456	\$ 136,635	-	\$ 136,635
Due to other funds	-	-	-	-	-	-
Unassigned fund balance	512,005	46,941	558,946	471,610	51,643	523,253
Total Liabilities and Fund Balance	\$ 623,461	\$ 46,941	\$ 670,402	\$ 608,245	\$ 51,643	\$ 659,888

Statement of Revenue, Expenses and Fund Balance  
For the Six months ended June 30, 2016 and 2015

	2016 Special Assessment	2016 Debt Service	2016 Year-to-Date Actual	2016 Annual Budget	Variance to Budget	2015 Special Assessment	2015 Debt Service	2015 Year-to-Date Actual	2015 Annual Budget	Variance to Budget
<b>Revenue</b>										
Property Taxes	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ -
Special Assessments	-	-	-	-	-	22,889	-	22,889	-	22,889
Investment Income	5,979	2,324	8,303	-	8,303	2,483	379	2,862	-	2,862
Total Revenue	5,979	1,502,324	1,508,303	1,500,000	8,303	25,372	1,600,379	1,625,751	1,600,000	25,751
<b>Expenditures:</b>										
Debt Service:										
Principal	-	1,300,000	1,300,000	1,300,000	-	-	595,000	595,000	520,000	(75,000)
Interest	-	201,852	201,852	291,298	89,446	-	154,463	154,463	418,365	263,902
Bond Issuance Cost	-	53,789	53,789	-	(53,789)	-	-	-	-	-
Interfund Interest Expense	-	-	-	-	-	-	3,561	3,561	3,561	-
Total expenditures	-	1,555,641	1,555,641	1,591,298	35,657	-	753,024	753,024	941,926	188,902
Transfers in	-	69,799	69,799	205,000	(135,201)	-	-	-	-	-
Transfers out	-	-	-	-	-	(100,000)	175,247	175,247	416,926	(241,679)
Refunding Bond Issuance	-	5,770,000	5,770,000	-	5,770,000	-	-	(100,000)	-	100,000
Premium (Discount) on Refunding Bonds	-	154,202	154,202	-	154,202	-	-	-	-	-
Repayment of Refunded bonds	-	(5,895,000)	(5,895,000)	-	(5,895,000)	-	-	-	-	-
Net change in fund balances	5,979	45,684	51,663	113,702	(133,353)	(74,628)	1,022,602	947,974	1,075,000	72,974
Fund balance, beginning of year	506,026	1,257	507,283	507,283	-	546,238	(970,959)	(424,721)	(424,721)	-
Fund balance, end of period	\$ 512,005	\$ 46,941	\$ 558,946	\$ 620,985		\$ 471,610	\$ 51,643	\$ 523,253	\$ 650,279	

**City of Franklin**  
**Tax Increment Financing District #3**  
**Balance Sheet**  
**June 30, 2016 and 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
Cash and investments	\$ 2,029,114	\$ 2,794,129
Accounts & Interest receivable	-	-
<b>Total Assets</b>	<b>\$ 2,029,114</b>	<b>\$ 2,794,129</b>
<b>Liabilities and Fund Balance</b>		
Accounts payable	\$ 4,126	\$ 888
Line of Credit Advance from Development Fund	550,000	1,700,000
<b>Total Liabilities</b>	<b>554,126</b>	<b>1,700,888</b>
Unassigned fund balance	1,474,988	1,093,241
<b>Total Fund Balance</b>	<b>1,474,988</b>	<b>1,093,241</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,029,114</b>	<b>\$ 2,794,129</b>

**Statement of Revenue, Expenses and Fund Balance**  
**For the Six months ended June 30, 2016 and 2015**

	<b>2016 Annual Budget</b>	<b>2016 Amended Budget</b>	<b>2016 Year-to-Date Budget</b>	<b>2016 Year-to-Date Actual</b>	<b>2015 Year-to-Date Actual</b>
<b>Revenue</b>					
General property tax levy	\$ 1,708,000	\$ 1,708,000	\$ 1,708,000	\$ 1,730,642	\$ 1,681,577
State exempt computer aid	420,000	420,000	-	-	-
Investment income	3,000	3,000	1,678	7,320	98,525
<b>Total revenue</b>	<b>2,131,000</b>	<b>2,131,000</b>	<b>1,709,678</b>	<b>1,737,962</b>	<b>1,780,102</b>
<b>Expenditures</b>					
Debt service principal	650,000	650,000	650,000	650,000	20,000
Debt service interest & fees	86,750	86,750	25,071	46,619	18,999
Administrative expenses	13,020	13,020	3,472	22,839	10,657
Interfund interest	22,668	22,668	5,827	12,966	34,410
Capital outlays	1,205,000	3,525,289	535,853	2,353,856	1,399,034
Encumbrances	-	-	-	(1,826,846)	(448,261)
<b>Total expenditures</b>	<b>1,977,438</b>	<b>4,297,727</b>	<b>1,220,223</b>	<b>1,259,434</b>	<b>1,034,839</b>
Revenue over (under) expenditures	153,562	(2,166,727)	<b>\$ 489,455</b>	478,528	745,263
Fund balance, beginning of year	996,460	996,460		996,460	347,978
Fund balance, end of period	<b>\$ 1,150,022</b>	<b>\$ (1,170,267)</b>		<b>\$ 1,474,988</b>	<b>\$ 1,093,241</b>

**City of Franklin**  
**Tax Increment Financing District #4**  
**Balance Sheet**  
**June 30, 2016 and 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
Cash and investments	\$ 1,237,267	\$ 100,813
<b>Total Assets</b>	<b>\$ 1,237,267</b>	<b>\$ 100,813</b>
<b>Liabilities and Fund Balance</b>		
Accounts payable	\$ -	\$ 560
Interfund Advance from Development Fund	-	238,000
<b>Total Liabilities</b>	<b>-</b>	<b>238,560</b>
Unassigned Fund Balance	1,237,267	(137,747)
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,237,267</b>	<b>\$ 100,813</b>

**Statement of Revenue, Expenses and Fund Balance**  
**For the Six months ended June 30, 2016 and 2015**

	<b>2016 Annual Budget</b>	<b>2015 Amended Budget</b>	<b>2016 Year-to-Date Budget</b>	<b>2016 Year-to-Date Actual</b>	<b>2015 Year-to-Date Actual</b>
<b>Revenue</b>					
General property tax levy	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,289,709	\$ 1,009,060
State exempt computer aid	19,000	19,000	-	-	-
Payment in Lieu of Taxes	92,000	92,000	\$ 92,000	91,206	92,021
Investment income	-	-	-	2,221	301
<b>Total revenue</b>	<b>1,311,000</b>	<b>1,311,000</b>	<b>1,292,000</b>	<b>1,383,136</b>	<b>1,101,382</b>
<b>Expenditures</b>					
Debt service/interfund interest	5,415	5,415	\$ 3,229	920	9,235
Administrative expenses	40,855	52,955	20,427	18,833	33,322
Capital outlays	-	-	-	-	-
Encumbrances	-	-	-	(12,100)	(17,300)
<b>Total expenditures</b>	<b>46,270</b>	<b>58,370</b>	<b>23,656</b>	<b>7,653</b>	<b>25,257</b>
Revenue over (under) expenditures	1,264,730	1,252,630	<b>\$ 1,268,344</b>	1,375,483	1,076,125
Fund balance, beginning of year	(138,216)	(138,216)		(138,216)	(1,213,872)
<b>Fund balance, end of period</b>	<b>\$ 1,126,514</b>	<b>\$ 1,114,414</b>		<b>\$ 1,237,267</b>	<b>\$ (137,747)</b>

City of Franklin  
Library Fund  
Balance Sheet  
June 30, 2016 and 2015

	Operating		Restricted	
	2016	2015	2016	2015
<b>Assets</b>				
Cash and investments	\$ 1,028,838	\$ 1,113,797	\$ 125,840	\$ 121,499
Accrued receivables	-	-	-	-
Prepaid expenses	-	-	650	-
Total Assets	\$ 1,028,838	\$ 1,113,797	\$ 126,490	\$ 121,499
<b>Liabilities and Fund Balance</b>				
Accounts payable	\$ 8,001	\$ 25,589	\$ 658	\$ 208
Accrued salaries & wages	19,467	14,518	-	-
Encumbrance	-	-	-	-
Nonspendable fund balance	-	-	650	900
Assigned fund balance	1,001,370	1,073,690	125,182	120,391
Total Liabilities and Fund Balance	\$ 1,028,838	\$ 1,113,797	\$ 126,490	\$ 121,499

Statement of Revenue, Expenses and Fund Balance - Operating Fund  
For the Six months ended June 30, 2016 and 2015

	2016		Variance to Budget	2015		Variance to Budget
	Year-to-Date Budget	Year-to-Date Actual		Annual Budget	Year-to-Date Budget	
<b>Revenue</b>						
Property taxes	\$ 1,287,000	\$ 1,287,000	\$ -	\$ 1,240,000	\$ 1,240,000	\$ -
Reciprocal borrowing (restricted)	31,277	-	(31,277)	100,000	-	(52,570)
Investment income	-	9,078	9,078	-	1,709	1,709
Transfers in	-	-	-	-	-	-
Total Revenue	1,318,277	1,296,078	(22,199)	1,340,000	1,241,709	(50,861)
<b>Expenditures:</b>						
Salaries and benefits	961,081	459,686	40,027	879,565	429,401	(2,134)
Contractual services	18,750	15,215	(2,573)	26,500	13,236	2,757
Supplies	39,900	22,920	(6,554)	31,500	8,584	8,970
Services and charges	56,100	38,901	194	56,600	36,664	1,486
Facility charges	256,640	114,131	6,998	254,120	100,692	18,550
Capital outlay	113,198	50,718	17,400	164,200	49,924	54,740
Capital outlay (restricted)	-	-	-	-	-	-
Total Library Costs	1,445,669	701,571	55,492	1,412,485	638,501	84,369
Total expenditures	1,445,669	701,571	55,492	1,412,485	638,501	84,369
Revenue over (under) expenditures	(80,669)	594,507	33,293	(72,485)	603,208	33,508
Fund balance, beginning of year	406,863	406,863		470,482	470,482	
Fund balance, end of period	\$ 326,194	\$ 1,001,370		\$ 397,997	\$ 1,073,690	

**City of Franklin**  
**Solid Waste Collection Fund**  
**Balance Sheet**  
**June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments	\$ 1,075,121	\$ 1,006,583
<b>Total Assets</b>	<b>\$ 1,075,121</b>	<b>\$ 1,006,583</b>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 122,100	\$ 123,509
Accrued salaries & wages	292	544
Restricted fund balance	952,729	882,530
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,075,121</b>	<b>\$ 1,006,583</b>

**Statement of Revenue, Expenses and Fund Balance**  
**For the Six months ended June 30, 2016 and 2015**

<u>Revenue</u>	<u>2016</u> <u>Adopted</u> <u>Budget</u>	<u>2016</u> <u>Year-to-Date</u> <u>Budget</u>	<u>2016</u> <u>Year-to-Date</u> <u>Actual</u>	<u>2015</u> <u>Year-to-Date</u> <u>Actual</u>
Grants	\$ 69,200	69,200	\$ 65,995	\$ 69,191
User Fees	1,179,915	1,169,909	1,198,161	1,172,069
Landfill Operations-tippage	335,000	129,267	132,596	126,243
Investment Income	2,000	1,223	8,736	1,465
Sale of Recyclables	5,050	2,525	905	284
<b>Total Revenue</b>	<b>1,591,165</b>	<b>1,372,124</b>	<b>1,406,393</b>	<b>1,369,252</b>
<b>Expenditures:</b>				
Personal Services	23,669	11,802	9,967	9,652
Refuse Collection	667,931	333,965	329,435	328,472
Recycling Collection	357,306	178,653	182,024	181,368
Leaf & Brush Pickups	54,345	27,172	17,786	17,735
Tippage Fees	425,000	212,500	173,025	164,670
Miscellaneous	3,500	1,750	2,256	1,210
Printing	1,800	900	115	-
<b>Total expenditures</b>	<b>1,533,551</b>	<b>765,842</b>	<b>714,608</b>	<b>703,107</b>
 Revenue over (under) expenditures	 57,614	 <u>606,282</u>	 691,785	 666,145
 Fund balance, beginning of year	 260,944		 260,944	 216,385
 Fund balance, end of period	 <u>\$ 318,558</u>		 <u>\$ 952,729</u>	 <u>\$ 882,530</u>

**City of Franklin  
Capital Outlay Fund  
Balance Sheet  
June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments	\$ 752,327	\$ 928,145
<b>Total Assets</b>	<b><u>\$ 752,327</u></b>	<b><u>\$ 928,145</u></b>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 4,041	\$ 109,780
Miscellaneous claims payable	6,422	12,508
Encumbrance	73,598	20,473
Assigned fund balance	668,266	785,384
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 752,327</u></b>	<b><u>\$ 928,145</u></b>

**Statement of Revenue, Expenses and Fund Balance  
For the Six months ended June 30, 2016 and 2015**

<u>Revenue</u>	<u>2016 Amended Budget</u>	<u>2016 Year-to-Date Budget</u>	<u>2016 Year-to-Date Actual *</u>	<u>2015 Year-to-Date Actual</u>
Property Taxes	\$ 437,100	\$ 437,100	\$ 437,100	\$ 433,200
Grants	-	-	2,000	4,270
Landfill Siting	67,000	51,381	47,400	51,500
Investment Income	4,500	2,250	9,380	4,233
Miscellaneous Revenue	25,000	8,949	7,075	-
Transfers from Other Funds				475,000
Transfers from Fund Balance				
<b>Total Revenue</b>	<b><u>533,600</u></b>	<b><u>499,680</u></b>	<b><u>502,955</u></b>	<b><u>968,203</u></b>
<b>Expenditures:</b>				
General Government	281,939	49,637	16,887	28,065
Public Safety	650,058	389,244	393,574	328,283
Public Works	90,009	63,107	68,977	125,466
Health and Human Services	3,500	1,750	-	-
Culture and Recreation	31,169	4,947	6,054	2,938
Conservation and Development	4,250	2,125	-	1,415
Contingency	60,100	25,000	15,357	-
<b>Total expenditures</b>	<b><u>1,121,025</u></b>	<b><u>535,810</u></b>	<b><u>500,849</u></b>	<b><u>486,167</u></b>
Revenue over (under) expenditures	(587,425)	<u>(36,130)</u>	2,106	482,036
Fund balance, beginning of year	<u>662,952</u>		<u>666,160</u>	<u>303,348</u>
<b>Fund balance, end of period</b>	<b><u>\$ 75,527</u></b>		<b><u>\$ 668,266</u></b>	<b><u>\$ 785,384</u></b>

\* Amount shown is actual expenditures plus encumbrance

**City of Franklin**  
**Equipment Replacement Fund**  
**Comparative Balance Sheet**  
**June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments	\$ 2,537,436	\$ 2,448,041
<b>Total Assets</b>	<b><u>\$ 2,537,436</u></b>	<b><u>\$ 2,448,041</u></b>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 48,834	\$ 90,972
Encumbrance	181,185	89,815
Assigned fund balance	2,307,417	2,267,254
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 2,537,436</u></b>	<b><u>\$ 2,448,041</u></b>

**Comparative Statement of Revenue, Expenses and Fund Balance**  
**For the Six months ended June 30, 2016 and 2015**

	<u>2016</u> <u>Amended</u> <u>Budget</u>	<u>2016</u> <u>Year-to-Date</u> <u>Budget</u>	<u>2016</u> <u>Year-to-Date</u> <u>Actual *</u>	<u>2015</u> <u>Year-to-Date</u> <u>Actual</u>
<b>Revenue:</b>				
Property Taxes	\$ 342,600	\$342,600	\$ 342,600	\$ 339,500
Landfill	200,000	150,906	131,400	74,000
Investment Income	20,000	10,000	23,408	17,136
Transfers from Other Funds	-	-	-	-
Property Sales	15,000	7,500	81,279	6,591
<b>Total revenue</b>	<b><u>577,600</u></b>	<b><u>511,006</u></b>	<b><u>578,687</u></b>	<b><u>437,227</u></b>
 <b>Expenditures:</b>				
Public Safety	-	-	-	180,131
Public Works	655,000	285,288	575,913	179,515
<b>Total expenditures</b>	<b><u>655,000</u></b>	<b><u>285,288</u></b>	<b><u>575,913</u></b>	<b><u>359,646</u></b>
Revenue over (under) expenditures	(77,400)	<u>225,718</u>	2,774	77,581
Fund balance, beginning of year	<u>2,304,643</u>		<u>2,304,643</u>	<u>2,189,673</u>
Fund balance, end of period	<b><u>\$ 2,227,243</u></b>		<b><u>\$ 2,307,417</u></b>	<b><u>\$ 2,267,254</u></b>

\* Amount shown is actual expenditures plus emcumbrance

**City of Franklin  
Capital Improvement Fund  
Balance Sheet  
June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments	\$ 2,155,421	\$ 1,865,554
Accrued receivables	22,596	847
<b>Total Assets</b>	<b>\$ 2,178,017</b>	<b>\$ 1,866,401</b>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 124,241	\$ 4,455
Contracts Payable	20,465	107,198
Accrued payables	-	-
Encumbrance	392,343	131,867
Assigned fund balance	1,640,968	1,622,881
<b>Total Liabilities and Fund Balance</b>	<b>\$ 2,178,017</b>	<b>\$ 1,866,401</b>

**Statement of Revenue, Expenses and Fund Balance  
For the Six months ended June 30, 2016 and 2015**

	<u>2016 Original Budget</u>	<u>2016 Amended Budget</u>	<u>2016 Year-to-Date Totals</u>	<u>2015 Year-to-Date Totals</u>
<b>Revenue:</b>				
Block Grants	\$ 65,193	\$ 65,193	\$ -	\$ -
Landfill Siting	498,000	498,000	85,116	75,007
Transfers from General Funds	1,200,000	1,200,000	600,000	-
Transfers from Impact Fees	420,953	420,953	127,172	107,930
Transfers from Connection Fees	500,000	500,000	-	-
Bond Proceeds	1,000,000	1,000,000	-	-
Refunds & Reimbursements	-	-	-	-
Investment Income	5,000	5,000	3,985	2,480
<b>Total revenue</b>	<b>3,689,146</b>	<b>3,689,146</b>	<b>816,273</b>	<b>185,417</b>
<b>Expenditures:</b>				
General Government	495,000	475,000	-	-
Public Safety	548,800	666,364	95,563	-
Public Works	921,000	998,018	216,750	56,496
Culture and Recreation	1,242,209	1,554,624	425,058	365,393
Sewer & Water	500,000	614,849	116,177	81,015
Contingency	68,350	67,000	11,593	35,233
Bond/Note Issuance Cost	50,000	50,000	-	-
<b>Total expenditures</b>	<b>3,825,359</b>	<b>4,425,855</b>	<b>865,141</b>	<b>538,137</b>
Revenue over (under) expenditures	(136,213)	(736,709)	(48,868)	(352,720)
Fund balance, beginning of year	1,689,836	1,689,836	1,689,836	1,975,601
<b>Fund balance, end of period</b>	<b>\$ 1,553,623</b>	<b>\$ 953,127</b>	<b>\$ 1,640,968</b>	<b>\$ 1,622,881</b>

**City of Franklin  
Street Improvement Fund  
Balance Sheet  
June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments	\$ 1,027,236	\$ 1,033,956
<b>Total Assets</b>	<u>\$ 1,027,236</u>	<u>\$ 1,033,956</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 666	\$ 1,888
Encumbrances	903,806	822,353
Assigned fund balance	122,764	209,715
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,027,236</u>	<u>\$ 1,033,956</u>

**Statement of Revenue, Expenses and Fund Balance  
For the Six months ended June 30, 2016 and 2015**

	<u>2016 Amended Budget</u>	<u>2016 Year-to-Date Totals</u>	<u>2015 Year-to-Date Totals</u>
<b>Revenue:</b>			
Property Taxes	\$ 693,500	\$ 693,500	\$ 687,300
Landfill Siting	133,000	86,700	98,500
Investment Income	5,500	4,429	3,253
Local Road Improvement Aids	70,000	-	-
Refunds and Reimbursements	-	-	2,441
Transfer from General Fund	-	-	25,000
<b>Total revenue</b>	<u>902,000</u>	<u>784,629</u>	<u>816,494</u>
<b>Expenditures:</b>			
Street Reconstruction Program - Current Year	940,000	907,820	836,216
Street Reconstruction Program - Prior Year(s)	-	-	1,399
<b>Total expenditures</b>	<u>940,000</u>	<u>907,820</u>	<u>837,615</u>
Revenue over (under) expenditures	(38,000)	(123,191)	(21,121)
Fund balance, beginning of year	<u>245,955</u>	<u>245,955</u>	<u>230,836</u>
Fund balance, end of period	<u>\$ 207,955</u>	<u>\$ 122,764</u>	<u>\$ 209,715</u>

**City of Franklin  
Development Fund  
Comparative Balance Sheet  
June 30, 2016 and 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
Cash and investments	\$ 3,860,248	\$ 3,454,058
Due From Debt Service Fund	-	-
Due From TID 3	275,000	850,000
<b>Total Assets</b>	<b>\$ 4,135,248</b>	<b>\$ 4,304,058</b>
<b>Liabilities and Fund Balance</b>		
Accounts payable	\$ -	\$ -
Non-Spendable Fund Balance - Advances	275,000	850,000
Encumbrance	3,321	10,000
Assigned fund balance	3,856,927	3,444,058
<b>Total Fund Balance</b>	<b>4,131,927</b>	<b>4,294,058</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,135,248</b>	<b>\$ 4,304,058</b>

**Comparative Statement of Revenue, Expenses and Fund Balance  
For the Six months ended June 30, 2016 and 2015**

	<b>2016 Amended Budget</b>	<b>2016 Year-to-Date Budget</b>	<b>2016 Year-to-Date Actual</b>	<b>2015 Year-to-Date Actual</b>
<b>Revenue:</b>				
Impact Fee: Parks	\$ 175,000	\$ 95,259	\$ 155,713	\$ 90,358
Impact Fee: Southwest Sewer Serv	-	-	-	2,928
Impact Fee: Administration	5,000	2,593	3,905	2,420
Impact Fee: Water	200,000	95,753	158,453	88,869
Impact Fee: Transportation	37,000	15,758	5,926	16,120
Impact Fee: Fire Protection	40,000	19,752	22,690	19,025
Impact Fee: Law Enforcement	73,000	35,956	42,142	35,246
Impact Fee: Library	55,000	29,685	43,661	25,134
<b>Total Impact Fees</b>	<b>585,000</b>	<b>294,756</b>	<b>432,490</b>	<b>280,100</b>
Investment income	25,000	12,500	41,593	14,393
Interfund Interest Income	11,334	5,667	6,483	22,475
<b>Total revenue</b>	<b>621,334</b>	<b>312,923</b>	<b>480,566</b>	<b>316,968</b>
<b>Expenditures:</b>				
Other Professional Services	3,321	-	3,321	10,073
Transfer to Debt Service:				
Law Enforcement	205,006	50,945	21,681	25,061
Fire	42,958	27,472	37,637	37,137
Transportation	73,613	16,903	-	-
Library	134,040	49,229	10,481	13,048
<b>Total Transfers to Debt Service</b>	<b>455,617</b>	<b>144,549</b>	<b>69,799</b>	<b>75,246</b>
Transfer to Capital Improvement Fund:				
Park	420,953	1,550	127,172	107,930
<b>Total Transfers to Capital Improve</b>	<b>420,953</b>	<b>1,550</b>	<b>127,172</b>	<b>107,930</b>
Transfer to Water Utility	500,000	208,333	-	-
<b>Total expenditures</b>	<b>1,379,891</b>	<b>354,432</b>	<b>200,292</b>	<b>193,249</b>
Revenue over (under) expenditures	(758,557)	(41,509)	280,274	123,719
Fund balance, beginning of year	3,851,653		3,851,653	4,170,339
<b>Fund balance, end of period</b>	<b>\$ 3,093,096</b>		<b>\$ 4,131,927</b>	<b>\$ 4,294,058</b>

**City of Franklin**  
**Development Fund Financial Report**  
**For the six months ended June 30, 2016**

Effective with all permits applied for after May 31, 2002, in accordance with our Impact Fee Ordinance 2002-1712 new impact fees were adopted. The fees are automatically increased 5% in January of each year. The components of the fees for 2016 are as follows.

	Single Family	Two Family	Multi Family per Unit
Park and Playground Facilities	\$ 3,015.00	\$ 6,030.00	\$ 2,141.00
Fire Protection Facilities	430.00	860.00	299.00
Law Enforcement Facilities	799.00	1,598.00	556.00
Water system <sup>1</sup> per every 169 gallons of daily use	2,172.00	4,344.00	2,172.00 <sup>1</sup>
Transportation Facilities	84.00	168.00	59.00
Administrative Fee	55.00	110.00	55.00
Library Facilities	879.00	1,758.00	587.00
Sanitary Sewer - Ryan Creek	2,928.00	5,856.00	see note <sup>2</sup>
	<u>\$10,362.00</u>	<u>\$20,724.00</u>	<u>\$ 5,869.00</u>

In addition to the above, there is an established commercial impact fee of \$.523 psf, an industrial impact fee of \$.136 psf and an institutional impact fee of \$.738 psf. There is also a charge on each commercial, industrial or institutional building for water of \$2,069 per REC (residential equivalency) and an administrative fee of \$55 for the first 10,000 sq. ft. plus \$55 for each additional 10,000 sq. ft.

The funds generated are available for capital projects or related debt service of those municipal activities. Interest revenue is credited to each account balance.

<sup>2</sup>  
On May 21, 2013, the Common Council adopted Ordinance 2013-2105 to provide for the extension of and cost recovery of public sanitary sewer within the southwest sanitary sewer service area served by the Ryan Creek Interceptor public sanitary sewer. The fee for a single family dwelling with a 0.75" meter is \$2,928.00. For a multi family dwelling the fee is \$2,928.00 for the first unit and \$1,464.00 for each additional unit.

City of Franklin

Development Fund

Summary of Impact Fee Activity  
For the six months ended June 30, 2016

	Parks Recreation	SW Sewer	Admin Fee	Water	Transportation	Fire Protection	Law Enforcement	Library	Cash Balance	Net
Cash Acct										27,110.1111
Revenue Acct										-27,200.2117
Expenditure Acct										
		4292	4293	4294	4295	4296	4297	4299		
<b>Beginning Bal, 12/31/15</b>	3,258,673.78	33,512.51	61,308.83	430,396.64	4,297.86	38,812.91	14,824.81	9,825.75	3,851,653.09	
<b>1st Quarter</b>										
Impact Fees	21,047.00	0.00	385.00	24,875.00	584.00	2,990.00	5,556.00	6,111.00	61,548.00	
Expenditures	(108,698.00)		0.00	0.00	0.00	(37,637.00)	(21,680.90)	(10,480.96)	(178,496.86)	
subtotal	3,171,022.78	33,512.51	61,693.83	455,271.64	4,881.86	4,165.91	(1,300.09)	5,455.79	3,734,704.23	
Transfers							0.00		0.00	
Investment Income	26,490.52	276.14	506.79	3,648.98	37.82	177.07	55.72	62.96	31,256.00	
<b>Ending balance 3/31/2016</b>	<b>3,197,513.30</b>	<b>33,788.65</b>	<b>62,200.62</b>	<b>458,920.62</b>	<b>4,919.68</b>	<b>4,342.98</b>	<b>(1,244.37)</b>	<b>5,518.75</b>	<b>3,765,960.23</b>	
<b>2nd Quarter</b>										
Impact Fees	134,666.00	0.00	3,520.00	133,578.00	5,342.00	19,700.00	36,586.00	37,550.00	370,942.00	
Expenditures	(18,473.78)		0.00	592,498.62	10,261.68	24,042.98	35,341.63	43,068.75	(18,473.78)	
subtotal	3,313,705.52	33,788.65	65,720.62	592,498.62	10,261.68	24,042.98	35,341.63	43,068.75	4,118,428.45	
Transfers									0.00	
Investment Income	13,533.44	138.00	268.41	2,419.81	41.91	98.19	144.34	175.90	16,820.00	
<b>Ending balance 6/30/2016</b>	<b>3,327,238.96</b>	<b>33,926.65</b>	<b>65,989.03</b>	<b>594,918.43</b>	<b>10,303.59</b>	<b>24,141.17</b>	<b>35,485.97</b>	<b>43,244.65</b>	<b>4,135,248.45</b>	
<b>Ending balance 12/31/2016</b>	<b>3,327,238.96</b>	<b>33,926.65</b>	<b>65,989.03</b>	<b>594,918.43</b>	<b>10,303.59</b>	<b>61,778.17</b>	<b>57,166.87</b>	<b>53,725.61</b>	<b>4,205,047.31</b>	
Number of Months	216.30	23.17	135.83	30.33	2.40	15.40	7.76	12.44		
2016 Impact Fees	155,713.00	0.00	3,905.00	158,453.00	5,926.00	22,690.00	42,142.00	43,661.00	432,490.00	
2015 Impact Fees	137,670.00	2,928.00	3,630.00	133,352.00	20,533.00	27,116.00	50,222.00	38,526.00	413,977.00	
2014 Impact Fees	184,592.00	17,568.00	5,830.00	235,415.00	51,436.00	48,134.00	88,431.00	51,821.00	683,227.00	
2013 Impact Fees	317,206.00	11,712.00	6,160.00	427,429.00	31,829.00	45,110.00	82,280.00	66,179.00	987,905.00	
* Funded by an Administrative Fee not an Impact fee										
<sup>1</sup> Debt service payments										73,635.62
<sup>2</sup> Oversizing payments made										42,974.50
<sup>3</sup> Transfer to Water Utility for Puetz Road Water Tower Project										205,021.90
										1,863,400.00
										1,099,029.73
										0.00
										899,899.74
										359,200.00
										1,863,400.00
										1,099,029.73

**City of Franklin**  
**Utility Development Fund**  
**Comparative Balance Sheet**  
**June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments - Water	\$ 373,846	\$ 249,620
Cash and investments - Sewer	558,198	446,185
Special Assessment - Water Current	316,797	396,929
Special Assessment - Water Deferred	362,373	297,811
Special Assessment - Sewer Current	393,369	475,203
Special Assessment - Sewer Deferred	116,426	70,898
Reserve for Uncollectable	(110,090)	-
<b>Total Assets</b>	<b><u>\$ 2,010,919</u></b>	<b><u>\$ 1,936,646</u></b>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ -	\$ -
Unearned Revenue	1,078,875	1,240,841
<b>Total Fund Balance</b>	<b>932,044</b>	<b>695,805</b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 2,010,919</u></b>	<b><u>\$ 1,936,646</u></b>

**Comparative Statement of Revenue, Expenses and Fund Balance**  
**For the Six months ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Original</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>
<u>Revenue:</u>	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Special Assessments				
Water	\$ 101,150	\$ 32,821	\$ 13,880	\$ -
Sewer	94,100	52,061	-	4,460
Connection Fees				
Water	4,100	3,098	-	2,069
Sewer	35,000	18,885	9,300	16,320
				-
Total Impact Fees	234,350	106,865	23,180	22,849
Special Assessment Interest	58,000	22,594	81	(245)
Investment Income	1,650	825	1,780	770
Total revenue	<u>294,000</u>	<u>130,284</u>	<u>25,041</u>	<u>23,374</u>
Transfer to Capital Improvement Fund:				
Water	250,000	-	-	-
Sewer	250,000	-	-	-
Total Transfers to Capital Improven	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	(206,000)	130,284	25,041	23,374
Fund balance, beginning of year			<u>907,003</u>	<u>672,431</u>
Fund balance, end of period			<b><u>\$ 932,044</u></b>	<b><u>\$ 695,805</u></b>

**City of Franklin**  
**2016 Six Month Financial Report**  
**Sanitary Sewer Fund**

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The six month 2016 financial report for the City of Franklin Sanitary Sewer Fund is attached. Significant fluctuations from the budget are detailed below.

**Operating Revenue**

Sewer service revenue is less than the budget by \$127,795. Revenues are \$17,595 less than the prior year. The 2016 rate adjustment became effective in the first quarter of 2016.

**Operating Expenditures**

Sewer service charges to the Milwaukee Metropolitan Sewerage District for the first half are \$1,052,356 which is \$49,294 less than the budget.

Other operating expenditures, not including MMSD charges, are \$51,304 less than the budgeted levels. Sewer improvements totaling \$43,639 were expensed in the second quarter.

**Non-operating Revenue (Expenditures)**

Investment income and expense relates to the Clean Water Fund loan, and is a pass thru to MMSD. The depreciation on contributions was on budget. The value of the capital contributions is recorded at year end.

**Retained Earnings**

Retained earnings are the measure of the health of the operation. For the year, the retained earnings increased \$73,792.

**Sewer Infrastructure Funding Sources**

In May, 2013, the Common Council adopted Ordinance 2013-2105 to create the Southwest Sewer District and provide for the extension of and cost recovery of public sanitary sewer within the service area served by the Ryan Creek Interceptor public sanitary sewer. An Impact fee was established at \$2,928 for a residential unit with an additional \$1,464 for each additional unit. Through June 30, 2016 \$32,208 has been collected. There have no collections since 2Q15.

In addition to the sewer fund operations, the City also collects a sewer connection fee on connections from new and existing construction outside the Southwest Sewer service area, to be used to fund sewer construction projects. YTD collection of sewer connection fees in 2016 amounts to \$9,300 and funds on hand at June 30, 2016 totaled \$558,198.

**City of Franklin  
Sanitary Sewer Fund  
Comparative Balance Sheet  
June 30, 2016 and 2015**

	2016	2015
<b><u>Assets</u></b>		
Current assets:		
Cash and investments	\$ 785,410	\$ 1,470,414
Accounts receivable	931,370	958,256
Due from Franklin Water Utility	12,080	138,244
Miscellaneous receivable	279,785	7,258
Prepaid expenses	2,319	-
Total current assets	2,010,964	2,574,172
Non current assets:		
Due from MMSD	23,780,810	25,307,266
Sanitary Sewer plant in service:		
Land	358,340	358,340
Buildings and improvements	3,277,771	1,621,433
Improvements other than buildings	54,380,956	54,115,278
Machinery and equipment	813,942	776,906
Construction in progress	34,202	676,431
	58,865,211	57,548,388
Less accumulated depreciation	(14,576,119)	(13,874,045)
Net sanitary sewer plant in service	44,289,092	43,674,343
Deferred assets:		
Pension assets	80,922	-
Total Assets	\$ 70,161,788	\$ 71,555,781
<b><u>Liabilities and Net Assets</u></b>		
Current liabilities:		
Accounts payable	\$ 556,716	\$ 558,340
Accrued liabilities	31,757	55,948
Due to Franklin Water Utility	2,736	12,630
Due to General Fund - non-interest bearing	2,290,408	2,295,042
Total current liabilities	2,881,617	2,921,960
Non current liabilities:		
Accrued compensated absences	67,229	61,309
Pension liability (GASB 68)	108,210	-
General Obligation Notes payable - CWF	21,200,228	22,357,276
Total liabilities	24,257,284	25,340,545
Net Assets:		
Invested in capital assets, net of related debt	44,289,092	43,674,343
Sewer equipment replacement	356,106	313,558
Retained earnings	1,259,306	2,227,335
Total net assets	45,904,504	46,215,236
Total Liabilities and Net Assets	\$ 70,161,788	\$ 71,555,781

**City of Franklin**  
**Sanitary Sewer Fund**  
**Statement of Revenue, Expenditures,**  
**and Changes in Net Assets**  
**For the Six months ended June 30, 2016 and 2015**

	2016 Amended Budget	2016 Year-to-Date Budget	Current Year-to-Date Totals	Prior Year-to-Date Totals
<b>Operating Revenue</b>				
Residential	\$ 1,899,800	\$ 1,011,621	\$ 893,422	\$ 934,534
Commercial	467,000	239,822	229,545	228,581
Industrial	420,000	217,893	204,948	204,760
Public Authority	140,000	73,154	72,831	66,226
Penalties/Other	32,000	9,880	11,360	10,900
Multi Family	420,000	210,000	222,469	207,169
<b>Total Operating Revenue</b>	<u>3,378,800</u>	<u>1,762,370</u>	<u>1,634,575</u>	<u>1,652,170</u>
<b>Operating Expenditures</b>				
Salaries and benefits	\$ 454,927	\$ 219,039	\$ 223,989	\$ 232,069
Contractual services	127,500	85,150	74,832	75,424
Supplies	103,600	51,800	29,523	31,162
Facility charges	70,900	37,594	33,647	15,112
Shared meter costs	4,800	2,400	-	-
Sewer service - MMSD	2,203,300	1,101,650	1,052,356	1,036,157
Other operating costs	30,336	16,123	8,969	11,684
Allocated expenses	113,500	56,750	61,235	57,221
Sewer improvements	170,000	58,332	43,639	21,961
Depreciation	106,100	53,050	53,100	34,800
<b>Total operating expenditures</b>	<u>3,384,963</u>	<u>1,681,888</u>	<u>1,581,290</u>	<u>1,515,590</u>
<b>Operating Income (Loss)</b>	(6,163)	80,482	53,285	136,580
<b>Non-Operating Revenue (Expenditures)</b>				
Miscellaneous income	-	-	1,285	3,987
Investment income	541,193	270,596	277,523	304,748
Interest expense	(536,193)	(268,096)	(275,218)	(289,119)
<b>Total non-operating revenue (expenditures)</b>	<u>5,000</u>	<u>2,500</u>	<u>3,590</u>	<u>19,616</u>
<b>Income (Loss) before Capital Contributions</b>	<u>(1,163)</u>	<u>82,982</u>	<u>56,875</u>	<u>156,196</u>
Retained Earnings- Beginning	1,537,815	1,537,815	1,537,815	2,864,465
Transfer (to) from Invested in Capital Assets	(1,314,300)	(657,150)	20,722	(479,768)
<b>Retained Earnings- Ending</b>	<u>222,352</u>	<u>963,647</u>	<u>1,615,412</u>	<u>2,540,893</u>
<b>Capital Contributions</b>	600,000	150,000	-	-
Depreciation - CIAC	(598,000)	(299,000)	(299,100)	(295,800)
Transfer (to) from Retained Earnings	1,314,300	657,150	(20,722)	479,768
<b>Change in Net Investment in Capital Assets</b>	<u>1,316,300</u>	<u>508,150</u>	<u>(319,822)</u>	<u>183,968</u>
<b>Net Investment in Capital Assets-Beginning</b>	<u>44,608,914</u>	<u>44,608,914</u>	<u>44,608,914</u>	<u>43,490,375</u>
<b>Net Investment in Capital Assets-Ending</b>	<u>45,925,214</u>	<u>45,117,064</u>	<u>44,289,092</u>	<u>43,674,343</u>
<b>Total net assets</b>	<u>\$ 46,147,566</u>	<u>\$ 46,080,711</u>	<u>\$ 45,904,504</u>	<u>\$ 46,215,236</u>

**City of Franklin  
Sanitary Sewer Fund  
Statement of Cash Flows**

**For the Six months ended June 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>Cash Flows from Operating Activities</b>		
Operating income (loss)	\$ 53,285	\$ 136,580
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	53,100	34,800
(Increase) decrease in assets:		
Accounts receivable	(67,607)	228,453
Taxes receivable	124,633	110,305
Due from other funds	76,976	(64,858)
Due from MMSD & Other Governments		
Prepaid expenses	2,109	-
Increase (decrease) in liabilities:		
Accounts payable	(32,502)	(264,764)
Accrued expenses	(18,817)	17,301
Due to other funds	(47,294)	2,420
Due to general fund	-	53
Total Adjustments	90,598	63,710
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 143,883</b>	<b>\$ 200,290</b>
 <b>Cash Flows From Capital &amp; Related Financing Activities</b>		
Due from MMSD & Other Governments	1,531,089	748,664
Notes payable	(1,157,048)	(1,129,246)
Acquisition of capital assets	(32,378)	(514,568)
<b>Net Cash Provided (Used) in Capital and Financing Activities</b>	<b>341,663</b>	<b>(895,150)</b>
 <b>Cash Flows from Investing Activities</b>		
Interest and other income	278,808	308,735
Interest expense	(275,218)	(289,119)
<b>Net Change in Cash and Cash Equivalents</b>	489,136	(675,244)
<b>Cash and Cash Equivalents, beginning of period</b>	296,274	2,145,658
<b>Cash and Cash Equivalents, end of period</b>	<b>\$ 785,410</b>	<b>\$ 1,470,414</b>

**Franklin Municipal Water Utility**  
**Notes to the Financial Statements**  
**For the six months ending June 30, 2016 and 2015**

- <sup>1</sup> Operating revenue exceeded budget at June 30, 2016. Actual second quarter billings were used for the statements.  
The 2016 budget anticipated a rate increase as of January 1, 2016 from a 2015 rate case application with the PSC. That rate increase became effective July 1, 2016.
- <sup>2</sup> Operating expenditures approximate budget for the first half of the year.  
Estimated purchased water includes a 22% provision for lost water, but is still lower than budget.  
The cost of the search for leaks in mains and services pushed the transmission and distribution costs \$34,000 over budget.  
Professional fees incurred to contest the supplier construction case pushed Administrative costs very close to budget.

**Water Connection Fee**

Prior to May 31, 2002, the City collected a water connection fee on new construction and connections to existing properties, to be used to fund water main construction projects.  
The water connection fees on hand on June 30, 2016 total \$373,847.

**Water Impact Fee**

Since May 31, 2002 a water impact fee on residential and commercial construction replaced the water connection fee. Water Impact Fees collected in 2016 total \$158,453.  
Water Impact fees on hand at June 30, 2016 total approximately \$592,500.

**Franklin Municipal Water Utility**  
**Comparative Balance Sheet**  
**June 30, 2016 & 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
<b>Current Assets:</b>		
Cash and investments	\$ 670,021	\$ 1,908,305
Accounts receivable	1,547,609	1,485,301
Taxes receivable	-	79,335
Due from City of Franklin	6,368	17,452
Prepaid expenses	2,319	-
<b>Total current assets</b>	<b>2,226,317</b>	<b>3,490,393</b>
<b>Utility plant in service:</b>		
Land	162,885	162,885
Buildings and improvements	3,369,172	1,812,979
Construction in Progress	36,654	715,243
Improvements other than buildings	54,748,756	53,950,783
Machinery and equipment	4,446,690	4,404,110
	62,764,157	61,046,000
<b>Less accumulated depreciation</b>	<b>17,726,192</b>	<b>15,891,474</b>
<b>Net utility plant in service</b>	<b>45,037,965</b>	<b>45,154,526</b>
<b>Deferred Assets:</b>		
Pension Assets	148,355	-
Deferred Costs	368,723	-
<b>Total deferred assets</b>	<b>517,078</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 47,781,360</b>	<b>\$48,644,919</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 78,729	\$ 64,128
Accrued liabilities	808,752	934,540
Due to City of Franklin	30,497	85,901
Pension liability	212,661	-
Compensated absences reserve	67,229	61,309
Bond Payable	1,167,320	1,221,494
<b>Total liabilities</b>	<b>2,365,188</b>	<b>2,367,372</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	45,406,688	45,154,526
Retained earnings	9,484	1,123,021
<b>Total net assets</b>	<b>45,416,172</b>	<b>46,277,547</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 47,781,360</b>	<b>\$48,644,919</b>

**Franklin Municipal Water Utility**  
**Comparative Statement of Revenue, Expenditures,**  
**and Changes in Net Assets**  
**For the six months ending June 30, 2016 and 2015**

<b>Operating Revenue</b>	<b>2016</b>	<b>2015</b>
Total metered sales	2,325,895	2,272,743
Fire protection	324,864	325,616
Forfeited discounts, penalties and other	19,364	16,229
<b>Total Operating Revenue</b>	<b>2,670,123</b>	<b>2,614,588</b>
<b>Operating Expenditures</b>		
Operation and maintenance expenses:		
Source of supply	1,437,495	1,386,656
Pumping	56,496	66,905
Water treatment	1,404	1,952
Transmission and distribution	222,376	151,899
Customers' accounts	21,745	21,704
Administrative and general	245,290	172,854
Total operation and maintenance expenses	1,984,806	1,801,970
Depreciation	193,500	169,200
Amortization and Pension Expenses	65,334	
Taxes	561,241	562,247
<b>Total Operating Expenditures</b>	<b>2,804,881</b>	<b>2,533,417</b>
<b>Operating Income (Loss)</b>	<b>(134,758)</b>	<b>81,171</b>
<b>Non-Operating Revenue (Expenses)</b>		
Sundry	27,790	43,533
Interest on investments	1,217	2,244
Interest on long term debt	(17,694)	(7,607)
Depreciation - CIAC	(385,200)	(383,400)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(373,887)</b>	<b>(345,230)</b>
<b>Income before Capital Contributions</b>	<b>(508,645)</b>	<b>(264,059)</b>
<b>Capital Contributions-Developer &amp; Municipality</b>	<b>-</b>	<b>-</b>
<b>Net change in net assets</b>	<b>(508,645)</b>	<b>(264,059)</b>
<b>Net Assets, beginning of period</b>	<b>45,924,817</b>	<b>46,541,606</b>
<b>Net Assets, end of period</b>	<b>\$ 45,416,172</b>	<b>\$46,277,547</b>

**Franklin Municipal Water Utility**  
**Comparative Statement of Cash Flows**  
**For the six months ending June 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>Cash Flows from Operating Activities</b>		
Operating income (loss)	\$ (134,758)	\$ 81,171
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation & Amortization	258,834	169,200
(Increase) decrease in assets:		
Accounts receivable	(240,375)	(206,653)
Due from other funds	104,024	(1,408)
Taxes receivable	167,052	110,542
Prepaid expenses	4,039	-
Increase (decrease) in liabilities:		
Accounts payable	(751,472)	(746,800)
Accrued expenses	775,391	718,000
Due to other funds	(155,839)	27,622
Customer deposits	-	(100)
Total Adjustments	161,654	70,403
<b>Net Cash Provided (Used) by Operating Activities</b>	26,896	151,574
 <b>Cash Flows From Capital &amp; Related Financing Activities</b>		
Acquisition of capital assets	(141,553)	(630,244)
Interest paid on long term debt	(17,693)	(7,607)
Principal on long term debt	(55,000)	(55,000)
<b>Net Cash Provided (Used) in Capital and Financing Activities</b>	(214,246)	(692,851)
 <b>Cash Flows from Investing Activities</b>		
Interest, property rental & other income	29,007	45,777
<b>Net Change in Cash and Cash Equivalents</b>	(158,343)	(495,500)
<b>Cash and Cash Equivalents, beginning of period</b>	828,364	2,403,805
<b>Cash and Cash Equivalents, end of period</b>	\$ 670,021	\$ 1,908,305

**Franklin Municipal Water Utility**  
**Detailed Statement of Revenue, Expenditures**  
**and Changes in Net Assets**  
**For the six months ending June 30, 2016 and 2015**

Account Description	Annual Budget	Year to Date Budget	Current Year to Date	Prior Year to Date
<b>Operating Revenue</b>				
Metered Sales-Residential	\$ 2,964,100	\$ 1,396,652	\$ 1,329,512	\$ 1,284,214
Metered Sales-Commercial	797,000	385,751	291,299	319,947
Metered Sales-Industrial	403,300	199,504	219,987	187,916
Other Sales to Public Authority	292,800	147,760	128,092	124,260
Metered Sales-Multifamily	784,100	392,050	327,553	325,527
Metered Sales-Irrigation	24,000	12,000	29,452	30,879
<b>Total Metered Sales</b>	<b>5,265,300</b>	<b>2,533,716</b>	<b>2,325,895</b>	<b>2,272,743</b>
Unmetered Sales	5,000	1,644	3,173	660
Private Fire Protection	124,100	66,936	61,138	60,251
Public Fire Protection	540,100	279,383	263,726	265,365
Forfeited Discount	51,500	15,483	16,191	15,569
<b>Total Operating Revenue</b>	<b>\$ 5,986,000</b>	<b>\$ 2,897,162</b>	<b>\$ 2,670,123</b>	<b>\$ 2,614,588</b>
<b>Operating Expenditures</b>				
<b>Operation and maintenance expense</b>				
Source of Supply-Oper Labor	\$ 1,600	\$ 770	\$ 109	\$ 65
Operations Supplies & Expense	20,135	9,255	6,920	4,158
Wholesale Water	3,085,800	1,542,900	1,430,466	1,382,433
Maint of Water Source plant	5,000	2,214	-	-
<b>Source of Supply</b>	<b>3,112,535</b>	<b>1,555,139</b>	<b>1,437,495</b>	<b>1,386,656</b>
Pumping-Fuel	58,758	28,567	19,494	21,828
Pumping-Operations Labor	73,000	35,148	36,278	40,581
Pumping-Main Labor Pumping	2,000	963	73	1,171
Pumping-Main Expense Pumping	17,000	8,185	651	3,325
<b>Pumping</b>	<b>150,758</b>	<b>72,863</b>	<b>56,496</b>	<b>66,905</b>
Water Treat Chemicals	600	243	-	139
Water Treat Operation Labor	580	279	-	-
Water Treat Tests	15,000	6,579	1,404	1,448
Water Treat Maint Labor	500	241	-	98
Water Treat Maint Expenses	600	300	-	267
<b>Water Treatment</b>	<b>17,280</b>	<b>7,643</b>	<b>1,404</b>	<b>1,952</b>
Storage Software Maintenance	13,500	4,405	841	5,453
Trans & Distr Labor	35,961	17,315	7,724	13,162
Trans & distr Supp Exp	25,000	10,375	9,439	5,758
Trans & Distr Safety Supplies & Expense	4,000	557	1,289	335
Maint Labor-Distr Reservoir	10,000	4,815	53	179
Maint Expenses-Distr Reservoir	4,800	604	3,807	1,379
Maintenance Labor-Mains	17,300	8,330	4,269	6,364
Maintenance Expense-Mains	58,000	21,885	81,497	14,894
Locating Labor-Mains	12,500	6,019	5,308	5,230
Maint Labor-Services	24,000	11,556	11,783	11,552
Maint Expense-Services	80,000	34,786	44,751	23,772
Locating Labor-Services	12,500	6,019	6,211	5,125
Maint Labor-Meters	22,600	10,882	19,320	14,629
Maint Expenses-Meters	4,000	1,996	60	1,102
Maint Labor-Hydrants	32,000	15,407	8,298	17,089
Maint Expenses-Hydrants	55,000	14,694	1,157	5,219
Maint Labor-Plant	12,700	6,115	16,569	16,990
Maint Expenses-Plant	17,200	12,538	-	3,667
<b>Transmission &amp; Distribution</b>	<b>441,061</b>	<b>188,295</b>	<b>222,376</b>	<b>151,899</b>

**Franklin Municipal Water Utility**  
**Detailed Statement of Revenue, Expenditures**  
**and Changes in Net Assets**  
**For the six months ending June 30, 2016 and 2015**

<u>Account Description</u>	<u>Annual Budget</u>	<u>Year to Date Budget</u>	<u>Current Year to Date</u>	<u>Prior Year to Date</u>
Meter Reading Labor	8,840	4,256	1,646	978
Acct & Collection Labor	24,991	12,033	4,820	4,785
Acctg & Coll Payroll Exp	14,375	6,921	6,600	6,570
Supplies & Expense	8,200	4,100	4,817	4,057
Bank Fees	10,200	5,261	4,407	4,490
Uncollectible Accounts	2,500	1,303	(545)	824
<b>Customer Accounts</b>	<b>69,106</b>	<b>33,874</b>	<b>21,745</b>	<b>21,704</b>
Admin & General Payroll Exp	47,585	22,911	24,360	24,360
Office Supplies	1,800	900	458	357
Conferences/Dues/Subscriptions	6,500	3,251	3,453	1,495
Mileage	1,000	736	114	193
Outside Services	201,960	104,235	89,345	26,412
Insurance	25,400	9,237	12,690	12,480
Employee Leave Time & Benefits	184,101	88,641	96,962	97,441
Regulatory Commision Exp	7,250	142	5,130	-
Misc General Expense	1,000	28	18	-
Maintenance of General Plant	14,000	5,918	4,972	9,260
Transportation Expenses	22,500	10,872	7,788	856
<b>Administrative and general</b>	<b>513,096</b>	<b>246,871</b>	<b>245,290</b>	<b>172,854</b>
<b>Total Operation and Maintenance Expenditures</b>	<b>4,303,836</b>	<b>2,104,685</b>	<b>1,984,806</b>	<b>1,801,970</b>
Depreciation	386,850	197,891	193,500	169,200
Taxes-Property Tax Equivalent	1,100,000	553,444	550,200	550,200
Amortization	-	-	65,334	-
Taxes-FICA	25,719	12,049	11,041	12,047
<b>Total Operating Expenditures</b>	<b>5,816,405</b>	<b>2,868,069</b>	<b>2,804,881</b>	<b>2,533,417</b>
<b>Operating Income</b>	<b>\$ 169,595</b>	<b>\$ 29,093</b>	<b>\$ (134,758)</b>	<b>\$ 81,171</b>
<b>Non-Operating Revenue (Expenditures)</b>				
Interest Income	-	-	1,217	2,244
Misc Revenue	2,000	404	980	1,216
Interest on LTD	(34,138)	(17,069)	(17,694)	(7,607)
Water Property Rent	54,800	29,272	26,485	39,304
Other Water Revenue	3,000	1,695	325	3,013
<b>Total non-operating revenue</b>	<b>25,662</b>	<b>14,301</b>	<b>11,313</b>	<b>38,170</b>
<b>Income before capital contributions</b>	<b>\$ 195,257</b>	<b>\$ 43,394</b>	<b>\$ (123,445)</b>	<b>\$ 119,341</b>
Retained earnings - beginning	449,705	449,705	449,705	1,464,724
Transfer (to) from invested in capital assets	(1,735,680)	(867,840)	(316,776)	(461,044)
<b>Retained earnings - ending</b>	<b>\$ (1,090,718)</b>	<b>\$ (374,741)</b>	<b>\$ 9,484</b>	<b>\$ 1,123,021</b>
Capital contributions	750,000	-	-	-
Depreciation - CIAC	(770,400)	(385,200)	(385,200)	(383,400)
Transfer (to) from retained earnings	1,735,680	867,840	316,776	461,044
Change in net investment	(466,156)	(1,134,682)	(68,424)	77,644
Net investment in capital assets - beginning	45,475,112	45,475,112	45,475,112	45,076,882
<b>Net investment in capital assets - ending</b>	<b>\$ 45,008,956</b>	<b>\$ 44,340,430</b>	<b>\$ 45,406,688</b>	<b>\$ 45,154,526</b>
<b>Total net assets</b>	<b>\$ 43,918,238</b>	<b>\$ 43,965,689</b>	<b>\$ 45,416,172</b>	<b>\$ 46,277,547</b>

**City of Franklin**  
**Self Insurance Fund - Actives**  
**Balance Sheet**  
**June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments	\$ 3,212,850	\$ 2,787,115
Accounts receivable	743	12,561
Interfund advance receivable	275,000	1,088,000
Prepaid expenses	57,500	57,500
<b>Total Assets</b>	<b>\$ 3,546,093</b>	<b>\$ 3,945,176</b>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ -	\$ 36,868
Claims payable	270,500	370,500
Unrestricted net assets	3,275,593	3,537,808
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,546,093</b>	<b>\$ 3,945,176</b>

**City of Franklin Self Insurance Fund - Actives**  
**Statement of Revenue, Expenses and Fund Balance**  
**For the Six months ended June 30, 2016 and 2015**

<u>Revenue</u>	<u>2016</u>	<u>2016</u>	<u>2016</u>	<u>2015</u>
	<u>Budget</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>
		<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Medical Premiums-City	\$ 2,419,184	1,222,539	\$ 1,241,195	\$ 1,298,160
Medical Premiums-Employee	384,955	192,983	207,261	209,754
Other - Investment Income, etc.	56,004	28,002	43,749	37,424
Medical Revenue	<u>2,860,143</u>	<u>1,443,524</u>	<u>1,492,205</u>	<u>1,545,338</u>
Dental Premiums-City	112,600	47,832	53,502	52,650
Dental Premiums-Retirees	5,750	2,899	2,592	2,592
Dental Premiums-Employee	55,150	42,150	28,092	26,814
Dental Revenue	<u>173,500</u>	<u>92,881</u>	<u>84,186</u>	<u>82,056</u>
<b>Total Revenue</b>	<b><u>3,033,643</u></b>	<b><u>1,536,405</u></b>	<b><u>1,576,391</u></b>	<b><u>1,627,394</u></b>
<b>Expenditures:</b>				
<b>Active Employees-Medical</b>				
Medical claims - Current Year	2,275,000	889,468	808,765	663,704
Excess claims	600,000	234,585	-	-
Medical claims - Prior Year	-	-	251,951	194,432
Prescription drug claims	-	-	147,019	159,781
Refunds-Stop Loss Coverage	-	-	3,376	(11,697)
Total Claims-Actives	<u>2,875,000</u>	<u>1,124,053</u>	<u>1,211,111</u>	<u>1,006,220</u>
Medical Claim Fees	215,000	110,143	91,467	83,502
Memberships	-	-	3,120	3,180
Miscellaneous Wellness	18,876	5,064	9,836	7,922
Section 125 administration Fee	6,200	3,066	(227)	(1,156)
Stop Loss Premiums	675,000	348,985	324,260	305,320
ACA Fees	70,000	70,000	24,762	35,203
Total Medical Costs-Actives	<u>3,860,076</u>	<u>1,661,311</u>	<u>1,664,329</u>	<u>1,440,191</u>
<b>Active Employees-Dental</b>				
Dental claims - Current Year	150,000	70,573	73,178	72,980
Dental claims - Prior Year	2,000	1,948	12,260	9,846
Dental Claim Fees	12,000	6,119	6,110	4,568
Total Dental Costs-Actives	<u>164,000</u>	<u>78,640</u>	<u>91,548</u>	<u>87,394</u>
<b>Retirees-Dental</b>				
Dental claims - Current Year	5,200	2,205	6,042	1,456
Dental claims - Prior Year	900	672	668	627
Dental Claim Fees	200	109	93	89
Total Dental Costs-Retirees	<u>6,300</u>	<u>2,986</u>	<u>6,803</u>	<u>2,172</u>
Total Dental Costs	<u>170,300</u>	<u>81,626</u>	<u>98,351</u>	<u>89,566</u>
<b>Total Expenditures</b>	<b><u>4,030,376</u></b>	<b><u>1,742,937</u></b>	<b><u>1,762,680</u></b>	<b><u>1,529,757</u></b>
Revenue over (under) expenditures	(996,733)	<u>\$ (206,532)</u>	(186,289)	97,637
Net assets, beginning of year	<u>3,461,882</u>		<u>3,461,882</u>	<u>3,440,171</u>
Net assets, end of period	<u>\$ 2,465,149</u>		<u>\$ 3,275,593</u>	<u>\$ 3,537,808</u>

**City of Franklin**  
**City of Franklin Post Employment Benefits Trust**  
**Balance Sheet**  
**June 30, 2016 and 2015**

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash and investments	\$ -	\$ -
Investments held in trust - Fixed Inc	1,301,335	1,180,723
Investments held in trust - Equities	3,536,696	3,598,128
Accounts receivable	14,077	17,763
Due from Water Utility	-	-
<b>Total Assets</b>	<b><u>\$ 4,852,108</u></b>	<b><u>\$ 4,796,614</u></b>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ -	\$ 20,255
Claims payable	45,000	57,482
Due to City	169,781	103,194
Net assets held in trust for post emp	4,637,327	4,615,683
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 4,852,108</u></b>	<b><u>\$ 4,796,614</u></b>

**City of Franklin Post Employment Benefits Trust**  
**Statement of Revenue, Expenses and Fund Balance**  
**For the Six months ended June 30, 2016 and 2015**

<u>Revenue</u>	<u>2016</u> <u>Year-to-Date</u> <u>Actual</u>	<u>2015</u> <u>Year-to-Date</u> <u>Actual</u>
ARC Medical Charges - City	\$ 116,813	\$ 93,710
Medical Charges - Retirees	62,700	62,751
Implicit Rate Subsidy	14,024	92,986
Interest Income	-	-
<b>Medical Revenue</b>	<b><u>193,537</u></b>	<b><u>249,447</u></b>
<b>Expenditures:</b>		
<b>Retirees-Medical</b>		
Medical claims - Current Year	63,283	220,374
Medical claims - Prior Year	33,289	25,026
Prescription drug claims	46,165	43,171
Refunds-Stop Loss Coverage	2,777	(68,124)
<b>Total Claims-Retirees</b>	<b><u>145,514</u></b>	<b><u>220,447</u></b>
Medical Claim Fees	8,342	4,224
Stop Loss Premiums	37,412	21,520
Miscellaneous Expense	255	225
ACA Fees	2,014	3,031
<b>Total Medical Costs-Retirees</b>	<b><u>193,537</u></b>	<b><u>249,447</u></b>
Revenue over (under) expenditures	-	-
Annual Required Contribution-Net	(9,802)	98,574
Other - Investment Income, etc.	129,144	98,870
<b>Total Revenues</b>	<b><u>119,342</u></b>	<b><u>197,444</u></b>
<b>Net Revenues (Expenditures)</b>	<b>119,342</b>	<b>197,444</b>
<b>Net assets, beginning of year</b>	<b><u>4,517,985</u></b>	<b><u>4,418,239</u></b>
<b>Net assets, end of period</b>	<b><u>\$ 4,637,327</u></b>	<b><u>\$ 4,615,683</u></b>

**City of Franklin  
Park Commission  
Statement of Revenue and Expenses  
For the Six months ended June 30, 2016**

	2016 Adopted Budget	2016 Year-to-Date Budget	Current Year-to-Date Totals	2015 Year-to-Date Totals
<b>General Fund Operating Expenses:</b>				
Personal Services	\$ 118,261	\$ 61,210	\$ 56,056	\$ 54,336
Park Maintenance	16,000	5,961	6,885	6,979
Uniforms	250	112	-	20
Allocated insurance	4,900	2,526	2,450	2,450
Mileage	500	109	357	66
Utilities	8,000	3,295	2,906	2,213
<b>Total Operating Fund Expenses</b>	<b>\$ 147,911</b>	<b>\$ 73,213</b>	<b>\$ 68,654</b>	<b>\$ 66,064</b>
<b>Capital Outlay Fund Expenses:</b>				
Landscaping-Park/Tree Maint	\$ 1,000	\$ 500	\$ 112	\$ 300
Park Improvements-Development	2,169	-	2,169	1,348
Park Equipment & Supplies	28,000	4,447	3,772	46
<b>Total Capital Outlay Expenditures</b>	<b>\$ 31,169</b>	<b>\$ 4,947</b>	<b>\$ 6,053</b>	<b>\$ 1,694</b>
<b>Development Fund Expenses:</b>				
Appraisal services	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Improvement Fund	420,953	28,280	127,172	107,930
<b>Total Capital Improvement Expenditures</b>	<b>420,953</b>	<b>28,280</b>	<b>127,172</b>	<b>107,930</b>
<b>Capital Improvement Fund Expenses:</b>				
General Park Development	\$ 892,209	\$ 446,105	\$ -	\$ -
Equipment Kayla's Playground	24,280	-	25,160	-
Franklin Historical Society Barn	20,000	-	-	-
Pleasant View Park - Improvements	-	-	-	50,134
Kayla's Playground - Franklin Woods	150,941	-	135,755	259,280
Pedestrian Walkway - College Ave 27 to 35	359,100	175,000	128,110	-
Pleasant View/Victory Creek Trail	37,000	-	27,600	-
Southbrook Trail	4,463	-	4,463	-
Playground Equipment-Neighborhood Parks	-	-	-	50,000
Ernie Lake Park - Park Equipment	-	-	-	5,980
Kayla's Playground - Park Equipment & Supp	-	-	339	-
River Park Trail Bridge	103,631	-	103,631	-
<b>Total Capital Improvement Expenditures</b>	<b>1,591,624</b>	<b>621,105</b>	<b>425,058</b>	<b>365,394</b>
Less Impact Fees Transfer	-	-	-	-
<b>Amount Due From Impact Fees</b>	<b>\$ 1,591,624</b>	<b>\$ 621,105</b>	<b>\$ 425,058</b>	<b>\$ 365,394</b>

07/20/2016

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS FOR CITY OF FRANKLIN  
Period Ending 06/30/2016

GL Number	FUND 16 LIBRARY- RESTRICTED FUND	FUND 20 FIRE DEPT GRANT FUND	FUND 24 ST MARTINS FAIR FUND	FUND 25 HEALTH DEPT GRANT FUND	FUND 26 OTHER GRANTS	FUND 28 DONATIONS FUND	FUND 29 CELEBRATIO NS FUND	TOTAL
REVENUES								
INTERGOVERNMENTAL	\$ -	\$ -	\$ -	(79)	\$ -	\$ -	\$ -	(79)
LICENSES & PERMITS	-	-	5,230	-	-	-	-	5,230
CHARGES FOR SERVICES	4,250	-	-	-	-	-	-	4,250
MISCELLANEOUS REVENUE	51,531	-	-	1,050	-	53,611	15,225	121,418
INVESTMENT EARNINGS	56	-	-	179	-	-	-	235
Total Revenues	55,838	-	5,230	1,150	-	53,611	15,225	131,055
EXPENDITURES								
UNCLASSIFIED	-	-	-	25,138	-	-	-	25,138
PUBLIC SAFETY	-	2,591	-	-	-	12,061	-	14,652
HEALTH & HUMAN SERVICES	-	-	-	-	-	507	-	507
CULTURE & RECREATION	28,895	-	1,315	-	-	(141)	66,079	96,147
Total Expenditures	28,895	2,591	1,315	25,138	-	12,427	66,079	136,444
Excess (deficiency) of Revenues vs. Expenditures	57,790	5,182	2,629	50,275	-	24,854	132,158	272,889
OTHER FINANCING USES								
CAPITAL OUTLAY	18,135	-	-	-	16,465	2,413	-	37,014
Total OTHER FINANCING USES	18,135	-	-	-	16,465	2,413	-	37,014
Net Change in Fund Balance	8,808	(2,591)	3,915	(23,988)	(16,465)	38,771	(50,854)	(42,403)
Fund Balance - Beginning:	117,024	13,583	(12,712)	148,694	(2,275)	133,678	47,736	445,730
Fund Balance - Ending:	125,832	10,992	(8,796)	124,707	(18,740)	172,449	(3,119)	403,326

7/20/2016

Findata: Qtrrpt Minor Funds 2Q16

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<b>APPROVAL</b> <i>Slw</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>8/2/16</b>
<b>LICENSES AND PERMITS</b>	<b>MISCELLANEOUS LICENSES</b>	<b>ITEM NUMBER</b> <b>H.1.</b>

See attached list from meeting of August 2, 2016.

**COUNCIL ACTION REQUESTED**



**City of Franklin**

9229 W. Loomis Road  
Franklin, WI 53132-9728

414-425-7500

**License Committee  
Agenda\*  
Aldermen's Room  
August 2, 2016 – 5:30 pm**

<b>1.</b>	<b>Call to Order &amp; Roll Call</b>	<b>Time:</b>		
<b>2.</b>	<b>Applicant Interviews &amp; Decisions</b>			
<b>License Applications Reviewed</b>		<b>Recommendations</b>		
<b>Type/ Time</b>	<b>Applicant Information</b>	<b>Approve</b>	<b>Hold</b>	<b>Deny</b>
<b>Premise Description Change for Class B License 5:35 p.m.</b>	<b>Three Cellars</b> 7133 S 76 <sup>th</sup> St Franklin, WI 53132 Shawn Vollmer, Agent/Owner			
<b>Operator – New 2016-17 5:40 p.m.</b>	<b>Jessica M Curler</b> S77W18513 Janesville Rd, #A5 Muskego, WI 53150 Swiss Street Pub & Grill			
<b>Operator – New 2016-17 5:45 p.m.</b>	<b>Beth A Potrykus</b> 7134 Brunn Dr Franklin, WI 53132 Target Store			
<b>Operator – Renewal 2016-17 5:50 p.m.</b>	<b>Jonah T Spaay</b> 5819 Dale Ln Greendale, WI 53129 Point After Pub & Grill			
<b>Extraordinary Entertainment &amp; Special Event 5:55 p.m.</b>	<b>Rock Sports Complex</b> Person in Charge: Joe Zimmerman Location: 7900 W Crystal Ridge Rd Event: Warrior Dash Date of Event: August 13, 2016			
<b>Operator – New 2016-17</b>	<b>Heather A Bandle</b> 10380 W Plum Tree Cir., #204 Hales Corners, WI 53130 Landmark			
<b>Operator – New 2016-17</b>	<b>Amanda E Brown</b> 3822 E Van Norman Ave Cudahy, WI 53110 Milwaukee Burger Company			
<b>Operator – New 2016-17</b>	<b>Ekrem Dilaveri</b> 4360 W Victory Creek Dr Franklin, WI 53132 Mulligan's Irish Pub & Grill			
<b>Operator – New 2016-17</b>	<b>Gloria J Grabarczyk</b> 7467 S 69 <sup>th</sup> St Franklin, WI 53132 Franklin Lioness Club			
<b>Operator – New 2016-17</b>	<b>Joseph P Hanrahan Sr</b> 3430 Peppergrass Ct Green Bay, WI 54311 Franklin Lions Club			
<b>Operator – New 2016-17</b>	<b>Candace M Hein</b> 8501 W Cascade Oaks Ct Franklin, WI 53132 Michaelangelo's Pizza			

Type/ Time	Applicant Information	Approve	Hold	Deny
Operator – New 2016-17	<b>Katie A Hertel</b> 10512 W Cortez Cir., #23 Franklin, WI 53132 Rock Sports Complex			
Operator – New 2016-17	<b>Nicole L LaPlante</b> 2582 N Stowell Ave., Apt. O Milwaukee, WI 53211 Walgreen #05884			
Operator – New 2016-17	<b>David P Lindner</b> 4007 W Acre Ave Franklin, WI 53132 Franklin Lions Club			
Operator – New 2016-17	<b>Samantha A Michalski</b> 2249 S 34 <sup>th</sup> St Milwaukee, WI 53215 Walgreen #05884			
Operator – New 2016-17	<b>Cecilia L Rodriguez</b> 517 W Madison St Milwaukee, WI 53204 Walgreen #05884			
Operator – New 2016-17	<b>Avni N Shah</b> 3468 Oak Tree Ln Racine, WI 53405 Walgreen #05884			
Temporary Class B Beer	<b>Franklin Lioness Club</b> Person in Charge: Gloria Grabarczyk Event: St Martins Fair Event Date: Sept. 4 <sup>th</sup> & 5 <sup>th</sup> , 2016			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	<b>Disabled American Veterans</b> Fee Waiver: St Martin's Fair - Permit Fee Date: 09/04 – 9/5/16 Location: St Martin's Fair			
<b>3.</b>	<b>Adjournment</b>			
		Time		

\*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

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<b>APPROVAL</b> <i>slw BR</i>	<b>REQUEST FOR COUNCIL ACTION</b>	<b>MEETING DATE</b> <b>8/02/16</b>
<b>Bills</b>	<b>Vouchers and Payroll Approval</b>	<b>ITEM NUMBER</b> <b>I. 1</b>

Attached are vouchers dated July 15, 2016 through August 1, 2016 Nos. 161558 through Nos. 161733 the amount of \$ 1,579,664.00. Included in this listing are EFT's Nos. 3216 through Nos. 3228 and Library vouchers totaling \$12,300.60. Voided checks in the amount of \$ (2,225.00) are separately listed.

Early release disbursements dated July 15, 2016 through July 28, 2016 under Resolution 2013-6920 in the amount of \$ 541,401.14 are provided on a separate listing and are also included on the complete disbursement listing.

The net payroll dated July 22, 2016 is \$ 394,279.10 previously estimated at \$ 393,700.00. Payroll deductions for July 22, 2016 are \$ 388,389.65 previously estimated at \$ 372,400.00.

The estimated payroll for August 5, 2016 is \$ 359,000.00 with estimated deductions and matching payments of \$ 206,000.00.

Attached is a list of property tax refunds and investments Nos. 16407 and EFT Nos. 110 through Nos. 111 dated July 15, 2016 through July 28, 2016 in the amount of \$ 8,400,119.87. These payments have been released as authorized under Resolution 2013-6920. Voided checks in the amount of \$ (28.45) are separately listed.

Inspection Department vouchers pending department head approval in the amount of \$1,203.48. Vouchers include payments to Lant \$120, Napa \$127.87, Office Copying \$61.54, Schmitt Electric \$240, Sharp Electronics \$171.81, Southside Tire \$467.80 and Staples \$14.46.

**COUNCIL ACTION REQUESTED**

Motion approving net general checking account City vouchers in the range of Nos. 161558 through Nos. 161733 in the amount of \$ 1,579,664.00 dated July 15, 2016 through August 1, 2016.

Motion approving the net payroll dated July 22, 2016 in the amount of \$ 394,279.10 and payments of the various payroll deductions in the amount of \$ 388,389.65 plus any City matching payments, where required.

Motion approving the estimated net payroll dated August 5, 2016 in the amount of \$ 359,000.00 and payments of the various payroll deductions in the amount of \$ 206,000.00 plus any City matching payments, where required.

Motion approving property tax refunds and investments Nos. 16407 and EFT Nos. 110 through Nos. 111 in amount of \$ 8,400,119.87 dated July 15, 2016 through July 28, 2016.

Motion approving Inspection Department vouchers in the amount of \$1,203.48.