

## CAPITAL PROJECTS FUNDS

The 2008 capital budgets were requested from the departments in May with a due date to be returned of June 29<sup>th</sup>. Amounts are assumed to be purchased during that year they have been budgeted.

**Capital Outlay Fund** – This fund is the primary fund used to account for new departmental capital outlays. These expenditures are funded by the tax levy and are under the direction of the department supervisor.

**Equipment Replacement Fund** - This fund is used to account for the rolling stock replacement program, which accumulates annual funding (from property taxes) for the replacement of vehicles and similar equipment in lieu of using borrowed monies.

**Street Improvement Fund** - This fund is used to account for the activities of the local road improvement program. Funding is provided by the tax levy and a every other year local road improvement grant from the State.

**Capital Improvement Fund** - This fund is used to account for land acquisitions, building projects and all public works projects and are usually funded with borrowed money or funding from some source other than the tax levy.

The Debt Service Fund supports the Capital Project Funds

**Debt Service Fund** - This fund is used to account for general obligation debt issued by the City to support the capital construction projects undertaken. Funding comes from tax levy, Special assessments collections, Impact fees and other sources.

# **CITY OF FRANKLIN**

## **CAPITAL OUTLAY FUND**

The projected 2011 tax levy for this fund of \$480,000 was slightly increased from the 2010 tax levy amount. However, based upon the last several years experience that level is not a sustainable level that can meet the needs of the community for capital outlays on an ongoing basis. The departmental requests of about \$984,000 for 2010 were about the same as the prior year. In 2010 55% of the requests were able to be funded. The largest amounts of unfunded requests were in the Information Services, Municipal Buildings, Police, Fire and Building Inspection Departments. The recommended amounts reflected the Mayor's decisions after recommendations from the department heads to reduce the departmental requests to the revenue available.

Capital assets are purchases of assets that are reasonably expected to last more than 12 months and benefit multiple years. Included in this category are all new capital assets and replacement capital assets that do not meet the criteria for inclusion in the equipment replacement program. Those capital assets that exceed the capitalization policy limits will be capitalized and depreciated over the estimated useful life of the asset.

The yearly amount to be funded for Capital Outlay requests is based on the requests of the departments and it is the intention that although the items purchased will vary each year the amount of the purchases and therefore the total tax levy will be approximately the same amount from year to year. The goal in this fund is to increase the tax levy by the amount of new growth in the City.

Monies for capital outlay purchases are obtained via the property tax levy, sale proceeds of retired capital assets other than those eligible for replacement in the Equipment Revolving Fund, investment earnings on unspent monies and any unspent funds from prior years.

New equipment requests must be made as part of the Capital Outlay Fund and are not eligible in the Equipment Revolving Fund. The Equipment Revolving Fund provides for replacement of major equipment.

CITY OF FRANKLIN 2011 BUDGET		2008 Actual	2009 Actual	2010 Amended	2010 YTD 6/30/2010	2010 Estimate	2011 Dept/Request	2011 Proposed	2011 Adopted	Percent Change
<b>CAPITAL OUTLAY FUND</b>										
<b>REVENUE</b>										
GENERAL PROPERTY TAXES	41.0000.4011	475,000	475,000	475,000	475,000	475,000	480,000	380,000	380,000	-20.0%
GRANTS	41.0000.4157	0	17,683	0	4,212	0	0	0	0	
LANDFILL SITING	41.0000.4493							100,000	100,000	
INTEREST ON INVESTMENTS	41.0000.4711	20,164	14,138	10,000	5,524	10,000	10,000	10,000	10,000	
INVESTMENT GAINS/LOSSES	41.0000.4713	5,357	1,219	0	-195	0	0	0	0	
PROPERTY SALES	41.0000.4751	29,132	29,025	30,000	500	15,000	45,000	45,000	45,000	
MISCELLANEOUS REVENUE	41.0000.4799	0	297	0	0	0	0	0	0	
TRANSFER FROM OTHER FUNDS	41.0000.4830	0	0	110,970	0	110,970	0	0	0	
TRANSFER FROM GENERAL FUND	41.0000.4834	0	0	0	0	0	0	0	0	
<b>TOTAL CAPITAL OUTLAY FUND REVENUE</b>		<b>529,652</b>	<b>537,362</b>	<b>625,970</b>	<b>485,041</b>	<b>610,970</b>	<b>535,000</b>	<b>535,000</b>	<b>535,000</b>	<b>-6.1%</b>
<b>EXPENDITURES</b>										
General Government:										
Mayor	41-102	0	0	0	0	0	0	0	0	
Aldermen	41-102	0	0	3,800	3,731	3,800	0	0	0	
Municipal Court	41-121	0	3,378	0	26	0	35,000	35,000	35,000	
City Clerk	41-141	0	130	0	0	0	4,700	4,700	4,700	
Elections	41-142	0	0	0	0	0	0	0	0	
Information Services	41-144	61,801	42,894	42,700	14,735	42,700	62,900	61,400	61,400	
Administration	41-147	3,658	1,033	3,600	0	3,600	2,250	2,250	2,250	
Finance	41-151	3,971	3,258	9,000	141	9,141	4,000	4,600	4,600	
Assessor	41-154	919	0	1,500	0	1,500	1,250	1,250	1,250	
Municipal Buildings	41-181	11,497	0	4,600	0	4,600	6,350	6,350	6,350	
<b>Total General Government</b>		<b>81,847</b>	<b>50,693</b>	<b>65,200</b>	<b>18,633</b>	<b>65,341</b>	<b>116,450</b>	<b>115,550</b>	<b>115,550</b>	<b>104.9%</b>
Public Safety:										
Police	41-211	321,486	276,643	274,257	129,968	274,257	534,764	372,200	372,200	
Fire	41-221	42,334	52,366	135,700	33,454	128,483	76,500	64,000	64,000	
Building Inspection	41-231	2,741	0	5,550	3,624	5,550	7,500	5,000	5,000	
<b>Total Public Safety</b>		<b>366,561</b>	<b>328,999</b>	<b>415,507</b>	<b>167,046</b>	<b>408,290</b>	<b>618,764</b>	<b>441,200</b>	<b>441,200</b>	<b>60.1%</b>
Public Works:										
Engineering	41-321	13,666	9,439	14,500	2,891	14,500	30,000	20,000	0	
Highway	41-331	43,595	103,517	74,422	41,472	74,422	49,870	49,850	49,850	
Street Lighting	41-351	0	0	0	0	0	0	0	0	
<b>Total Public Works</b>		<b>57,261</b>	<b>112,956</b>	<b>88,922</b>	<b>44,363</b>	<b>88,922</b>	<b>79,870</b>	<b>69,850</b>	<b>49,850</b>	<b>-36.8%</b>
Health and Human Services:										
Public Health	41-411	0	0	0	0	0	0	0	0	
<b>Total Health and Human Services</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
Culture and Recreation:										
Parks	41-551	18,941	14,872	15,000	6,870	15,000	17,000	17,000	17,000	
<b>Total Culture and Recreation</b>		<b>18,941</b>	<b>14,872</b>	<b>15,000</b>	<b>6,870</b>	<b>15,000</b>	<b>17,000</b>	<b>17,000</b>	<b>17,000</b>	<b>13.3%</b>
Conservation and Development:										
Planning	41-621	3,589	217	2,200	0	2,200	1,800	1,800	1,800	
<b>Total Conservation and Development</b>		<b>3,589</b>	<b>217</b>	<b>2,200</b>	<b>0</b>	<b>2,200</b>	<b>1,800</b>	<b>1,800</b>	<b>1,800</b>	<b>-18.2%</b>
Capital Outlay Contingency		0		81,000		0				
<b>Total Capital Outlay Expenditures</b>		<b>528,200</b>	<b>507,737</b>	<b>667,829</b>	<b>236,912</b>	<b>579,753</b>	<b>833,884</b>	<b>645,400</b>	<b>625,400</b>	<b>15.1%</b>
Excess of revenue over expenditures		1,452	29,625	-41,859	248,129	31,217	-298,884	-110,400	-90,400	
Fund Balance, Beginning of Period		308,740	310,192	339,817	297,958	310,192	341,409	341,409	341,409	
<b>Fund Balance, End of Period</b>		<b>310,192</b>	<b>339,817</b>	<b>297,958</b>	<b>546,087</b>	<b>341,409</b>	<b>42,525</b>	<b>231,009</b>	<b>251,009</b>	

The individual items requested can be found in the departmental presentations.

# CITY OF FRANKLIN

## EQUIPMENT REVOLVING FUND

The Equipment Revolving Fund, established in 1996, provides resources for the replacement of rolling stock and similar equipment. Monies for purchases are obtained via the property tax levy, sale proceeds of retired rolling stock and investment earnings on monies in the revolving fund. A minimum purchase amount (\$20,000) and minimum life (seven years) are required for assets to be replaced from this fund. Expenditures for vehicle purchases fluctuate on an annual basis, depending on the need for replacement and condition of vehicles scheduled for replacement.

For 2010 the scheduled equipment revolving funding requests exceed the tax levy and other revenue expected to be received. This is the fourth year that expenditures have exceeded revenues. The fund balance has declined during this period and is projected to decline to the \$1.046 million dollar level in 2011. An increase in the fund balance over the next four years is projected and then further declining to the \$500 Thousand area over the next five years. The expected replacements over the next six years are as follows:

2011 – \$248,347	2012 – \$825,316	2013 – \$337,346
2014 – \$297,834	2015 – \$302,595	2016 – \$805,729

The actual amount requested for 2011 is \$300,700 which means \$446,439 of replacements requests were deferred until following years.

A goal of the program is to keep a relatively constant annual tax levy increased by the growth realized in the City. It became necessary to decrease the 2009 tax levy in this fund by \$50,000 due to economic circumstances. The levy is projected to remain at that amount for 2011. The higher level of projected expenses will result in a draw down of fund balance. It will be necessary to restore tax levy support to this fund to avoid a long term deterioration of this fund.

Caution and planning needs to be exercised when additional equipment is added to the fund since these additions will impact future funding needs. The fund balance at the end of 2010 is expected to be about 13% of the replacement cost of the assets in the program. The projection shows the fund balance declining to about 10% of replacement cost by the end of 2011. The percentage is expected to stabilize at that level during the next few years and without a revenue increase decline to the 4 to 6% level during the following five years.

The replacement cost is estimated using recent acquisition costs plus an inflation factor. Costs of vehicles replaced to date under the program have been in line with the estimated replacement cost. The yearly amount to be funded was to be based on the annual depreciation cost for the equipment in place and used by the City. The funding formula has not been achieved in recent years. The challenge will be to fund the replacement of the larger cost items.

Should one time funds become available Council should consider making transfers to this fund to reduce the need for future increases in tax levy for this fund.

CITY OF FRANKLIN 2011 BUDGET		2008 Actual	2009 Actual	2010 Amended	2010 YTD 6/30/2010	2010 Estimate	2011 Dept/Request	2011 Proposed	2011 Adopted	Percent Change
<b>EQUIPMENT REVOLVING FUND</b>										
<b>REVENUE</b>										
GENERAL PROPERTY TAXES	42.0000.4011	327,000	277,000	277,000	277,000	277,000	280,000	130,000	130,000	-53.1%
LANDFILL SITING	42.0000.4493							150,000	150,000	
INTEREST ON INVESTMENTS	42.0000.4711	41,934	33,700	51,000	13,799	45,000	51,000	51,000	51,000	
INVESTMENT GAINS/LOSSES	42.0000.4713	11,140	2,906	0	-488	0	0	0	0	
INTERFUND INTEREST	42.0000.4716	26,374	15,126	0	1,841	0	0	0	0	
PROPERTY SALES	42.0000.4751	39,373	13,140	10,000	18,713	10,000	10,000	10,000	10,000	
MISCELLANEOUS REVENUE	42.0000.4799	0	0	0	2,000	0	0	0	0	
<b>TOTAL EQUIPMENT REVOLVING FUND REVENUE</b>		<b>\$445,821</b>	<b>\$341,872</b>	<b>\$338,000</b>	<b>\$312,865</b>	<b>\$332,000</b>	<b>\$341,000</b>	<b>\$341,000</b>	<b>\$341,000</b>	<b>0.9%</b>
<b>EXPENDITURES</b>										
<b>CAPITAL OUTLAY</b>										
MUNICIPAL BUILDINGS AUTO EQUIPMENT	42.181.0000.5811	0	0	0	0	0	0	0	0	
POLICE DEPARTMENT AUTO EQUIPMENT	42.211.0000.5811	34,576	37,333	0	0	0	0	0	0	
FIRE DEPARTMENT AUTO EQUIPMENT	42.221.0000.5811	48,562	117,481	145,000	146,607	146,607	0	0	0	
BUILDING INSPECTION AUTO EQUIPMENT	42.231.0000.5811	0	0	0	0	0	75,000	50,000	50,000	
ENGINEERING AUTO EQUIPMENT	42.321.0000.5811	0	0	0	0	0	0	0	0	
PUBLIC WORKS AUTO EQUIPMENT	42.331.0000.5811	452,120	464,718	318,000	21,300	318,000	225,700	226,000	226,000	
<b>TOTAL EQUIPMENT REVOLVING FUND EXPENDITURES</b>		<b>535,257</b>	<b>619,533</b>	<b>463,000</b>	<b>167,907</b>	<b>464,607</b>	<b>300,700</b>	<b>276,000</b>	<b>276,000</b>	<b>-45.9%</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>		<b>-89,436</b>	<b>-277,661</b>	<b>-125,000</b>	<b>144,958</b>	<b>-132,607</b>	<b>40,300</b>	<b>65,000</b>	<b>65,000</b>	
<b>FUND BALANCE, BEGINNING OF PERIOD</b>		<b>1,941,718</b>	<b>1,852,282</b>	<b>1,574,621</b>	<b>1,574,621</b>	<b>1,574,621</b>	<b>1,442,014</b>	<b>1,442,014</b>	<b>1,442,014</b>	
<b>FUND BALANCE, END OF PERIOD</b>		<b>\$1,852,282</b>	<b>\$1,574,621</b>	<b>\$1,449,621</b>	<b>\$1,719,579</b>	<b>\$1,442,014</b>	<b>\$1,482,314</b>	<b>\$1,507,014</b>	<b>\$1,507,014</b>	

City of Franklin  
 Equipment Revolving Fund  
 Listing of Equipment Proposed to be Acquired - 2011

<u>Description</u>	<u>Amount</u>	<u>Replaces: Vehicle No.</u>	<u>Description</u>
Building Inspection Department Vehicle	25,000		1997 Vehicle
Vehicle	<u>25,000</u>		1997 Vehicle
	50,000		
Highway Department Single Axle Dump w/ Plow. Wing & Salt Spreader	155,000	736	1992 Ford Single axle Dump Truck w/plow & salt spreader
One Ton Dump Truck w/ Plow. Wing & Salt Spreader	71,000	746	1999 Ford 450 One Ton Dump Truck w/plow & salt spreader
Total Highway Department	<u>226,000</u>		
Total 2011 Equipment Acquisitions	<u><u>\$276,000</u></u>		

**City of Franklin  
Equipment Revolving Fund  
For Replacement of Rolling Stock  
Next Six Years**

Dept	#	Model	Historical Cost	Current Replacement Cost	Life	Purchase Year	Replace Year	Replacement Cost @ 3% Inflation	
Highway	719	1997 Chevrolet K2500 Pick up Truck	\$23,378	\$33,331	13	1997	2010	\$34,331	\$32,000
Highway	735	1991 Ford 8000 Single Axle 5 yd dump w/plow	\$65,000	\$110,658	19	1991	2010	\$113,978	\$138,000
Highway	737	1992 Ford L8000 Tandem Axle Dump w/plow *	\$48,824	\$121,120	18	1992	2010	\$124,754	\$148,000
Fire	219	2001 Ford Ambulance	\$90,000	\$114,009	9	2001	2010	\$117,430	\$145,000
									\$463,000
Highway	736	1992 Ford 8000 Single Axle 5 yd dump w/plow *	\$36,546	\$107,278	19	1992	2011	\$113,811	
Highway	746	1999 Ford F450 One Ton Dump	\$33,681	\$45,264	12	1999	2011	\$48,021	
Inspect	771	1997 Jeep Cherokee *	\$17,752	\$27,065	14	1997	2011	\$28,713	
Inspect	775	1997 Jeep Cherokee *	\$15,752	\$27,065	14	1997	2011	\$28,713	
Inspect	774	1998 Jeep	\$19,808	\$27,419	13	1998	2011	\$29,089	\$248,347
Highway	22	PB Slip-in Pot Hole Patcher -used *	\$6,000	\$25,336	20	1992	2012	\$27,685	
Highway	747	2000 Ford F450 One-Ton Dump Truck	\$34,389	\$44,870	12	2000	2012	\$49,030	
Highway	709	2000 New Holland 180LS Skid Steer	\$33,743	\$44,027	12	2000	2012	\$48,109	
Highway	716	1985 Case International 585 Tractor/Mower	\$27,000	\$51,735	25	1987	2012	\$56,532	
Highway	-	2000 Ransom Large Mower (Municipal Bldg)	\$35,973	\$46,937	12	2000	2012	\$51,289	
Highway	738	1993 Ford 8000 Single Axle 5 yd dump w/plow	\$61,035	\$97,943	19	1993	2012	\$107,025	
Highway	739	1993 Ford 8000 Single Axle 5 yd dump w/plow	\$61,035	\$97,943	19	1993	2012	\$107,025	
Highway	05	2001 Vermeer 1800 Brush Chipper	\$25,135	\$31,840	11	2001	2012	\$34,793	
Inspect	776	1998 Jeep	\$19,808	\$27,419	14	1998	2012	\$29,961	
Inspect	772	1999 Ford Explorer	\$23,099	\$31,043	13	1999	2012	\$33,922	
Inspect	770	1999 Ford Explorer	\$23,099	\$31,043	13	1999	2012	\$33,922	
Inspect	773	2003 Ford Explorer	\$21,623	\$25,819	9	2003	2012	\$29,995	
Eng	753	2004 Dodge Intrepid	\$14,550	\$17,373	9	2003	2012	\$25,109	
Eng	754	2001 Chevrolet Venture	\$20,000	\$25,335	11	2001	2012	\$27,685	
Fire	220	1999 Chevy Command Vehicle	\$28,792	\$38,694	13	1999	2012	\$42,282	
Fire	281	2002 Ford Ambulance - Med Unit	\$90,000	\$110,689	10	2002	2012	\$120,952	\$825,316
Highway	740	1995 Ford LTS8000 Tandem Axle Dump w/plow	\$79,912	\$120,874	18	1995	2013	\$136,045	
Highway	725	2002 John Deere Skid Steer	\$25,108	\$30,880	11	2002	2013	\$34,755	
Highway	16	Trail Boss 20 Ton Equipment Trailer	\$13,550	\$18,756	15	1998	2013	\$21,110	
Highway	17	Sicard Snow Blower *	\$10,800	\$48,448	34	1979	2013	\$54,529	
Fire	207	1996 Ford F350 Grass Fire Truck	\$55,000	\$80,769	17	1996	2013	\$90,907	\$337,346
Highway	741	1996 Ford LTS8000 Tandem Axle Dump w/plow	\$79,668	\$116,995	18	1996	2014	\$135,629	
Highway	777	2002 Ford Ranger Pickup Truck fm Inspection	\$20,010	\$24,610	12	2002	2014	\$36,266	
Fire	283	2004 Ford Ambulance	\$93,710	\$108,636	10	2004	2014	\$125,938	\$297,834
Highway	712	1985 Beuthling B100 1 1/2 ton roller *	n/a	\$9,690	25	1990	2015	\$11,570	
Highway	702	1985 Oshkosh heavy duty snow plow *	\$101,126	\$166,108	30	1985	2015	\$198,342	
Highway	06	2003 Vermeer BC 1800 Brush Chipper	\$21,855	\$26,096	12	2003	2015	\$31,160	
Eng	755	2003 Chevrolet Suburban	\$28,869	\$34,471	12	2003	2015	\$39,172	
Fire	217a	1995 Wells Cargo Haz-Mat Trailer	\$12,375	\$18,718	20	1995	2015	\$22,351	\$302,595
Highway	706	1992 Ingersoll Rand 575T Paver Self propelled *	\$22,500	\$110,739	20	1996	2016	\$136,195	
Highway	718	2001 Caterpillar 312C Hydraulic Excavator	\$122,900	\$155,686	15	2001	2016	\$191,474	
Highway	714	1998 John Deere 624H Front End Loader	\$140,568	\$194,579	18	1998	2016	\$239,308	
Fire	211	2006 Ford Ambulance-Med Unit w Cot	\$116,192	\$126,966	10	2006	2016	\$156,152	
Fire	225	2004 Chevy Silverado 2500	\$24,227	\$28,086	12	2004	2016	\$34,542	
Fire	221	2004 GMC PFR Truck	\$33,707	\$39,076	12	2004	2016	\$48,058	\$805,729

# CITY OF FRANKLIN

## STREET IMPROVEMENT FUND

Funding for the street improvement program comes from two sources: an every other year state grant of \$75,000 for Local Road Improvements and the property tax levy. The goal is to increase the tax levy annually by the amount of growth in the City. However due to the current economic circumstances the tax levy for use by this fund was decreased by \$150,000 from \$950,000 in 2008 to \$800,000 in the 2009 budget and further reduced to \$500,000 in the 2010 budget. That is less than is necessary to operate this program and to resurface the streets over a thirty year period. Some additional funding will be necessary or the level of streets to be resurfaced will need to be reduced.

This pavement resurfacing program provides the funds to complete major maintenance (resurfacing) of the City's 166.5 miles of local streets. The City's street maintenance is influenced by the following factors:

- The newer curb and gutter streets that were constructed in the urban subdivisions beginning in the late 1960's are now reaching the condition that require certain streets to be resurfaced. A life of 30 years for pavement is considered very good.
- Beginning in the late 1960's the City began an aggressive program of sanitary sewer installation. In 1969 only about 5 percent of the City was served by sanitary sewer and presently about 95 percent of the City is served by sanitary sewer. Reconstruction of the streets was part of the sanitary sewer installation. Now, the streets that were reconstructed as part of the sanitary sewer installation are reaching a point that reconstruction is becoming necessary.

The formula for determination of the annual amount of funding divides the City streets into three categories: arterial streets, urban streets and rural street with each having a different cost per mile and a different useful life. The result of the formula is the 2011 funding needed in the Street Improvement Fund detailed as follows:

Arterial streets	\$506,300 x 12.5 miles =	\$6,628,750 / 20 years =	\$316,437
Urban streets	\$252,540 x 99.5 miles =	\$25,127,730 / 30 years =	\$837,592
Rural streets	\$164,700 x 54.5 miles =	\$8,976,150 / 25 years =	\$359,046

The annual funding needs under this funding formula amount to \$1,513,075. In spite of the decline in current tax levy funding the Common Council will need to try to continue to increase future funding committed to this fund to continue to be able to resurface six plus miles of local roads per year.

In 2009 an additional \$587,000 in streets were resurfaced in addition to the streets initially selected for resurfacing. Then the main project for 2010 (51<sup>st</sup> Street between Drexel Ave and Puetz Road) was selected as a State stimulus project. These two factors reduced the need for 2010 projects. At the same time there was a funding need in the Capital Improvement Fund for 2010, so \$205,000 of the intended funding is being transferred in 2010 to that fund. The remaining funding is designated for any local costs related to the 51<sup>st</sup> St stimulus project.

Adequate funding is not available to complete the five year road improvement plan.

CITY OF FRANKLIN 2011 BUDGET	2008 Actual	2009 Actual	2010 Amended	2010 YTD 6/30/2010	2010 Estimate	2011 Dept/Request	2011 Proposed	2011 Adopted	Percent Change	
<b>STREET IMPROVEMENT FUND</b>										
<b>REVENUE</b>										
General Property Taxes	47.0000.4011	950,000	800,000	500,000	500,000	500,000	600,000	400,000	400,000	-20.0%
Local Road Improvements Aids	47.0000.4151	82,190		0		75,000	0	0	0	
Landfill Siting	47.0000.4493						200,000	200,000		
Interest on Investments	47.0000.4711	49,245	37,905	20,000	5,564	20,000	20,000	20,000		
Investment Gains/Losses	47.0000.4713	13,082	3,268	0	-197	0	0	0	0	
Miscellaneous Revenue	47.0000.4799	15,765		0		0	0	0	0	
<b>Total Revenue</b>		<b>\$1,110,282</b>	<b>\$841,173</b>	<b>\$520,000</b>	<b>\$505,367</b>	<b>\$595,000</b>	<b>\$620,000</b>	<b>\$620,000</b>	<b>\$620,000</b>	<b>19.2%</b>
<b>EXPENDITURES</b>										
City costs for 51st Street Drexel to Puetz				15,000		15,000				
Local Street Improvement Program	47.0000.9500.5823	896,058	1,545,807	365,000	9,777	335,000	1,513,100	580,000	580,000	
Urban and Rural Streets							-933,100			
Unfunded portion of projection										
OTHER FINANCING USES										
TRANSFER TO CAPITAL IMPROVEMENTS	47.0000.0000.5598			205,000		205,000	40,000	40,000	40,000	
<b>Total Street Improvement Fund Expenditures</b>		<b>896,058</b>	<b>1,545,807</b>	<b>585,000</b>	<b>9,777</b>	<b>555,000</b>	<b>620,000</b>	<b>620,000</b>	<b>620,000</b>	<b>6.0%</b>
Excess of revenue over expenditures		214,224	-704,634	-65,000	495,590	40,000	0	0	0	
Net Assets, Beginning of Period		707,096	921,321	216,687	216,687	216,687	256,687	256,687	256,687	
Net Assets, End of Period		\$921,321	\$216,687	\$151,687	\$712,277	\$256,687	\$256,687	\$256,687	\$256,687	

**FIVE YEAR ROAD IMPROVEMENT PLAN  
CITY OF FRANKLIN  
MAY 2009**

YEAR	PROJECT	ROAD TYPE	PROJECT COST	STREET IMPROVEMENT		CAPITAL IMPROVEMENT		TIF
				OTHER	FUND	OTHER	FUND	
2010								
	S. 51st Street (Construction) <sup>6</sup> (Puetz to Drexel)	A	\$ 1,200,000					
	Stimulus Grant			1,100,000	\$ 100,000			
	Additional Roads	U	\$ 250,000		\$ 250,000			
	ANNUAL 2010 TOTAL		\$ 1,450,000	\$ 1,100,000	\$ 350,000	\$ -	\$ -	\$ -

FUNDING FROM

2011								
	W. Oakwood Road (Construction) <sup>3</sup> (W of S. 34th to 60th Street)	A	\$ 500,000					\$ 425,000
	LRIP Funding <sup>2</sup>			\$ 75,000				
	Additional Roads	U	\$ 1,000,000		\$ 1,000,000			\$ 50,000
	Marquette Avenue West	U	\$ 50,000					\$ 50,000
	ANNUAL 2011 TOTAL		\$ 1,550,000	\$ 75,000	\$ 1,000,000	\$ -	\$ 50,000	\$ 425,000

2012								
	S. 51st Street (Construction) (With Trail) <sup>5</sup> N. Rawson (N of Rawson to Greendale)	A	\$ 400,000			\$ 320,000		\$ 80,000
	Additional Roads - LRIP Funding <sup>2</sup>	U	\$ 1,180,000	\$ 75,000	\$ 1,105,000			
	ANNUAL 2012 TOTAL		\$ 1,580,000	\$ 75,000	\$ 1,425,000	\$ -	\$ 80,000	\$ -

2013								
	S. 76th Street (Milwaukee County) (Sidewalk)	A	\$ 800,000					\$ 800,000
	Surface Transportation Program (STP) (Fund Project)	A	\$ 400,000	\$ 300,000	\$ 100,000			
	(Design - ROW Acquisition)							
	Additional Roads	U	\$ 1,400,000		\$ 1,400,000			\$ -
	ANNUAL 2013 TOTAL		\$ 2,600,000	\$ 300,000	\$ 1,500,000	\$ -	\$ 800,000	\$ -

**FIVE YEAR ROAD IMPROVEMENT PLAN  
CITY OF FRANKLIN  
MAY 2009**

YEAR	PROJECT	ROAD TYPE	PROJECT COST	STREET IMPROVEMENT		CAPITAL IMPROVEMENT		TIF
				OTHER	FUND	OTHER	FUND	
2014								
	STP Fund Project (Construction)	A	\$ 1,000,000	\$800,000	\$ 200,000			
	W. Puetz Road	A	\$ 300,000		\$ 300,000			
	(S. 27th Street to 43rd Street)							
	Additional Roads - LRIP Funding <sup>2</sup>	U	\$ 1,000,000	\$ 75,000	\$ 925,000			
	ANNUAL 2014 TOTAL		\$ 2,300,000	\$ 875,000	\$ 1,425,000	\$ -	\$ -	\$ -
	TOTAL ARTERIAL (A)		\$ 4,600,000					
	TOTAL ALL		\$ 9,480,000	\$ 2,425,000	\$ 5,700,000	\$ 930,000	\$ 425,000	

FUNDING FROM

<sup>1</sup> Assessment of Property Owners  
<sup>2</sup> Local Road Fund  
<sup>3</sup> TIF Funding  
<sup>4</sup> Developer Modifications  
<sup>5</sup> Road Impact Fee  
<sup>6</sup> WDOT Grant  
<sup>7</sup> Assessment of Property Owners

# CITY OF FRANKLIN

## CAPITAL IMPROVEMENT FUND 2011 BUDGET AND CAPITAL IMPROVEMENT PLAN

Maintaining a capital improvement plan (CIP) is an important financial planning tool to allow the City to structure the review and funding of capital improvement projects competing for limited resources. A CIP helps to schedule the availability of resources to meet needs when they occur. Annually the Council adopts a capital budget, which is the first year of the CIP, which details the projects to be accomplished in the coming year. Changes to project amounts or additions to the budget need to be approved by the Council, similar to other funds with adopted budgets.

As a general guideline, capital improvement expenditures are defined as those amounts expended for infrastructure with long useful lives that would require significant amounts of funds. Resurfacing the City streets is funded through the Street Improvement Fund. Rolling stock and similar equipment replacements are funded via the City's Equipment Revolving Fund. Replacement of equipment used in department operations costing less than \$20,000 and new types of equipment are funded as part of each department's Capital Outlay Fund budget.

Capital improvements revenue sources can include long-term debt, one-time revenue, grants, transfers from other funds, and interest earnings. Typically the City has used long-term debt to fund its capital expenditures. Another indirect source of funding for infrastructure improvements is special assessments. When the City makes improvements such as sewer, water, or other infrastructure, the abutting property owners are assessed their pro-rata share of the cost. The construction costs for assessment projects are paid with borrowed funds, and assessment collections then are used to apply to a portion of the debt service on the borrowed monies.

The City's CIP is refined annually to include approved and pending projects as a result of planning efforts from the Council and other boards or commissions. For the 2011 budget funding will come from borrowing or from a fund balance transfer from another fund. The following projects are contemplated:

Water & Sewer Projects – These projects are processed through the fund for operational control. To be included a water or sewer project must have a source of funding outside of this fund for any project processed. In this way the contract processing is centralized and the funding is determined before a water or sewer project is approved.

Oakwood Road Water Main – Completing the water main from 34<sup>th</sup> Street to the Business Park will complete the looping of the water main which will improve the amount and reliability of the water service in the southeast portion of the City and allow for additional development. Funding is available from TIF District #4.

Oakwood Road Road reconstruction – Oakwood Road is in need of resurfacing and the installation of the water main will be partially in the roadway resulting in damage to the existing roadway. Reconstruction after the water main installation is an effective way to repair and improve the roadway.

Water & Sewer Building – The current water and sewer facilities have been outgrown. Master planning has been done and a plan is in place to upgrade these facilities. Plans had been on hold due to the economic conditions but are now being recommended.

City Hall and Fire Department Parking lot resurfacing and sidewalk repair – The asphalt in the City Hall parking lot has exceeded a reasonable service life and is in need of replacing. Improvements to storm water drainage and sidewalk repair would be done at the same time. In addition the east drive of the Fire department needs resurfacing.

Park Development – Development of an access to Pleasantview Park is the number one priority of the Park Commission for the coming year. City funds and Impact fees are expected to cover the costs of this project.

Storm Water Management Plan Update – The DNR is requiring an updated study as part of the annual discharge permit.

Future capital projects are included in the capital improvement plan after a policy decision of the Council. Presently a number of potential future road projects are awaiting policy decisions. In addition to those road projects that have not been authorized, scheduled or approved other known projects have been included. Borrowing or other funding of \$5.7 million dollars will be needed to fund these projects.

Future Park Improvements – The City is committed to the future improvement of its park system. The use of impact fees collected and future City funds, as available will allow the City to continue future park acquisition and development.

Community Recreation Center – The purchase of land for the development of a recreation center.

Fire Station 1 Improvements – The department requests to remodel and expand station one during the next five years to provide office space, meeting areas, living areas for future female fire personnel, handicap access needs and provide a backup emergency operations center.

### 27<sup>th</sup> Street corridor

Also currently under study is development and infrastructure costs in the 27<sup>th</sup> Street corridor. The costs and financing of those costs are currently under discussion and may have an impact on the Capital Improvement Fund in the future for those costs are not attributable to TIF District's.

Salt Storage Building – A second salt storage building has been requested to provide for storage of additional salt and to function to pre-wet salt and mixing area for sand and salt prior to a snow event.

**Road Projects – (timing is yet to be determined)**

When a road project is committed (ie contract or an agreement with another jurisdiction) it is considered appropriated and tax levy support equal to the anticipated future annual debt service needs to be included in the next City tax levy computation.

76<sup>th</sup> Street Road Improvements – Terrace Drive to Puetz Road. The City's potential share of a County project to improve 76<sup>th</sup> Street is estimated at \$860,000.

Extension of St. Martins Road to STH 100 at W Forest Hill Avenue – the construction of an arterial City street to a new connection with STH100 utilizing a STP Urban grant. (\$285,000)

Ryan Road reconstruction 60<sup>th</sup> St to Loomis Road – Reconstruction cost by the State of a portion of Ryan Road. (\$710,000)

27<sup>th</sup> Street Improvements – Reconstruction cost by the State of the north mile of College Ave to Rawson Ave in 2015 at \$2,616,000 per mile

76<sup>th</sup> Street Road Improvements – Puetz Road to County Line Road. The City's share of a future County project to improve 76<sup>th</sup> Street.

College Avenue Road Improvements – 27<sup>th</sup> Street to 43<sup>rd</sup> Street. The City's share of a future County project to improve College Avenue.

W Puetz Road – 76<sup>th</sup> Street to St Martins Road. Resurface this two lane rural street into a two lane rural roadway with pedestrian path in the future. (\$1,000,000)

**City of Franklin  
Capital Improvement Plan  
2010-2015**

	Adopted 2010	Amended		Budget 2011	Forecast				Potential Future Projects	
		Budget 2010	Estimate 2010		2012	2013	2014	2015		
<b>Revenue:</b>										
Proceeds from borrowing-10 year or interfund	46.0000.4911	-	-	171,000	275,000	1,050,000	300,000	5,350,000		
Grants-LGIP	46.0000.4143	-	-	78,000						
Landfill Siting	46.0000.4493	35,000	35,000	335,000	35,000	35,000	35,000	35,000		
Reimbursement - Drexel Avenue	46.0000.4781			79,137						
Miscellaneous Revenue	46.0000.4781	-	-	5,000						
Transfer from Connection Fees - Sewer	46.0756.4833	750,000	750,000	750,000	750,000	750,000	750,000	750,000		
Transfer from Connection Fees - Water	46.0755.4833	750,000	750,000	2,500	750,000	750,000	750,000	750,000		
Transfer from Impact Fees-Development	46.0000.4839	-	-	500,000	1,100,000					
Transfer from Water Utility toward building **	46.0000.4830	-	-	1,400,000	**					
Transfer from Sewer Fund toward building **	46.0000.4830	-	-	1,400,000	**					
Transfer from General Fund	46.0000.4830	-	-	-						
Transfer from Street Improvement fund	46.0000.4838	205,000	205,000	205,000	40,000					
Transfer from TIF District #2	46.0755.4830			422,000						
Transfer from TIF District #3	46.0755.4830								500,000	
Transfer from TIF District #4	46.0755.4830	-	61,000	61,000	597,000					
Interest revenue	46.0000.4711	12,500	12,500	12,500	4,000	4,000	4,000	4,000	4,000	
<b>Total Revenue</b>		<b>1,752,500</b>	<b>1,813,500</b>	<b>695,137</b>	<b>5,402,000</b>	<b>2,914,000</b>	<b>2,589,000</b>	<b>1,839,000</b>	<b>7,389,000</b>	
<b>Expenditures:</b>										
<b>Approved Projects:</b>										
51st Street N of Rawson Avenue	46.331.9283.5823			1,000						500,000
27th St - College to Drexel							860,000			
South 76th St - Puetz to Imperial Dr	46.000.9249.5829							285,000		
St Martins Road Extension at Forest Hill Ave										710,000
Ryan Road - 60th St to Loomis Road										
New Fire Station # 3	46.181.9567.5822	-	42,000	42,000						
Rawson Ave Meter Pit relocation	46.000.9273.5830		37,100	37,058						
Oakwood Road WM Engineering	46.755.9740.5830	-	61,000	61,000						
GIS Custom Tool Rewrite Project	46.144.9757.5219	-	1,000	1,000						
Tornado Warning Sirens	46.321.9769.5819	-	150,000	150,000						
Lions Legend Park - Schlueter Addition	46.551.9847.5858				797,000					
Oakwood Road-Water Main	46.755.9740.5830					750,000	750,000	750,000	750,000	
Water Projects	46.755.0000.5830	750,000	750,000	-	750,000	750,000	750,000	750,000	750,000	
Sewer Projects	46.756.0000.5829	750,000	750,000	2,500	750,000	750,000	750,000	750,000	750,000	
Bond Issue Costs	46.000.0000.5601									
<b>Total Approved Projects</b>		<b>1,500,000</b>	<b>1,791,100</b>	<b>294,558</b>	<b>1,547,000</b>	<b>1,500,000</b>	<b>2,360,000</b>	<b>1,785,000</b>	<b>2,710,000</b>	<b>-</b>
<b>Projects Pending Approval:</b>										
Oakwood Road 34th St to 60th St				500,000						
27th St - College to Rawson-Enhanced items									2,025,000	
27th St - Rawson to Drexel - WISDOT items *									591,000	*
27th St - Rawson to Drexel-Enhanced items *									2,025,000	*
27th St - Drexel to Ryan - 2 miles - WISDOT Items										1,182,000
27th St - Drexel to Ryan - 2 miles - Enhanced Items										4,050,000
27th St - Ryan to .5M south - WISDOT Items										295,500
27th St - Ryan to .5M south - Enhanced Items										1,012,500
27th St - .5M south of Ryan to County Line - WISDOT Items										886,500
27th St - .5M south of Ryan to County Line - Enhanced Items										3,037,500
Puetz Road -76th St to St Martins-Rual Section										1,000,000
College Avenue S27th St to S43rd St										1,150,000
South 76th St - Puetz to County Line										3,500,000
Extension W Marquette		50,000	50,000	-	50,000					
Tornado Warning Sirens		150,000								
Fire Station #1 Addition										1,500,000
Water/Sewer Building Addition **					2,800,000	**				
Salt Storage Building										150,000
City Hall & Fire Parking lot and Sidewalk Repair					310,000					
Pleasant View Park Access (Road)					500,000					
Hillcrest Neighborhood Park										585,000
Woodview Park										357,000
Park Site Development										
Community Recreation Center						1,100,000				
Police Dept Mobile & Portable Radio Equipment						256,500				
Police Department Dispatch Center							177,000			
Storm Water Management Plan					45,000					
Bridge Repair 51st & Drexel					40,000					
Other	46.999.0000.5499	50,000	8,000	8,000	50,000	50,000	50,000	50,000	50,000	
<b>Total Projects not yet Approved</b>		<b>250,000</b>	<b>58,000</b>	<b>8,000</b>	<b>4,295,000</b>	<b>1,406,500</b>	<b>227,000</b>	<b>50,000</b>	<b>4,691,000</b>	<b>18,706,000</b>
<b>Total expenditures</b>		<b>1,750,000</b>	<b>1,849,100</b>	<b>302,558</b>	<b>5,842,000</b>	<b>2,906,500</b>	<b>2,587,000</b>	<b>1,835,000</b>	<b>7,401,000</b>	<b>18,706,000</b>
<b>Net change in fund balance</b>		<b>2,500</b>	<b>(35,600)</b>	<b>392,579</b>	<b>(440,000)</b>	<b>7,500</b>	<b>2,000</b>	<b>4,000</b>	<b>(12,000)</b>	
<b>Beginning fund balance (projected)</b>		<b>47,846</b>	<b>47,846</b>	<b>47,846</b>	<b>440,425</b>	<b>425</b>	<b>7,925</b>	<b>9,925</b>	<b>13,925</b>	
<b>Ending fund balance</b>		<b>50,346</b>	<b>12,246</b>	<b>440,425</b>	<b>425</b>	<b>7,925</b>	<b>9,925</b>	<b>13,925</b>	<b>1,925</b>	

\* Possible TIF #3 funding if Joint Review Board approved

\*\* Budgeted in 2011 currently on hold by Council action Current construction estimate is 2025 (Traffic dependent)