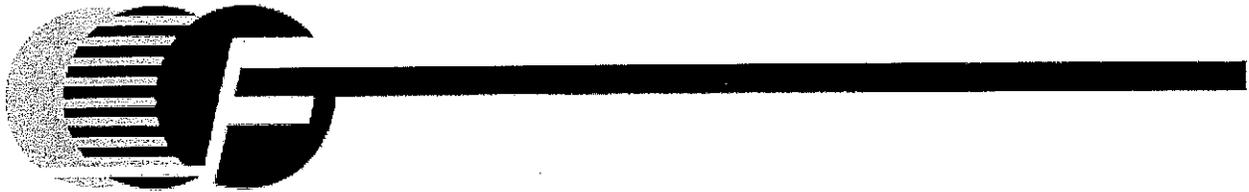


# City of Franklin

WISCONSIN



**2017**

**Mayor's Recommended**

**Annual Budget**

# **CITY OF FRANKLIN, WI**

**2017**

## **MAYOR'S RECOMMENDED**

### **ANNUAL BUDGET**

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**CITY OF FRANKLIN, WISCONSIN  
2017 MAYOR'S RECOMMENDED BUDGET  
TABLE OF CONTENTS**

	<u>Page</u>
Letter of Transmittal .....	i - xvi
Summary of Budget.....	1
Official Budget Appropriation Units .....	7
Budget Process and Calendar .....	13
Opportunities and Threats .....	15
Summary of Assessed Values.....	17
Tax Levy and Tax Rate Information .....	18
 <b>Personnel Authorized Positions and Requests.....</b>	 <b>21</b>
 <b>General Fund</b>	
Revenues.....	41
Expenditures.....	49
Departmental Budgets of the General Fund:	
General Government:	
Mayor .....	55
Aldermen .....	59
Municipal Court .....	63
City Clerk & Elections .....	67
Information Services .....	75
Administration .....	81
Finance & Audit.....	89
Assessor.....	97
Legal Services.....	103
Municipal Buildings.....	107
Insurance.....	115
Unclassified and Contingency.....	119
Public Safety:	
Police.....	123
Fire and Public Fire Protection.....	139
Building inspection.....	151
Sealer of Weights and Measures.....	157

**Page**

**Public Works:**

Engineering and Public Works.....161  
Highway .....167  
Parks .....188  
Street Lighting .....193  
Weed Control .....197

**Health & Human Services:**

Public Health.....201  
Animal Control.....211

**Culture and Recreation**

Recreation.....215  
St. Martin's Fair .....219

**Conservation and Development:**

Planning .....223  
Economic Development .....229

Transfers to Other Funds .....235

**Special Revenue Funds:**

Library Fund.....239  
Solid Waste Fund.....253  
Sanitary Sewer Fund.....257  
Civic Celebrations.....269  
St. Martin's Fair.....273  
Grant Funds  
Fire.....276  
Police .....278  
Other .....280  
Health.....282  
Donations Fund.....294

	<u>Page</u>
<b>Capital Funds</b>	
Capital Outlay .....	301
Equipment Replacement.....	329
Street Improvement.....	337
Capital Improvement.....	351
Development .....	385
Utility Development .....	389
<b>Debt Service.....</b>	<b>391</b>
<b>Tax Incremental Districts (TID).....</b>	<b>399</b>
TID 3.....	405
TID 4.....	410
TID 5.....	412
<b>Internal Service Fund .....</b>	<b>419</b>

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Mayor's Recommended 2017 Budget  
Letter of Transmittal – Summary Information  
September 20, 2016

Honorable Mayor and Common Council:

INTRODUCTION: The Mayor's Recommended 2017 Budget proposes a financial plan that maintains the status quo for departmental operations while reacting to and incorporating initiatives that the Common Council has identified. To do so within a period of limited growth and continued strict financial controls by the State requires further constraining departmental expenditures. At the same time, actions that the Common Council has taken, such as adopting a resolution for the creation of TID 5, must be considered and incorporated as part of the financial plan for the year. This Letter of Transmittal will identify these actions that drive the budget and will address how these factors generate a budget with a series of opportunities and risks that must be acknowledged. It will also show that a continuation of tax levy freezes cannot be sustained without negatively affecting operations and reducing services.

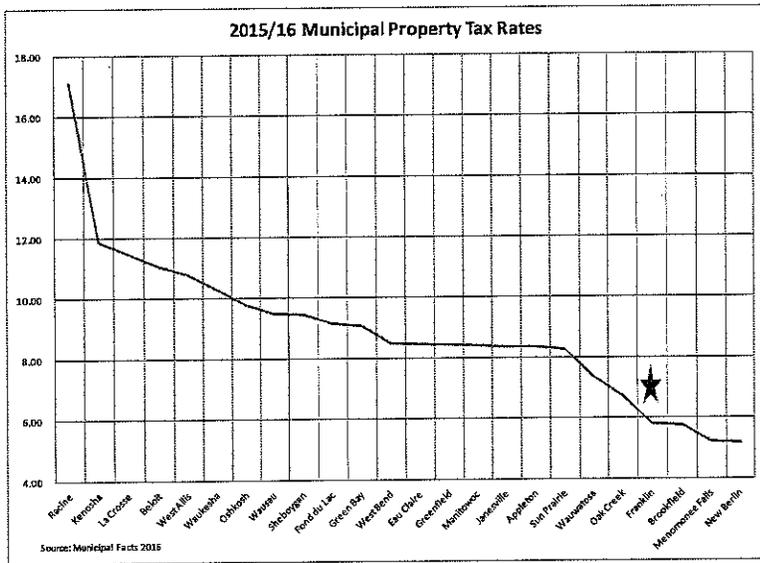
2017 ANNUAL BUDGET - DISCUSSION AND OVERVIEW:

Municipal Property Taxes: A primary factor and City initiative that drives the 2017 budget is the City's recent history of municipal property tax freezes that resulted in a steady reduction in the municipal tax rate. The City last increased its total municipal property taxes in 2013.

City of Franklin Municipal Property Tax Levy

Budget Year	Change From Prior Year	Allowable Increase
2013	\$42,000	\$128,942
2014	\$0	\$200,088
2015	\$0	\$280,973
2016	\$0	\$192,785
2017	\$110,500	\$110,863

The City has pursued this strategy while already in an enviable position relative to municipal property tax rates among its peer communities, as shown in the following table and as reported by the Wisconsin Taxpayers Alliance (based upon a category of 24 communities having between 30,000 and 150,000 individuals). At the same time,



Franklin has pursued initiatives that added an Economic Development Director, an Information Technology Director, a new Light Equipment Operator and, in 2014, funded a vacant Police Officer position that had been unfunded for a number of years. Such a pattern of revenue constraint and operational expenditure growth, even Franklin's very limited growth, is not sustainable in the long-term. As such, the Mayor's Recommended 2017

Budget needed to reconcile these past actions while attempting to retain the progress that was made to the greatest extent possible.

**The lack of sustainability in continuing to freeze taxes has been realized in 2017;** therefore, the proposed budget does recommend incorporating the new allowable property tax associated with new growth. The allowable municipal property tax increase for Franklin attributable to the current year is .63%, which generates an additional non-TID, property tax levy of \$129,207. This amount, unfortunately, is further restricted by the State which requires that the increase in the Public Fire Protection Fees resulting from water rate increases must be reduced from the allowable property tax increase. The net result is that the City's maximum allowable municipal property tax increase attributable to this year is only \$110,863.

In recent history, growth in municipal property tax levy allowable in any one year was limited to the amount of growth in the equalized valuation for that year. This limitation was a requirement by State statutes. The State recently modified that statute to allow a municipality to recoup allowable property taxes that were forgone in a recent year provided it is approved by a two-thirds vote of the Common Council. For 2017, the City is able to reach back 2 years. The Mayor's Recommended 2017 Budget, however, does not propose to undo the prior year's policy of property tax levy freeze. However, not doing so did require, for example, that the Light Equipment Operator position which had only been partially funded in 2016 be eliminated. The revenue from growth allowable in 2017 was insufficient to cover 2017's demands and to fill the unfunded portion of this 2016 initiative.

Property Tax Transfers Between Funds: It is important to recognize that a primary reason that the City has been able to continue to restrict or freeze new municipal property taxes is that the City has transferred property tax revenue from allocations supporting the Debt Service Fund to the General Fund and capital funds. The Debt Service Fund relinquished \$250,000 in property tax revenue since 2013, after having given up \$460,000 between 2007 and 2012. It is these transfers, in part, that have helped to enable the levy increase to remain nonexistent or negligible since 2013.

The Mayor's Recommended 2017 Budget does partially rely upon a continuation of this strategy and reduces property tax support to the Debt Service Fund. Those funds then supplement the property tax revenue increases in the General, Library, and Capital funds. The remaining level of property taxes in the Debt Service Fund is necessary to support the expenses of the fund, based upon outstanding and planned debt. **Therefore, after 2017, continued reliance by the General Fund on the transfer of property taxes out of the Debt Service Fund is not possible.**

It is worth noting that if debt issuance increases more than anticipated for future capital projects, additional property tax support for debt service could be required. State statutes do make an allowance for additional property tax increases above growth levels as is necessary to support certain debt. Absent a willingness to increase municipal property taxes for existing debt service obligations, this well has effectively gone dry for aiding in balancing the General Fund after 2017.

#### Economic Development and TID 5:

Another major initiative the City has undertaken is work toward the creation of TID 5, where there is discussion and study underway for the potential development of Baseball Commons. The Common Council has already approved a resolution for the creation of the TID, so **the Mayor's Recommended 2017 budget incorporates the appropriations and expectations of TID 5's creation and implementation.** Naturally, the implementation anticipates that a development proposal would eventually occur within the District. This creates a nexus of both opportunity and risk, as discussed above, within the recommended budget. The opportunity comes from incorporating the policy action of the Common Council, which would extend to anticipating enhanced building permits generated by construction in the TID.

Although much of the development expenses are an expense of the TID, the building permit related revenue associated with property in the TID for 2017, estimated at approximately \$210,000, is revenue to the General Fund. The associated risk is that if the anticipated TID does not proceed as contemplated by the fiscal analysis that supported the Resolution, then revenues will fall short. In addition to the nominal annual administrative services cost allocation of \$9,220, the TID also helps support the wages for the Director of Economic Development position. 17.5% of his wages and benefits are allocated to the TID based upon an estimate of the amount of time he will spend working on projects within that area. Similarly, the significant amount of construction associated with the TID warranted continuing to retain the part-time Building Inspector that has been in place throughout 2016.

Fund Balance Supported Activities: From a sustainability perspective, it is essential that ongoing operating costs be supported by revenues that are also of an ongoing nature. This ensures that the revenue remains in place for future years to support the expenditure in future years. On the other hand, if an expenditure is of a one-time nature and will not be repeated in the following year, then it is appropriate to fund it from a one-time revenue source. As such, excess fund balance can appropriately be used to fund one-time expenditures. For Franklin, such a consideration is also appropriate because the General Fund fund balance has experienced funding in excess of the adopted fund

balance policy expectations. In fact, the fund balance in excess of adopted policy will increase substantially in 2017 when a repayment from MMSD is received in early 2017. A strategy, therefore, that applies existing fund balance to offset one-time expenses has two benefits: it helps to address the excess fund balance situation and it helps to address the operating budget by freeing up on-going revenues to support on-going expenses.

The following expenses are proposed to be supported through a one-time use of General Fund fund balance resources:

- ❖ Anticipated Severance costs for likely retirements – by funding the severance costs the positions can be filled more quickly to help ensure a maintenance of overall productivity and service levels.
- ❖ A potential refund of an omitted manufacturing property tax payment where the firm is challenging the state in the matter. If the State loses, property taxes previously collected would need to be returned.
- ❖ Unusual Building Maintenance Costs. Important and significant building maintenance projects for the Police Department and the Fire Department totaling approximately \$68,000 are well out of line of normal maintenance expenditures, and the expense level can be eliminated the next year. Recognizing the potential for increased maintenance needs in the future, the budget does include the first year of a three-year plan to increase the total facilities maintenance budgets of the Fire Department, Police Department, City Hall, and DPW by approximately 55%. As such, an additional appropriation of \$20,100, an 18% increase over 2016's base budgeted level of \$109,900, is anticipated to carry forward into the following year.
- ❖ Economic Development Professional Fees. With a new director and new TID, the budget anticipates \$90,000 in possible Economic Development Professional Fees, \$65,000 of which is fund balance supported and \$25,000 of which is funded from ongoing revenue sources and would, therefore, remain available in future years.
- ❖ (Note: See the following paragraph on pension contributions.)
- ❖ (Note: \$1,400 of fund balance carryover for the Senior Travel Program is included as the program operator recently provided a letter that indicated they would under spend their 2016 allocation by that amount. That under spent portion will be carried forward for their use in 2017.)

Defined Benefit Pension Contribution: The annually required payment for the Defined Benefit Pension Plan created an opportunity to reduce ongoing operating expenditures, while enhancing our overall fiscal position. The Annual Required Contribution (ARC) is the total amount the City pays to this pension fund, a significant component of which comes from an actuarially determined cost of funding costs for prior years of service that weren't fully funded at the time.\* By using fund balance to reduce the outstanding obligations from prior years, the City can reduce the ARC for the upcoming year and for future years. In the end, this converts a one-time fund balance expenditure into an on-going operating expense reduction.

\*(In the past pensions were often funded on a pay-as-you-go basis, while recent accounting rules require fully recognizing each year's cost and, as a sort of "catch-up" process, also recognizing a portion of the prior years' unrecognized costs.)

Importantly, it is also a wise fiscal strategy, the anticipated impact of which has been confirmed by Principal, the plan administrator. The fiscal gain comes from the fact that the actuary who determines the ARC (our annual payment) uses an annual interest rate charge in the calculations of 7.25 percent, while the City is earning interest on the General Fund fund balance at only about a 1percent rate. Therefore, by using fund balance to reduce the ARC, it effectively eliminates a charge of 7.25 percent on the balance that was paid off. The end result is an ongoing annual savings to the City of between \$100,000 and \$123,000, with \$67,000 to \$82,000 in the General Fund. This opportunity does not come without risk, as a poor performance by the pension fund investment could reduce some of the anticipated future cost reductions. [Note: the total ARC is split between the Sewer, Water, and General funds because that is where the employees in this pension plan work. The General fund share is \$674,200, with an additional \$162,900 each for Sewer and Water.]

Park Development: Another area where Common Council initiatives have forced budgetary inclusion is in the area of Park Development. Earlier in 2016, the Common Council adopted a policy that extended the time period to use certain, previously collected Park Impact Fees, as opposed to refunding them to current property owners. Given the full scope of the components of the Comprehensive Outdoor Recreation Plan (CORP), retaining the funding for implementation of the CORP was clearly in the best interest of the City and its residents.

That approved extension adds three years to the deadline for each of the amounts collected. However, since adoption, 6 months has gone by with little progress on additional, CORP-anticipated projects. In order to help move projects along and ensure that a lack of approved appropriations does not hold up progress, a wide range of the projects anticipated by the CORP, totaling \$4,963,555, have been set forth in the budget. In all likelihood, all of the projects would not likely be approved in or completed during 2017; nonetheless, the appropriations are set forth so that the City can re-evaluate priorities and move forward. Significant use of Development Fund resources (Impact Fees) supports the projects, along with the continued application of Capital Improvement Fund fund balance and landfill siting fees as primary matching revenues. Borrowing could be considered and would be evaluated as needed, as projects move forward. It is worth reminding everyone that each project would require Council approval before any money could be spent on the project. Set forth in this manner, the City is positioned to move forward with park projects identified in the CORP, consistent with the policy initiative that started with the Common Council's extension of the park impact fee retention period.

CITY HALL REPAIRS AND REMODEL: The Mayor's Recommended 2017 Budget also proposes \$1.8 million for the remodel and repair of City Hall. Various components of the project have been contemplated for a number of years. City Hall roof repairs, covering one section of the City Hall roof, were initially budgeted in 2014 for \$210,000. After further review, that was expanded in the 2015 budget to include \$475,000 to do both sections of the City Hall roof and \$500,000 for remodeling of the City Hall entrances and replacement of the decorative flashing/sideboards. As consideration of design architects was underway, the 2016 budget process resulted in the Common Council's elimination of the remodeling portion of the project, as a result of trying to

eliminate borrowing for 2016. Discussion at the time indicated that a combined, larger project should be considered when the MMSD repayment was received in 2017.

**The recommended budget, therefore, moves the City Hall remodeling and repair project forward as contemplated by the Common Council during the 2016 budget deliberations.** The roof project is now at a critical point and will need to move forward in 2017. Compounding the issue, however, two major rooftop HVAC units are in dire need of replacement. Installed around 1993, they were estimated to have a 15-year life by Johnson Controls in a 2006 study. Obviously, they have significantly surpassed that estimated useful life. Maintenance and service issues have reached a critical point this year. Until an engineering review is completed, it is difficult to estimate the HVAC costs, but \$1.8 million has been incorporated for these main components discussed above. It is worth noting that such a comprehensive project may wish to evaluate additional interior remodeling and repairs to update and refresh the building. These could be phased and additional resources included in 2018, but the roof replacement, HVAC replacement, and exterior design components linking to the roof need to be completed as soon as practicable.

Waste Management Landfill Siting Fees: The stream of revenues to the City from the Waste Management landfill, commonly referred to as the landfill siting fees, presents another opportunity to the City, as well as carrying some potential risk. In recent years, landfill siting fees have been largely dedicated to support capital funds, as shown below, with the Capital Improvement Fund receiving net amounts that remained after the fixed allocations to the other listed funds.

**Landfill Siting Fee Allocations**

	Capital Outlay Fund	Equipment Revolving Fund	Street Improvement Fund	Capital Improvement Fund	General Fund	Total
2010	-	-	-	\$300,000	\$150,000	\$450,000
2011	\$100,000	\$150,000	\$200,000	\$80,448	-	\$530,448
2012	\$100,000	\$150,000	\$200,000	\$205,981	-	\$655,981
2013	\$100,000	\$150,000	\$200,000	\$281,726	-	\$731,726
2014	\$67,000	\$100,000	\$133,000	\$504,004	-	\$804,004
2015	\$67,000	\$100,000	\$133,000	\$623,473	-	\$923,473
2016	\$67,000	\$200,000	\$133,000	\$588,954	-	\$988,954
2017	\$148,000	\$200,000	\$133,000	\$500,000	\$50,000	\$1,031,000

(Note: There is a small revenue, \$19,500, recorded to the General Fund which is a reimbursement payment to the City that offsets a matching expenditure in that same fund.)

The Mayor's Recommended 2017 Budget continues to significantly dedicate landfill siting fees to the listed capital funds. As can be seen, however, a small allocation amounting to \$50,000 has been designated to the General Fund, as was previously done prior to 2011. Given the potential, long-term access to the funding source, dedication of some limited amount for ongoing expenses would not be unreasonable. There is risk, however, since the landfill's operator is still awaiting a final WDNR approval for the landfill expansion before the long-term revenue stream is finally guaranteed. Nonetheless, an appropriately small allocation to the General Fund would be a minor issue compared to the more significant impact on the capital funds. As such,

despite some risk, the stability of the revenue and the anticipated growth was viewed as an opportunity to aid in retaining current service levels without accessing the prior year property tax allowances that the Common Council had previously determined not to pursue.

Departmental Operating Expenses (Excluding Personnel and Capital Outlay): In addition to all of the steps taken and described above, the City has also been very restrictive in adjustments to non-personal services line items for operating departments. **In fact, it is fair to say that most departments have already experienced a reduction in operating expenses support over the period where municipal property tax collections have been frozen.** Following are some examples of this point.

- ❖ Together, Information Systems, Administration, Finance, and Auditor have reduced non-personnel budgeted expenses nearly \$18,000 since 2014 (around 3% of such 2017 expenses), despite Finance absorbing some additional software/payroll related costs.
- ❖ Assessing has increased only because in 2016 the Common Council approved eliminating a position and contracting the service out at a reduced cost and moving to a more cost effective annual revaluation.
- ❖ Municipal Buildings has experienced over a \$15,000 reduction, which is nearly 13% of their 2017 non-personnel budget.
- ❖ The Police Department has absorbed a reduction of over \$31,000 since 2014, but that number should be adjusted for the \$54,000 fund balance support in 2017 for one-time facilities maintenance projects. With that considered, the reduction is over \$85,000 or nearly 7.5% of their 2017 non-personnel operating expenses.
- ❖ The Fire Department non-personnel budget shows nearly an \$80,000 increase since 2014, but almost \$55,000 of that is for contracted services that directly draw offsetting revenues. Another \$14,000 is the fund balance supported building maintenance repair discussed above. The result is a modest \$10,000 (2.2%) increase for 2017 over the 4-year period.
- ❖ Engineering, Highway, and Parks have fared no better reducing their operating expense line items by \$12,585 over that period.
- ❖ Building Inspection has back-tracked \$8,830, nearly 30% of their remaining total.

**The result is that to maintain a pattern of municipal property tax levy freezes, Departments have generally experienced reductions in their operating expenses.** That is in addition to having to absorb cost increases that their line items may have or will be subjected to in 2017 or since 2014. **Such a pattern is simply not sustainable if the City wishes to maintain current operations.** With that kind of stagnation, it is fair to conclude that additional cuts from operating expenses will likely have direct effects on operations.

ADDITIONAL SUBSTANTIVE CHANGES OR ISSUES: In addition to the overall perspective discussed above, the following items represent other substantive items influencing the Mayor's Recommended 2017 Budget.

- ❖ Revaluation: It is worth noting that the property revaluation will cause a shift in how the total municipal property tax is distributed between property owners. This

shift is based directly upon the real estate market conditions affecting properties differently. A reduction in manufacturing property and personal property valuations, as determined by the State, will simultaneously create an overlay that sees the property tax burden shift from manufacturing properties to residential properties.

- ❖ **State Shared Revenues and State Controlled Revenues:** State Shared Revenues continue to fall, which includes general transportation aids. Expenditure Restraint payments will also fall as our tax levy freezes and constrained expenditures impact the State's distribution formula. The State controls the hotel/motel tax via statute. Their recent change in the statute will divert significant resources from the City's general coffers. The hotel/motel tax was expecting to collect \$260,000 in 2016, but that is reduced to \$174,358 in 2017.
- ❖ **Overpayment of Landfill Siting Fees:** Waste Management has recently determined that they had been overpaying for over a year as compared to the requirements of the contract. Waste Management was prepared to collect the overpayment through deductions in the monthly payments. City staff will bring forward a proposal in the upcoming weeks to refund the overpayments in full from General Fund fund balance and, thereby, allow the 2017 landfill siting fees to remain at their full amount. The details are being worked out, and the item will go to the Finance Committee first, time permitting. The Mayor's Recommended 2017 budget is premised upon the Common Council authorizing the repayment when the complete details of the proposal is brought forward in the coming weeks.
- ❖ **Anticipated Un-spent Appropriations:** Each year the City incorporates a negative appropriation to effectively back-out budgeted expenditures that do not occur or personnel vacancies that do occur. This practice is intended to help ensure the City does not "over tax" by collecting property taxes for expenditures that do not occur. The strategy also gives operating departments greater flexibility to adapt to fluctuations in line items between years. The flip side of this plan is that if all appropriations are expensed, the City would find itself realizing the budgeted, but unanticipated, deficit. For 2017, the Anticipated Un-spent Appropriations have been left at the rate established by the Common Council within the 2016 budget: \$470,220. Achieving these reductions becomes more difficult each year as the budget line items are tightened and natural growth doesn't occur. **As such, it is very possible that any further cuts in operating line items will simply result in falling short in meeting the necessary level of anticipated un-spent appropriations.**
- ❖ As presented to the Common Council during a recent discussion on overtime usage, the budget process identified that the 2016 budget was shorted in appropriations to cover three police officers. At the same time, an offsetting reduction in OPEB contribution requirements, as determined by a required actuarial review, became available based largely upon the City's efforts in managing health care costs. The added personnel appropriations and reduced OPEB demands were both incorporated into the 2017 budget figures.

❖ Wisconsin Retirement System (WRS) retirement costs, all stemming from Police and Fire Department positions, took a big bite out of the budget increasing by approximately \$228,000. The increase is generated by increases in applicable WRS rates and the added charges for any additional Police and Fire wages, such as 2017 raises per the approved labor contract.

❖ Personnel Changes:

- The budget anticipates wage adjustments consistent with the recently adopted Police Union labor agreement. Non-represented employee wage and salary adjustments are planned for implementation mid-year, as was done in 2016, so that the best figures are available as to the market adjustments made by peer communities.
- **Appropriations were not available for new positions**, but a grant-funded Coalition Coordinator and swapping Clinic Nurse hours for additional part-time Sanitarian hours both occurred in the Health Department.
- Building permit fees from TID 5 construction are anticipated to fund the retention of a part-time Building Inspector.
- **The Light Equipment Operator partially funded in 2016 was eliminated due to insufficient funding** available to fill the gap built into the 2016 budget, as previously noted above. (Note: The position had not yet been filled.)

❖ Employee Benefits:

The Self Insurance Fund (Health Insurance) has seen health insurance premium rates frozen or reduced for 4 years. A continuation of that trend is not possible without a total overhaul of the health insurance strategy and coverages. Stagnant rates are simply not sustainable in the health insurance market place. Premium rates are anticipated to increase about 5%.

❖ General Fund Contingency:

The General Fund anticipated a total contingency of \$625,000. \$125,000 of which is funded and available for unexpected expenses that frequently occur during the year. The remaining \$500,000 is "Restricted Contingency." Use of the funds requires a new budget authorization and would use up fund balance. The appropriation provides some emergency appropriations in the event of special circumstances. It also preserves space under and supports the City's level of expenditures as calculated for the Expenditure Restraint Program. Together, the restricted contingency provides both short-term and long-term benefits.

❖ General Fund Fund Balance and Deficit:

The General Fund reflects a total deficit of \$1,492,490, \$500,000 is restricted contingency, as discussed above. \$318,300 are for one-time, fund balance supported activities as discussed in detail above. The remaining \$674,190 represents the General Funds portion of the payment to the Defined Benefit Pension Plan as discussed in detail above. All of these actions combined would return the undesignated fund balance to under 26 percent, which brings it back in line with the policy as adopted.

Tax Bill, Tax Levy, and Tax Rate Implications

The following breakdown reflects the tax levy recommendations by fund.

<u>City of Franklin</u>				
Tax Levy Information				
City Tax Rate Components	2016	2017	2016	2017
	Budget Tax Levy	Budget Tax Levy	Budget Tax Rate	Budget Tax Rate
Capital Outlay	437,100	444,300	0.1325725	0.1233426
Equipment Replacement	342,600	348,300	0.1039106	0.0966919
Street Improvement	693,500	704,900	0.2103386	0.1956881
Debt Service	1,500,000	1,300,000	0.4549502	0.3608944
Subtotal	2,973,200	2,797,500	0.9017719	0.7766170
Library Program	1,287,000	1,296,600	0.3903473	0.3599506
General Fund Program	16,248,800	16,525,400	4.9282631	4.5876346
Total	20,509,000	20,619,500	6.2203824	5.7242023
Prior Year Levy	(20,509,000)	(20,509,000)	0.0357210	(0.0062434) *
Increase in Tax Levy	-	110,500	6.2561034	5.7179589

Note: Table is based upon preliminary assessed valuations.

\*The intent with this adjustment is to ensure that the State's equalization adjustments continue to have only a nominal impact on the final reported tax rate from that which is reported herein.

The resulting City tax rate falls to \$5.72 per \$1,000 of assessed value, approximately \$.54 less than last year's City tax rate.

As discussed above, the State constrains allowable tax levy growth. **From a long-term financing perspective, caution is again advised in waiving allowable tax levy growth.** Once the levy increase is waived in a given year, future years cannot as easily recapture that full, allowable levy growth. There is a two-year look-back opportunity in 2017 to recapture a portion of the allowable levy growth not taken in a given year, but after that any potential growth allowance not captured is lost. In the Mayor's Recommended 2017 Budget, the Mayor did not recommend appropriating for the additional allowable tax levy from the look-back allowance.

Assessed Valuation

**The year 2016 is a reassessment year.** The preliminary assessed value of \$3,602,161,325, exclusive of continuing TIF District values, increased from the prior year by about 9.25%, principally the result of the revaluation but including new construction or investment. The Board of Review is not complete at this time, so adjustments to the valuation and resulting tax rates will occur. State Manufacturing values, which have been estimated, are also not available at this time. When information is available, the final assessment information may slightly change the percentages and resulting estimated tax rates.

## SUMMARY DISCUSSION BY FUND

### General Fund

The General Fund is one section of the City's overall budget. It is the largest segment of the City's total budget and includes the operating expenditures of City departments. Most of the discussions above are items that reflect activity in the General Fund.

The recommended expenditure budget for 2017 is \$25,897,313 and reflects an increase of 1.3% from the 2016 budget. The initiatives itemized above generally all occur within the General Fund, except those related to capital items. The recommended expenditures are the requests of the departments as adjusted by the Mayor.

The actual General Fund tax levy revenue for 2016 is budgeted at \$16,248,800. The recommended General Fund tax levy for 2017 is \$16,525,400. This increase of 1.7% can be considered to come from a share of the total growth in the property tax levy and/or from the transfer of levy out of the Debt Service Fund, as discussed above.

The budgeting philosophy remains that departments are to budget at an estimate of an average year's exposure with the understanding that the departments will be able to request additional appropriations from contingency or fund balance in a year in which there are unique circumstances or above average departmental needs for items such as overtime costs, salt purchases, fuel, or claims against the City, etcetera.

### Library Fund

The Library is requesting expenditure funding of \$1,485,561, an increase of \$51,590 (3.6%) from the 2016 adopted budget, in support of Library activities. Their spending level is supported by property tax levy of \$1,296,600, which is approximately an increase of .75%. The intent was to allow the fund to grow at approximately the same rate the State allowed the City's total property taxes to increase (.63%). The Library Board has expressed concerns, as reported by the Library Director, that the classification and compensation study implementation has impacted their operations more extensively since a number of the Library positions were those significantly under market rate. The Library Board, therefore, requests additional levy to compensate for that distinction. Given the years of freezing the levy, there was no additional levy to provide for this funding enhancement. The result is that the 2017 budget submitted by the Library, when offset against revenues, reflects a reduction in the fund balance of \$64,914. 2017 would then be the third year in a row that the Library Fund operated at a deficit. With a projected end-of-2017 fund balance of under \$300,000, the net expenditure level is not sustainable.

### Solid Waste Collection Fund

The Solid Waste Collection Fund receives revenue from user fees, landfill tippage fees, and recycling grants. Its expenditures include contract services for hauling solid waste and weekend staffing from Public Works.

For 2017, the Solid Waste Collection Fund does not anticipate a user fee rate increase. The number of participating households rises with new development. The hauler's

actual 2016 rate increase, which is tied to the rate of inflation, was much smaller than anticipated in the 2016 budget. As inflation rates are still quite low, no further increase in appropriations is needed for the hauler in 2017. Projected total revenues of \$1,621,400 are anticipated to be sufficient to continue to slowly grow the fund balance to an appropriate level, because total expenditures are only at \$1,550,306.

#### Sanitary Sewer Fund

The Sewer Fund receives its revenue primarily from user fees. Its expenditures are to MMSD, salaries, benefits, capital assets, and other costs of maintaining and improving the local sanitary sewer system. The Retained Earnings in this fund had increased over the past several years, but most of those reserves were invested in the Waste Water Building recently completed. Sewer rates are proportionally increased to cover any MMSD increase and meet local operating costs of the fund. A total rate increase of 5% is anticipated, which covers an MMSD rate increase of about 2.5% for 2017. This adjustment reverses the rate reduction in 2016. The fund's budget does include the purchase of a \$240,000 camera and televising equipment.

#### Water Utility

Information is not available on the budget for the Water Utility at this time. The approving body for the Water Utility is the Franklin Board of Water Commissioners. Information will be included in the 2017 City of Franklin Annual Budget Book.

#### Capital Outlay Fund

Capital assets are purchases of assets that are reasonably expected to last more than one year 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 and are not larger projects that are part of the Capital Improvement Fund.

Expenditures of \$738,868 are anticipated. This is slightly down from 2016, but remains significantly up from 2013 and 2014 levels. Achieving the recommended level of expenditures is made possible through the following actions:

- ❖ A \$475,000 transfer to the fund from the General Fund that occurred in 2015, a portion of which remains in the fund balance.
- ❖ 2016 and 2017 expenditures will use up a substantial amount of the fund balance.
- ❖ 2017 also incorporates an additional \$81,000 in landfill siting fees to support the expenditures.
- ❖ The video conferencing equipment approved for purchase in 2016 will not be purchased. As such, the funds will drop to the fund balance at the end of 2016 and will be used in 2017 for higher priority items.

A 5-year projection shows the fund remaining with a fund balance generally around \$65,000. To maintain that fund balance, which is slightly lower than desirable by policy, expenses will need to return to around the 2013 and 2014 levels, which is closer to \$550,000 per year. There may be some challenge in doing so. In 2017, for example,

department heads identified needs of \$1.2 million as compared to the initially anticipated \$550,000 target.

Although the Police Department remains the largest departmental user at nearly \$300,000, Information Systems received nearly \$140,000 to ensure continued, important network and security improvements that have been identified by the new Director. A complete listing of approved items is included later in this document.

#### Equipment Replacement Fund

The Equipment Replacement Fund provides for the replacement of various types of motorized equipment. New equipment is purchased by other funds. Replacement equipment purchased is placed on a depreciation schedule in the year acquired. Replacement is made based upon the estimated useful life of the equipment. Funding from the tax levy and other sources should approximate the annual depreciation of the replacement value attributed to the City's total fleet based on estimated useful life.

For 2017, the Equipment Replacement Fund has the replacement of an ambulance, two Building Inspection vehicles, and three Highway vehicles. Overall, this fund continues to be underfunded and will need support in six years when expensive fire equipment replacements are needed. It has not, however, been possible to further increase funding given the recent history of property tax freezes.

#### Street Improvement Fund

The Street Improvement Program is a separate capital projects fund to give visibility to street improvement activities. In general, subdivisions that developed during the 1990's residential growth period are aging. Those streets will need to be resurfaced in the coming years. The Engineering Department has provided a "2017 Local Street Improvement Program" prioritized listing which is included in the proposed budget document. Sufficient funding is included to cover the first 6 of the 11 projects listed.

Revenue consists of Tax Levy support of \$704,900 in 2017, an increase of 1.7%. Landfill siting revenue of \$133,000 continues to be incorporated for 2017. 2017 is not a year of the biennial grant. In the short term, this fund is arguably underfunded as the fund balance is falling to 15% of 2017 expenditures. In the longer term, the available revenues are insufficient to fund all of the projects scheduled to be implemented in the time frames projected. As such, existing road surfaces must exceed the anticipated replacement life, repair and replacement cost-per-mile needs to decrease, or long-term future appropriations will need to increase. As an example, the City has been spending \$900,000 per year, without any noticeable regression of the PASER ratings; however, Engineering is requesting at least \$1 million per year after 2017, which would deplete the fund.

#### Capital Improvement Fund

The Capital Improvement Fund is a separate capital projects fund intended for larger development projects. A Capital Improvement Plan is used to project public improvement needs for the coming years. The Capital Improvement Fund uses this five-year forecast for planning purposes. Items contained in the Capital Improvement Fund are financed with landfill siting fees, resources from other funds, and from the

issuance of debt. The proposed 2017 amount would constitute the largest spending plan in many years, largely because it is necessary to provide appropriations for the potential development and infrastructure contemplated by the Common Council by their action to adopt a resolution to create TID 5. The expenditure plan includes \$24.9 million with \$10.9 million to support Baseball Commons projects, \$4.9 million for park projects (funded, in part, by \$2.9 million by park impact fees), \$4.7 million in assessable utility and infrastructure projects related to Baseball commons, \$1.8 million for City Hall repairs and remodeling, and \$102,000 in Public Safety projects. Resources include \$8.5 million in new borrowings if all projects are to occur.

As noted above, the parks project listing is very aggressive and extensive, but it can be reasonably expected that not all projects will actually move forward during 2017. A broader array has been appropriated to aid in moving forward with use of the park impact fees in furthering the intent of the CORP. The intent is to ensure that progress is made in completing park development projects before the expiration of the park impact fee retention extension that the Common Council adopted earlier in 2016. As such, actual borrowing levels for the park projects will require further determinations as the Common Council and Parks Commission work to move projects forward.

The five-year forecast would require an additional \$11 million borrowing in 2018 to support projects that year and would continue to anticipate \$2 million every other year thereafter.

For internal control purposes, projects identified as "Approved" indicate Common Council authorization for staff to proceed with action steps on the project, although spending on said projects requires further Common Council authorization in advance. For similar internal control purposes, projects identified as "Projects Pending Approval" are part of the valid, total appropriation (once the budget is approved, of course) but further direction is required from Common Council to authorize the direction and scope of the project. Other than staff effort preparing such projects for the Common Council's approval to proceed, resources are not to be spent on the project until the Common Council designates the project as "Approved," unless such spending is otherwise directed by the Common Council.

#### Development Fund

The Development Fund provides resources from new development for infrastructure needed to support that development. The primary revenues are impact fees. Impact fees are being used to support Debt Service on the Police, Fire, Library and Drexel Avenue infrastructure projects; although reduced development in recent years has diminished the available resource. Park Impact fees had accumulated for some time, and an extension for the retention period was approved by the Common Council in early 2016.

For 2017, \$791,000 in impact fees are expected. An increase in fee collections is expected related to the Baseball Commons development. Debt Service support of \$454,000 is appropriated; however, not all of these funds are likely to be available. \$2.9 million in Park impact fees would be needed to support the park projects in the Capital Improvement Fund if all projects were actually to occur in 2017.

### Debt Service Fund

The property tax levy supporting the fund drops \$200,000 to \$1.3 million. The property tax levy supporting this fund has fallen for a number of years, which has supported operations in other funds of the City. The 2017 level, however, would constitute the lowest property tax levy level allowable without levying a separate increase in the property tax levy specifically to support debt. The City has not taken this step in the past.

The City refunded \$5.8 million in General Obligation debt in 2016, which will save debt service costs over the next five years. The reduced Capital Improvement activity of the last several years has also reduced the debt service costs; however, significant debt is planned in the Capital Improvement Fund beginning in 2017.

### Grant Funds

In Sept 2016, the City received a \$125,000 Grant to work with the school district to combat substance abuse. This 5-year renewable grant will add to City services to fight this public safety crisis.

### Budget Process

Staff works with the Mayor for months in developing a recommended budget for presentation to the Common Council. The ordinance provides that the Common Council's Committee of the Whole review and make recommendations on the budget. Staff will work with the Aldermen directly or through the Committee of the Whole review process to ensure the Aldermen have the information necessary to review and consider the Recommended Budget. Aldermen will be able to alter the budget that is submitted to the public hearing by making a motion to recommend an amendment to the Mayor's 2017 Recommended Budget. Such a motion would require approval by a majority of members of the Committee of the Whole. Absent any such action, the Recommended Budget as submitted by the Mayor would be published for presentation at the public hearing.

### Conclusion

Many of the changes noted in the budget are outside of the City's control. The State's reductions in shared revenues, reduction of hotel/motel taxes, and levy limits, for example, significantly restrict the City's options. **In recent years, however, the City has unilaterally implemented even stricter controls and has only levied new additional municipal property taxes of \$42,000 out of an allowable \$802,788 since 2013.** This amounts to just 5.23% of the allowable levy increase.

The constraint on the levy has been made possible through a variety of means, but those options are largely used up, as evidenced by the following:

- ❖ The 2017 reduction in property tax support to the Debt Service Fund is the last amount that can be safely transferred.
- ❖ A significant general reduction in departmental operating expenses has occurred across the board since 2014, so further cuts are not practicable without service reductions.
- ❖ Since 2014, there has been a significant restriction on the ability to add staff and productivity; in fact, the partially funded DPW worker had to be eliminated.

- ❖ Landfill Siting Revenues had been designated fully toward capital requirements, but 2017 sees the re-institution of the use of some of these funds in the General Fund for operating support despite the need for enhancement of the capital funds.
- ❖ Anticipated Un-Spent Appropriations were set by the Common Council in 2016 at over \$470,000, which figure cannot reasonably be increased without anticipating a deficit.
- ❖ Options to expand revenues are constrained because the State has expanded the list of revenues that now force a reduction in the allowable municipal property tax levy or revenues are already budgeted at appropriate levels.
- ❖ Reassigning resources from other capital funds is not a realistic option given the long-term fiscal needs of each of those funds.

As initially stated, the Mayor's Recommended 2017 Budget maintains the status quo for departmental operations while reacting to and incorporating initiatives that the Common Council has identified. In doing so, it has pushed the limits of what can be accomplished within the constrained revenue policies the City has pursued. At some point, existing operations and existing revenues cannot be squeezed further. Normal, market growth in the expenses for current operations have been absorbed in the budget through a variety of means. Those tools are running out of steam. The risky position in which the City has placed itself is that very little remains in the way of options if the City wishes to pursue any service enhancements. More importantly and of much greater risk, simply maintaining current operations and core services after 2017 may exceed the ability of the City to fund or otherwise absorb the gradual, natural cost increases without re-evaluating a willingness to fund those services through property tax increases.

The Mayor's Recommended Budget will be available for inspection at the City Clerk's Office and at the Library and will be posted on the City website on 9/21/2016.

Respectfully submitted,



Mark W. Lubarda  
Director of Administration

City of Franklin  
2017 Mayor's Recommended Budget

SUMMARY OF CITY OF FRANKLIN REVENUE AND EXPENDITURES

	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate (12 months)	2017 Dept Request Budget	2017 Recommend Budget	Percent Change
<b>Operating Funds:</b>								
<b>General Fund</b>								
<b>Revenue</b>								
Other Taxes	\$ 1,755,636	\$ 1,629,656	\$ 1,885,000	\$ 1,885,000	\$ 1,834,000	\$ 1,770,558	\$ 1,785,558	-5.3%
Intergovernmental Revenue	2,536,187	2,775,349	2,321,200	2,321,200	2,326,900	2,346,900	2,350,400	1.3%
Licenses and Permits	804,077	669,366	843,550	843,550	739,870	787,000	1,049,365	24.4%
Fines, Forfeitures, and Penalties	421,976	484,957	440,000	440,000	450,000	450,000	500,000	13.6%
Public Charges for Service	1,423,186	1,544,611	1,544,975	1,544,975	1,448,900	1,551,750	1,642,750	6.3%
Intergovernmental Charges	136,372	182,188	203,200	203,200	201,300	203,200	203,200	0.0%
Interest Revenue	290,132	238,562	205,200	205,200	210,500	220,000	220,000	7.2%
Miscellaneous Revenue	147,239	155,582	163,900	163,900	99,300	128,150	128,150	-21.8%
Transfers from Other Funds	9,931	0	0	0	0	0	0	
<b>Total non-tax levy revenue</b>	<b>7,524,736</b>	<b>7,890,271</b>	<b>7,607,025</b>	<b>7,607,025</b>	<b>7,310,770</b>	<b>7,457,558</b>	<b>7,879,423</b>	<b>3.6%</b>
Property Taxes	16,217,272	16,230,066	16,248,800	16,248,800	16,250,600	16,414,900	16,525,400	1.7%
<b>Total Revenue</b>	<b>23,742,008</b>	<b>24,120,337</b>	<b>23,855,825</b>	<b>23,855,825</b>	<b>23,561,370</b>	<b>23,872,458</b>	<b>24,404,823</b>	<b>2.3%</b>
<b>Expenditures</b>								
General Government	\$ 2,786,742	\$ 2,720,468	\$ 2,616,630	\$ 2,638,731	\$ 2,937,000	\$ 2,762,104	\$ 2,696,662	3.1%
Public Safety	15,367,024	15,983,169	16,128,832	16,142,346	15,985,465	17,361,935	16,848,095	4.5%
Public Works	3,560,384	3,046,339	3,612,003	3,695,043	3,857,355	3,688,618	4,215,378	16.7%
Health and Human Services	633,959	633,388	684,191	684,191	650,666	704,926	687,848	0.5%
Culture and Recreation	186,999	201,798	191,911	193,911	184,434	234,885	196,981	2.6%
Conservation and Development	355,354	568,380	579,858	634,573	576,818	655,904	627,349	8.2%
Contingency	0	0	550,000	513,700	0	125,000	625,000	13.6%
Transfers Out & Other Financing Uses	0	550,000	1,200,000	1,200,000	1,200,000	0	0	-100.0%
<b>Total Expenditures</b>	<b>\$ 22,890,462</b>	<b>\$ 23,703,542</b>	<b>\$ 25,563,425</b>	<b>\$ 25,702,495</b>	<b>\$ 25,391,738</b>	<b>\$ 25,533,372</b>	<b>\$ 25,897,313</b>	<b>1.3%</b>
<b>Fund Balance:</b>								
Beginning of Year	7,781,567	8,633,113	9,049,908	9,049,908	9,049,908	7,219,540	7,219,540	
Net Change/Transfer from Fund Bal.	851,546	416,795	(1,707,600)	(1,846,670)	(1,830,368)	(1,660,914)	(1,492,490)	
<b>End of Year</b>	<b>\$ 8,633,113</b>	<b>\$ 9,049,908</b>	<b>\$ 7,342,308</b>	<b>\$ 7,203,238</b>	<b>\$ 7,219,540</b>	<b>\$ 5,558,626</b>	<b>\$ 5,727,050</b>	
<b>Non-Spendable Fund Balance</b>	<b>\$ 2,273,071</b>	<b>\$ 2,239,802</b>	<b>\$ 2,416,766</b>	<b>\$ 2,416,766</b>	<b>\$ 2,198,616</b>	<b>\$ 2,198,616</b>	<b>\$ 75,000</b>	
<b>Special Revenue Funds</b>								
<b>Revenue</b>								
Property Taxes - Library	\$ 1,240,000	\$ 1,240,000	\$ 1,287,000	\$ 1,287,000	\$ 1,287,000	\$ 1,296,600	\$ 1,296,600	0.7%
Reciprocal Borrowing - Library	101,087	84,961	78,000	78,000	78,000	90,000	90,000	15.4%
Miscellaneous Revenue - Library	8,369	2,766	0	0	8,500	8,500	8,500	
Library Auxiliary	77,251	65,908	54,150	80,654	85,000	69,750	69,750	28.8%
Civic Celebrations	106,733	111,089	103,000	103,000	142,600	110,000	110,000	6.8%
St Martins Fair	37,042	49,360	50,600	50,600	44,650	52,000	52,000	2.8%
Donations	43,054	35,248	20,500	20,500	59,550	30,825	30,825	50.4%
Grant	186,763	117,916	458,150	471,515	31,400	221,000	221,000	-51.8%
Solid Waste Collection	1,607,312	1,585,016	1,591,165	1,591,165	1,618,561	1,621,400	1,621,400	1.9%
<b>Total Revenue</b>	<b>3,407,611</b>	<b>3,282,264</b>	<b>\$ 3,642,565</b>	<b>\$ 3,682,434</b>	<b>\$ 3,355,261</b>	<b>\$ 3,500,075</b>	<b>\$ 3,500,075</b>	<b>-3.9%</b>
<b>Expenditures</b>								
Library	1,318,644	1,391,347	1,433,971	1,445,669	1,416,260	1,485,561	1,460,014	1.8%
Library Auxiliary	93,178	75,579	91,900	143,403	97,200	69,750	69,750	-24.1%
Civic Celebrations	112,057	109,505	123,389	123,389	137,886	104,695	104,509	-15.3%
St Martins Fair	47,887	50,518	50,736	50,736	44,467	51,968	51,845	2.2%
Donations	22,829	24,118	133,101	135,235	26,500	127,950	129,450	-2.7%
Grant	177,388	133,136	525,350	538,715	30,800	277,334	279,446	-46.8%
Solid Waste Collection	1,579,235	1,540,457	1,533,551	1,533,551	1,541,328	1,550,457	1,550,306	1.1%
<b>Total Expenditures</b>	<b>3,351,218</b>	<b>3,324,660</b>	<b>\$ 3,891,998</b>	<b>\$ 3,970,698</b>	<b>\$ 3,294,441</b>	<b>\$ 3,667,615</b>	<b>\$ 3,645,320</b>	<b>-6.3%</b>
<b>Net Revenue (Expenditures)</b>	<b>56,393</b>	<b>(32,396)</b>	<b>(249,433)</b>	<b>(288,264)</b>	<b>60,820</b>	<b>(167,540)</b>	<b>(145,245)</b>	
<b>Fund Balance</b>								
Beginning of the Year	1,089,537	1,145,930	1,145,930	1,145,930	1,145,930	1,206,750	1,206,750	
<b>End of the Year</b>	<b>1,145,930</b>	<b>1,113,534</b>	<b>896,497</b>	<b>857,666</b>	<b>1,206,750</b>	<b>1,039,210</b>	<b>1,061,505</b>	

City of Franklin  
2017 Mayor's Recommended Budget

SUMMARY OF CITY OF FRANKLIN REVENUE AND EXPENDITURES

Operating Funds:	2014	2015	2016	2016	2016	2017	2017	Percent Change
	Actual	Actual	Adopted Budget	Amended Budget	Estimate (12 months)	Dept Request Budget	Recommend Budget	
	2014	2015	2016	2016	2016	2017	2017	Percent Change
	Actual	Actual	Adopted Budget	Amended Budget	Estimate (12 months)	Dept Request Budget	Recommend Budget	
<b>Capital Expenditure Funds</b>								
<b>Equipment Replacement Fund, Capital Outlay Fund &amp; Street Improvement Fund</b>								
<b>Revenue</b>								
Property Taxes-Capital Outlay	\$ 430,000	\$ 433,200	\$ 437,100	\$ 437,100	\$ 437,100	\$ 444,300	\$ 444,300	1.6%
Property Taxes-Equip Replacement	337,000	339,500	342,600	342,600	342,600	348,300	348,300	1.7%
Property Taxes-Street Improvement	681,600	687,300	693,500	693,500	693,500	704,900	704,900	1.6%
Total Prop Tax Levy - Capital	1,448,600	1,460,000	1,473,200	1,473,200	1,473,200	1,497,500	1,497,500	1.6%
Intergovernmental Revenue	77,354	8,131	70,000	70,000	67,000	0	0	
Landfill Siting Revenue	300,000	300,000	400,000	400,000	400,000	400,000	481,000	20.3%
Miscellaneous Revenue	246,554	75,077	70,000	70,000	162,300	76,500	76,500	9.3%
Transfers from Other Funds	5,395	500,000	0	0	0	0	3,500	
<b>Total Revenue</b>	<b>\$ 2,077,903</b>	<b>\$ 2,343,208</b>	<b>\$ 2,013,200</b>	<b>\$ 2,013,200</b>	<b>\$ 2,102,500</b>	<b>\$ 1,974,000</b>	<b>\$ 2,058,500</b>	<b>2.3%</b>
<b>Expenditures</b>								
Capital Outlay-Equip Replacement	\$ 237,781	\$ 360,680	\$ 655,000	\$ 655,000	\$ 650,000	\$ 650,000	\$ 650,000	-0.8%
Capital Outlay-Capital Outlay	575,424	651,673	900,268	1,121,025	1,027,328	1,263,636	738,868	-17.9%
Capital Outlay-Street Improvement	1,013,025	837,957	940,000	940,000	925,000	900,000	940,000	0.0%
<b>Total Expenditures</b>	<b>\$ 1,826,230</b>	<b>\$ 1,850,310</b>	<b>\$ 2,495,268</b>	<b>\$ 2,716,025</b>	<b>\$ 2,602,328</b>	<b>\$ 2,813,636</b>	<b>\$ 2,328,868</b>	<b>-6.7%</b>
<b>Fund Balance</b>								
Beginning of the Year	2,472,183	2,723,856	3,216,754	3,216,754	3,216,754	2,716,926	2,716,926	
End of the Year	\$ 2,723,856	\$ 3,216,754	\$ 2,734,686	\$ 2,513,929	\$ 2,716,926	\$ 1,877,290	\$ 2,446,558	
<b>Debt Service Fund</b>								
<b>Revenue</b>								
Property Taxes - Debt Service	\$ 1,500,000	\$ 1,600,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,300,000	\$ 1,300,000	-13.3%
Miscellaneous Revenue	76	396	-	-	-	-	-	
Transfer from Other Funds	226,811	182,493	205,000	205,000	112,800	180,514	180,514	-11.9%
Transfer from Special Assessments	150,763	100,000	-	-	-	19,099	146,599	
<b>Total Revenue</b>	<b>\$ 1,977,650</b>	<b>\$ 1,882,890</b>	<b>\$ 1,705,000</b>	<b>\$ 1,705,000</b>	<b>\$ 1,612,800</b>	<b>\$ 1,499,613</b>	<b>\$ 1,627,113</b>	<b>-4.6%</b>
Proceeds from Borrowing	\$ 66,747	\$ -	\$ -	\$ -	\$ 5,924,202	\$ -	\$ -	
<b>Expenditure</b>								
Debt Service *	\$ 915,644	\$ 910,673	\$ 1,591,298	\$ 1,591,298	\$ 1,565,466	\$ 1,498,963	\$ 1,627,463	2.3%
Interfund Advances (Repayments)	1,062,000	1,075,000	-	-	5,948,789	-	-	
<b>End Balance</b>	<b>(2,099,712)</b>	<b>(970,959)</b>	<b>1,258</b>	<b>1,258</b>	<b>1,258</b>	<b>22,747</b>	<b>22,747</b>	
Beginning of the Year	(2,099,712)	(970,959)	1,258	1,258	1,258	22,747	22,747	
Interfund advances *	1,075,000	-	-	-	-	-	-	
End of the Year	\$ (970,959)	\$ 1,258	\$ 114,960	\$ 114,960	\$ 22,747	\$ 22,397	\$ 22,397	
Special Assessment Fund Balance	\$ 546,237	\$ 506,026	\$ 506,026	\$ 506,026	\$ 402,315	\$ 383,216	\$ 255,716	
* Excludes TIF Districts Debt service and Internal investment activity								
<b>Summary of Budgeted Funds (without Capital Improvement and Development Funds):</b>								
Total Revenue	\$ 31,205,172	\$ 31,638,699	\$ 31,216,590	\$ 31,256,459	\$ 30,631,931	\$ 30,846,146	\$ 31,590,611	1.2%
Total Expenditures	28,983,554	29,789,185	33,541,989	33,980,516	32,907,762	33,514,586	33,498,964	-0.1%
Total Tax Levy	20,509,000	20,509,000	20,509,000	20,509,000	20,510,800	20,509,000	20,619,500	0.54%
Percent of Total Revenue	65.7%	64.8%	65.7%	65.6%	67.0%	66.5%	65.3%	
Assessed Value	3,258,448,900	3,297,064,200	3,297,064,200			3,602,161,325	3,602,161,325	9.3%
Tax Rate	\$6.294	\$6.220	\$6.220			\$5.694	\$5.724	-8.0%
Tax Rate - Final	\$6.295	\$6.256						
Total Fund Balance - (excl non-spendable)	9,805,105	11,647,677	9,177,710	8,779,052	9,369,661	6,682,122	9,438,225	2.8%

City of Franklin  
2017 Mayor's Recommended Budget

SUMMARY OF CITY OF FRANKLIN REVENUE AND EXPENDITURES

	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate (12 months)	2017 Dept Request Budget	2017 Recommend Budget	Percent Change
<b>Operating Funds:</b>								
<b>Sanitary Sewer Fund</b>								
Revenue								
Charges for Services	\$ 3,268,246	\$ 3,343,642	\$ 3,378,800	\$ 3,378,800	\$ 3,271,600	\$ 3,444,360	\$ 3,444,360	1.9%
Miscellaneous Revenue	59,846	23,756	5,000	3,500	3,500	3,500	3,500	-30.0%
<b>Total Revenue</b>	<b>\$ 3,328,092</b>	<b>\$ 3,367,398</b>	<b>\$ 3,383,800</b>	<b>\$ 3,382,300</b>	<b>\$ 3,275,100</b>	<b>\$ 3,447,860</b>	<b>\$ 3,447,860</b>	<b>1.9%</b>
Expenditures								
Operations and Maintenance	\$ 2,739,532	\$ 2,884,650	\$ 3,118,213	\$ 2,582,020	\$ 2,852,544	\$ 3,193,291	\$ 3,134,500	0.5%
Capital Outlay & Other	173,617	29,971	170,000	170,000	170,000	170,000	170,000	0.0%
Transfers to Other Funds	95,400	96,600	96,750	96,750	96,750	99,750	99,750	3.1%
<b>Total Expenditures</b>	<b>\$ 3,008,549</b>	<b>\$ 3,011,221</b>	<b>\$ 3,384,963</b>	<b>\$ 2,848,770</b>	<b>\$ 3,119,294</b>	<b>\$ 3,463,041</b>	<b>\$ 3,404,250</b>	<b>0.6%</b>
<b>Net Revenue (Expenditures)</b>	<b>\$ 319,543</b>	<b>\$ 356,077</b>	<b>\$ (1,163)</b>	<b>\$ 533,530</b>	<b>\$ 155,806</b>	<b>\$ (15,181)</b>	<b>\$ 43,610</b>	
Retained earnings								
Beginning of the Year	2,660,848	2,854,465	1,537,810	1,537,810	1,537,810	1,570,616	1,670,616	
Transfer to invested in Capital	(115,926)	(1,682,732)	(53,200)	(53,200)	(23,000)	(271,000)	(271,000)	
<b>End of the Year</b>	<b>\$ 2,864,465</b>	<b>\$ 1,537,810</b>	<b>\$ 1,483,447</b>	<b>\$ 2,018,140</b>	<b>\$ 1,670,616</b>	<b>\$ 1,384,435</b>	<b>\$ 1,443,226</b>	
Interfund Advance	2,198,616	2,198,616	2,198,616	2,198,616	2,198,616	2,198,616	0	
<b>Capital Improvement Fund (One time projects):</b>								
Revenue								
Landfill Siting Revenue	\$ 504,004	\$ 623,473	\$ 498,000	\$ 498,000	\$ 348,000	\$ 444,000	\$ 500,000	0.4%
Miscellaneous Revenue	(2,302)	4,681	70,193	70,193	70,200	85,000	5,000	-92.9%
Other Financing Sources	756,557	657,300	2,120,953	2,120,953	1,375,000	16,529,196	15,130,435	613.4%
<b>Total Revenue</b>	<b>\$ 1,258,259</b>	<b>\$ 1,285,454</b>	<b>\$ 2,689,146</b>	<b>\$ 2,689,146</b>	<b>\$ 1,793,200</b>	<b>\$ 17,058,196</b>	<b>\$ 15,635,435</b>	<b>481.4%</b>
Proceeds from Borrowing	\$ 1,962,660	\$ -	\$ 950,000	\$ 950,000	\$ -	\$ 12,250,000	\$ 8,330,000	
Expenditures								
Capital Outlay	\$ 1,564,246	\$ 1,571,219	\$ 3,775,359	\$ 4,375,855	\$ 2,309,147	\$ 30,285,726	\$ 24,895,211	559.4%
Fund Balance								
Beginning of the Year	318,928	1,975,601	1,975,601	1,975,601	1,689,836	1,173,889	1,173,889	
<b>End of the Year</b>	<b>\$ 1,975,601</b>	<b>\$ 1,689,836</b>	<b>\$ 1,839,388</b>	<b>\$ 1,238,882</b>	<b>\$ 1,173,889</b>	<b>\$ 196,359</b>	<b>\$ 244,113</b>	
	2014 Actual		2016 Adopted Budget	2016 Amended Budget	2016 Estimate (12 months)	2017 Dept Request Budget	2017 Recommend Budget	Percent Change
<b>Development Fund (Impact Fees)</b>								
Revenue								
Impact Fees	\$ 683,227	\$ 413,977	\$ 585,000	\$ 585,000	\$ 641,000	\$ 791,000	\$ 791,000	35.2%
Interest, Investment & Other Revenue	161,665	63,882	36,334	36,334	55,000	36,618	36,618	0.8%
<b>Total Revenue</b>	<b>844,892</b>	<b>477,859</b>	<b>621,334</b>	<b>621,334</b>	<b>696,000</b>	<b>827,618</b>	<b>827,618</b>	<b>33.2%</b>
Expenditures								
Transfer to Debt Service	226,811	182,494	455,617	455,617	112,800	454,450	454,450	-0.3%
Transfer to Capital Improvement	1,499,910	607,299	420,953	420,953	250,000	3,289,946	2,891,185	586.8%
Other	-	6,752	15,000	518,321	155,000	505,000	505,000	3266.7%
<b>Total Expenditures</b>	<b>1,726,721</b>	<b>796,545</b>	<b>891,570</b>	<b>1,394,891</b>	<b>517,800</b>	<b>4,249,396</b>	<b>3,850,635</b>	<b>331.9%</b>
Fund Balance								
Beginning of the Year	5,052,168	4,170,339	3,851,653	3,851,653	3,851,653	4,029,853	4,029,853	
<b>End of the Year</b>	<b>\$ 4,170,339</b>	<b>\$ 3,851,653</b>	<b>\$ 3,581,417</b>	<b>\$ 3,078,096</b>	<b>\$ 4,029,853</b>	<b>\$ 608,075</b>	<b>\$ 1,006,836</b>	
<b>Utility Development Fund</b>								
Revenue								
Spec Assessment & Connection Fees	\$ 305,695	\$ 180,596	\$ 234,350	\$ 234,350	\$ 151,662	\$ 162,100	\$ 162,100	-30.8%
Investment & Other Revenue	65,710	53,977	59,650	59,650	61,000	44,400	44,400	-25.6%
<b>Total Revenue</b>	<b>371,405</b>	<b>234,573</b>	<b>294,000</b>	<b>294,000</b>	<b>212,662</b>	<b>206,500</b>	<b>206,500</b>	
Expenditures								
Transfer to Capital Improv - Water	130,375	-	250,000	250,000	-	450,000	450,000	80.0%
Transfer to Capital Improv - Sewer	-	-	250,000	250,000	-	450,000	450,000	80.0%
Other	12,037	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>142,412</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>900,000</b>	<b>900,000</b>	
Fund Balance								
Beginning of the Year	443,438	672,431	672,431	672,431	907,004	1,119,666	1,119,666	
<b>End of the Year</b>	<b>\$ 672,431</b>	<b>\$ 907,004</b>	<b>\$ 466,431</b>	<b>\$ 466,431</b>	<b>\$ 1,119,666</b>	<b>\$ 426,166</b>	<b>\$ 426,166</b>	

City of Franklin  
2017 Mayor's Recommended Budget

SUMMARY OF CITY OF FRANKLIN REVENUE AND EXPENDITURES

Operating Funds:	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate (12 months)	2017 Dept Request Budget	2017 Recommend Budget	Percent Change
<b>Tax Incremental District #3</b>								
Revenue								
Taxes	\$ 1,572,198	\$ 1,681,577	\$ 1,708,000	\$ 1,708,000	\$ 1,730,642	\$ 1,300,000	\$ 1,300,000	-23.9%
Intergovernmental Revenue	407,508	421,710	420,000	420,000	420,000	325,000	464,300	10.5%
Investment & Other	274,012	146,311	3,000	3,000	15,000	3,000	3,000	0.0%
<b>Total Revenue</b>	<b>2,253,718</b>	<b>2,249,598</b>	<b>2,131,000</b>	<b>2,131,000</b>	<b>2,165,642</b>	<b>1,628,000</b>	<b>1,767,300</b>	
Expenditures								
Capital Outlay	330,265	1,439,991	1,205,000	3,525,289	2,349,140	-	-	-100.0%
Other	12,482	11,420	13,020	13,020	13,020	12,720	12,720	-2.3%
Principal	9,695,000	20,000	650,000	650,000	650,000	1,675,000	1,675,000	157.7%
Interest	325,740	129,705	109,418	109,418	98,084	58,561	74,575	-31.8%
<b>Total Expenditures</b>	<b>10,363,487</b>	<b>1,601,116</b>	<b>1,977,438</b>	<b>4,297,727</b>	<b>3,110,244</b>	<b>1,746,281</b>	<b>1,762,295</b>	
Net Revenues	(8,109,769)	648,482	153,562	(2,166,727)	(944,602)	(118,281)	5,005	
Loan Proceeds	3,284,249	-	-	-	-	-	-	
Beginning Fund Balance	5,173,498	347,978	996,460	996,460	996,460	51,858	51,858	
Ending Fund Balance	\$ 347,978	\$ 996,460	\$ 1,150,022	\$ (1,170,267)	\$ 51,858	\$ (66,423)	\$ 56,863	
Interfund Advances Due	\$ 3,350,000	\$ 1,700,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	
<b>Tax Incremental District #4</b>								
Revenue								
Taxes	\$ 972,728	\$ 1,101,081	\$ 1,292,000	\$ 1,292,000	\$ 1,380,900	\$ 1,083,500	\$ 1,079,000	-16.5%
Intergovernmental Revenue	24,620	19,631	19,000	19,000	18,000	16,200	16,200	-14.7%
Investment & Other	906	404	-	-	4,500	19,200	19,200	#DIV/0!
<b>Total Revenue</b>	<b>998,254</b>	<b>1,121,116</b>	<b>1,311,000</b>	<b>1,311,000</b>	<b>1,403,400</b>	<b>1,118,900</b>	<b>1,114,400</b>	
Expenditures								
Capital Outlay	83,760	18,278	-	8,800	-	-	-	
Other	9,585	12,487	40,855	44,155	11,970	17,555	9,075	-77.8%
Interest	59,904	14,695	5,415	5,415	920	-	-	-100.0%
<b>Total Expenditures</b>	<b>153,249</b>	<b>45,461</b>	<b>46,270</b>	<b>58,370</b>	<b>12,890</b>	<b>17,555</b>	<b>9,075</b>	
Net Revenues	845,005	1,075,655	1,264,730	1,252,630	1,390,510	1,101,345	1,105,325	
Beginning Fund Balance	(2,058,877)	(1,213,872)	(138,216)	(138,216)	(138,216)	1,252,294	1,252,294	
Ending Fund Balance	\$ (1,213,872)	\$ (138,217)	\$ 1,126,514	\$ 1,114,414	\$ 1,252,294	\$ 2,353,639	\$ 2,357,619	
Interfund Advances Due	\$ 1,238,000	\$ 238,000	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Tax Incremental District #5</b>								
Revenue								
Taxes							\$ -	
Intergovernmental Revenue							-	
Investment & Other							-	
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Expenditures								
Capital Outlay						10,949,250	10,949,250	
Other						285,883	285,883	
Principal						-	-	
Interest						126,775	126,775	
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,361,908</b>	<b>11,361,908</b>	
Net Revenues	-	-	-	-	-	(11,361,908)	(11,361,908)	
Loan Proceeds						11,575,000	11,575,000	
Transfers In						-	-	
Transfers Out						-	-	
Beginning Fund Balance						-	-	
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,092	\$ 213,092	
Interfund Advances Due								

City of Franklin  
2017 Mayor's Recommended Budget

SUMMARY OF CITY OF FRANKLIN REVENUE AND EXPENDITURES

Operating Funds:	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate (12 months)	2017 Dept Request Budget	2017 Recommend Budget	Percent Change
<b>Internal Service Fund</b>								
<b>Self Insurance Fund</b>								
Revenues								
Medical Insurance Premiums	\$ 3,101,601	\$ 2,988,926	\$ 2,804,139	\$ 2,804,139	\$ 2,805,000	\$ 3,000,600	\$ 3,000,600	7.0%
Dental Insurance Premiums	163,200	160,794	173,500	173,500	173,500	177,400	177,400	2.2%
Investment Income	116,803	68,294	56,004	56,004	56,064	35,000	35,000	-37.5%
<b>Total Revenues</b>	<b>3,381,604</b>	<b>3,218,014</b>	<b>3,033,643</b>	<b>3,033,643</b>	<b>3,034,564</b>	<b>3,213,000</b>	<b>3,213,000</b>	
Medical Claims	1,823,825	1,842,015	2,875,000	2,875,000	2,275,000	2,119,200	2,119,200	-26.3%
Prescription Drug Claims	288,780	325,370	0	0	0	335,000	335,000	
Stop Loss Premiums	549,788	589,964	675,000	675,000	675,000	635,900	635,900	-5.8%
All other costs	203,268	284,172	310,076	310,076	245,120	330,500	330,500	6.6%
Dental Claims	182,173	154,782	170,300	170,300	167,800	170,300	170,300	0.0%
<b>Total Expenditures</b>	<b>3,047,834</b>	<b>3,196,303</b>	<b>4,030,376</b>	<b>4,030,376</b>	<b>3,362,920</b>	<b>3,590,900</b>	<b>4,182,400</b>	
<b>Net Revenues (Expenditures)</b>	<b>333,770</b>	<b>21,711</b>	<b>(996,733)</b>	<b>(996,733)</b>	<b>(328,366)</b>	<b>(377,900)</b>	<b>(969,400)</b>	
<b>Beginning Fund Balance</b>	<b>3,108,401</b>	<b>3,440,171</b>	<b>3,461,882</b>	<b>3,461,882</b>	<b>3,461,882</b>	<b>3,133,516</b>	<b>3,133,516</b>	
<b>Ending Fund Balance</b>	<b>\$ 3,440,171</b>	<b>\$ 3,461,882</b>	<b>\$ 2,465,149</b>	<b>\$ 2,465,149</b>	<b>\$ 3,133,516</b>	<b>\$ 2,755,616</b>	<b>\$ 2,164,116</b>	

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City of Franklin  
 Official Budget Appropriation Units  
 Summary - 2017 Mayor's Recommended Budget

	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate	2017 Dept Request	2017 Mayor's Rec	Change to Pr Yr Adopted
<b>General Fund</b>								
<b>Revenue:</b>								
Property taxes	\$16,201,001	\$16,221,503	\$16,248,800	\$16,248,800	\$16,240,000	\$16,414,900	\$16,525,400	1.7%
Other taxes	215,276	287,009	285,000	285,000	294,600	205,658	205,658	-27.9%
Cable TV Franchise Fee	509,767	526,750	500,000	500,000	500,000	515,000	530,000	6.0%
Utility tax equivalent	1,046,864	1,044,460	1,100,000	1,100,000	1,050,000	1,050,000	1,050,000	-4.5%
<b>Total tax revenue</b>	<b>17,972,908</b>	<b>18,059,722</b>	<b>18,133,800</b>	<b>18,133,800</b>	<b>18,084,600</b>	<b>18,186,458</b>	<b>18,310,958</b>	<b>1.0%</b>
Intergovernmental	2,536,187	2,775,349	2,321,200	2,321,200	2,326,900	2,346,900	2,360,400	1.3%
Licenses and permits	804,077	669,366	843,550	843,550	739,870	787,000	1,049,365	24.4%
Penalties and forfeitures	421,976	484,957	440,000	440,000	450,000	450,000	500,000	13.6%
Charges for services	1,423,186	1,544,611	1,544,975	1,544,975	1,448,900	1,551,750	1,642,750	6.3%
Intergovernmental charges	136,372	192,188	203,200	203,200	201,300	203,200	203,200	0.0%
Interest revenue	290,132	236,562	205,200	205,200	210,500	220,000	220,000	7.2%
Miscellaneous revenue	147,239	165,582	163,900	163,900	89,300	128,150	128,150	-21.8%
Transfers from other funds	9,931	0	0	0	0	0	0	0.0%
<b>Total non-tax revenue</b>	<b>5,769,100</b>	<b>6,080,616</b>	<b>5,722,025</b>	<b>5,722,025</b>	<b>5,476,770</b>	<b>5,687,000</b>	<b>6,093,865</b>	<b>6.5%</b>
<b>Total revenue</b>	<b>23,742,008</b>	<b>24,120,337</b>	<b>23,855,825</b>	<b>23,855,825</b>	<b>23,561,370</b>	<b>23,872,458</b>	<b>24,404,823</b>	<b>2.3%</b>
Transfer from fund balance	0	0	0	0	0	0	0	0.0%
<b>Total revenue &amp; fb transfer</b>	<b>23,742,008</b>	<b>24,120,337</b>	<b>23,855,825</b>	<b>23,855,825</b>	<b>23,561,370</b>	<b>23,872,458</b>	<b>24,404,823</b>	<b>2.3%</b>
<b>Expenditures:</b>								
Mayor - Personnel Services	18,500	18,512	18,508	18,508	18,508	18,508	18,508	0.0%
Other Services, Supplies, etc	4,973	5,888	8,000	8,000	5,490	8,000	7,500	-6.3%
Aldermen - Personnel Services	47,451	47,487	47,471	47,471	47,471	47,471	47,471	0.0%
Other Services, Supplies, Etc	21,926	21,865	29,500	29,500	23,550	31,260	30,260	2.6%
Municipal Court - Personnel Services	168,785	170,611	181,151	181,151	183,350	193,237	191,308	5.6%
Other Services, Supplies, Etc	49,194	51,662	47,150	47,150	39,530	47,150	47,150	0.0%
Clerk - Personnel Services	293,014	283,577	288,641	288,641	278,828	308,763	303,552	5.2%
Other Services, Supplies, Etc	24,340	29,628	31,000	31,001	26,800	28,000	28,000	-9.7%
Elections - Personnel Services	42,462	15,513	35,548	35,548	42,453	18,748	31,100	-12.5%
Other Services, Supplies, Etc	22,350	5,596	25,600	25,600	17,600	9,600	9,600	-62.5%
Information Services - Personnel	0	10,033	117,756	117,756	105,803	121,503	120,483	2.3%
Other Services, Supplies, Etc	333,123	348,904	364,789	369,189	349,700	364,789	363,067	-0.5%
Administration - Personnel Services	275,323	280,594	285,888	285,888	281,128	367,137	290,983	1.8%
Other Services, Supplies, Etc	126,424	116,935	167,045	176,745	133,520	151,365	143,016	-8.9%
Finance - Personnel Services	398,930	411,359	416,636	416,636	417,212	425,939	418,528	0.7%
Other Services, Supplies, Etc	53,175	83,052	98,929	98,929	91,976	103,690	96,725	-2.2%
Independent Audit	28,136	33,285	31,810	31,810	29,635	36,500	36,500	14.7%
Assessor - Personnel Services	53,014	54,206	55,300	18,200	9,625	0	0	-100.0%
Other Services, Supplies, Etc	163,141	146,597	188,100	223,200	230,600	222,375	222,375	18.2%
Legal Services	307,077	316,005	340,225	340,225	316,860	341,532	337,532	-0.8%
Municipal Buildings - Personnel Services	35,854	55,525	95,800	95,800	84,018	94,227	126,685	32.2%
Other Services, Supplies, Etc	141,896	132,972	113,595	113,595	102,954	119,465	119,465	5.2%
Insurance	107,748	51,980	105,908	105,908	100,400	93,576	93,576	-11.6%
Unclassified	1,939	325	2,500	2,500	0	82,500	82,500	3200.0%
<b>Sub total General Government Personnel</b>	<b>2,718,774</b>	<b>2,692,211</b>	<b>3,086,850</b>	<b>3,108,951</b>	<b>2,937,000</b>	<b>3,232,324</b>	<b>3,166,882</b>	<b>2.6%</b>
Contingency	67,968	28,257	550,000	513,700	0	125,000	625,000	13.6%
Anticipated Un-spent appropriations	0	0	-470,220	-470,220	0	-470,220	-470,220	0.0%
<b>Total General Government</b>	<b>2,786,742</b>	<b>2,720,468</b>	<b>3,166,630</b>	<b>3,152,431</b>	<b>2,937,000</b>	<b>2,887,104</b>	<b>3,321,662</b>	<b>4.9%</b>
Police Department - Personnel Services	7,630,602	8,064,445	7,950,563	7,950,563	7,984,011	8,481,982	8,406,976	5.7%
Other Services, Supplies, Etc	1,056,270	947,569	1,082,650	1,095,370	984,800	1,185,156	1,145,626	5.8%
Fire Department - Personnel Services	5,324,562	5,563,662	5,609,357	5,609,357	5,568,752	6,191,547	5,708,093	1.8%
Other Services, Supplies, Etc	438,473	428,977	434,600	434,600	409,155	448,000	473,100	8.9%
Public Fire Protection	256,165	260,763	273,200	273,200	279,500	273,200	283,900	3.9%
Building Inspection - Personnel Services	628,409	686,564	736,312	736,312	726,797	760,600	793,050	7.7%
Other Services, Supplies, Etc	25,743	24,389	34,550	35,344	25,050	33,850	29,750	-13.9%
Weights and Measures	6,800	6,800	7,600	7,600	7,600	7,600	7,600	0.0%
<b>Total Public Safety</b>	<b>15,367,024</b>	<b>15,983,169</b>	<b>16,128,832</b>	<b>16,142,346</b>	<b>15,985,466</b>	<b>17,361,935</b>	<b>16,848,095</b>	<b>4.5%</b>

City of Franklin  
 Official Budget Appropriation Units  
 Summary - 2017 Mayor's Recommended Budget

	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate	2017 Dept Request	2017 Mayor's Rec	Change to Pr Yr Adopted
<b>Engineering - Personnel Services</b>	578,865	497,127	603,481	603,481	579,479	605,610	629,338	4.3%
Other Services, Supplies, Etc	28,079	21,299	25,290	46,347	16,465	25,820	21,820	-13.7%
<b>Highway - Personnel Services</b>	1,723,563	1,690,964	1,819,785	1,819,785	1,764,330	1,887,541	2,411,573	32.5%
Other Services, Supplies, Etc	917,808	613,771	791,697	823,680	734,381	833,697	792,797	0.1%
<b>Solid Waste Collection</b>	0	0	0	0	390,000	0	0	0.0%
<b>Street Lighting</b>	301,194	305,315	358,700	386,700	360,700	321,000	344,800	-3.3%
<b>Weed Control</b>	10,876	7,863	15,050	15,050	12,000	16,050	15,050	0.0%
<b>Total Public Works</b>	3,560,384	3,046,339	3,612,003	3,696,043	3,857,356	3,688,618	4,215,378	16.7%
<b>Health Department - Personnel Services</b>	535,156	539,696	576,741	576,741	553,966	697,336	584,568	1.4%
Other Services, Supplies, Etc	65,215	62,751	68,950	68,950	60,200	69,090	68,790	-0.2%
<b>Animal Control</b>	33,689	30,941	38,600	38,600	36,500	38,600	34,500	-10.4%
<b>Total Health &amp; Human Services</b>	633,959	633,388	684,191	684,191	650,666	704,926	687,848	0.5%
<b>Recreation</b>	39,149	42,386	44,000	46,000	43,100	45,400	45,400	-1.3%
<b>Parks - Personnel Services</b>	125,267	134,162	118,261	118,261	114,054	147,260	109,856	-7.1%
Other Services, Supplies, Etc	22,693	25,260	29,650	29,650	27,280	42,225	41,726	40.7%
<b>Total Culture and Recreation</b>	166,999	201,798	191,911	193,911	184,434	234,885	196,881	2.6%
<b>Planning - Personnel Services</b>	316,037	326,358	332,469	332,469	320,540	344,006	338,919	1.9%
Other Services, Supplies, Etc	33,110	53,017	61,200	61,200	48,300	61,350	60,850	-0.6%
<b>Econ Dev - Personnel Services</b>	0	37,600	130,689	130,689	120,228	126,348	103,380	-20.9%
Other Services, Supplies, Etc	6,207	151,405	55,600	110,215	87,750	124,200	124,200	123.8%
<b>Total Conservation/development</b>	355,354	568,380	579,858	634,573	576,818	655,904	627,349	8.2%
<b>Transfers to other funds</b>	0	550,000	1,200,000	1,200,000	1,200,000	0	0	0.0%
<b>Total expenditures</b>	22,890,462	23,703,542	25,563,426	26,702,496	25,391,738	25,533,372	25,897,313	1.3%
<b>Net Change</b>	851,546	416,795	-1,707,600	-1,846,670	-1,830,368	-1,660,914	-1,492,490	
<b>Beginning General Fund balance</b>	7,781,567	8,633,113	9,049,908	9,049,908	9,049,908	7,219,540	7,219,540	
<b>Ending General Fund balance</b>	8,633,113	9,049,908	7,342,308	7,203,238	7,219,540	5,558,626	5,727,050	
Fund Balance as a percent of total expenditures	37.71%	38.18%	28.72%	28.03%	28.43%	21.77%	22.11%	
<b>Special Revenue Funds</b>								
<b>Revenues</b>								
Library Fund - Tax Levy	1,240,000	1,240,000	1,287,000	1,287,000	1,287,000	1,296,600	1,296,600	0.7%
Reciprocal Borrowing - Library	101,087	84,961	78,000	78,000	78,000	90,000	90,000	16.4%
Misc Revenue - Library	8,369	2,766	-	-	8,500	8,500	8,500	
Auxiliary Library	77,251	65,908	54,160	80,654	86,000	69,750	69,750	
Solid Waste Collection - Fees	1,168,087	1,172,069	1,179,915	1,179,915	1,198,161	1,203,200	1,203,200	2.0%
Misc Revenue - Solid Waste	439,225	412,947	411,250	411,250	420,400	418,200	418,200	1.7%
<b>Total Revenues</b>	3,034,019	2,978,651	3,010,315	3,036,819	3,077,061	3,086,250	3,086,250	2.5%
<b>Expenditures</b>								
Library - Personnel Services	839,620	910,009	961,081	961,081	948,880	1,012,141	982,594	2.2%
Other Services, Supplies, Etc	479,124	481,338	472,890	484,588	467,380	473,420	477,420	1.0%
Auxiliary Library	93,178	75,579	91,900	143,403	97,200	69,750	69,750	
Solid Waste - Personnel Services	19,034	19,172	23,669	23,669	21,828	13,456	13,305	-43.8%
Other Services, Supplies, Etc	1,580,201	1,521,286	1,509,882	1,509,882	1,519,500	1,537,001	1,537,001	1.8%
<b>Total Expenditures</b>	2,991,057	3,007,383	3,059,422	3,122,623	3,054,788	3,106,768	3,080,070	0.7%
<b>Net Revenues (Expenditures)</b>	42,962	(28,732)	(49,107)	(86,804)	22,273	(18,518)	6,180	
<b>Fund Balance</b>								
Beginning of the Year	770,599	813,561	642,370	642,370	770,599	792,872	792,872	
End of the Year	813,561	784,829	593,263	556,566	792,872	773,354	799,052	

City of Franklin  
 Official Budget Appropriation Units  
 Summary - 2017 Mayor's Recommended Budget

	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate	2017 Dept Request	2017 Mayor's Rec	Change to Pr Yr Adopted
<b>Sanitary Sewer Fund</b>								
<b>Revenues</b>								
Metered Sales	3,234,824	3,303,446	3,346,800	3,346,800	3,239,600	3,412,360	3,412,360	2.0%
Other Revenue	93,268	63,862	37,000	37,000	35,500	35,500	35,500	-4.1%
<b>Total Revenues</b>	<b>3,328,092</b>	<b>3,367,298</b>	<b>3,383,800</b>	<b>3,383,800</b>	<b>3,275,100</b>	<b>3,447,860</b>	<b>3,447,860</b>	<b>1.9%</b>
<b>Expenditures</b>								
Personnel Services	436,274	466,652	454,927	454,927	445,944	466,141	463,660	1.9%
Other Services, Supplies, Etc	2,573,275	2,563,834	2,930,036	2,930,036	2,673,350	2,986,900	2,940,700	0.4%
<b>Total Expenditures</b>	<b>3,008,549</b>	<b>3,020,486</b>	<b>3,384,963</b>	<b>3,384,963</b>	<b>3,119,294</b>	<b>3,463,041</b>	<b>3,404,250</b>	<b>0.6%</b>
<b>Net Revenue (Expenditures)</b>	<b>319,543</b>	<b>346,812</b>	<b>(1,163)</b>	<b>(1,163)</b>	<b>155,806</b>	<b>(15,181)</b>	<b>43,610</b>	
<b>Net Interest Income (Expense)</b>	<b>-</b>	<b>8,265</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Invested in Capital Assets</b>	<b>(115,926)</b>	<b>(1,682,732)</b>	<b>(63,200)</b>	<b>(63,200)</b>	<b>(23,000)</b>	<b>(271,000)</b>	<b>(271,000)</b>	
<b>Net Change in Retained Earnings</b>	<b>203,617</b>	<b>(1,326,655)</b>	<b>(64,363)</b>	<b>(64,363)</b>	<b>132,806</b>	<b>(286,181)</b>	<b>(227,390)</b>	
<b>Beginning Retained Earnings</b>	<b>2,660,848</b>	<b>2,864,465</b>	<b>1,537,810</b>	<b>1,537,810</b>	<b>1,537,810</b>	<b>1,670,616</b>	<b>1,670,616</b>	
<b>Ending Retained Earnings</b>	<b>2,864,465</b>	<b>1,537,810</b>	<b>1,483,447</b>	<b>1,483,447</b>	<b>1,670,616</b>	<b>1,384,435</b>	<b>1,443,226</b>	
<b>Capital Expenditure Funds - Capital Outlay, Equipment Replacement, Street Improvement</b>								
<b>Revenue</b>								
Property Taxes-Capital Outlay	430,000	433,200	437,100	437,100	437,100	444,300	444,300	1.6%
Property Taxes-Equip Replacement	337,000	338,600	342,600	342,600	342,600	348,300	348,300	1.7%
Property Taxes-Street Improvement	681,600	687,300	693,500	693,500	693,500	704,900	704,900	1.6%
Intergovernmental Revenue	77,354	8,131	70,000	70,000	67,000	-	-	
Landfill Siting Revenue	300,000	300,000	400,000	400,000	400,000	400,000	481,000	20.3%
Miscellaneous Revenue	246,554	75,077	70,000	70,000	162,300	76,500	76,500	9.3%
Transfers In from Other Funds	6,395	500,000	-	-	-	-	3,500	
<b>Total Revenue</b>	<b>2,077,903</b>	<b>2,343,208</b>	<b>2,013,200</b>	<b>2,013,200</b>	<b>2,102,500</b>	<b>1,974,000</b>	<b>2,058,500</b>	<b>2.3%</b>
<b>Capital Outlay-Equip Replacement</b>	<b>237,781</b>	<b>360,680</b>	<b>655,000</b>	<b>655,000</b>	<b>650,000</b>	<b>650,000</b>	<b>650,000</b>	<b>-0.8%</b>
<b>Capital Outlay-Capital Outlay</b>	<b>575,424</b>	<b>661,673</b>	<b>900,268</b>	<b>1,121,026</b>	<b>1,027,328</b>	<b>1,263,636</b>	<b>738,868</b>	<b>-17.9%</b>
<b>Capital Outlay-Street Improvement</b>	<b>1,013,025</b>	<b>837,957</b>	<b>940,000</b>	<b>940,000</b>	<b>925,000</b>	<b>900,000</b>	<b>940,000</b>	<b>0.0%</b>
<b>Total Expenditures</b>	<b>1,826,230</b>	<b>1,860,310</b>	<b>2,495,268</b>	<b>2,716,026</b>	<b>2,602,328</b>	<b>2,813,636</b>	<b>2,328,868</b>	<b>-6.7%</b>
<b>Net Capital Revenues (Expenditures)</b>	<b>251,673</b>	<b>482,898</b>	<b>-482,068</b>	<b>-702,826</b>	<b>-499,828</b>	<b>-839,636</b>	<b>-270,368</b>	
<b>Beginning Fund Balance</b>	<b>2,472,183</b>	<b>2,723,866</b>	<b>3,216,754</b>	<b>3,216,754</b>	<b>3,216,754</b>	<b>2,716,926</b>	<b>2,716,926</b>	
<b>Ending Fund Balance</b>	<b>2,723,866</b>	<b>3,216,754</b>	<b>2,734,686</b>	<b>2,513,929</b>	<b>2,716,926</b>	<b>1,877,290</b>	<b>2,446,558</b>	
<b>DEBT SERVICE FUND</b>								
<b>Revenue</b>								
Property Taxes	1,600,000	1,600,000	1,500,000	1,500,000	1,500,000	1,300,000	1,300,000	-13.3%
Miscellaneous Revenue	76	398	0	0	0	0	0	
<b>Other Financing Source:</b>								
Transfer from Other Funds	226,811	182,493	205,000	205,000	112,800	180,514	180,514	-11.9%
Transfer from Special Assessmen	150,763	100,000	0	0	0	19,099	146,599	
<b>Total Revenue</b>	<b>1,977,650</b>	<b>1,882,891</b>	<b>1,705,000</b>	<b>1,705,000</b>	<b>1,612,800</b>	<b>1,499,613</b>	<b>1,627,113</b>	<b>-4.6%</b>
<b>Proceeds from Borrowing</b>	<b>66,747</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,924,202</b>	<b>0</b>	<b>0</b>	
<b>Debt Service *</b>	<b>915,644</b>	<b>910,672</b>	<b>1,591,298</b>	<b>1,591,298</b>	<b>1,565,466</b>	<b>1,499,963</b>	<b>1,627,463</b>	<b>2.3%</b>
<b>Refunded Debt</b>					<b>5,948,788</b>			
<b>Interfund Loan Payments</b>	<b>1,062,000</b>	<b>1,062,001</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	
<b>Beginning of the Year</b>	<b>(2,099,712)</b>	<b>(970,959)</b>	<b>1,258</b>	<b>1,258</b>	<b>1,258</b>	<b>22,747</b>	<b>22,747</b>	
<b>Interfund advances (Payments)</b>	<b>2,137,001</b>	<b>2,137,002</b>				<b>-</b>	<b>-</b>	
<b>End of the Year</b>	<b>(970,959)</b>	<b>1,258</b>	<b>114,960</b>	<b>114,960</b>	<b>22,747</b>	<b>22,397</b>	<b>22,397</b>	
<b>CAPITAL IMPROVEMENT FUND</b>								
<b>Revenue</b>								
Landfill Siting	604,004	623,473	498,000	498,000	348,000	444,000	500,000	0.4%
Miscellaneous	130,573	4,681	505,000	505,000	5,000	2,295,000	1,295,000	166.4%
Other (Grants, Impact Fees, etc)	623,682	657,300	1,686,146	1,686,146	1,440,200	14,319,196	13,840,435	720.8%
<b>Total Revenues</b>	<b>1,258,259</b>	<b>1,285,454</b>	<b>2,689,146</b>	<b>2,689,146</b>	<b>1,793,200</b>	<b>17,058,196</b>	<b>16,635,435</b>	
<b>Expenditures</b>								
<b>Capital Outlay</b>	<b>1,564,246</b>	<b>1,571,219</b>	<b>3,775,359</b>	<b>4,375,855</b>	<b>2,309,147</b>	<b>30,285,726</b>	<b>24,895,211</b>	<b>559.4%</b>
<b>Net Revenues (Expenditures)</b>	<b>-305,987</b>	<b>-285,765</b>	<b>-1,086,213</b>	<b>-1,686,709</b>	<b>-515,947</b>	<b>-13,227,530</b>	<b>-9,259,776</b>	
<b>Debt Proceeds</b>	<b>1,962,660</b>	<b>0</b>	<b>950,000</b>	<b>950,000</b>	<b>0</b>	<b>12,250,000</b>	<b>8,330,000</b>	
<b>Beginning Fund Balance</b>	<b>318,828</b>	<b>1,975,601</b>	<b>1,689,836</b>	<b>1,689,836</b>	<b>1,689,836</b>	<b>1,173,889</b>	<b>1,173,889</b>	
<b>Ending Fund Balance</b>	<b>1,975,601</b>	<b>1,689,836</b>	<b>1,553,623</b>	<b>953,127</b>	<b>1,173,889</b>	<b>196,359</b>	<b>244,113</b>	

City of Franklin  
 Official Budget Appropriation Units  
 Summary - 2017 Mayor's Recommended Budget

	2014 Actual	2016 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate	2017 Dept Request	2017 Mayor's Rec	Change to Pr Yr Adopted
<b>DEVELOPMENT FUND</b>								
Impact Fees	683,227	413,877	585,000	585,000	641,000	791,000	791,000	35.2%
Other Income	161,665	63,882	36,334	36,334	55,000	36,618	36,618	0.8%
<b>Total Revenues</b>	<b>844,892</b>	<b>477,859</b>	<b>621,334</b>	<b>621,334</b>	<b>696,000</b>	<b>827,618</b>	<b>827,618</b>	
Transfer to Debt Service	226,811	182,494	455,617	455,617	112,800	454,450	454,450	-0.3%
Transfer to Capital Improvement	1,499,910	607,299	420,953	420,953	250,000	3,289,946	2,891,185	586.8%
Other	0	6,752	515,000	518,321	165,000	505,000	505,000	
<b>Total Expenditures</b>	<b>1,726,721</b>	<b>796,545</b>	<b>1,391,570</b>	<b>1,394,891</b>	<b>517,800</b>	<b>4,248,396</b>	<b>3,850,636</b>	
<b>Net Revenues (Expenditures)</b>	<b>-881,829</b>	<b>-318,686</b>	<b>-770,236</b>	<b>-773,557</b>	<b>178,200</b>	<b>-3,421,778</b>	<b>-3,023,017</b>	
<b>Beginning Fund Balance</b>	<b>5,052,168</b>	<b>4,170,339</b>	<b>3,851,653</b>	<b>3,851,653</b>	<b>3,851,653</b>	<b>4,029,853</b>	<b>4,029,853</b>	
<b>Ending Fund Balance</b>	<b>4,170,339</b>	<b>3,851,653</b>	<b>3,081,417</b>	<b>3,078,096</b>	<b>4,029,853</b>	<b>608,075</b>	<b>1,005,836</b>	
<b>UTILITY DEVELOPMENT FUND</b>								
Water Revenues	\$ 147,411	\$ 73,500	\$ 105,250	\$ 105,250	\$ 76,600	\$ 77,100	\$ 77,100	-26.7%
Sewer Revenues	158,284	107,096	129,100	129,100	75,062	85,000	85,000	-34.2%
Other Revenues	65,710	53,977	59,650	59,650	61,000	44,400	44,400	-25.6%
<b>Total Revenues</b>	<b>371,405</b>	<b>234,573</b>	<b>294,000</b>	<b>294,000</b>	<b>212,662</b>	<b>206,500</b>	<b>206,500</b>	<b>-29.8%</b>
Water Transfers Out	130,376	0	250,000	250,000	0	450,000	450,000	80.0%
Sewer Transfers Out	0	0	250,000	250,000	0	450,000	450,000	80.0%
Other Expenditures	12,037	0	0	0	0	0	0	
<b>Total Expenditures</b>	<b>142,412</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>900,000</b>	<b>900,000</b>	<b>80.0%</b>
<b>Net Revenue (Expenditures)</b>	<b>228,993</b>	<b>234,573</b>	<b>-206,000</b>	<b>-206,000</b>	<b>212,662</b>	<b>-693,500</b>	<b>-693,500</b>	
<b>Beginning Fund Balance</b>	<b>443,438</b>	<b>572,431</b>	<b>907,004</b>	<b>907,004</b>	<b>907,004</b>	<b>1,119,666</b>	<b>1,119,666</b>	
<b>Ending Fund Balance</b>	<b>\$ 672,431</b>	<b>\$ 907,004</b>	<b>\$ 701,004</b>	<b>\$ 701,004</b>	<b>\$ 1,119,666</b>	<b>\$ 426,166</b>	<b>\$ 426,166</b>	
<b>TID #3</b>								
<b>Revenues</b>								
Taxes	\$ 1,572,198	\$ 1,681,677	\$ 1,708,000	\$ 1,708,000	\$ 1,730,642	\$ 1,300,000	\$ 1,300,000	-23.9%
Intergovernmental Revenue	407,508	421,710	420,000	420,000	420,000	325,000	464,300	10.6%
Investment & Other	274,012	146,311	3,000	3,000	15,000	3,000	3,000	0.0%
<b>Total Revenue</b>	<b>2,253,718</b>	<b>2,249,598</b>	<b>2,131,000</b>	<b>2,131,000</b>	<b>2,165,642</b>	<b>1,628,000</b>	<b>1,767,300</b>	<b>-17.1%</b>
<b>Expenditures</b>								
Capital Outlay	332,347	1,439,991	1,205,000	3,525,289	2,349,140	0	0	
Other	56,151	11,420	10,520	10,520	13,020	12,720	12,720	20.9%
Principal	9,695,000	20,000	650,000	650,000	650,000	1,675,000	1,675,000	157.7%
Interest	325,740	129,705	109,418	109,418	98,084	58,561	74,575	-31.8%
<b>Total Expenditures</b>	<b>10,409,238</b>	<b>1,601,116</b>	<b>1,974,938</b>	<b>4,295,227</b>	<b>3,110,244</b>	<b>1,746,281</b>	<b>1,762,295</b>	<b>-10.8%</b>
<b>Net Revenues</b>	<b>(8,155,520)</b>	<b>648,482</b>	<b>166,062</b>	<b>(2,164,227)</b>	<b>(944,602)</b>	<b>(118,281)</b>	<b>5,005</b>	
Loan Proceeds	3,496,080	-	-	-	-	-	-	
Transfers In	-	-	-	-	-	-	-	
Transfers Out	-	-	-	-	-	-	-	
<b>Beginning Fund Balance</b>	<b>5,173,498</b>	<b>347,978</b>	<b>996,460</b>	<b>996,460</b>	<b>996,460</b>	<b>51,858</b>	<b>51,858</b>	
<b>Ending Fund Balance</b>	<b>\$ 514,058</b>	<b>\$ 996,460</b>	<b>\$ 1,152,522</b>	<b>\$ (1,167,767)</b>	<b>\$ 51,858</b>	<b>\$ (68,423)</b>	<b>\$ 66,863</b>	
<b>Interfund Advances Due</b>	<b>3,350,000</b>	<b>1,700,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	<b>550,000</b>	
<b>TID #4</b>								
<b>Revenues</b>								
Taxes	\$ 972,728	\$ 1,101,081	\$ 1,292,000	\$ 1,292,000	\$ 1,380,900	1,083,500	\$ 1,079,000	-16.5%
Intergovernmental Revenue	24,620	19,631	19,000	19,000	18,000	16,200	16,200	-14.7%
Investment & Other	906	404	0	0	4,500	19,200	19,200	#DIV/0!
<b>Total Revenue</b>	<b>998,254</b>	<b>1,121,116</b>	<b>1,311,000</b>	<b>1,311,000</b>	<b>1,403,400</b>	<b>1,118,900</b>	<b>1,114,400</b>	<b>-16.0%</b>
<b>Expenditures</b>								
Capital Outlay	83,760	18,278	0	8,800	0	0	0	
Other	9,585	12,487	40,855	44,155	11,970	17,556	9,075	-77.8%
Principal	0	1	0	0	0	0	0	
Interest	59,904	14,695	5,415	5,415	920	0	0	
<b>Total Expenditures</b>	<b>153,249</b>	<b>45,461</b>	<b>46,270</b>	<b>58,370</b>	<b>12,890</b>	<b>17,556</b>	<b>9,075</b>	<b>-80.4%</b>
<b>Net Revenues</b>	<b>845,005</b>	<b>1,075,655</b>	<b>1,264,730</b>	<b>1,252,630</b>	<b>1,390,510</b>	<b>1,101,345</b>	<b>1,105,325</b>	
Loan Proceeds	0	1	0	0	0	0	0	
<b>Beginning Fund Balance</b>	<b>(2,058,877)</b>	<b>(1,213,872)</b>	<b>(138,216)</b>	<b>(138,216)</b>	<b>(138,216)</b>	<b>1,252,294</b>	<b>1,252,294</b>	
<b>Ending Fund Balance</b>	<b>\$ (1,213,872)</b>	<b>\$ (138,216)</b>	<b>\$ 1,126,514</b>	<b>\$ 1,114,414</b>	<b>\$ 1,252,294</b>	<b>\$ 2,353,639</b>	<b>\$ 2,357,619</b>	
<b>Interfund Advances Due</b>	<b>1,236,000</b>	<b>238,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

City of Franklin  
 Official Budget Appropriation Units  
 Summary - 2017 Mayor's Recommended Budget

	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate	2017 Dept Request	2017 Mayor's Rec	Change to Pr Yr Adopted
<b>TID #5</b>								
Revenues								
Taxes						\$ -	\$ -	
Intergovernmental Revenue						0	0	
Investment & Other						0	0	
Total Revenue	0		0	0	0	0	0	
Expenditures								
Capital Outlay						10,949,250	10,949,250	
Other						285,883	285,883	
Principal						0	0	
Interest						128,775	126,775	
Total Expenditures	0		0	0	0	11,361,908	11,361,908	
Net Revenues	0		0	0	0	-11,361,908	-11,361,908	
Loan Proceeds						11,575,000	11,575,000	
Transfers In								
Transfers Out								
Beginning Fund Balance	-	-	-	-	-	-	-	
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,092	\$ 213,092	
Interfund Advances Due	0		0	0	0		0	
<b>INTERNAL SERVICE FUND (75)</b>								
Self Insurance								
Medical Premium	\$ 3,101,601	\$ 2,988,926	\$ 2,804,139	\$ 2,804,139	\$ 2,805,000	\$ 3,000,600	\$ 3,000,600	7.0%
Dental Premiums	163,200	160,794	173,500	173,500	173,500	177,400	177,400	2.2%
Investment Income	116,803	68,294	66,004	66,004	66,054	35,000	35,000	-37.5%
Total Revenue	3,381,604	3,218,014	3,033,643	3,033,643	3,034,554	3,213,000	3,213,000	5.9%
Medical Claims	1,823,825	1,842,015	2,875,000	2,875,000	2,275,000	2,119,200	2,119,200	-26.3%
Prescription Drug Claims	288,780	325,370	0	0	0	335,000	335,000	
Stop Loss Premiums	549,788	589,964	675,000	675,000	675,000	635,900	635,900	-5.8%
All other costs	202,995	284,172	310,076	310,076	245,120	330,500	330,500	
Dental Claims	182,173	154,782	170,300	170,300	167,800	170,300	170,300	0.0%
Restricted Contingency	0	0	0	0	0	0	581,600	
Total Expenditures	3,047,561	3,198,303	4,030,376	4,030,376	3,362,920	3,590,900	4,182,400	3.8%
Net Revenue (Expenditures)	334,043	21,711	-996,733	-996,733	-328,366	-377,900	-969,400	
Beginning Fund Balance	3,106,401	3,440,171	3,461,882	3,461,882	3,461,882	3,133,616	3,133,616	
Ending Fund Balance	\$ 3,440,444	\$ 3,461,882	\$ 2,465,149	\$ 2,465,149	\$ 3,133,516	\$ 2,755,616	\$ 2,164,116	
<b>ST MARTIN'S FAIR FUND</b>								
Revenue								
Charges for Services	\$ 25,592	\$ 37,610	\$ 36,100	\$ 36,100	\$ 30,160	\$ 37,400	\$ 37,400	3.6%
Donations	460	750	3,600	3,600	3,600	3,600	3,600	2.9%
Interest & Investment Income	0	0	0	0	0	0	0	
Total Revenue	26,042	38,360	39,600	39,600	33,650	41,000	41,000	3.6%
Public Safety Costs	34,361	37,920	34,336	34,336	30,267	35,568	35,445	3.2%
Other Costs	13,536	12,598	16,400	16,400	14,200	16,400	16,400	0.0%
Total Expenditures	47,897	50,518	50,736	50,736	44,467	51,968	51,845	2.2%
Net Revenue (Expenditures)	-21,845	-12,158	-11,136	-11,136	-10,817	-10,968	-10,845	
Transfers In	11,000	11,000	11,000	11,000	11,000	11,000	11,000	
Beginning Fund Balance	-709	-11,654	-12,712	-12,848	-12,712	-12,529	-12,529	
Ending Fund Balance	\$ (11,654)	\$ (12,712)	\$ (12,848)	\$ (12,984)	\$ (12,529)	\$ (12,497)	\$ (12,374)	
<b>CIVIC CELEBRATIONS FUND</b>								
Revenue								
Charges for Services	\$ 73,158	\$ 77,390	\$ 70,000	\$ 70,000	\$ 109,600	\$ 77,000	\$ 77,000	
Donations	20,575	20,699	20,000	20,000	20,000	20,000	20,000	0.0%
Interest & Investment Income	0	0	0	0	0	0	0	
Total Revenue	93,733	98,089	90,000	90,000	129,600	97,000	97,000	7.8%
Public Safety Costs	25,497	25,459	27,089	27,089	26,604	26,795	26,709	-1.4%
Other Costs	86,560	84,046	96,300	96,300	112,282	77,800	77,800	-18.2%
Total Expenditures	112,057	109,505	123,389	123,389	137,886	104,595	104,509	-16.3%
Net Revenue (Expenditures)	-18,324	-11,416	-33,389	-33,389	-8,286	-7,595	-7,509	
Transfers In	13,000	13,000	13,000	13,000	13,000	0	13,000	
Beginning Fund Balance	51,476	46,162	47,736	47,736	47,736	52,450	52,450	
Ending Fund Balance	\$ 46,162	\$ 47,736	\$ 27,347	\$ 27,347	\$ 52,450	\$ 44,855	\$ 57,941	

City of Franklin  
 Official Budget Appropriation Units  
 Summary - 2017 Mayor's Recommended Budget

	2014 Actual	2015 Actual	2016 Adopted Budget	2016 Amended Budget	2016 Estimate	2017 Dept Request	2017 Mayor's Rec	Change to Pr Yr Adopted
<b>DONATIONS FUND</b>								
<b>Revenues</b>								
Police	34,234	14,452	15,000	15,000	13,000	20,000	20,000	33.3%
Fire	1,140	6,306	5,500	5,500	2,500	4,125	4,125	-25.0%
Health	1,465	-184	0	0	500	0	0	
Other	5,600	14,674	0	0	43,550	6,700	6,700	
Interest & Investment income	715	0	0	0	0	0	0	
<b>Total Revenues</b>	<b>43,054</b>	<b>35,248</b>	<b>20,500</b>	<b>20,500</b>	<b>59,550</b>	<b>30,825</b>	<b>30,825</b>	<b>50.4%</b>
<b>Expenditures</b>								
Police	19,863	14,464	92,901	95,035	19,500	87,750	87,750	-5.5%
Fire	2,437	3,747	9,600	9,600	6,000	9,600	9,600	0.0%
Health	395	353	600	600	500	600	600	0.0%
Other	134	5,554	0	0	500	30,000	31,500	
<b>Total Expenditures</b>	<b>22,829</b>	<b>24,118</b>	<b>103,101</b>	<b>105,235</b>	<b>26,500</b>	<b>127,950</b>	<b>129,450</b>	<b>26.6%</b>
<b>Net Revenues (Expenditures)</b>	<b>20,225</b>	<b>11,130</b>	<b>-82,601</b>	<b>-84,735</b>	<b>33,050</b>	<b>-97,125</b>	<b>-98,625</b>	
Beginning Fund Balance	102,323	122,548	133,678	133,678	133,678	166,728	166,728	
Ending Fund Balance	\$ 122,548	\$ 133,678	\$ 51,077	\$ 48,943	\$ 166,728	\$ 69,603	\$ 68,103	
<b>GRANT FUNDS</b>								
<b>Revenues</b>								
Police	4,987	14,995	5,000	5,000	4,500	5,000	5,000	0.0%
Fire	5,840	9,704	8,500	8,500	8,000	5,000	5,000	-41.2%
Other	76,414	32,845	340,000	340,000	18,900	0	0	-100.0%
Health	99,522	60,372	104,650	118,015	0	211,000	211,000	101.6%
<b>Total Grants</b>	<b>186,763</b>	<b>117,916</b>	<b>458,150</b>	<b>471,515</b>	<b>31,400</b>	<b>221,000</b>	<b>221,000</b>	<b>-51.8%</b>
<b>Expenditures</b>								
Police	4,987	14,995	5,000	5,000	4,500	5,000	5,000	0.0%
Fire	5,217	3,797	7,400	7,400	7,400	5,000	5,000	-32.4%
Other	79,619	31,916	340,000	340,000	18,900	0	0	-100.0%
Health	87,665	82,429	172,950	186,315	0	267,334	269,446	56.8%
<b>Total Expenditures</b>	<b>177,388</b>	<b>133,136</b>	<b>525,350</b>	<b>538,715</b>	<b>30,800</b>	<b>277,334</b>	<b>279,446</b>	<b>-48.8%</b>
<b>Net Revenues</b>	<b>9,375</b>	<b>-15,220</b>	<b>-67,200</b>	<b>-67,200</b>	<b>600</b>	<b>-56,334</b>	<b>-58,446</b>	
Beginning Fund Balance	165,846	175,221	160,001	180,001	160,001	160,601	160,601	
Ending Fund Balance	\$ 175,221	\$ 160,001	\$ 92,801	\$ 92,801	\$ 160,601	\$ 104,267	\$ 102,155	

## Budget Process and Calendar

Pursuant to Section 13-2.A. of the Municipal Code of the City of Franklin, each year, the Mayor presents a budget timetable to the Common Council no later than March 1st, for review and approval by the Common Council. Each year, the Mayor, with the assistance of the Director of Administration, Director of Finance and Treasurer, and all other department heads, is responsible for the preparation of the Mayor's Recommended Annual Budget, presenting a financial plan for conducting the affairs of the City for the ensuing calendar year, and submits it to the Committee of the Whole for its review and recommendation. Upon its review of the Recommended Budget, the Committee of the Whole submits its proposed budget to the Common Council for review and approval.

The annual budget includes:

- Expenses of conducting each department and activity of the City for the ensuing fiscal year and corresponding items for the current year and last preceding fiscal year, with reasons for increase and decrease recommended as compared with appropriations for the current year.
- An itemization of all anticipated income of the City from sources other than general property taxes and bond proceeds, with a comparative statement of the amounts received by the City from each of the sources for the last preceding and current fiscal year.
- An itemization of the amount of money to be raised from general property taxes, which, with income from other sources, will be necessary to meet the proposed expenditures.
- Any other information required by the Council and State law.

As required by law, the Common Council holds a public hearing on the proposed budget before final approval.

After approval of the annual budget by the Common Council, the amount of the tax to be levied or certified and the amounts of the various appropriations and the purposes thereof cannot be changed except by a two-thirds vote of the entire membership of the Common Council. Notice of such amendment is to be given by publication within 10 days thereafter in the Official City Newspaper.

No money is to be drawn from the treasury of the City or any obligation for the expenditure of money be incurred except in pursuance of the annual appropriation in the adopted budget or when changed as authorized. At the close of each fiscal year, any unencumbered balance of an appropriation reverts to the general fund and is subject to re-appropriation. Appropriations may be made by the Common Council, to be paid out of the income of the current year, for improvements or other objects or works that will not be completed within such year, and any such appropriations continue until the purpose for which it was made have been accomplished or abandoned.

The 2017 Budget Time line included a schedule as follows:

September 20, 2016	Distribution of the Mayor's Recommended Budget to the Common Council
September 20, 2016	Common Council meeting agenda includes a presentation overview of the budget and major budget initiatives. Alderman identify additional materials or information needed for the October 3 budget discussions
October 4, 2016	Committee of the Whole reviews Mayors Recommended Budget
October 6, 2016	Regular Common Council meeting, may continue work begun during the Committee of the Whole.
October 11, 2016	Alternate day for additional Committee of the Whole meeting and Budget Discussion
October 20, 2016	Preparation of Public Hearing Notice
October 18, 2016	Regular Common Council Meeting available for discussion of any budget topic as may be needed
October 27, 2016	Publication of Preliminary Budget and Public Hearing Notice
November 1, 2016	Committee of the Whole meeting available for discussion of any budget topics as may be needed
November 15, 2016	Public Hearing on the Proposed 2017 Budget
November 15, 2016	Common Council Meeting to Adopt 2017 Budget

## **Opportunities and Threats That Could Impact Franklin and Current and Future Year Budgets**

### **Opportunities**

- Franklin's history of strong property value growth, its location relative to significant transportation corridors, and past successful TID developments suggests that the community could again see strong development numbers if sufficient market-ready and market-attractive parcels become available.
- Continue the receipt of landfill siting fees beyond 2018 by assisting Waste Management in receiving necessary approvals to expand in the north area of landfill which could extend landfill siting fees for many years.
- Consolidation of similar services with neighboring communities.
- Billing 100% of the fire protection charges to the water utility customers instead of the current practice of 50% to the property tax levy and 50% to the utility customer – in 2017 Public Fire Protection forecasted at \$271,000.
- Establishing a property tax equivalent from the Sewer Service Fund that would provide the equivalent of property taxes on the sewer service assets similar to the amounts charged to the Water Utility (requires state law change).
- Level of City tax rate is below comparable Milwaukee County communities.
- Completion (2013) of the Ryan Creek Sewer Interceptor opens significant new areas of the City to future development, expands the potential for Highway 36 corridor development, and represents the largest area of undeveloped land in Milwaukee County.
- Infrastructure design requirements on new development that result in longer lasting infrastructure components, reducing demand for replacement costs.
- Technology enhancements in the government functions that increase productivity of service providers – i.e. tablets that permit in field updates to infrastructure maintenance.
- Utility monitoring that identifies lost water earlier and avoids losing water to the environment.
- Synergies with other communities in transporting potable water across Franklin for delivery to points west or south.
- New natural conservation recreation areas as a result of MMSD and Waste Management agreements improve quality of life for our constituents.

### **Threats**

- Current lack of sufficient growth in the value of non-residential properties.
- Lack of developed and ready business park parcels will stop high-value, non-residential growth and possibly lose existing businesses.
- Lack of single-family developed lots limits the growth needed for service sector development.
- Lack of population density limits "quality of life" developments.

- Continued efforts by the state to reduce aids to municipalities. For example, the proposed 2015-16 State Budget contained language to eliminate personal property tax payments by businesses and to remove the State's contribution to local governments for matching Exempt Computer Aids. Both are large revenue sources to the City. The proposals failed but received significant consideration.
- The 2015-16 State Budget limited the amount of Hotel tax that can be used for General Fund purposes starting in 2017.
- Municipal property tax levy increases are limited to the larger of new construction growth or 0%. 2013 State budget inclusion in the levy limit of user fees (Public Fire Protection Charges) for services formerly provided for through the tax levy.
- State restrictions on local control and decision making can affect expenditures, revenues, services, and alternatives.
- Structural deficits in the Capital funds caused by revenue reductions without lasting expense reductions or by increased demands and needs.
- Demands on and for program and operating expenditures:
  - Potential for large increases in annual health care costs and the impact of national healthcare reforms on the City's group plan.
  - Development of the Park plan could strain available financial resources.
  - Potential cost of a large scale Emerald Ash Borer control program.
  - Seed capital for sewer build out in Southwest Sewer District.
  - Continued changes to the paramedic contract may cause program changes and increased personnel and training costs.
- Any sunset of landfill siting revenues will restrict resources in the Capital Funds.
- Lack of growth, current state restrictions, and other threats could cause reductions in staff and/or services.
- The inter-relationship of multiple threats can magnify problems while limiting solutions. For example, the State maintaining levy limits require new growth and development, which is itself at risk.
- 'Cord cutting' and the impact on the \$500,000 of annual cable TV tax revenue.
- Aging workforce, with the potential for loss of intellectual capital upon retirement.
- Continued unchecked rate increases in cost of water.

The Common Council may wish to modify this list with additional opportunities or threats prior to the public hearing.

Updated August 23, 2016

**CITY OF FRANKLIN**  
**Summary of Assessed Value - Before Board of Review**

	Jan 1, 2015		Estimated		Jan 1, 2016		Jan 1, 2015	
	Total Assessed Values	Assessment Ratio	TID #3 Assessed Values	TID #4 Assessed Values	TIF Assessed Values	Assessed Values Less TID	Assessed Values	Assessed Values Less TID
Personal Property-manufacturing @ FMV	15,457,900	99.320% <sup>2</sup>	-	26,400	26,400	15,431,500	14,793,700	637,800
Assessment Ratio				99.320%	99.242%	99.320%	92.241%	
P.P. @ Est Assessed Value	15,352,800		-	26,200	26,200	15,326,600	13,645,900	1,680,700
Real Estate-manufacturing @ FMV	152,011,600	99.320% <sup>2</sup>	-	1,456,900	1,456,900	150,554,700	144,099,500	6,455,200
Assessment Ratio				99.320%	99.320%	99.320%	93.327%	
R.E. @ Est Assessed Value	150,977,900		-	1,447,000	1,447,000	149,530,900	134,483,400	15,047,500
Manufacturing at Est Assessed Value	166,330,700		-	1,473,200	1,473,200	164,857,500	148,129,300	16,728,200
Real Estate - Residential	2,694,363,525		47,110,700	20,266,200	67,376,900	2,626,986,625	2,345,265,800	281,720,825
Real Estate - Commercial	759,507,400		165,138,300	36,799,000	201,937,300	557,570,100	555,415,600	2,154,500
Real Estate - Agricultural/Other	20,074,500		-	578,800	578,800	19,495,700	18,329,400	1,166,300
Total Real Estate	3,473,945,425		212,249,000	57,644,000	269,893,000	3,204,052,425	2,919,010,800	285,041,625
Personal Property - Commercial	65,133,500		18,957,600	6,230,600	25,188,200	39,945,300	36,618,000	3,327,300
Residential, Commercial & Agricultural	3,539,078,925 <sup>1</sup>		231,206,600	63,874,600	295,081,200	3,243,997,725	2,955,628,800	288,368,925
Sub total	3,705,409,625		231,206,600	65,347,800	296,554,400	3,408,855,225	3,103,758,100	305,097,125
Less: TID Base	-		(173,488,200)	(19,817,900)	(193,306,100) <sup>3</sup>	193,306,100	193,306,100	-
Total Assessed Value - 2015	3,705,409,625		57,718,400	45,529,900	103,248,300	3,602,161,325	3,297,064,200	305,097,125
Percent Increase	9.1%		6.0%	1.1%	3.8%	9.3%		
2015 Breakdown by Type								
Real Estate	3,624,923,325		38,760,800	39,273,100	96,406,800	3,546,889,425	3,246,800,300	300,089,125
Personal Property	80,486,300		18,957,600	6,256,800	6,841,500	55,271,900	50,263,900	5,008,000
Total Assessed Value - 2015	3,705,409,625		57,718,400	45,529,900	103,248,300	3,602,161,325	3,297,064,200	305,097,125
2015 Breakdown by School District								
Franklin School District	-		-	-	-	-	2,513,289,000	(2,513,289,000)
Oak Creek/Franklin School District	-		(173,488,200)	(19,817,900)	(193,306,100)	193,306,100	579,455,100	(386,149,000)
Whitnall School District	-		-	-	-	-	204,320,100	(204,320,100)
Total Assessed Value - 2015	-		(173,488,200)	(19,817,900)	(193,306,100)	193,306,100	3,297,064,200	(3,103,758,100)
Total Assessed Value - 2015	3,396,543,100		54,436,200	45,042,700	99,478,900	3,297,064,200		

<sup>1</sup> Agrees to Statement of Assessment

<sup>2</sup> Per DOR Average Assessment Ratio to be received

<sup>3</sup> 1/1/05 base for TIF#3 & TIF #4 per DOR & 2013 TID 3 Amendment

City of Franklin  
Tax Equalization Ratio  
2017 Budget

Preliminary

Prior to Board of  
Review  
Preliminary  
2016-17

	2014-15	2015-16	Prior to Board of Review Preliminary 2016-17	Inc (Dec)
Assessed Value TID Out	3,265,477,000	3,297,064,200	3,602,161,325	9.25%
Assessed Value TID In	3,364,592,800	3,396,543,100	3,705,409,625	
Equalized Value TID Out	3,473,233,200	3,522,081,700	3,629,055,600	3.04%
Percentage Change		1.41%	3.04%	
TID 3 Increment	72,785,000	72,829,900	55,256,200	-24.13%
TID 4 Increment	43,675,900	54,274,300	44,691,300	-17.66%
Total - TID In Equalized Value	3,589,694,100	3,649,185,900	3,729,003,100	2.19%
Assessment Ratio	93.72923%	93.07674%	99.36730%	
City Tax Levy - TID Out	\$ 20,509,000	\$ 20,509,000	\$ 20,619,500	0.54%
Equalized Rate TID Out	0.005904873	0.005822977	0.005681781	-2.42%
Percentage Change		-1.39%	-2.42%	
Tax Levy - TID In	\$ 21,196,687	\$ 21,249,125	\$ 21,187,380	
<b>Tax rate on Assessed Value</b>	<b>6.2999263</b>	<b>6.2561034</b>	<b>5.7179589</b>	<b>\$ (0.538)</b> <b>-8.60%</b>
Equalization Difference	0.0193738	0.0357210	(0.0062434)	
Expenditure Restraint Equalized Tax Rate	0.0009049	0.0008230	0.0006818	
Impact on Expenditure Restraint Aids		-9.05%	-17.16%	

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**City of Franklin  
2016 Tax Rate  
Change Impacts**

Assessed Value - TID Out 3,602,161,325 Preliminary  
Assessed Value - TID In 3,705,409,625 Preliminary

Equalized Value - TID Out 3,629,055,600  
Equalized Value - TID In 3,729,003,100

		Equalized Value Rate TID Out	Tax Levy TID Out	Assessed Value Tax Rate - TID In	
<b>Proposed Levy</b>	<b>20,619,500</b>	5.6817812	21,187,380	5.7179589	
Change in Levy					Change
1,000	20,620,500	5.6820568	21,188,407	5.7182362	0.0002773
2,000	20,621,500	5.6823323	21,189,435	5.7185135	0.0005546
5,000	20,624,500	5.6831590	21,192,518	5.7193454	0.0013865
10,000	20,629,500	5.6845368	21,197,655	5.7207320	0.0027731
20,000	20,639,500	5.6872923	21,207,931	5.7235050	0.0055462
30,000	20,649,500	5.6900478	21,218,206	5.7262781	0.0083192
43,000	20,662,500	5.6936300	21,231,564	5.7298831	0.0119243
(1,000)	20,618,500	5.6815057	21,186,352	5.7176816	-0.0002773
(2,000)	20,617,500	5.6812301	21,185,325	5.7174043	-0.0005546
(5,000)	20,614,500	5.6804035	21,182,242	5.7165723	-0.0013865
(10,000)	20,609,500	5.6790257	21,177,104	5.7151858	-0.0027731
(20,000)	20,599,500	5.6762702	21,166,829	5.7124127	-0.0055462
(30,000)	20,589,500	5.6735146	21,156,554	5.7096396	-0.0083192

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