

## DEBT SERVICE FUND 31

The City's Debt Service Fund manages the payment of debt service on all general obligation debt issued for City purposes. Debt service for Tax Increment Financing Districts (TID) and Utility funds is accounted for separately.

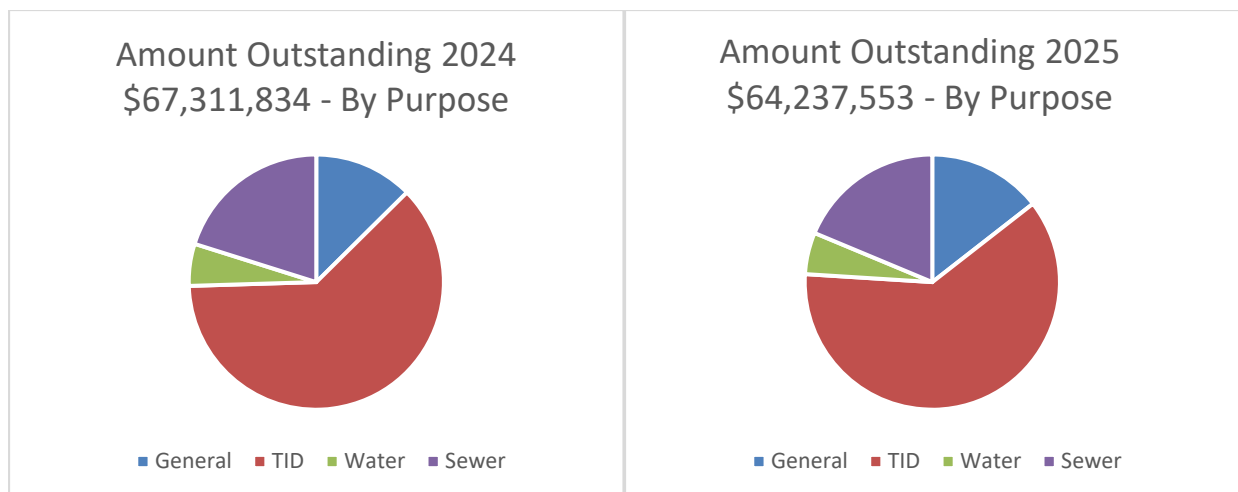
Although TID debt is tracked separately, it remains a general obligation borrowing, meaning the City is ultimately responsible for repayment if a TID's revenues, such as TID increment or other related sources, are insufficient. While a TID is active, overlapping taxing authorities forgo their share of taxes to support TID projects. However, if a TID's statutory life expires with outstanding debt and insufficient revenue, the City's debt service tax levy becomes responsible for covering the remaining obligations.

The primary funding sources for general obligation debt issued for government purposes include:

- Property Tax Levy
- Special Assessments: Collections for public improvements, excluding water and sewer, where property owners are assessed a pro-rata share of the project cost financed through general obligation debt.
- Impact Fees

The City's net general debt can fluctuate significantly. The net general debt supported by the Debt Service Levy, excluding TID and Utility debt, is expected to decline to \$8.475 million by December 31, 2024, from a high of \$13.1 million in 2017. However, the City borrowed \$1.88 million in General Obligation Debt in 2024 and anticipates borrowing an additional \$2 million for capital projects in 2025.

### Outstanding General Obligation Debt (as of December 2024 and December 2025):



As noted, TID debt represents the most significant component of the City's general obligation debt capacity. Over the past five years, TID debt has increased significantly due to several new TID projects, including Ballpark Commons (TID #5), Velo Village (TID #7), Bear Development (TID #6), the new Corporate Park (TID #8), and the development surrounding

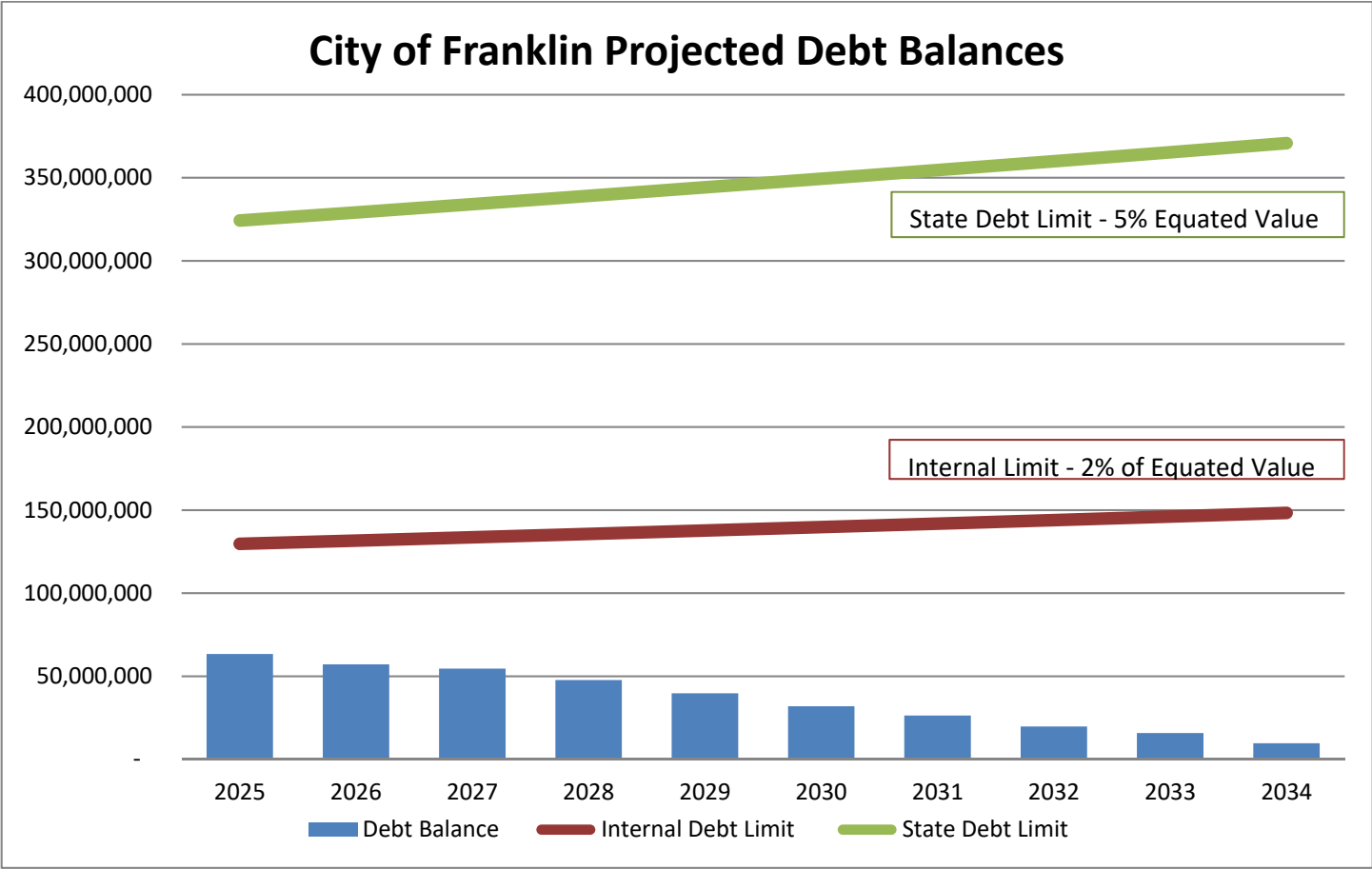
City of Franklin, WI  
2025 Debt Service

Carma Labs (TID #9). By December 31, 2025, the total TID general obligation debt is expected to reach \$39.5 million.

Based on the schedule of debt maturities, the total general obligation debt for City purposes as of December 31, 2024, stands at \$67.3 million, which includes TID and Utility debt. The breakdowns are as follows:

- \$41.695 million in TID debt
- \$13.5 million in Sewer Utility debt
- \$8.475 million in general government debt
- \$3.579 million in Water Utility debt

As of December 31, 2024, the City’s total outstanding debt represents 22.03% of its legal debt limit, defined by Wisconsin Statutes, which set the legal debt capacity at 5% of its equalized property value. At the end of 2024, the total debt-to-equalized-value ratio is projected to be 1.08%.



The City amended its debt policy through Resolution 2019-7532 in August 2019, establishing a self-imposed limit on the amount of outstanding debt the City can carry at any given time. This policy restricts outstanding debt to 40% of the legal debt limit defined by Wisconsin Statutes. As of December 31, 2024, this self-imposed limit was \$122.8 million, projected to rise to \$125.0 million by the end of 2025.

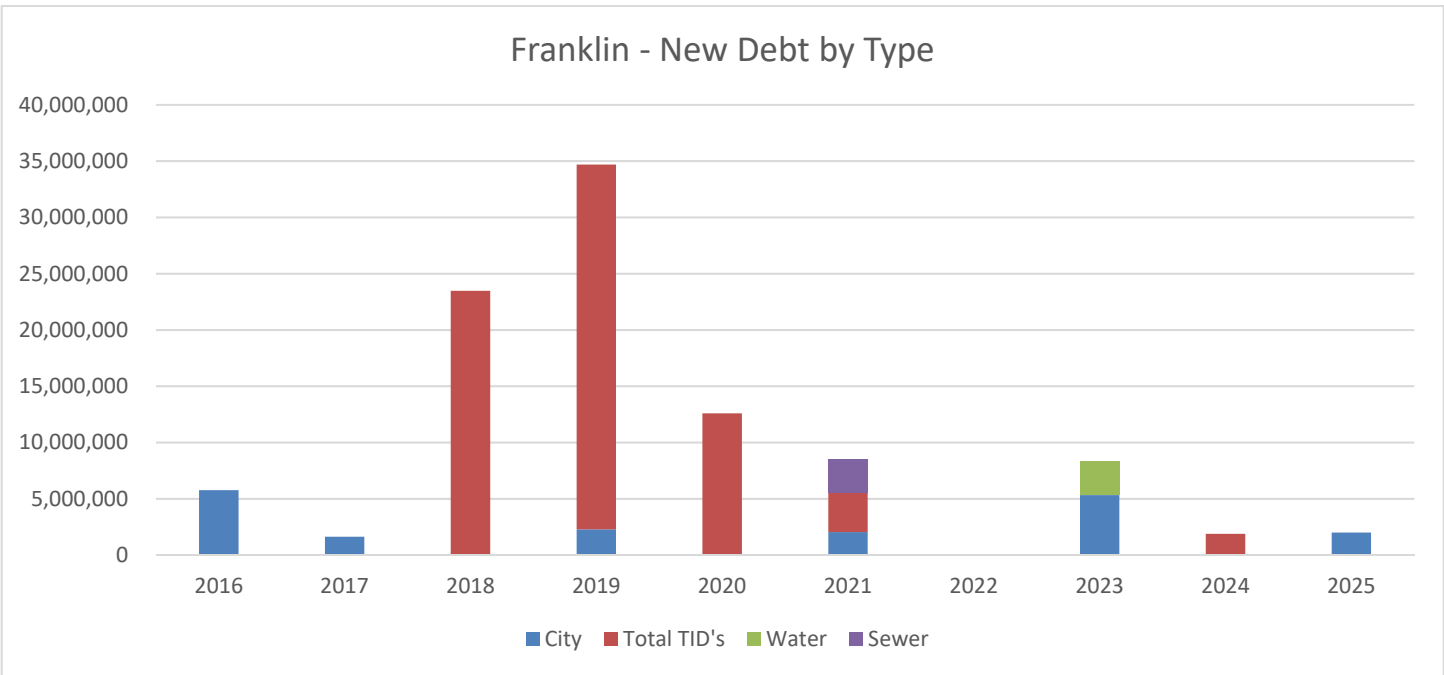
The City’s debt policy also outlines key financial targets related to its outstanding debt. As of December 31, 2024, the City's performance against these targets is as follows:

- **At least 70% of the outstanding debt due within ten years:** The City exceeded this target, with 76% due within ten years.
- **Maintain an Aa2 credit rating:** The City maintained its Aa2 credit rating, reflecting its strong creditworthiness.
- **No more than 20% of the total tax levy for debt service:** The City kept debt service to 5.13%, well within the policy limit.

**Recent Debt Issues (by year of issuance):** The City has issued several debt instruments in recent years to finance capital projects and support the City’s infrastructure and development needs. Each issuance is described below:

- **2016:** Refinanced a 2007 debt issue with a \$5.77 million obligation, realizing \$389,894 in future savings.
- **2017:** Issued \$1.63 million in new debt (Issue 2017B) to fund 2018 Capital Improvement Fund projects.
- **2018:** Issued \$23.48 million in Taxable Anticipation Notes (Issue 2018A) to support TID #5 projects.
- **2019-2020:** Issued various bonds to refinance debt and fund infrastructure for multiple TIDs.
- **2021:** Issued \$6.51 million to finance capital projects and sewer lift station replacements.
- **2023:** Issued \$5.33 million in tax-exempt notes for capital and water tower projects.
- **2024:** Issued \$1.88 million for public utility and infrastructure in TID #9.

**Recent debt issues by year of issuance are illustrated described below:**



City of Franklin, WI  
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In 2016, the City refinanced a 2007 debt issue with a new \$5.77 million obligation (Issue 2016A), resulting in future savings of \$389,894. The final due date for this refinancing was March 1, 2021.

In 2017, the City issued \$1.63 million in new debt (Issue 2017B) to fund 2018 Capital Improvement Fund projects.

In May 2018, the City issued \$23.48 million in taxable Anticipation Notes (Issue 2018A) to support TID #5 projects, with the entire note due by March 2023. In February 2019, \$10 million was refinanced, followed by an additional \$4 million in March 2020, with the final piece of permanent financing for TID #5 completed in 2020.

In February 2019, the City issued \$13.685 million in taxable bonds (Issue 2019A), which refunded \$10 million of the 2018 Anticipation Note with a new 13-year bond for TID #5. Additionally, \$3.005 million was allocated for a developer's grant in TID #3, payable over four years.

Also, in February 2019, the City issued \$6.35 million in tax-exempt 15-year bonds (Issue 2019B) to finance infrastructure in TID #6, a new industrial park established in October 2018. An additional \$3 million was financed to cover the remaining infrastructure costs in TID #6.

In December 2019, the City issued \$12.47 million in Taxable General Obligation Bonds (Issue 2019C), which included \$3.225 million for infrastructure in TID #5, \$4.045 million to refinance a portion of the 2018 Anticipation Notes, \$2.06 million for infrastructure in TID #7, and \$3 million to provide a ten-year mortgage in TID #7.

In December 2019, the City also issued \$2.285 million in tax-exempt General Obligation Notes (Issue 2019D) to finance 2019 Capital Improvement Fund projects.

In December 2020, the City issued \$9.5 million in taxable bonds (Issue 2020A) to refinance the balance of the 2018 Anticipation Notes and \$3 million in tax-exempt bonds (Issue 2020B) to finance the remaining infrastructure commitment in TID #6.

In 2021, the City issued \$2.045 million in tax-exempt notes (Issue 2021A) for capital projects and a \$6.51 million bond (Issue 2021B) to finance a replacement sewer lift station in the industrial park, along with \$3.505 million for infrastructure in TID #8.

In 2023, the City issued \$5.33 million in tax-exempt notes (Issues 2023A & 2023B) to finance capital projects and a \$2.995 million bond (Issue 2023A) for a water tower project.

In August 2024, the City issued \$1.88 million in tax-exempt notes (Issue 2024A) to finance public utilities and infrastructure in TID #9.

City of Franklin, WI  
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The City traditionally issues debt every other year, a practice that will continue. However, starting in 2025, additional borrowing is recommended to address capital needs, including existing deficiencies and growth. Future debt will be partially offset by repayment of outstanding debt scheduled during this period. The increased level of development, especially involving the Water Utility and TIDs, may cause debt levels to rise and necessitate reconsidering the internal debt limit. The City may also consider utilizing revenue bonds instead of general obligation debt for significant utility improvements.

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**City of Franklin WI**  
**General Obligation Debt Summary**

Fund	Borrowed	Balance Dec-24	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>City</b>												
	New Loans		-	2,000,000	-	2,726,200	2,000,000	-	2,000,000	-	2,000,000	-
	Principal Payments		1,180,000	1,045,000	1,130,000	685,000	905,000	1,035,000	630,000	725,000	770,000	585,000
	Interest Payments		294,338	258,775	226,813	332,587	359,011	405,136	372,586	421,661	387,736	437,836
	Premium		(30,113)									
	Total payments		1,444,225	1,303,775	1,356,813	1,017,587	1,264,011	1,440,136	1,002,586	1,146,661	1,157,736	1,022,836
	Loan Balance	8,475,000	7,295,000	8,250,000	7,120,000	9,161,200	10,256,200	9,221,200	10,591,200	9,866,200	11,096,200	10,511,200
<b>TID 5</b>	<b>Ballpark Commons</b>											
	New Loans											
	Principal Payments		1,550,000	1,750,000	1,960,000	2,085,000	2,210,000	2,305,000	2,380,000	2,580,000	1,550,000	1,645,000
	Interest Payments		598,203	554,693	506,095	452,655	395,583	335,025	272,323	206,265	155,098	120,355
	Total		2,148,203	2,304,693	2,466,095	2,537,655	2,605,583	2,640,025	2,652,323	2,786,265	1,705,098	1,765,355
	TID5 Loan Balance	\$ 24,485,000	22,935,000	21,185,000	19,225,000	17,140,000	14,930,000	12,625,000	10,245,000	7,665,000	6,115,000	4,470,000
<b>TID 6</b>	<b>Bear Development</b>											
	New Loans											
	Principal Payments		520,000	665,000	735,000	810,000	875,000	920,000	965,000	1,005,000	1,030,000	1,065,000
	Interest Payments		227,253	206,553	182,053	155,653	130,328	108,153	86,540	63,871	39,734	13,601
	Total		747,253	871,553	917,053	965,653	1,005,328	1,028,153	1,051,540	1,068,871	1,069,734	1,078,601
	TID6 Loan Balance	\$ 8,590,000	8,070,000	7,405,000	6,670,000	5,860,000	4,985,000	4,065,000	3,100,000	2,095,000	1,065,000	-
<b>TID 7</b>	<b>Velo Village - including Interfund Advance</b>											
	New Loans											
	Principal Payments		100,000	195,000	200,000	200,000	2,835,000	100,000	100,000	100,000	175,000	200,000
	Interest Payments		123,880	120,759	116,413	111,863	75,543	40,273	37,723	35,073	31,316	26,110
	Total		223,880	315,759	316,413	311,863	2,910,543	140,273	137,723	135,073	206,316	226,110
	TID7 Loan Balance ^^^	\$ 4,990,000	4,890,000	4,695,000	4,495,000	4,295,000	1,460,000	1,360,000	1,260,000	1,160,000	985,000	785,000
<b>TID 8</b>												
	New Loans											
	Principal Payments		-	85,000	160,000	175,000	180,000	195,000	200,000	205,000	210,000	220,000
	Interest Payments		76,100	74,825	71,150	66,125	60,800	56,150	52,200	48,150	44,000	39,700
	Total		76,100	159,825	231,150	241,125	240,800	251,150	252,200	253,150	254,000	259,700
	TID8 Loan Balance	\$ 3,505,000	3,505,000	3,420,000	3,260,000	3,085,000	2,905,000	2,710,000	2,510,000	2,305,000	2,095,000	1,875,000
<b>TID 9</b>												
	New Loans											
	Principal Payments		-	60,000	65,000	70,000	75,000	75,000	80,000	85,000	90,000	95,000
	Interest Payments		89,813	82,700	79,575	76,200	72,575	68,825	64,950	60,825	56,450	51,825
	Total		89,813	142,700	144,575	146,200	147,575	143,825	144,950	145,825	146,450	146,825
	TID9 Loan Balance	\$ 1,880,000	1,880,000	1,820,000	1,755,000	1,685,000	1,610,000	1,535,000	1,455,000	1,370,000	1,280,000	1,185,000

**City of Franklin WI**  
**General Obligation Debt Summary**

Fund	Borrowed	Balance Dec-24	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Total Government</b>												
New Loans			-	2,000,000	-	2,726,200	2,000,000	-	2,000,000	-	2,000,000	-
Principal Payments			3,350,000	3,800,000	4,250,000	4,025,000	7,080,000	4,630,000	4,355,000	4,700,000	3,825,000	3,810,000
Interest Payments			1,409,586	1,298,304	1,182,098	1,195,082	1,093,839	1,013,561	886,321	835,844	714,333	689,427
Total	\$	51,925,000	4,759,586	5,098,304	5,432,098	5,220,082	8,173,839	5,643,561	5,241,321	5,535,844	4,539,333	4,499,427
Total City Loan Balance	\$	51,925,000	48,575,000	46,775,000	42,525,000	41,226,200	36,146,200	31,516,200	29,161,200	24,461,200	22,636,200	18,826,200
<b>Water</b>												
New Loans			-									
Principal Payments			179,100	180,550	170,000	180,000	185,000	195,000	200,000	205,000	220,000	225,000
Interest Payments			149,316	142,014	134,550	127,150	119,425	111,375	102,953	94,234	85,063	75,438
Total			328,416	322,564	304,550	307,150	304,425	306,375	302,953	299,234	305,063	300,438
Water Loan Balance **	\$	3,579,650	3,400,550	3,220,000	3,050,000	2,870,000	2,685,000	2,490,000	2,290,000	2,085,000	1,865,000	1,640,000
<b>Sewer</b>												
New Loans												
Principal Payments			1,545,181	1,590,638	1,631,968	1,679,193	1,717,334	1,761,414	1,806,456	150,000	160,000	165,000
Interest Payments			308,100	268,907	228,604	187,171	144,661	101,799	58,514	58,514	58,514	58,514
Total			1,853,281	1,859,545	1,860,572	1,866,364	1,861,995	1,863,213	1,864,970	208,514	218,514	223,514
Sewer Loan Balance	\$	13,562,184	12,017,003	10,426,365	8,794,397	7,115,204	5,397,870	3,636,456	1,830,000	1,680,000	1,520,000	1,355,000
<b>Total City</b>												
New Loans			-	2,000,000	-	2,726,200	2,000,000	-	2,000,000	-	2,000,000	-
Principal Payments			5,074,281	5,571,188	6,051,968	5,884,193	8,982,334	6,586,414	6,361,456	5,055,000	4,205,000	4,200,000
Interest Payments			1,867,003	1,709,225	1,545,252	1,509,403	1,357,925	1,226,735	1,047,788	988,592	857,910	823,378
Total			6,941,284	7,280,413	7,597,220	7,393,596	10,340,259	7,813,149	7,409,244	6,043,592	5,062,910	5,023,378
Total Loan Balance	\$	69,066,834	63,992,553	60,421,365	54,369,397	51,211,404	44,229,070	37,642,656	33,281,200	28,226,200	26,021,200	21,821,200
<b>Debt Limit Review</b>												
Growth			97,298,000	98,757,000	100,239,000	101,742,000	103,268,000	104,817,000	106,390,000	107,985,000	109,605,000	111,249,000
Equalized Value	\$	6,486,517,200	6,583,815,200	6,682,572,200	6,782,811,200	6,884,553,200	6,987,821,200	7,092,638,200	7,199,028,200	7,307,013,200	7,416,618,200	7,527,867,200
State Debt Limit			324,325,860	329,190,760	334,128,610	339,140,560	344,227,660	349,391,060	354,631,910	359,951,410	365,350,660	370,830,910
Internal Debt Limit			129,730,344	131,676,304	133,651,444	135,656,224	137,691,064	139,756,424	141,852,764	143,980,564	146,140,264	148,332,364
^^ Excludes \$1.5 million Advance from Self Insurance Fund												
** Includes \$106,450 Advance from Gen Fund for 2017 Pension Payment												
*** Exceeds City Policy Debt Limit												
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Change Internal Limit to 50% of State Limit			164,595,380	167,064,305	169,570,280	172,113,830	174,695,530	177,315,955	179,975,705	182,675,330	185,415,455	188,196,680
Growth			1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
New Project Estimates												



**City of Franklin  
General Obligation Debt Maturities**

Borrowing Date	Purpose of borrowing, amount, interest rate	Payment Dates	Balance 12/31/2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
12/21/2017	PRINCIPAL - 2017B INTEREST @2.5 - 3.0%  Callable March 1, 2025	3/1 3/1 9/1	1,630,000 765,000	250,000 10,188 6,438	255,000 6,438 3,250	260,000 3,250 0	0 0						
12/04/19	PRINCIPAL - 2019D INTEREST @2.0-3.0%  Callable March 1, 2026	3/1 3/1 9/1	2,285,000 1,085,000	470,000 13,200 6,150	295,000 6,150 3,200	320,000 3,200 -	0 0						
11/17/21	PRINCIPAL - 2021A INTEREST @2.0%  CREDITS Callable March 1, 2028	3/1 3/1 9/1	2,040,000 1,740,000	150,000 17,400 15,900	200,000 15,900 13,900	250,000 13,900 11,400	300,000 11,400 8,400	400,000 8,400 4,400	440,000 4,400 -	0 0	- -		
2023	PRINCIPAL - 2023A INTEREST @4.28  Premium Callable	3/1 3/1 9/1	2,980,000 2,815,000	95,000 64,656 62,281	100,000 62,281 59,781	100,000 59,781 57,281	105,000 57,281 54,656	115,000 54,656 51,781	120,000 51,781 48,781	125,000 48,781 45,656	130,000 45,656 42,406	140,000 42,406 38,906	145,000 38,906 35,281
2023	PRINCIPAL - 2023B INTEREST @5.0  Premium	3/1 3/1 9/1	2,350,000 2,070,000	215,000 51,750 46,375 (30,113)	195,000 46,375 41,500	200,000 41,500 36,500	215,000 36,500 31,125	225,000 31,125 25,500	235,000 25,500 19,625	250,000 19,625 13,375	260,000 13,375 6,875	275,000 6,875	
2026	PRINCIPAL INTEREST @4.5 - 5.0%	3/1 3/1, 9/1	2,000,000	-	-	-	65,000 78,700	70,000 76,000	75,000 73,100	80,000 70,000	85,000 66,700	90,000 63,200	95,000 59,500
2028	PRINCIPAL INTEREST @4.5 - 5.0%	3/1 3/1, 9/1	2,726,200	0 54,524	95,000 107,148	100,000 103,248	105,000 99,148	110,000 94,848	115,000 90,348	120,000 85,648			
2029	PRINCIPAL INTEREST @4.5 - 5.0%	3/1 3/1, 9/1	2,000,000	-	-	-	65,000 78,700	70,000 76,000	75,000 73,100	80,000 70,000	85,000 66,700		
2031	PRINCIPAL INTEREST @4.5 - 5.0%	3/1 3/1, 9/1	2,000,000	-	-	-	65,000 78,700	70,000 76,000	75,000 73,100	80,000 70,000	85,000 66,700		
2033	PRINCIPAL INTEREST @4.5 - 5.0%	3/1 3/1, 9/1	2,000,000	-	-	-	65,000 78,700	70,000 76,000	75,000 73,100	80,000 70,000	85,000 66,700		
Population 36,417	PRINCIPAL TOTAL INTEREST TOTAL CAPITALIZED INTEREST Total City Debt Service	Per Capita \$233	8,475,000	1,180,000 294,338 (30,113)	1,045,000 258,775	1,130,000 226,813	685,000 332,587	905,000 359,011	1,035,000 405,136	630,000 372,586	725,000 421,661	770,000 387,736	585,000 437,836
	Less: Transportation Impact Fees Library Impact Fees Fire Impact Fees Police Impact Fees Total Impact Fees			(96,700) (88,800) (32,419) (90,000) (307,919)	(74,491) (44,900) (43,029) (40,600) (203,020)	(135,429) (40,000) (43,008) (40,000) (258,437)	0 0 0 0 -	(67,053) (20,000) 0 (80,000) (167,053)	- -	- -	- -	- -	- -
	Add to (Use of) Fund Balance												
				(307,919) (307,919)	(203,020) (203,020)	(258,437) (258,437)	- -	(167,053) (167,053)	- -	- -	- -	- -	- -
	NET TAX LEVY IMPACT	Per Capita \$31		\$1,136,305	\$1,100,755	\$1,098,376	\$1,017,587	\$1,096,958	\$1,440,136	\$1,002,586	\$1,146,661	\$1,157,736	\$1,022,836

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City of Franklin, WI  
Debt Service Fund - Fund 31

GL NUMBER	DESCRIPTION	2025 ORIGINAL BUDGET	2025 DEPT REQ BUDGET	2024 PROJECTED ACTIVITY	2024 AMENDED BUDGET	2023 ACTIVITY
REAL ESTATE TAXES						
31-0000-4011	GENERAL PROPERTY TAX	1,140,000	1,240,000	1,100,000	1,100,000	1,100,000
INVESTMENT EARNINGS						
31-0000-4711	INTEREST ON INVESTMENTS	30,000	30,000	34,330	24,400	37,794
FUND TRANSFERS						
31-0000-4839	TSFR FR DEVELPMT-IMPACT FD27	307,919	307,919	234,308	234,308	
DEBT PROCEEDS						
31-0000-4913	BOND & NOTE PREMIUM					208,286
	<b>TOTAL REVENUES</b>	<b>1,477,919</b>	<b>1,577,919</b>	<b>1,368,638</b>	<b>1,358,708</b>	<b>1,346,080</b>
PRINCIPAL						
31-0000-5611.8015	PRINCIPAL - 2017 GO Bond	250,000	250,000	240,000	240,000	235,000
31-0000-5611.8018	PRINCIPAL 2014 GO NOTES 12/2014			325,000	325,000	330,000
31-0000-5611.8024	PRINCIPAL 2019D	470,000	470,000	235,000	235,000	370,000
31-0000-5611.8030	PRINCIPAL 2021A NOTES	150,000	150,000	150,000	150,000	100,000
31-0000-5611.8034	PRINCIPAL - 2023A DPW STORAGE	95,000	95,000	165,000	130,000	
31-0000-5611.8035	PRINCIPAL - 2023B CAP PROJECTS	215,000	215,000	280,000	220,000	
	PRINCIPAL	(1,180,000)	(1,180,000)	(1,395,000)	(1,300,000)	(1,035,000)
INTEREST						
31-0000-5621.8015	INTEREST - 2017 GO Bonds	16,625	16,625	23,975	23,975	31,101
31-0000-5621.8018	INTEREST -2014 GO NOTES 12/2014			4,063	4,063	11,838
31-0000-5621.8024	INTEREST 2019D	19,350	19,350	29,925	29,925	39,000
31-0000-5621.8030	INTEREST - 2021A NOTES	33,300	33,300	36,300	36,300	38,800
31-0000-5621.8034	INTEREST - 2023A DPW	126,938	126,938	100,193	89,105	
31-0000-5621.8035	INTEREST - 2023B CAP PROJECTS	98,125	98,125	82,104	62,674	
	INTEREST	(294,338)	(294,338)	(276,560)	(246,042)	(120,739)
DEBT SERVICE						
31-0000-5691.8015	BANK FEES - 2017	400	400	400	400	400
31-0000-5691.8018	BANK FEES - 2014 GO NOTES			400	400	400
31-0000-5691.8024	BANK FEES - 2019D	400	400	400	400	400
31-0000-5691.8030	BANK FEES - 2021A GO NOTES	400	400	400	400	400
31-0000-5691.8034	BANK FEES - 2023A DPW	200	200	200	400	
31-0000-5691.8035	BANK FEES - 2023B CAP PROJECTS	400	400	400	400	
	DEBT SERVICE	(1,800)	(1,800)	(2,200)	(2,400)	(1,600)
	<b>TOTAL APPROPRIATIONS</b>	<b>(1,476,138)</b>	<b>(1,476,138)</b>	<b>(1,673,760)</b>	<b>(1,548,442)</b>	<b>(1,157,339)</b>
ESTIMATED REVENUES - FUND 31		1,477,919	1,577,919	1,368,638	1,358,708	1,346,080
APPROPRIATIONS - FUND 31		1,476,138	1,476,138	1,673,760	1,548,442	1,157,339
	<b>NET REVENUES (EXPENDITURES)</b>	<b>1,781</b>	<b>101,781</b>	<b>(305,122)</b>	<b>(189,734)</b>	<b>188,741</b>
BEGINNING FUND BALANCE		486,807	486,807	791,929	791,929	603,187
FUND BALANCE ADJUSTMENTS						1
<b>ENDING FUND BALANCE</b>		<b>488,588</b>	<b>588,588</b>	<b>486,807</b>	<b>602,195</b>	<b>791,929</b>

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