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FRANKLIN RELEASES PROPOSED 2009-2010 OPERATING BUDGET

Franklin—City Administrator Eric Stuckey today announced the City’s proposed budget for Fiscal Year 2009-2010. The proposal shows a budget for all funds at \$74.3 million, which represents a 7.5 percent reduction compared to the budget adopted one year ago. The proposed general fund budget is \$54.5 million, which represents a decrease of 7.7 percent compared to the \$59.1 million originally adopted for 2008-2009.

“The City of Franklin cannot wait for national and state solutions in the face of national and worldwide economic slowdown,” said Stuckey. “Instead we must craft a budget which is both fiscally prudent and consistent in maintaining our service levels. During these difficult economic times, our citizens rely even more on our services and our ability to maintain basic services.”

Stuckey stressed the importance of maintaining essential services to citizens with no layoffs of existing staff. He also added the City’s property tax rate will remain the same, marking 20 consecutive years without a property tax rate increase. Other highlights of the proposed budget include:

- The budget is balanced with ongoing revenues meeting ongoing expenses.
- The budget is in compliance with the Board of Mayor and Aldermen’s Fund Reserve Policy.
- Includes the costs associated with the beginning of operations of the new state-of-the-art Police Headquarters and new and expanded city parks; Liberty Park (Phase 2), Harlinsdale and Eastern Flank Battlefield.
- Plans for the use of \$980,204 of our general fund reserves to fund a portion of the capital equipment included in the budget.
- The budget document features an added emphasis on performance measures and sustainability initiatives for each department.

Total general fund expenditures for the proposed budget are \$54.59 million, a decrease of 7.7 percent from the original budget adopted by BOMA for fiscal year 2008-09. Employee wages and benefits comprise 66.8 percent of the general fund budget. The City has absorbed an additional \$2 million in pension-related costs and is holding 45 positions vacant for the upcoming year.

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Operations expenditures have been reduced one percent from the revised 2008-2009 budget with a proposed amount of \$9.55 million. Capital expenditures have been reduced 45 percent from last year with a projected amount of 2.34 million. With this sizeable reduction, the City is extending the useful life of many vehicles and equipment and will require more investment in maintenance costs.

Other operating funds include Street Aid and Transportation with \$2.5 million budgeted and our Solid Waste Fund with a proposed budget of \$7.5 million. An increase to residential customer collection rates from \$9.00 to \$12.00 per month is included in the budget proposal due to the increase in debt service charged to the fund and the cost of solid waste containers. Even with an increase of residential rates, the citizens of Franklin are paying only about 66 percent of the direct costs associated with solid waste collection. The general fund is projected to provide a \$2 million transfer to the solid waste fund during the 2009-10 budget year. The \$12 per month rate is significantly less than residents of many neighboring communities.

In reflecting on the City of Franklin's overall financial position, Stuckey stated, "Despite unprecedented economic challenges, the City of Franklin is in excellent financial condition. Our reserves are at strong levels, our debt obligations are relatively low and manageable, and our tax rates are among the lowest in the state. The City leadership team has taken decisive action over the past year to control costs and live within our means. Continued strong financial management and strategic investment will position the City of Franklin to succeed and thrive as the regional and national economy emerges from recession."

The complete proposed budget can be found on the City Web site at www.franklintn.gov.

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