

CITY OF FRANKLIN

DEBT SERVICE FUND

The Debt Service Fund of the City is used to account for the payment of debt service on all general obligation debt issued for City purposes. Payments on general obligation debt issued for general government purposes are funded by the following sources:

- Property tax levy for general City projects (for example, City facilities, such as the Police facility or the Library facility, or non-assessable infrastructure project costs)
- Special assessment collections, for public improvement projects financed with general obligation debt where the property owner is assessed the pro-rata share of the project cost in accordance with City policy, ordinances and state statutes.
- Impact fees collected for the purpose of paying toward new facilities after those facilities were completed.
- Repayment of principal and interest on any City debt issued that is advanced to TIF Districts.

Over the last decade, the net general bonded debt level for City purposes has fluctuated from a low of \$4,669,515 at December 31, 2007 to a high of \$33,102,304 at December 31, 2001.

As shown on the accompanying schedule of debt maturities, the general obligation debt for City purposes outstanding at December 31, 2011 will be \$13,237,000 (\$16,975,000-\$3,738,000). When you combine that amount with the \$19,258,000 outstanding of TIF District debt the total outstanding general obligation debt outstanding will be \$32,495,000. This total debt represents about 18% of the City's legal debt limit per Wisconsin Statutes (5% of equalized property value). Over the past decade, the ratio of net general bonded debt to assessed value has ranged from a high of 1.68% in 2001 to a low of .13% in 2007. The ratio of net general obligation debt to assessed value at December 31, 2011 will be about .13%.

The last issuance of GO debt was in 2008 as part of a TIF District borrowing. In the event that additional borrowing becomes necessary 2012 the City will look first to internal borrowing to meet any additional borrowing needs. Historically the city has planned to issue debt every other year. Future debt issuance is forecast at \$2.0 million every other year and is anticipated to pay for public improvement projects as growth occurs in the community. However, due to the lower level of development the next debt issuance is forecast for 2013. Any new debt for projects presently contemplated for public improvement projects should be offset by the repayment of debt currently outstanding that is scheduled for repayment during this period.

Included in the Mayor's Recommended Budget is the calling of the outstanding amounts of the 2005 debt issue of \$6,150,000. The funds used are currently short term invested funds earning significantly less than what is being paid on this debt issue. Carrying that investment with City of Franklin funds will increase the City's interest income by \$430,000 over the next three years.

CITY OF FRANKLIN 2012 BUDGET		2009 Actual	2010 Actual	2011 Adopted	2011 Amended	2011 Estimate	2012 Proposed	2012 Adopted	Percent Change
DEBT SERVICE FUND - CITY									
REVENUE									
GENERAL PROPERTY TAX	31.0000.4011	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000	1,750,000	1,750,000	-7.9%
INTEREST ON INVESTMENTS	31.0000.4711	0	0	0	0	0	0	0	
INTERFUND INTEREST FROM TIF DISTRICTS	31.0000.4716	220,161	197,117	174,163	174,163	174,164	143,623	143,623	
LANDFILL OPERATIONS-DIRECT	31.0000.4492	0	0	0	0	0	0	0	
LANDFILL OPERATIONS-SEPARATE	31.0000.4493	0	0	0	0	0	0	0	
LANDFILL OPERATIONS-FLAT	31.0000.4494	0	0	0	0	0	0	0	
TRANSFER FROM OTHER FUNDS	31.0000.4830	0	0	0	0	0	0	0	
TRANSFER FROM IMPACT FEES	31.0000.4839	23,191	164,754	319,000	319,000	345,720	311,000	311,000	
TRANSFER FROM SPECIAL ASSESSMENTS	31.0000.4835	2,948,359	115,152	289,588	286,348	259,624	0	0	
DEBT SERVICE FUND REVENUE		\$5,091,711	\$2,377,023	\$2,682,751	\$2,679,511	\$2,679,508	\$2,204,623	\$2,204,623	-17.8%
REFUNDED DEBT PROCEEDS	31.0000.4911	0	0	0	0	0	0	0	
GO NOTES DEBT PROCEEDS	31.0000.4912	0	0	0	0	0	0	0	
BOND & NOTE PREMIUM	31.0000.4913	0	0	0	0	0	0	0	
TOTAL REVENUE AND OTHER FUNDING SOURCES		\$5,091,711	\$2,377,023	\$2,682,751	\$2,679,511	\$2,679,508	\$2,204,623	\$2,204,623	-17.8%
G.O. 7850-99									
PRINCIPAL	31.0000.8189.5611	1,125,000	0	0	0	0	0	0	
INTEREST	31.0000.8189.5621	24,188	0	0	0	0	0	0	
TOTAL 1999 BORROWING		1,149,188	0	0	0	0	0	0	
G.O. 10000-01									
PRINCIPAL	31.0000.8021.5611	50,000	50,000	105,000	105,000	105,000	0	0	
INTEREST	31.0000.8021.5621	8,050	5,850	2,363	2,363	2,362	0	0	
TOTAL 2001 REFUNDING		58,050	55,850	107,363	107,363	107,362	0	0	
G.O. 10000-01									
PRINCIPAL	31.0000.8025.5611	5,875,000	0	0	0	0	0	0	
INTEREST	31.0000.8025.5621	157,772	0	0	0	0	0	0	
TOTAL 2001 BORROWING		6,032,772	0	0	0	0	0	0	
G.O. 3000-05									
PRINCIPAL	31.0000.8011.5611	113,000	150,000	225,000	225,000	225,000	3,462,000	3,462,000	
INTEREST	31.0000.8011.5621	150,524	145,593	138,562	138,562	138,562	72,366	72,366	
TOTAL 2005 BORROWING		263,524	295,593	363,562	363,562	363,562	3,534,366	3,534,366	
G.O. 4000-05 TIF #3									
PRINCIPAL	31.0000.8012.5611	200,000	0	0	0	0	0	0	
INTEREST	31.0000.8012.5621	13,200	0	0	0	0	0	0	
TOTAL 2005 BORROWING		213,200	0	0	0	0	0	0	
G.O. 3000-05 TIF #4									
PRINCIPAL	31.0000.8013.5611	337,000	400,000	525,000	525,000	525,000	3,738,000	3,738,000	
INTEREST	31.0000.8013.5621	185,738	171,920	154,576	154,576	154,576	67,171	67,171	
TOTAL 2005 BORROWING		522,738	571,920	679,576	679,576	679,576	3,805,171	3,805,171	
G.O. 3000-05 Debt Service									
PRINCIPAL	31.0000.8014.5611	0	150,000	100,000	100,000	100,000	250,000	250,000	
INTEREST	31.0000.8014.5621	9,450	16,087	11,400	11,400	11,400	4,763	4,763	
TOTAL 2005 BORROWING		9,450	166,087	111,400	111,400	111,400	254,763	254,763	
G.O. 9925-07 Refunding									
PRINCIPAL	31.0000.8016.5611	100,000	100,000	100,000	100,000	100,000	720,000	720,000	
INTEREST	31.0000.8016.5621	371,450	367,650	363,850	363,850	363,850	348,270	348,270	
TOTAL 2007 REFUNDING		471,450	467,650	463,850	463,850	463,850	1,068,270	1,068,270	
TRANSFER TO OTHER FUNDS	31.0000.0000.5589	0	0	0	0	0	0	0	
ADVANCED REFUNDING ESCROW	31.0000.9640.5611	0	0	0	0	0	0	0	
PAYMENT TO ESCROW AGENT	31.0000.9641.5611	0	0	0	0	0	0	0	
BOND ISSUE COSTS	31.998.0000.5601	0	0	0	0	0	0	0	
LINE OF CREDIT INTEREST	31.998.0000.5621	53,339	49,923	7,000	3,760	3,758	201,082	201,082	
		53,339	49,923	7,000	3,760	3,758	201,082	201,082	
DEBT SERVICE PRINCIPAL		7,800,000	850,000	1,055,000	1,055,000	1,055,000	8,170,000	8,170,000	
DEBT SERVICE INTEREST		973,711	757,023	677,751	674,511	674,508	693,652	693,652	
DEBT SERVICE PRINCIPAL & INTEREST - CITY		8,773,711	1,607,023	1,732,751	1,729,511	1,729,508	8,863,652	8,863,652	411.5%
EXCESS OF REVENUE OVER EXPENDITURES		-3,682,000	770,000	950,000	950,000	950,000	-6,659,029	-6,659,029	
FUND BALANCE, BEGINNING OF PERIOD		5,700,000	2,018,000	2,788,000	2,788,000	2,788,000	3,738,000	3,738,000	
FUND BALANCE, END OF PERIOD		2,018,000	2,788,000	3,738,000	3,738,000	3,738,000	-2,921,029	-2,921,029	
Fund Balance		0	0	0	0	0	190,971	272,128	
interfund Advance to TIF Districts		4,663,000	4,263,000	3,738,000	3,738,000	3,738,000	3,038,000	3,038,000	
interfund Advance from Other Funds		-2,645,000	-1,475,000	0	0	0	-6,150,000	-6,150,000	

City of Franklin
General Obligation Debt Maturities

Borrowing Date	Purpose of borrowing, amount, interest rate	Payment Dates -	Balance 12/31/2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
03/01/12	Line of Credit Loan												
	PRINCIPAL	3/1		1,850,000	2,100,000	2,200,000							
	INTEREST	3/1, 9/1	201,082	173,829	92,755	7,287							
04/15/01	Current refunding												
	PRINCIPAL	\$10,000,000 3/1											
	INTEREST	4.3 - 5.4% 3/1, 9/1											
08/15/05	Capital improvements												
	PRINCIPAL	\$3,000,000 3/1	450,000										
	INTEREST	3.75 - 3.9% 3/1, 9/1	67,171	0	0	0							
08/15/05	Debt Service												
	PRINCIPAL	\$500,000 3/1	150,000										
	INTEREST	3.75 - 3.9% 3/1, 9/1	4,763	0									
08/15/05	Capital improvements - TIF #4												
	PRINCIPAL	\$3,000,000 3/1	700,000										
	INTEREST	3.75 - 3.9% 3/1, 9/1	72,366	0	0	0							
01/01/07	Advance Refunding-4/2001 Bonds												
	PRINCIPAL	\$9,925,000 3/1	720,000	620,000	570,000	520,000	520,000	1,200,000	1,190,000	1,180,000	1,200,000	1,140,000	1,185,000
	INTEREST		348,270	322,810	300,200	279,490	246,810	201,400	156,370	111,150	66,690	22,515	
2013	PRINCIPAL	2,000,000 3/1			50,000	100,000	150,000	150,000	150,000	200,000	250,000	300,000	400,000
	INTEREST	3/1, 9/1			88,875	86,425	81,650	75,525	68,150	58,125	45,600	29,200	
2015	PRINCIPAL	2,000,000 3/1			50,000	100,000	150,000	150,000	150,000	150,000	200,000	250,000	250,000
	INTEREST	3/1, 9/1			88,875	86,425	81,650	75,525	68,150	58,125	45,600	29,200	
2017	PRINCIPAL	2,000,000 3/1			50,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	INTEREST	3/1, 9/1			88,875	86,425	81,650	75,525	68,150	58,125	45,600	29,200	
2019	PRINCIPAL	2,000,000 3/1			50,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	INTEREST	3/1, 9/1			88,875	86,425	81,650	75,525	68,150	58,125	45,600	29,200	
2021	PRINCIPAL	2,000,000 3/1			50,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	INTEREST	3/1, 9/1			88,875	86,425	81,650	75,525	68,150	58,125	45,600	29,200	
2023	PRINCIPAL	2,000,000 3/1			50,000	100,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	INTEREST	3/1, 9/1			88,875	86,425	81,650	75,525	68,150	58,125	45,600	29,200	
Population 35,451	PRINCIPAL TOTAL	Per Capita	479	16,975,000	2,020,000	2,470,000	2,720,000	2,720,000	2,820,000	1,400,000	1,440,000	1,580,000	1,840,000
	INTEREST TOTAL			693,952	496,639	481,830	417,335	363,350	373,202	417,335	395,045	331,225	271,790
	Total City Debt Service			2,713,652	2,966,639	3,201,830	3,193,202	1,817,335	1,803,350	1,975,045	2,031,225	2,190,965	2,356,790
	Less:												
	Impact fee shortfall			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Transfer from Impact Fees - Police			(205,000)	(205,000)	(205,000)	(205,000)	(205,000)	(205,000)	(205,000)	(205,000)	(205,000)	(205,000)
	Transfer from Impact Fees - Drexel Ave			(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)	(73,000)
	Transfer from Impact Fees - Fire #3			(43,000)	(43,000)	(43,000)	(43,000)	(43,000)	(43,000)	(43,000)	(43,000)	(43,000)	(43,000)
	Transfer from Impact Fees - Library			(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
	Interest Repayment from TIF's			(143,623)	(105,114)	(59,094)	(8,536)						
	Principal Repayment from TIF's			(700,000)	(875,000)	(1,038,000)	(1,125,000)						
	Land Fill Siting & Refinancing Revenue			190,971	74,475	(43,736)	1,334	243,665	257,650	86,955	29,775	(32,965)	(285,790)
	Add to (Use of) Fund Balance												
	Estimated special assessments												
	NET TAX LEVY IMPACT		49	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000