

APPROVAL <i>Slw Prol</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE May 6, 2014
REPORTS & RECOMMENDATIONS	Resolution to Amend the Investment Policy Statement for the City of Franklin Post Employment Benefits Trust	ITEM NUMBER <i>G, 16.</i>

Analysis

The Finance Committee is to review the City of Franklin Post Employment Benefits Trust Investment Policy annually. The policy was last updated June 18, 2013.

The Finance Committee reviewed the changes recommended by the Director of Finance & Treasurer.

The updated policy affects only funds under management with the City of Franklin Post Employment Benefits Trust investment manager.

The Finance Committee is recommending approval of the attached revised investment policy statement.

Changes from the prior policy are noted on the attached copy.

COUNCIL ACTION REQUESTED

Motion to approve Resolution 2014 _____ amending the Investment Policy Statement for the City of Franklin Post Employment Benefits Trust.

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2014-_____

A RESOLUTION TO AMEND THE INVESTMENT POLICY STATEMENT FOR THE CITY
OF FRANKLIN POST EMPLOYMENT BENEFITS TRUST

WHEREAS, the City of Franklin issued an investment policy statement for OPEB trust investments last modified on June 18th, 2013; and

WHEREAS, it is desirable to further modify parts of that investment policy; and

WHEREAS, the Common Council has reviewed the Investment Policy Statement dated May 6, 2014 presented by the Director of Finance & Treasurer and reviewed by the Finance Committee.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Franklin that the Post Employment Benefits Trust Investment Policy Statement dated May 6, 2014 is approved.

Introduced at a regular meeting of the Common Council of the City of Franklin this 6th day of May, 2014.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 6th day of May, 2014.

APPROVED:

Stephen R. Olson, Mayor

ATTEST:

Sandra L. Wesolowski, City Clerk

AYES _____ NOES _____ ABSENT _____

M E M O R A N D U M

DATE: March 12, 2014
TO: Finance Committee
FROM: Paul Rotzenberg, Director of Finance & Treasurer
RE: City of Franklin Post Employment Benefit Trust
Investment Policy and Portfolio review

The City of Franklin Post Employment Benefit Trust Investment Policy was last reviewed in June, 2013. Several changes to the policy are recommended at this time.

Asset allocation policy – minor technical correction to the last paragraph, end of line two to remove the word “the”.

The Policy currently envisions two Investment portfolios, as two different investment managers were being utilized. The larger portfolio manager was terminated in November 2013 just before the prior Director of Finance & Treasurer retired.

There is no longer a need for the Portfolio #2 policy.

The portfolio was converted to a passive index investment strategy in November 2013 as reported during the January Finance Committee meeting. The Policy should explicitly permit this passive index investing style.

Recommended changes are:

1. Definition of Equities to include ETF's
2. Clause one – Domestic Stocks – the words “portion of the equity” replacing ‘balance’
3. Clause 2 – International Stocks – Limit of 30% of the equity portfolio down from 50%
4. The Policy should address a comprehensive portfolio and remove reference to Portfolio #1 and #2.

Currently a portion of the portfolio is actively managed, comprised of mid capitalization to small capitalization equities. It is recommended placing some limits on the size of this portfolio to reduce concentration risk in the portfolio. Inserting language that limits this portfolio to one third of the equities in the fund, rather than equal to portfolio #1 is recommended.

Investment measurement criteria – Insert language that explicitly permits the use of passive index investments in place of an investment manager.

IX Elimination of Investment Managers and investment Options – add a paragraph that specifically permits the use of passive index investments in place of a Investment manager.

PORTFOLIO REVIEW

The portfolio composition at Dec 31, 2013 was 17.5% fixed income and 82.5% equity. This is not in compliance with the asset allocation in the investment policy. In November 2013, when the portfolio was shifted to a passive index investment style, an asset allocation at the 75/25 mix was achieved. At the time, the 2014 ARC was anticipated to be much higher. The allocation was designed to be at the low end of the fixed income percentage to reflect the very low fixed income returns currently available.

Shortly after this allocation was completed, the 2014 Actuarial Report arrived. That report lowered the 2013 and 2014 ARC. Combined with an over payment of the 2013 ARC, the fixed income allocation became under weighted. Portfolio 2 is still in process of being made available to the Employer representative, which should be completed soon.

To bring the asset allocation in line, \$140,000 of the equity positions at Fidelity have been re-allocated to fixed income. Once the Portfolio 2 assets have been transferred to the Fidelity platform, a further reallocation can be completed.

The current 75/25 asset allocation is the bigger question. Equities have had a good run, the Federal Reserve is tapering stimulus and it may be time to take some equity gains off the table. A shift to a more conservative 65/35 asset allocation over the balance of the year is a recommended strategy. Keeping in mind that by continuing to include the next year's ARC, the actual portfolio is over weighted to the Equities.

INVESTMENT POLICY FOR THE CITY OF FRANKLIN POST EMPLOYMENT BENEFITS TRUST

(hereinafter referred to as "the Trust")

I. PURPOSE OF THIS POLICY

The City of Franklin, hereby establishes this investment Policy (hereafter referred to as the "Policy") for administering the Trust's investment program. The Policy sets forth the investment objectives and other policies that will be applied within the investment program to insure that the Trust is managed in a manner consistent with the Trust document, prudent-person rules and applicable law. By establishing and communicating clear investment objectives and policies, the City of Franklin can enhance the effectiveness of the Trust's investment program.

The City of Franklin reserves the right to amend this Policy at any time as deemed prudent or necessary at its sole discretion. Should any amendment to this Policy be required due to changes in the Trust document or a change in applicable law, the City of Franklin shall have due time to review such changes and prepare and implement an appropriate amendment. Because of the dynamic nature of the economic environment, developments in financial theories, and advances in technology, this Policy will be examined by the City of Franklin from time to time on a formal or informal basis and may, as a result of such examination, be revised by the City of Franklin.

II. INVESTMENT OBJECTIVES

The overall objective of this Policy is to provide guidance for the investment of contributions and other Trust assets, to help maintain adequate funding for Trust liabilities. The primary investment objectives of the Trust are as follows:

- **Return** – Obtain a reasonable long-term return consistent with the level of risk assumed. Specific return objectives may include fund performance that exceeds the rate of inflation, the assumed actuarial discount rate, and/or the total fund policy return which is typically defined as the return of a passively managed benchmark comprised of the annual portfolio weights for each asset class.
- **Cost** – Seek to control the cost of funding the Trust within prudent levels of risk through the investment of Trust assets.
- **Diversification** – Provide diversification of assets in an effort to avoid the risk of large losses and maximize the investment return to the Trust consistent with market and economic risk.
- **Safety** – Preservation of principal by avoiding overly risky alternatives that may provide additional investment return but subject the portfolio to above market risk of large losses.

III. Asset Allocation Policy

The City of Franklin shall adopt and maintain an asset allocation policy that is based on several factors including:

- The projected liability stream of benefits and the costs of funding that liability stream;
- The relationship between the current and projected assets of the Trust and the projected actuarial liability stream;
- The historical performance of capital markets adjusted for the perception of future short and long-term capital market performance;
- The perception of future economic conditions, including inflation and interest rate assumptions.

The asset allocation policy identifies equity and fixed income target allocations to eligible asset classes. The Employer's representative using recommendations of the investment manager will set the target allocations as to size, style, concentration, how managed and, where appropriate, suitable ranges within which each asset class can fluctuate as a percent of the total fund. Each asset class is to remain suitably invested in permitted securities or cash equivalents as the market and the asset allocation dictates. The asset classes may be rebalanced from time to time to take advantage of tactical market conditions across major asset classes or investment styles, or to align the current asset mix with strategic targets.

During the 2009 to 2015 years for purposes of asset allocation, the expected following years contribution from the City of Franklin to the trust may be included the as a fixed income asset for determining asset allocation purposes, due to the low expected initial payout from this trust. The asset allocation will be 50% to 75% of total assets to be invested in domestic and international equity funds and 50% to 25% of total assets invested in fixed income securities. The practical result will be in the first few years that the entire investment could be in equity investments either actively or passively managed.

IV. Investment Classes

While the Trust is not governed by the Employee Retirement Income Security Act of 1974 (ERISA), the City of Franklin may consider all asset classes that would be permitted under ERISA's "prudent person" standard (as interpreted by the various courts) as acceptable investment options, provided such investments are permitted by the Trust document and other applicable laws including but not limited to Section 881.01 of the Wisconsin Statutes. To the extent that the City of Franklin deems it appropriate and consistent with the Trust document and this Policy, the City of Franklin may select one or more customized investment portfolios and retain an investment manager to manage the assets of each such portfolio.

The following asset classes are permitted for Trust investment options:

Investment Portfolio #1

Equities – investments through Domestic stocks, International Stocks, Real Estate or Commodities as described below. The preferred ownership would be through mutual funds or ETF's though investments in individual equities would be considered based upon the strategy of the investment manager and the benefit to the trust.

1. **Domestic Stocks** - portfolios composed primarily of the common stocks of U.S. domiciled corporations. Investment options may include different sizes (large-cap, mid-cap and small-cap) and styles (value, growth and blend). Such options may be broadly diversified or concentrated (sector funds), and may be either actively or passively managed (indexed).

Strategic Purpose: Long-term growth

The balance portion of the equity portfolio not allocated to other categories

2. **Small Cap Stocks** - portfolios composed primarily of the common stocks of U.S. domiciled corporations. Investment options may include different sizes (large-cap, mid-cap and small-cap) and styles (value, growth and blend). Such options may be broadly diversified or concentrated (sector funds), and may be either actively or passively managed (indexed).

Strategic Purpose: Long-term growth

100% of this equity portfolio to be invested in domestic stocks

Limit – Not to exceed 33% of the equity component of the portfolio.

3. **International Stocks** – portfolios composed primarily of the common stocks of corporations domiciled outside of the U.S. Investment options may include different regional and emerging markets funds, a variety of sizes (large-cap, mid-cap and small-cap) and styles (value, growth and blend), be broadly diversified or concentrated (sector funds), and be either actively or passively managed (indexed).

Strategic Purpose: Long-term growth, diversification

Limit 50% 30% of equity portfolio

4. **Real Estate** – portfolio consists primarily of owned real estate investment options including real estate investment trusts of all types and other commingled real estate equity investment options.

Strategic Purpose: Income, diversification, inflation hedge

Limit 5% of equity portfolio

5. **Commodities** – portfolio consists primarily of owned commodity investment options through commodity funds and other commingled commodity equity investment options.

Strategic Purpose: Income, diversification, inflation hedge

Limit 5% of equity portfolio

6. **High Yield Fixed Income Securities** – portfolio consists primarily of non investment grade debt securities issued by the U.S. government, U.S. government sponsored/related agencies, and U.S. domiciled corporations or if international bonds, debt securities issued by foreign governments, foreign government sponsored/related agencies, and foreign corporations.

Strategic Purpose: Income, diversification, inflation hedge

Limit 5% of equity portfolio

Fixed Income – portfolios primarily composed of investment grade debt securities issued by the U.S. government, U.S. government sponsored/related agencies, and U.S. domiciled corporations or if international bonds, debt securities issued by foreign governments, foreign government sponsored/related agencies, and foreign corporations. Investment options may include quality ranges (high or medium), durations (short or intermediate), be broadly diversified or concentrated (sector funds), and be either actively or passively managed (indexed). Cash Equivalents will be considered as part of the fixed income investments.

Strategic Purpose: Income, diversification, deflation hedge (international only), hedge for current liabilities.

Investment Portfolio #2

1. **Domestic Stocks** portfolios composed primarily of the common stocks of U.S. domiciled corporations. Investment options may include different sizes (large-cap, mid-cap and small-cap) and styles (value, growth and blend). Such options may be broadly diversified or concentrated (sector funds), and may be either actively or passively managed (indexed).

Strategic Purpose: Long term growth

100% of this equity portfolio to be invested in domestic stocks

Limit Not to exceed 33% of the equity component of Investment portfolio #1

V. Investment performance goals

It shall be the goal of the trust to earn an investment return equal to the long term investment returns of the market as defined in Section II

Over numerous long term periods the equity markets have experienced ten percent investment returns and the fixed income markets have experienced five percent investment returns. Under the above investment returns it is reasonable to project an eight percent investment return on the trust portfolio under 65% equity allocation and 35% fixed income allocation over a long period of time.

VI. Investment measurement criteria

When no investment manager is employed by the Employer representative, then passive index investments will be used. The securities chosen shall have investment expenses in the bottom quartile of the investment style and produce returns not less

than 90% of the securities' benchmark in the last three year period as stated in its prospectus.

The investment manager of portfolio #1 shall be measured on equity investments against 50% of the investment return of the US equity market as measured by the S&P 500 index and 50% of the investment return of the world equity market as measured by the MSCI EAFE Index. The investment manager may also benchmark against other investment return indexes for specific portions of the equity portfolio as appropriate and agreed to by the Employer representative.

The investment manager of portfolio #1 shall be measured on fixed income investments against the investment return of the Merrill Lynch 1 to 5 year government index.

~~The investment manager of portfolio #2 shall be measured on equity investments against 100% of the investment return of the US equity market as measured by the S&P 500 index.~~

The Employer representative of the City of Franklin shall be its Director of Finance & Treasurer.

This investment policy shall be reviewed each year during the first quarter.

VII. Investment restrictions

The trust and therefore the investment manager is subject to the restrictions of Wisconsin Statutes section 881.01. In addition the Fund should be structured to minimize risk levels within the approved asset allocation to minimize the likelihood of sharp declines in principal values. The possibility of moderate declines in total value is a risk the Trust accepts as necessary to achieve the desired long-term results.

The Trust is not to invest directly in private placements, letter stock, any investment without an ascertainable market value, venture capital, futures, and uncovered options. It may not directly engage in short sales, margin transactions or other specialized investment activities. However, to the extent that mutual funds or separate account managers utilize such investments and strategies, then such activity will be acceptable within the general confines of this policy provided that they are not a core attribute of such fund or manager.

VIII. Monitoring of Investment Managers and Investment Options

The objective of the investment manager monitoring process is to identify on a timely basis any adverse changes to the investment manager's organization or investment process by periodically evaluating a number of qualitative and quantitative factors. In addition, once adverse changes are identified, the monitoring process shall also dictate the timing and manner of response.

Using information provided by the investment manager the City of Franklin through its Employer representative shall evaluate the investment managers/options at least annually, in addition to using any other factors the City of Franklin believes are appropriate to the inquiry. These factors are intended to insure that decisions to retain investment managers/options are made with a prudent degree of care and that excessive risk is avoided.

If results from the monitoring process indicate substandard investment performance or a potentially adverse change in the investment manager's organization or investment process, the City of Franklin may choose one of several courses of action including but not limited to assigning the investment manager/option a temporary probationary status, undertaking an in-depth review, reducing the size of the investment manager's portfolio by assigning a portion to a new investment manager, or terminating the investment manager/option.

Being placed on a probationary status is meant to convey the City of Franklin's increased level of concern about a particular issue or event, which if left unresolved, could endanger the future relationship with the investment managers/options. An in-depth review may be undertaken as a result of the investment manager/option failing to rectify the issues that led to their placement on a probationary status, or in response to a major adverse change in the investment manager's organization or investment process to the extent that the City of Franklin seriously questions the firm's ability to manage the portfolio going forward. The purpose of the in-depth review is to determine whether terminating the manager/option is an appropriate course of action.

IX. Elimination of Investment Managers and Investment Options

The City of Franklin may eliminate a Trust investment manager/option any time the City of Franklin deems it in the best interests of the Trust. The City of Franklin may also eliminate any existing investment manager/option for the following reasons:

- Changing investment manager or investment option practices such that they are no longer materially consistent with this Policy, or this Policy changes so that it is no longer materially consistent with the practices of an investment manager or investment option; and,
- Final recommendation of an in-depth review.

The City of Franklin may also add, eliminate, or replace any Trust investment option as the needs of the Trust change, or for any other prudent reason.

The City of Franklin may chose to use passive index funds in place of an Investment Manager.

X. Selection of Investment Managers and Investment Options

The City of Franklin shall select investment managers and, where appropriate, investment options based on the evaluation of qualitative and quantitative factors. The

manager selection process will focus on the following five key aspects of an investment management firm and investment option:

1. **Organization** – evaluate the key elements of an efficient and successful investment management organization such as stable firm ownership, clear business objectives, industry reputation, and experienced and talented investment staff.
2. **Investment Philosophy and Process** – evaluate the key elements of a valid and well-defined investment approach such as unique sources of information, disciplined buy/sell decisions, systematic portfolio construction, and adequate risk controls.
3. **Resources** – evaluate the state of current and proposed resources supporting the investment process including the quality and depth of research and the adequacy of information management, compliance and trading systems.
4. **Performance** – evaluate investment managers' historical returns and risks relative to passive indexes, and peer groups over longer time periods, like three and five years.
5. **Management Fees** – evaluate the proposed fee structure relative to the industry and other competing candidates to ensure fees are appropriate

These factors are chosen to insure that investment manager/option selections are made with a prudent degree of care, and that excessive risk is avoided. Notwithstanding the above, the City of Franklin may also include other factors that they believe are appropriate to a specific manager/option selection exercise.

Policy Revised	June 18, 2013	Resolution 2013-6891
Policy Revised	March 6, 2012	Resolution 2012-6790
Policy Revised	March 1, 2011	Resolution 2012-6698
Policy Revised	February 2, 2010	Resolution 2010-6624
Policy Established	November 18, 2008	Council Motion

6/18/2013

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APPROVAL <i>Shw Pd</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE May 6, 2014
REPORTS & RECOMMENDATIONS	Resolution to Amend the City of Franklin Investment Policy Statement – Reserve & Liquidity Investments	ITEM NUMBER <i>G.17.</i>

The Finance Committee is to review the City of Franklin Investment Policy annually. The last time this policy was modified was in March 2012.

The Finance Committee reviewed the changes recommended by the Director of Finance & Treasurer to this investment policy statement.

The updated policy will affect funds under management either with our fixed income investment manager or managed by the Finance Department.

The Finance Committee is recommending approval of the attached investment policy statement.

Changes to the policy are marked in the attached draft of the policy.

COUNCIL ACTION REQUESTED

Motion to approve Resolution 2014 _____ amending the City of Franklin Investment Policy Statement – Reserve & Liquidity Investments.

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2014-_____

A RESOLUTION TO AMEND THE CITY OF FRANKLIN
INVESTMENT POLICY STATEMENT – RESERVE & LIQUIDITY INVESTMENTS

WHEREAS, the City of Franklin has last issued an investment policy statement on March 6, 2012 for reserve and liquidity investments; and

WHEREAS, it is desirable to modify parts of that investment policy; and

WHEREAS, the Common Council has reviewed the Investment Policy Statement dated May 6, 2014 presented by the Director of Finance & Treasurer and reviewed by the Finance Committee.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Franklin that the Investment Policy Statement dated May 6, 2014 is approved.

Introduced at a regular meeting of the Common Council of the City of Franklin this 6 day of May, 2014.

Passed and adopted at a regular meeting of the Common Council of the City of Franklin this 6th day of May, 2014.

APPROVED:

Stephen R. Olson, Mayor

ATTEST:

Sandra L. Wesolowski, City Clerk

AYES _____ NOES _____ ABSENT _____

M E M O R A N D U M

DATE: April 22, 2014

TO: Finance Committee

FROM: Paul Rotzenberg, Director of Finance & Treasurer

RE: 2014 Investment Policy Review – City of Franklin
Investment Policy Statement and Portfolio review

The City of Franklin Investment Policy requires an annual review in the first quarter. This policy covers investible funds excluding those managed for the DPW Pension program, the Defined Contribution Plan and those OPEB Funds in a Trust. The policy was last reviewed in May, 2013, when no changes were made.

The following changes are recommended.

In the Reserve Investments section:

1. Diversification – the policy speaks to the time of purchase, but is silent for holdings after purchase. Recommend striking thru the words “at time of purchase” so as to provide for Diversification in the portfolio at all times.
2. Maturities: add a sentence to Point C that reads: From 2013 to 2018, the average maturity of the portfolio can extend to six years:
 - a. In Sept 2013, the Finance Committee affirmed the bar bell investment strategy then currently being employed, which extended maturities on this portfolio. At Dec 31, 2013, some \$7 million dollars of the \$10.7 million portfolio had maturities in 2018 or later. This strategy amplifies the maturity risk of the portfolio
 - b. This change will permit the continued holding of these securities until maturity, thus avoiding any unfavorable market performance before maturity.
3. Acceptable Investments: add section H to read: Securities with a rating of AA+, AA or AA- (Aa1, Aa2, Aa3) are considered to have the same rating for purposes of this policy.
 - a. This would acknowledge that (AA+; AA; or AA-) are gradients within the same grade.
 - b. A ratings decline to A continues to be an evaluation point per clause 7A of the policy.

There are no changes recommended in the Liquidity Investments portion of the policy.

Attached is the portfolio at March 31, 2014.

Relative to policy requirements:

Diversification – no corporate security exceeds 10% of the market value at time of purchase.

Maturity:

Maximum cash reserve – no issues

Minimum cash reserve of \$500,000. – no issues

Maturities within 60 days – not met

There are securities which could be sold at 99.5% of par.

The average maturity of this portfolio exceeds the 2.5 year maximum.

There are no floating rate securities.

The spirit of a laddered portfolio does not appear evident currently. But one could argue there is a maturity ladder, with a gap in the middle and the majority rather long. The maturity risk is rather evident.

There are no credit rating issues with this portfolio.

CITY OF FRANKLIN INVESTMENT POLICY STATEMENT

All City of Franklin investible funds excluding those under management by Principal Financial Advisors for the DPW Pension program or the Principal Defined Contribution Plan and those OPEB Funds managed by a trust set up for that purpose are subject to this investment policy statement. The portfolio of investments for this policy are the reserve and liquidity investments except for those associated with fiduciary and water utility funds.

RESERVE INVESTMENTS

1. SCOPE

This investment policy applies to funds not needed during an annual operating cycle. The determination as to the funds applicable to this category will be made by the Director of Finance & Treasurer based upon the projected cash flow needs of the City of Franklin from time to time. The Director of Finance & Treasurer will authorize transfers between the various investment types. Investment decisions for funds under management will be made for the City by the Investment Manager under the terms of this policy on a non-discretionary basis. A non-discretionary basis allows the investment manager to make investment decisions on behalf of the City after specific investment approval in advance of each investment transaction. City input and approval on investment decisions will be through overall investment strategy and input and approval provided by the Director of Finance & Treasurer or the Deputy Treasurer. In the event they are not available the Accounting Supervisor may provide the investment decision.

2. INVESTMENT OBJECTIVE

The investment objective is to generate current income, consistent with safety and reasonable risk as defined under the "Prudent Person Rule". Because these funds represent operating reserves, quality of the issues, liquidity, and maturity structure of the portfolio are most important.

3. DIVERSIFICATION REQUIREMENTS

Total holdings of any one issuer may not exceed 10% of the market value of the portfolio under management at time of purchase. Total holdings of any one asset class may not exceed 50% of the market value of the portfolio under management at time of purchase. However not more than 30% of the market value of that asset class can have maturities of eighteen months or more to their stated maturities. Exception to the diversification requirements are made for:

- U.S. Government Treasury issues
- U.S. Government Agency issues (excluding mortgage backed securities)
- Issues that are rated AAA and have the full faith guarantee of the U.S. Government.

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4. MATURITIES

Maturities of portfolio additions are to be selected consistent with the City's anticipated cash flow needs. For purposes of this Policy Statement, "maturity" is defined as final payment in the case of conventional debt securities, or "average life" in the case of securities that have periodic principal pay downs throughout the life of the security.

- A. The maximum cash reserve shall not exceed \$500,000 without specific approval of the Director of Finance & Treasurer.
- B. The portfolio, at all times, shall have a minimum of \$500,000 inclusive of cash reserves, maturities within 60 days and securities that can be sold at 99.5% of par.
- C. The average maturity of the portfolio shall not exceed 2 1/2 years with no individual issue maturity exceeding 5 years (7 years for treasury and agency issues) from date of purchase. From 2013 to 2018, the average maturity of the portfolio can extend to six years.
- D. Floating rate securities, the coupons of which adjust to market interest rates with a minimum frequency of four times annually, shall not be subject to the maturity constraint outlined above.
- E. The portfolio shall strive to maintain a laddered maturity structure in line with the City's cash flow needs.

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5. LIQUIDITY

Liquidity and marketability should be prime considerations in the selection of individual securities.

6. ACCEPTABLE INVESTMENTS (Subject to WI Statutes Sec 66.0603 and Diversification Requirements)

- A. Securities of the U.S. Government or agencies thereof.
- B. Fixed income securities that carry a minimum rating of AA by either Moody's or Standard & Poor's at date of purchase.
- C. Investments in commercial paper and variable rate demand notes are restricted to corporations rated A-I or P-I, or if unrated, restricted to those issuers whose long-term debt is rated AA or higher by one of the major rating agencies.
- D. Investments in Certificates of Deposit and Bankers Acceptances are restricted to Banks with a short-term debt rating of A-I or P-I and long-term debt ratings of AA or Aa by one of the major rating agencies.
- E. Government repurchase agreements with a minimum of 100% or more collateralization with respect to its estimated market value plus accrued interest in direct U.S. Government securities and guaranteed Small Business Administration securities (pools and loans).
- F. Money market funds adhering to the quality guidelines described above are acceptable.
- G. Mortgage backed and asset backed securities that carry a final maturity not more than seven (7) years
- H. Securities with a rating of AA+, AA or AA- (Aa1, Aa2, Aa3) are considered to have the same rating for purposes of this policy.

7. RESTRICTIONS

- A. No security restricted in WI Statutes Sec 66.0603 will be purchased. For any security that has a rating decline to A by both Moody's and Standard and Poor's the investment manager on a case by case basis must either sell the investment or recommend to the Finance Committee at their next meeting the rationale for retention of the investment.
- B. No derivative type investments such as collateralized mortgage obligations, strips, mortgage backed, asset backed, etc. that carry a final maturity greater than seven (7) years
- C. No foreign-denominated securities will be purchased.

- D. No Certificate of Deposits, Bankers Acceptances or other securities issued by corporations affiliated with the Investment Manager are to be purchased.
- E. No investment will be purchased outside of the range of 98% to 102% of par value without approval of the Director of Finance & Treasurer or the Deputy Treasurer.

8. POLICY AND PERFORMANCE REVIEW AND PERFORMANCE MEASUREMENT

This investment policy and the performance of the funds under management shall be reviewed each year during the first quarter. The management benchmark for comparing portfolio performance shall be the Merrill Lynch 1-5 year Government index with the understanding that priority will be given to matching portfolio maturities to anticipated cash flow needs.

LIQUIDITY INVESTMENTS

9. SCOPE

This investment policy applies to funds needed during an annual operating cycle and other funds invested on a short term basis. The determination as to the funds applicable to this category will be made by the Director of Finance & Treasurer based upon the projected cash flow needs of the City of Franklin. The Director of Finance & Treasurer will authorize any transfers between the reserve and liquidity investment types. Investment decisions for liquidity funds for the City will be made by the Director of Finance & Treasurer or the Deputy Treasurer.

10. INVESTMENT OBJECTIVE

The investment objective is to generate current income. Because these funds represent liquidity reserves, quality of the issues and liquidity of the portfolio are most important.

11. DIVERSIFICATION REQUIREMENTS

Investments with greater than daily availability are subject to a diversification requirement of not exceeding 10% per institution and 20% per investment type of the portfolio under management. Exception to the diversification requirements are made for:

- U.S. Government Treasury issues
- U.S. Government Agency issues (excluding mortgage backed securities)
- Issues that are rated AAA and have the full faith guarantee of the U.S. Government.

12. MATURITIES

Maturities of investments shall be selected to match the need for funding during the annual operating cycle.

13. LIQUIDITY

Liquidity and marketability should be prime considerations in the selection of individual securities.

14. ACCEPTABLE INVESTMENTS

- A. Money Market funds of authorized depositories
- B. Money Market funds from authorized depositories, not exceeding \$250,000 per institution, assembled by an agent of the City where the City provides the funds to the agent and the agent invests the funds in various money market funds on behalf of the City.
- C. Funds invested in the State of Wisconsin Local Government Investment Program
- D. Certificates of Deposit of local financial institutions that are authorized depositories with preference, when possible, to financial institutions located in the City of Franklin.
- E. Government repurchase agreements with a minimum of 100% or more collateralization with respect to its estimated market value plus accrued interest where the underlined securities are U.S. Government Treasury issues, U.S. Government Agency issues (excluding mortgage backed securities), and Issues that are rated AAA and have the full faith guarantee of the U.S. Government including guaranteed Small Business Administration security issues (pools and loans).

15. RESTRICTIONS

- A. No security restricted in WI Statutes Sec 66.0603 will be purchased.
- B. No securities other than money market, government repurchase agreements, certificates of deposit, savings accounts or checking accounts are acceptable.
- C. All investment maturities shall be in less than 365 days.
- D. Investments that do not have either FDIC coverage or the full faith guarantee of the U.S. Government shall require a written credit analysis of the offering institution prior to making the investment.

16. POLICY AND PERFORMANCE REVIEW AND PERFORMANCE MEASUREMENT

This investment policy shall be reviewed each year during the first quarter. There is no management benchmark for comparing portfolio performance of these funds.

Policy Revised:	March 6, 2012	Resolution 2012-6789
Policy Revised	March 1, 2011	Resolution 2011-6697
Policy Revised:	February 2, 2010	Resolution 2010-6625
Policy Revised:	February 6, 2009	Resolution 2009-6520
Policy Revised:	September 9, 2008	Resolution 2008-6480
Policy Established:	September 9, 2003	Resolution 2003-5584

3/6/2012

APPROVAL <i>SLW PDL</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE May 6, 2014
REPORTS & RECOMMENDATIONS	March 2014 Monthly Financial Report	ITEM NUMBER <i>G.18.</i>

Background

The March, 2014 Monthly Financial Report is attached. Items of note are included in the cover memo from the Director of Finance & Treasurer.

The Finance Committee reviewed the March Financial report at its April 28, 2014 meeting.

COUNCIL ACTION REQUESTED

Action: Motion to Receive and File

Date: April 21, 2014
To: Mayor Stephen Olson, Common Council Members and Finance Committee Members
From: Paul Rotzenberg, Director of Finance & Treasurer
Subject: Three month 2014 General Fund Financial Report

Attached is the 2014 financial report for the first three months for the City of Franklin.

The following items are included in this report:

General Fund Summary of Revenues and Expenditures	
General Fund Schedules of Revenue by Category and Expenditures by Department/Program	
Library Fund Financial Report	Solid Waste Collection Fund Report
Capital Outlay Fund Report	Equipment Replacement Fund Report
Street Improvement Financial Report	Capital Improvement Fund Report
Development Fund Report	TIF Districts Financial Reports
Debt Service Fund Financial Report	Water Utility Financial Report
Sewer Fund Financial Report	Post Employment Benefits Trust Report
Self Insurance Fund Report	Park Commission Revenue and Expenditures
NonMajor Governmental Funds	

The presentation in each fund is meant to provide a picture of where the City is in relation to the budget as the year progresses. The budget is broken down by month using a model that considers many criteria. The normal criteria for year-to-date budgets is one fourth of the annual budget for each calendar quarter. Those items that are not received or paid on that basis are adjusted to reflect their normal payment cycle. (Example shared revenues are normally received in the third and fourth quarters so the entire budget will show in those quarters and nothing in earlier quarters.) Comments below highlight some General Fund and other funds significant accounts and fluctuations.

General Fund Revenue

The 2014 YTD revenue of \$10,815,383 exceeds the YTD budget of \$10,669,043 by \$146,340. The main reason is that property taxes are getting paid a little faster than might be expected. The timing issues for property tax collections will disappear when the collection period ends July 31. Other revenue sources except interest revenue are close to budgeted amounts except for timing differences.

General Fund Expenditures

The 2014 YTD expenditures of \$5,424,485 was \$615,413 less than the YTD budget of \$6,039,898 with favorable variances in most functions due primarily to payment of 12 payroll weeks in a 13 week quarter. Public Works had a very busy snow removal task in Q1, however, managed to stay within budget. Several General Government Depts exceeded budget principally due to timing of expenditures. These factors should correct as the year progresses and result in less underexpenditures than presently shown.

Change in Fund Balance of General Fund

The Fund Balance reflects the revenue and expense activity for the first three months. Tax revenue is received early in the fiscal year and accounts for the increase in the Fund Balance and will be used during the later portion of the year to support operational expenses.

Development Fund

Impact fee collections are about even to the budget, while approximately \$36,000 greater than last year at this time. The reduced development activity is generating less impact fees than needed to service the debt for the Library, Law Enforcement, and Transportation issues. See supporting schedule.

Park Impact fees which total \$4,033,554 (including the Community Center fees) will reach the ten year maximum holding period in Q4 of 2014. At that time, if not spent, unspent Park Impact fees will need to be refunded to current property owners.

Self Insurance Fund

Q1 of 2014 produced a deficit of \$33,531 – \$63,936 behind forecast. Revenues totaled \$835,854. However, lower premium income than forecast is the major reason for the deficit. Claims cost of \$869,385 was very close to forecast and \$125,555 favorable to Q1 2013. In the prior year Q1 produced a deficit of \$105,013

Post Employment Benefits Trust

Q1 2014 had operating insurance results of \$11,103, slightly better than forecast, without the rate subsidy that was forecasted. Q1 2013, by comparison, experienced a \$30,658 deficit.

The ARC of \$87,880 is slightly greater than forecast but only half the prior year of \$172,467. A change in Actuarial costs for a future Cadillac tax, reduced the expected 2014 ARC by \$219,884 to \$550,916.

The \$214,169 overdraft at March 31, 2014, is expected to either be eliminated by operating results or be funded from the Trust before December 31, 2014.



Paul Rotzenberg
Director of Finance & Treasurer

Pc: Department Heads

City of Franklin
General Fund

Comparative Statement of Revenue, Expenses and Fund Balance
For the 3 months ended March 31, 2014 and 2013

Revenue	2014		2014		2014		2013		2013		Variance	
	Amended Budget	Year-to-Date Budget	Amended Budget	Year-to-Date Actual	Amended Budget	Year-to-Date Actual	Amended Budget	Year-to-Date Budget	Amended Budget	Year-to-Date Actual	Favorable (Unfavorable)	Favorable (Unfavorable)
Property Taxes	\$ 16,220,400	\$ 9,245,628	\$ 9,533,626	\$ 287,998	\$ 16,330,000	\$ 9,308,100	\$ 9,746,574	\$ 438,474				
Other Taxes	1,770,500	270,050	280,663	10,613	1,802,000	272,900	270,005	(2,895)				
Intergovernmental Revenue	2,549,550	338,900	333,509	(5,391)	2,542,600	357,125	345,090	(12,035)				
Regulation and Compliance	864,300	195,315	136,714	(58,601)	753,000	167,175	157,944	(9,681)				
Law and Ordinance Violations	444,000	111,000	133,222	22,222	450,000	112,500	134,147	21,647				
Public Charges for Services	1,416,400	338,600	292,501	(46,099)	1,323,500	315,913	298,168	(17,745)				
Intergovernmental Charges	125,000	20,000	-	(20,000)	125,000	20,000	-	(20,000)				
Investment Income	138,500	34,625	89,190	54,565	142,000	35,500	44,948	9,448				
Miscellaneous Revenue	74,700	14,925	15,958	1,033	91,000	19,000	25,149	6,149				
Transfers from Other Funds	400,000	100,000	-	(100,000)	-	-	-	-				
Total Revenue	\$ 24,003,350	\$ 10,669,043	\$ 10,815,383	\$ 146,340	\$ 23,559,100	\$ 10,668,213	\$ 11,021,575	\$ 413,362				
				101.37%				103.90%				
Expenditures	2014		2014		2014		2013		2013		Variance	
	Amended Budget	Year-to-Date Budget	Amended Budget	Year-to-Date Actual	Amended Budget	Year-to-Date Actual	Amended Budget	Year-to-Date Budget	Amended Budget	Year-to-Date Actual	Favorable (Unfavorable)	Favorable (Unfavorable)
General Government	\$ 2,936,766	\$ 907,643	\$ 720,320	\$ 187,323	\$ 2,928,263	\$ 870,798	\$ 735,623	\$ 135,175				
Public Safety	16,121,722	4,028,732	3,648,200	380,532	16,178,990	4,043,048	3,809,528	233,520				
Public Works	3,532,000	850,021	793,753	56,268	3,522,359	846,072	781,014	65,058				
Health and Human Services	657,804	164,451	144,966	19,485	659,002	164,751	138,218	26,533				
Other Culture and Recreation	173,682	29,936	16,567	13,369	171,901	29,580	12,784	16,796				
Conservation and Development	471,758	117,940	79,485	38,455	408,010	102,003	76,159	25,844				
Contingency	1,075,000	31,250	21,194	10,056	1,012,075	(350,000)	(87,500)	-				
Anticipated underexpenditures	(360,300)	(90,075)	-	(90,075)	85,982	-	-	(87,500)				
Transfers to Other Funds	400,000	-	-	-	-	-	-	-				
Total Expenditures	\$ 25,008,432	\$ 6,039,898	\$ 5,424,485	\$ 615,413	\$ 24,616,582	\$ 5,968,751	\$ 5,553,326	\$ 415,425				
Excess of revenue over (under) expenditures	(1,005,082)	4,629,145	5,390,898	\$ 761,753	(1,057,482)	\$ 4,639,462	5,468,249	\$ 828,787				
Fund balance, beginning of year		7,781,566			6,502,134			6,502,134				
Fund balance, end of period	\$ 6,776,484		\$ 13,172,464		\$ 5,444,652			\$ 11,970,383				

City of Franklin
General Fund

Comparative Statement of Revenue
For the 3 months ended March 31, 2014 and 2013

Revenue	Amended Budget	2014 Year-to-Date Budget	2014 Year-to-Date Actual	Variance Favorable (Unfavorable)	2013 Amended Budget	2013 Year-to-Date Budget	2013 Year-to-Date Actual	Variance Favorable (Unfavorable)
Taxes:								
General property	\$ 16,220,400	\$ 9,245,628	\$ 9,533,626	\$ 287,998 2,850	\$ 16,330,000	\$ 9,308,100 267,500	\$ 9,746,574 267,500	\$ 438,474 -
Water utility - tax equivalent	1,059,000	264,750	267,600	-	1,070,000	-	-	-
Cable television franchise fees	500,000	-	-	-	515,000	-	-	-
Mobile Home	26,500	5,300	13,063	-	27,000	5,400	2,167	(3,233)
Room tax	185,000	-	-	-	190,000	-	338	338
Total taxes	17,990,900	9,515,678	9,814,289	298,611	18,132,000	9,581,000	10,016,579	435,579
Intergovernmental Revenue:								
State shared revenue	475,000	-	-	-	475,000	-	-	-
Expenditure restraint revenue	255,525	-	-	-	217,100	-	-	-
State computer aid	350,925	-	-	-	307,000	-	-	-
State transportation aids	1,295,600	323,900	323,834	(65)	1,363,000	340,750	340,658	(92)
Fire insurance dues	112,500	-	-	-	115,000	-	-	-
Other grants	60,000	15,000	9,675	(5,325)	65,500	16,375	4,432	(11,943)
Total intergovernmental	2,549,550	338,900	333,509	(5,391)	2,542,600	357,125	345,990	(12,035)
Regulation and Compliance:								
Licenses	138,400	13,840	10,390	(3,450)	140,500	14,050	8,420	(5,630)
Permits	725,900	181,475	126,324	(65,151)	612,500	153,125	149,074	(4,051)
Fines, forfeitures and penalties	444,000	111,000	133,222	22,222	450,000	112,500	134,147	21,647
Total regulation and compliance	1,308,300	306,315	269,936	(36,379)	1,203,000	279,675	291,641	11,966
Public Charges for Services:								
Planning related fees	73,950	18,488	16,475	(2,013)	59,000	14,750	10,920	(3,830)
General government	6,950	1,738	1,693	(45)	6,200	1,550	1,952	402
Architectural Board Review	3,300	825	1,170	345	3,300	825	1,805	980
Police and related	9,000	2,250	686	(1,564)	6,000	1,500	2,677	1,177
Ambulance services - ALS	556,700	139,175	137,091	(2,084)	520,000	130,000	133,364	3,364
Ambulance services - BLS	450,000	112,500	90,138	(22,362)	417,000	104,250	109,199	4,949
Fire safety training	2,000	500	5	(495)	2,000	500	303	(197)
Fire Sprinkler Plan Review	60,000	15,000	13,410	(1,590)	60,000	15,000	8,990	(6,010)
Fire Inspections	30,000	7,500	4,797	(2,703)	30,000	7,500	4,150	(3,350)
Quarry reimbursement	42,000	10,500	2,100	(8,400)	42,000	10,500	932	(9,568)
Weed cutting	14,000	-	-	-	15,050	-	-	-
Engineering fees	10,000	2,500	20,937	18,437	5,000	1,250	11,587	10,337
Public works fees	35,000	8,750	2,124	(6,626)	35,650	8,913	4,535	(4,378)
Weights & Measures	4,000	1,000	-	(1,000)	6,800	1,700	-	(1,700)
Landfill Operations - Siting	19,500	4,875	-	(4,875)	19,500	4,875	-	(4,875)
Landfill Operations - Emerald Park	40,000	10,000	3,170	(6,830)	40,000	10,000	5,698	(4,302)
Health Department	60,000	3,000	(1,295)	(4,295)	56,000	2,800	2,056	(744)
Total charges for services	1,416,400	338,600	292,501	(46,099)	1,323,500	315,913	298,168	(17,745)

City of Franklin
General Fund

Comparative Statement of Revenue
For the 3 months ended March 31, 2014 and 2013

Revenue	2014		2014		2014		2013		2013		Variance Favorable (Unfavorable)
	Amended Budget	Year-to-Date Budget	Amended Budget	Year-to-Date Actual	Variance Favorable (Unfavorable)	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Variance Favorable (Unfavorable)	Amended Budget	
Intergovernmental Charges:											
Milwaukee County - paramedics	125,000	20,000	-	-	(20,000)	125,000	20,000	-	-	-	(20,000)
Total intergovernmental charges	125,000	20,000	-	-	(20,000)	125,000	20,000	-	-	-	(20,000)
Investment Income:											
Interest on investments	90,000 (23,000)	22,500 (5,750)	22,480	50,547	(20) 56,297 (1,610)	75,000 (10,000) 75,000	18,750 (2,500) 18,750	28,185 (4,970) 21,702	9,435 (2,470) 2,952	-	-
Market value change on investments	70,000	17,500	15,890	375	273	2,000	500	31	(469)	-	-
Interest - tax roll	1,500										
Other interest											
Total interest revenue	138,500	34,625	89,190	54,565		142,000	35,500	44,948		9,448	
Miscellaneous Revenue:											
Rental of property	34,000	8,500	12,329	3,829		34,000	8,500	12,654		4,154	
Refunds/reimbursements	20,000	5,000	671	(4,329)		30,000	7,500	10,493		2,993	
Insurance dividend	15,000	-	-	-		15,000	-	-		-	
Sale of property	1,450	363	558	196		3,000	750	-		(750)	
Other revenue	4,250	1,063	2,400	1,338		9,000	2,250	2,002		(248)	
Total miscellaneous revenue	74,700	14,925	15,958	1,033		91,000	19,000	25,149		6,149	
Transfer from Other Funds:											
Capital Improvement Fund	200,000	50,000	-	(50,000)		-	-	-		-	
Street Improvement Fund	200,000	50,000	-	(50,000)		-	-	-		-	
Total transfers from other funds	400,000	100,000	-	(100,000)		-	-	-		-	
Total revenue	\$ 24,003,350	\$ 10,669,043	\$ 10,815,383	\$ 146,340	101.37%	\$ 23,559,100	\$ 10,608,213	\$ 11,021,575	103.90%	\$ 413,362	

City of Franklin
General Fund

Comparative Statement of Expenditures
For the 3 months ended March 31, 2014 and 2013

Expenditures	Amended Budget	2014 Year-to-Date Budget	2014 Year-to-Date Actual	2014 Favorable (Unfavorable)	2013 Amended Budget	2013 Year-to-Date Budget	2013 Year-to-Date Actual	Variance Favorable (Unfavorable)
General Government:								
Mayor & Aldermen	\$ 99,130	\$ 24,783	\$ 29,890	\$ (5,108)	\$ 98,350	A \$ 24,598	\$ 30,642	\$ (6,055)
Municipal Court	223,521	55,880	55,711	169	226,543	56,636	53,031	3,605
City Clerk	311,348	77,837	69,184	8,653	318,482	79,621	68,871	10,750
Elections	58,368	14,592	10,118	4,474	90,805	A 22,701	11,073	11,628
Information Services	361,205	90,301	91,029	(728)	332,300	83,075	79,394	3,681
Administration	565,193	141,298	93,903	47,395	431,057	107,764	92,255	15,509
Finance	461,761	115,440	107,680	7,760	539,908	134,977	128,462	6,515
Independent Audit	29,790	4,766	11,000	(6,224)	34,500	5,520	10,000	(4,480)
Assessor	224,240	56,060	24,611	31,449	253,469	63,367	21,634	41,733
Legals Services	329,950	82,488	71,820	10,688	324,920	81,230	72,009	9,221
Municipal Buildings	169,113	42,278	36,932	5,346	194,379	48,595	37,275	11,320
Property/liability insurance	100,647	201,294	118,442	82,842	81,050	162,100	130,577	31,123
Unclassified	2,500	625	-	625	2,500	625	-	625
Total general government	<u>2,936,766</u>	<u>907,643</u>	<u>720,320</u>	<u>187,323</u>	<u>2,928,263</u>	<u>870,798</u>	<u>735,623</u>	<u>135,175</u>
Public Safety:								
Police Department	9,270,851	E 5,846,634	2,317,713	2,070,964	246,749	9,261,071	E 2,315,268	2,210,418
Fire Department	5,846,634	E 751,700	1,461,659	1,382,104	99,555	5,999,105	E 1,499,776	1,390,186
Public Fire Protection	745,737	62,925	63,000	(75)	244,300	61,075	61,075	-
Building Inspection	6,800	186,434	152,132	-	667,714	A 166,929	147,849	19,080
Weights and Measures	-	-	-	-	6,800	-	-	-
Total public safety	<u>16,121,722</u>	<u>4,028,732</u>	<u>3,648,200</u>	<u>380,532</u>	<u>16,178,990</u>	<u>4,043,048</u>	<u>3,809,528</u>	<u>233,520</u>
Public Works:								
Engineering	621,138	155,285	129,984	25,301	606,905	151,726	133,420	18,306
Highway	2,571,182	E 324,630	642,796	610,439	32,357	2,558,674	A 639,669	579,028
Street Lighting	15,050	51,941	53,330	(1,389)	341,730	E 54,677	68,566	60,641
Weed Control	-	-	-	-	15,050	-	-	(13,889)
Total public works	<u>3,532,000</u>	<u>850,021</u>	<u>793,753</u>	<u>56,208</u>	<u>3,522,359</u>	<u>846,072</u>	<u>781,014</u>	<u>65,058</u>
Health and Human Services:								
Health and Human Services	616,104	154,026	128,172	25,854	609,952	152,488	126,271	26,217
Public Health Department	41,700	10,425	16,794	(6,359)	49,050	12,263	11,947	316
Animal Control	-	-	-	-	-	-	-	-
Total health and human services	<u>657,804</u>	<u>164,451</u>	<u>144,966</u>	<u>19,485</u>	<u>659,002</u>	<u>164,751</u>	<u>138,218</u>	<u>26,533</u>
Culture and Recreation:								
St. Martins Fair	11,000	-	-	-	11,000	-	-	-
Civic Celebrations	13,000	-	-	-	13,000	-	-	-
Senior Travel	16,600	A 133,082	3,320	4,824	(1,504)	15,000	3,000	1,293
Parks	26,616	11,743	-	14,873	132,901	26,580	11,491	15,089
Total culture and recreation	<u>\$ 173,682</u>	<u>\$ 29,936</u>	<u>\$ 16,567</u>	<u>\$ 13,369</u>	<u>\$ 171,901</u>	<u>\$ 29,580</u>	<u>\$ 12,784</u>	<u>\$ 16,796</u>

A Represents an amendment to Adopted Budget

E Represents an encumbrance for current year from prior year

City of Franklin

General Fund

**Comparative Statement of Revenue, Expenses and Fund Balance
For the 3 months ended March 31, 2014 and 2013**

Expenditures	Amended Budget	2014 Year-to-Date Budget	2014 Year-to-Date Actual	2014 Year-to-Date Favorable (Unfavorable)	2014 Year-to-Date Favorable (Unfavorable)	2013 Amended Budget	2013 Year-to-Date Budget	2013 Year-to-Date Actual	Variance Favorable (Unfavorable)
						2013 Amended Budget	2013 Year-to-Date Budget	2013 Year-to-Date Actual	Variance Favorable (Unfavorable)
Conservation and Development:									
Planning	380,458	95,115	78,072	17,043	393,710	98,428	75,484	22,944	
Economic Development	91,300	22,825	1,413	21,412	14,300	3,575	675	2,900	
Total conservation and development	<u>471,758</u>	<u>117,940</u>	<u>79,485</u>	<u>38,455</u>	<u>408,010</u>	<u>102,003</u>	<u>76,159</u>	<u>25,844</u>	
Contingency:									
Restricted - other	950,000	31,250	21,194	10,056	950,000	-	-	-	
Unrestricted	125,000	-	-	-	62,075 A	-	-	-	
Total contingency	<u>1,075,000</u>	<u>31,250</u>	<u>21,194</u>	<u>10,056</u>	<u>1,012,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Anticipated underexpenditures									
(360,300)	<u>(90,075)</u>	<u>(90,075)</u>	<u>-</u>	<u>(90,075)</u>	<u>(350,000)</u>	<u>(87,500)</u>	<u>-</u>	<u>(87,500)</u>	
Transfers to other funds:									
Street Improvement Fund	200,000	-	-	-	-	-	-	-	
Capital Improvement Fund	200,000	-	-	-	-	-	-	-	
Total transfers to other funds	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,982</u>	<u>-</u>	<u>-</u>	
Total expenditures	<u>\$ 25,008,432</u>	<u>\$ 6,039,898</u>	<u>\$ 5,424,485</u>	<u>\$ 615,413</u>	<u>89,81%</u>	<u>\$ 24,616,582</u>	<u>\$ 5,968,751</u>	<u>\$ 5,553,326</u>	<u>\$ 415,425</u>
									<u>93.04%</u>

A Represents an amendment to Adopted Budget
E Represents an encumbrance for current year from prior year

3/31/2013

	Year Actual
\$ 12,225,686	
217,522	
6,510,462	
388,553	
39,333	
3,990	
19,434	
<u>\$ 19,404,980</u>	<u>7,434,597</u>

BALANCE SHEET

ASSETS

Cash and investments	\$ 12,942,117
Accounts receivable	378,811
Taxes receivable	6,686,474
Due from other funds	277,617
Advances to Other Funds	505,040
Due from other governments	978
Prepaid expenditures	4,740
Inventories	15,087
Total Assets	<u>\$ 20,812,864</u>

LIABILITIES

Accounts payable	\$ -
Accrued liabilities	478,836
Due to other funds	27,790
Due to other governments	109,469
Special deposits	202,752
Unearned revenue	6,615,751
Total Liabilities	<u>\$ 7,434,597</u>

FUND BALANCES

Nonspendable - inventories and prepaid expenditures	524,867
Unassigned	12,647,597
Total fund balances	<u>13,172,464</u>
Total Liabilities and fund balances	<u>\$ 20,812,864</u>
	<u>\$ 19,404,980</u>

4/21/2014

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**City of Franklin
Library Fund
Balance Sheet
March 31, 2014 and 2013**

Assets	Operating		Restricted	
	2014	2013	2014	2013
Cash and investments	\$ 1,417,483	\$ 1,334,868	\$ 164,755	\$ 111,887
Prepaid expenses	-	-	-	11,700
Total Assets	\$ 1,417,483	\$ 1,334,868	\$ 164,755	\$ 123,587
Liabilities and Fund Balance				
Accounts payable	\$ 12,350	\$ -	\$ -	\$ 73
Accrued salaries & wages	10,774	8,107	-	-
Nonspendable fund balance	-	-	-	11,700
Assigned fund balance	1,394,359	1,326,761	164,755	111,814
Total Liabilities and Fund Balance	\$ 1,417,483	\$ 1,334,868	\$ 164,755	\$ 123,587

**Statement of Revenue, Expenses and Fund Balance - Operating Fund
For the Three months ended March 31, 2014 and 2013**

Revenue	2014		2013		Variance Favorable (Unfavorable)	Variance Favorable (Unfavorable)
	Annual Budget	Year-to-Date Budget	2014 Actual	Year-to-Date Budget		
Property taxes	\$ 1,240,000	\$ 1,240,000	\$ 1,240,000	\$ 1,240,000	\$ -	\$ -
Reciprocal borrowing (restricted)	50,000	-	-	50,000	-	-
Investment income	5,000	1,250	7,570	6,320	-	(1,587)
Transfers in	10,000	-	-	21,000	-	-
Total Revenue	1,305,000	1,241,250	1,247,570	6,320	-\$ 1,327,000	(1,587)
 Expenditures:						
Salaries and benefits	906,567	226,642	195,045	31,597	898,098	224,525
Contractual services	16,779	4,195	10,235	(6,040)	16,221	4,055
Supplies	36,037	9,009	4,856	4,153	37,237	9,309
Services and charges	49,310	12,328	6,882	5,446	44,500	11,125
Facility charges	248,313	62,078	54,018	8,060	240,800	47,024
Capital outlay	103,500	25,875	21,847	4,028	102,500	25,625
Capital outlay (restricted)	17,000	4,250	-	4,250	34,000	8,500
Total Library Costs	1,377,506	344,377	292,883	51,494	-\$ 1,373,356	(1,587)
Total expenditures	1,377,506	344,377	292,883	51,494	-\$ 1,373,356	(1,587)
 Revenue over (under) expenditures	(72,506)	896,874	954,687	57,814	(46,356)	900,661
Fund balance, beginning of year	439,670	-	-	-	424,753	424,753
Fund balance, end of period	\$ 367,164	\$ 1,394,357	\$ 378,397	\$ 1,326,761	\$ 340,405	2,934

City of Franklin
Solid Waste Collection Fund
Balance Sheet
March 31, 2014 and 2013

Assets	2014	2013
Cash and investments	\$ 1,171,399	\$ 1,072,186
User fees receivable	-	-
Accrued Receivables	-	-
Total Assets	<u>\$ 1,171,399</u>	<u>\$ 1,072,186</u>
Liabilities and Fund Balance		
Accounts payable	\$ 113,150	\$ -
Accrued salaries & wages	315	318
Restricted fund balance	1,057,934	1,071,868
Total Liabilities and Fund Balance	<u>\$ 1,171,399</u>	<u>\$ 1,072,186</u>

Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013

Revenue	2014 Adopted Budget	2014 Year-to-Date Budget	2014 Year-to-Date Actual	2013 Year-to-Date Actual
Grants	\$ 69,000	-	\$ -	\$ -
User Fees	1,157,000	1,157,000	1,168,087	1,153,776
Landfill Operations-tippage	331,800	82,950	48,042	49,722
Investment Income	-	-	6,597	2,036
Sale of Recycling Bins	-	-		21
Sale of Recyclables	5,000	1,250	1,098	1,345
Total Revenue	<u>1,562,800</u>	<u>1,241,200</u>	<u>1,223,824</u>	<u>1,206,900</u>
Expenditures:				
Personal Services	22,194	5,549	4,367	6,571
Refuse Collection	654,200	163,550	162,330	105,960
Recycling Collection	361,800	90,450	89,566	58,508
Leaf & Brush Pickups	53,000	13,250	-	-
Tippage Fees	430,600	107,650	97,454	64,299
Miscellaneous	1,960	490	480	240
Printing	-	-	-	-
Total expenditures	<u>1,523,754</u>	<u>380,939</u>	<u>354,197</u>	<u>235,578</u>
Revenue over (under) expenditures	39,046	<u>860,262</u>	869,627	971,322
Fund balance, beginning of year	<u>188,307</u>		<u>188,307</u>	<u>100,546</u>
Fund balance, end of period	<u>\$ 227,353</u>		<u>\$ 1,057,934</u>	<u>\$ 1,071,868</u>

**City of Franklin
Capital Outlay Fund
Balance Sheet
March 31, 2014 and 2013**

Assets	2014	2013
Cash and investments	\$ 733,526	\$ 629,043
Accrued Receivables	-	1,514
Total Assets	<u>\$ 733,526</u>	<u>\$ 630,557</u>
Liabilities and Fund Balance		
Miscellaneous claims payable	\$ 18,278	\$ -
Assigned fund balance	715,248	630,557
Total Liabilities and Fund Balance	<u>\$ 733,526</u>	<u>\$ 630,557</u>

**Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

Revenue	2014	2014	2014	2013
	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Actual
Property Taxes	\$ 430,000	\$ 430,000	\$ 430,000	\$ 394,000
Grants	-	-	5,200	-
Landfill Siting	67,000	16,750	19,400	19,324
Investment Income	-	-	4,263	1,305
Miscellaneous Revenue	30,000	7,500	677	6,336
Transfers from Fund Balance	97,296	24,324	-	-
Total Revenue	<u>624,296</u>	<u>478,574</u>	<u>459,540</u>	<u>420,965</u>
Expenditures:				
General Government	130,250	32,563	3,037	28,096
Public Safety	448,562	112,141	69,182	94,665
Public Works	84,870	21,218	9,229	2,100
Health and Human Services	510	128	-	-
Culture and Recreation	18,000	4,500	419	-
Conservation and Development	1,750	438	-	680
Contingency	55,000	13,750	-	-
Total expenditures	<u>738,942</u>	<u>184,736</u>	<u>81,867</u>	<u>125,541</u>
Revenue over (under) expenditures	(114,646)	<u>293,839</u>	377,673	295,424
Fund balance, beginning of year	<u>337,575</u>		<u>337,575</u>	<u>335,133</u>
Fund balance, end of period	<u>\$ 222,929</u>		<u>\$ 715,248</u>	<u>\$ 630,557</u>

**City of Franklin
Equipment Replacement Fund
Comparative Balance Sheet
March 31, 2014 and 2013**

Assets	2014	2013
Cash and investments	\$ 2,242,305	\$ 2,084,961
Total Assets	<u>\$ 2,242,305</u>	<u>\$ 2,084,961</u>
Liabilities and Fund Balance		
Accounts payable	\$ -	\$ -
Assigned fund balance	2,242,305	2,084,961
Total Liabilities and Fund Balance	<u>\$ 2,242,305</u>	<u>\$ 2,084,961</u>

**Comparative Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

	2014 Amended Budget	2014 Year-to-Date Budget	2014 Year-to-Date Actual	2013 Year-to-Date Actual
Revenue:				
Property Taxes	\$ 337,000	\$337,000	\$ 337,000	\$ 285,000
Landfill	100,000	25,000	27,800	28,986
Investment Income	-	-	13,584	4,354
Transfers From Fund Balance	10,600	2,650	-	-
Total revenue	<u>447,600</u>	<u>364,650</u>	<u>378,384</u>	<u>318,340</u>
Expenditures:				
Public Safety	60,100	15,025	52,124	-
Public Works	182,000	45,500	-	74
Total expenditures	<u>242,100</u>	<u>60,525</u>	<u>52,124</u>	<u>74</u>
Revenue over (under) expenditures	205,500	<u>304,125</u>	326,260	318,266
Fund balance, beginning of year	<u>1,916,045</u>		<u>1,916,045</u>	<u>1,766,695</u>
Fund balance, end of period	<u>\$ 2,121,545</u>		<u>\$ 2,242,305</u>	<u>\$ 2,084,961</u>

**City of Franklin
Street Improvement Fund
Balance Sheet
March 31, 2014 and 2013**

Assets

	2014	2013
Cash and investments	\$ 942,799	\$ 999,641
Total Assets	<u>\$ 942,799</u>	<u>\$ 999,641</u>

Liabilities and Fund Balance

Accounts payable	\$ 388	\$ -
Assigned fund balance	942,411	999,641
Total Liabilities and Fund Balance	<u>\$ 942,799</u>	<u>\$ 999,641</u>

**Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

	2014	2014	2013
	Amended Budget	Year-to-Date Totals	Year-to-Date Totals
Revenue:			
Property Taxes	\$ 681,600	\$ 681,600	\$ 610,000
Landfill Siting	133,000	37,100	38,649
Investment Income	-	5,536	1,668
Local Road Improvement Aids	78,000	-	-
Transfer from General Fund	200,000	-	-
Transfer from Fund Balance	36,900	-	-
 Total revenue	1,129,500	724,236	650,317
Expenditures:			
Street Reconstruction Program - Current Year	960,000	388	-
Transfer to General Fund	200,000	-	-
Street Reconstruction Program - Prior Year	36,900	-	-
 Total expenditures	1,196,900	388	-
Revenue over (under) expenditures	(67,400)	723,848	650,317
Fund balance, beginning of year	218,563	218,563	349,324
Fund balance, end of period	<u>\$ 151,163</u>	<u>\$ 942,411</u>	<u>\$ 999,641</u>

**City of Franklin
Capital Improvement Fund
Balance Sheet
March 31, 2014 and 2013**

Assets

	2014	2013
Cash and investments	\$ 203,671	\$ 269,437
Due from State of Wisconsin	96,720	-
Accrued receivables	847	847
Total Assets	<u>\$ 301,238</u>	<u>\$ 270,284</u>

Liabilities and Fund Balance

	2014	2013
Accounts payable	\$ 92,472	\$ -
Contracts Payable	27,786	10,211
Accrued payables	-	-
Assigned fund balance	180,980	260,073
Total Liabilities and Fund Balance	<u>\$ 301,238</u>	<u>\$ 270,284</u>

**Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

	2014	2014	2014	2013
	Amended Budget	Year-to-Date Budget	Year-to-Date Totals	Year-to-Date Totals
Revenue:				
Block Grants	\$ 147,000	\$ 147,000	\$ -	\$ -
Landfill Siting	296,000	74,000	28,169	-
Transfers from Other Funds	2,700,000	675,000	-	-
Transfers from General Funds	200,000	50,000	-	-
Transfers from Impact Fees	1,410,140	352,535	-	-
Transfers from Connection Fees	1,000,000	250,000	-	-
Transfers from Fund Balance	137,519	34,380	-	-
Bond Proceeds	2,000,000	-	-	-
Investment Income	-	-	-	710
 Total revenue	<u>7,890,659</u>	<u>1,582,915</u>	<u>28,169</u>	<u>710</u>
 Expenditures:				
General Government	184,764	46,191	-	-
Public Safety	-	-	103,808	-
Public Works	339,300	84,825	54,854	400
Culture and Recreation	-	-	15	-
Sewer & Water	-	-	7,440	13,849
Contingency	<u>7,138,488</u>	<u>1,784,622</u>	-	-
 Total expenditures	<u>7,662,552</u>	<u>1,915,638</u>	<u>166,117</u>	<u>14,249</u>
Revenue over (under) expenditures	228,107	<u>(332,723)</u>	(137,948)	(13,539)
Fund balance, beginning of year	<u>318,928</u>		<u>318,928</u>	<u>273,612</u>
Fund balance, end of period	<u>\$ 547,035</u>		<u>\$ 180,980</u>	<u>\$ 260,073</u>

**City of Franklin
Development Fund
Comparative Balance Sheet
March 31, 2014 and 2013**

Assets	2014	2013
Cash and investments	\$ 1,819,626	\$ 1,233,879
Due From Debt Service Fund	1,075,000	2,137,000
Due From TID 3	2,250,000	1,150,000
Total Assets	<u>\$ 5,144,626</u>	<u>\$ 4,520,879</u>
Liabilities and Fund Balance		
Accounts payable	\$ -	\$ 3,700
Non-Spendable - Advances	3,287,000	3,112,000
Assigned fund balance	1,857,626	1,405,179
Total Fund Balance	<u>5,144,626</u>	<u>4,517,179</u>
Total Liabilities and Fund Balance	<u>\$ 5,144,626</u>	<u>\$ 4,520,879</u>

**Comparative Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

Revenue:	2014	2014	2014	2013
	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Actual
Impact Fee: Parks	\$ 194,250	\$ 48,563	\$ 19,712	\$ 30,392
Impact Fee: Southwest Sewer Serv	-	-	2,928	0
Impact Fee: Administration	5,000	1,250	770	440
Impact Fee: Water	275,000	68,750	63,040	62,848
Impact Fee: Transportation	17,000	4,250	15,142	2,578
Impact Fee: Fire Protection	31,250	7,813	9,800	3,128
Impact Fee: Law Enforcement	60,000	15,000	17,892	5,808
Impact Fee: Library	62,500	15,625	5,579	6,376
Investment Income	10,000	2,500	12,081	1,971
Interfund Interest Income	85,694	21,424	30,003	27,198
	3,241	810	-	
Total revenue	<u>743,935</u>	<u>185,984</u>	<u>176,947</u>	<u>140,739</u>
Expenditures:				
Transfer to Debt Service:				
Law Enforcement	204,978	153,734	-	96,000
Fire	43,013	32,260	36,622	36,191
Transportation	73,535	55,151	14,867	43,100
Library	133,650	100,238	33,000	63,000
Total Transfers to Debt Service	<u>455,176</u>	<u>341,382</u>	<u>84,489</u>	<u>238,291</u>
Transfer to Capital Improvement Fund:				
Water	-	-	-	-
Park	1,557,949	1,168,462	-	-
Total Transfers to Capital Improvement Fund	<u>1,557,949</u>	<u>1,168,462</u>		
Total expenditures	<u>2,013,125</u>	<u>1,509,844</u>	<u>84,489</u>	<u>238,291</u>
Revenue over (under) expenditures	<u>(1,269,190)</u>	<u>(1,323,860)</u>	<u>92,458</u>	<u>(97,552)</u>
Fund balance, beginning of year	<u>5,052,168</u>		<u>5,052,168</u>	<u>4,614,731</u>
Fund balance, end of period	<u>\$ 3,782,978</u>		<u>\$ 5,144,626</u>	<u>\$ 4,517,179</u>

City of Franklin
Development Fund

**Summary of Impact Fee Activity
For the three months ended March 31, 2014**

* Funded by an Administrative Fee not an impost for

Scheduled Debt Payment (P&I - 2013)
Remaining Debt Balance

2 Oversizing payments made

verso zonas bosqueadas que en futuro periodo

**City of Franklin
Debt Service Funds
Balance Sheet
March 31, 2014 and 2013**

<u>Assets</u>	2014		2013	
	Special Assessment	Debt Service	Total	Total
Cash and investments	\$ 393,610	\$ 140,051	\$ 533,661	\$ 664,215
Taxes receivable	(1,382)	-	(1,382)	-
Special assessment receivable	204,675	-	204,675	270,575
Total Assets	\$ 596,903	\$ 140,051	\$ 736,954	\$ 934,790
 <u>Liabilities and Fund Balance</u>				
Unearned & unavailable revenue	\$ 204,675	\$ 1,075,000	\$ 204,675	\$ 270,575
Due to other funds	-	(934,949)	1,075,000	2,137,000
Unassigned fund balance	392,228	(542,721)	(542,721)	(1,472,785)
Total Liabilities and Fund Balance	\$ 596,903	\$ 140,051	\$ 736,954	\$ 934,790

**Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

<u>Revenue</u>	2014		2014		2013		<u>Variance</u>
	Special Assessment	Debt Service	Year-to-Date Actual	Annual Budget	2014	Annual Budget	<u>Favorable (Unfavorable)</u>
Property Taxes	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,650,000	\$ 1,650,000	\$ -
Special Assessments	10	-	10	-	-	-	-
Investment Income	4,917	-	4,917	-	4,917	3,267	3,267
Total Revenue	4,927	1,600,000	1,604,927	1,600,000	4,927	1,653,267	1,650,000
 <u>Expenditures:</u>							
Debt Service:							
Principal	-	570,000	570,000	570,000	620,000	620,000	-
Interest	-	169,370	169,370	345,644	191,075	409,380	218,305
Total expenditures	-	739,370	739,370	915,644	811,075	1,029,380	218,305
 Transfers in							
Transfers out							
Net change in fund balances	(219,644)	304,133	304,133 (219,644)	377,644	(73,511) 219,644	238,291	354,380
Fund balance, beginning of year	(214,717)	1,164,763	950,046	1,062,000	1,080,483	975,000	116,089
Fund balance, end of period	606,945	(2,099,712)	(1,492,767)	(1,492,767)	(2,553,268)	(2,553,268)	337,661
	\$ 392,228	\$ (934,949)	\$ (542,721)	\$ (430,767)	\$ (1,472,785)	\$ (1,578,268)	

City of Franklin
Tax Increment Financing District #3
Balance Sheet
March 31, 2014 and 2013

Assets	2014	2013
Cash and investments	\$ 103,897	\$ (16,766)
Accounts & Interest receivable	14,039	44,622
Notes receivable	-	6,195,000
Taxes receivable	-	-
 Total Assets	 <u>\$ 117,936</u>	 <u>\$ 6,222,856</u>
Liabilities and Fund Balance		
Accounts payable	\$ -	\$ -
Unearned revenue	-	44,622
Line of Credit Advance from Development Fund	3,350,000	1,150,000
Total Liabilities	<u>3,350,000</u>	<u>1,194,622</u>
 Nonspendable fund balance - note receivable	 (3,229,426)	 6,195,000
Unassigned fund balance	(2,638)	(1,166,766)
Total Fund Balance	<u>(3,232,064)</u>	<u>5,028,234</u>
 Total Liabilities and Fund Balance	 <u>\$ 117,936</u>	 <u>\$ 6,222,856</u>

Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013

	2014 Annual Forecast	2014 Year-to-Date Forecast	2014 Year-to-Date Actual	2013 Year-to-Date Actual
Revenue				
General property tax levy	\$ 1,572,200	\$ 1,572,200	\$ 1,572,198	\$ 1,547,835
State exempt computer aid	407,500	-	-	-
Investment income	60,776	60,776	97,773	68,203
Total revenue	<u>2,040,476</u>	<u>1,632,976</u>	<u>1,669,971</u>	<u>1,616,038</u>
 Expenditures				
Transfer to other funds	-	\$ -	-	-
Debt service principal	9,695,000	9,695,000	9,695,000	3,170,000
Debt service interest & fees	347,900	173,950	215,030	277,440
Administrative expenses	29,000	7,250	2,748	2,725
Interfund interest	-	-	22,371	-
Capital outlays	40,400	10,100	140,384	-
Total expenditures	<u>10,112,300</u>	<u>9,886,300</u>	<u>10,075,533</u>	<u>3,450,165</u>
	(8,071,824)	(8,253,324)	(8,405,562)	(1,834,127)
Fund balance, beginning of year	<u>5,173,498</u>		<u>5,173,498</u>	<u>6,862,361</u>
Fund balance, end of period	<u>\$ (2,898,326)</u>		<u>\$ (3,232,064)</u>	<u>\$ 5,028,234</u>

**City of Franklin
Tax Increment Financing District #4
Balance Sheet
March 31, 2014 and 2013**

Assets	2014	2013
Cash and investments	\$ 131,787	\$ 135,080
Developer receivable	1,199	-
Taxes receivable	-	-
Total Assets	<u>\$ 132,986</u>	<u>\$ 135,080</u>

Liabilities and Fund Balance	2014	2013
Accounts payable	\$ -	\$ -
Unearned revenue	-	-
Interfund Advance from Development Fund	1,238,000	2,163,000
Total Liabilities	<u>1,238,000</u>	<u>2,163,000</u>
Unassigned Fund Balance	(1,105,014)	(2,027,920)
Total Liabilities and Fund Balance	<u>\$ 132,986</u>	<u>\$ 135,080</u>

**Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

	2014 Annual Forecast	2014 Year-to-Date Forecast	2014 Year-to-Date Actual	2013 Year-to-Date Actual
Revenue				
General property tax levy	\$ 954,700	\$ 954,700	\$ 972,728	\$ 850,703
State exempt computer aid	24,600	-	-	-
Investment income	1,600	400	867	1,752
Total revenue	<u>980,900</u>	<u>955,100</u>	<u>973,595</u>	<u>852,455</u>
Expenditures				
Debt service/interfund interest	77,400	\$ 19,350	17,464	27,648
Administrative expenses	11,400	2,850	2,268	2,225
Capital outlays	-	-	-	-
Total expenditures	<u>88,800</u>	<u>22,200</u>	<u>19,732</u>	<u>29,873</u>
Revenue over (under) expenditures	892,100	<u>\$ 932,900</u>	953,863	822,582
Fund balance, beginning of year	<u>(2,058,877)</u>		<u>(2,058,877)</u>	<u>(2,850,502)</u>
Fund balance, end of period	<u>\$ (1,166,777)</u>		<u>\$ (1,105,014)</u>	<u>\$ (2,027,920)</u>

**City of Franklin
Sanitary Sewer Fund
Comparative Balance Sheet
March 31, 2014 and 2013**

	2014	2013
Assets		
Current assets:		
Cash and investments	\$ 1,970,064	\$ 2,071,810
Accounts receivable	898,169	864,406
Accrued receivables	-	-
Due from Franklin Water Utility	128,938	56,012
Miscellaneous receivable	25,497	26,763
Total current assets	<u>3,022,668</u>	<u>3,018,991</u>
Non current assets:		
Due from MMSD	25,468,780	24,073,206
Sanitary Sewer plant in service:		
Land	358,340	358,340
Buildings and improvements	1,605,333	1,605,333
Improvements other than buildings	53,965,043	53,255,868
Machinery and equipment	782,855	685,712
Construction in progress	51,183	70,857
Less accumulated depreciation	<u>(13,086,852)</u>	<u>(12,462,381)</u>
Net sanitary sewer plant in service	<u>43,675,902</u>	<u>43,513,729</u>
Total Assets	<u><u>\$ 72,167,350</u></u>	<u><u>\$ 70,605,926</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 19,893	\$ -
Accrued liabilities	512,662	840,541
Due to Franklin Water Utility	-	-
Due to General Fund - non-interest bearing	<u>605,727</u>	<u>211,172</u>
Total current liabilities	<u>1,138,282</u>	<u>1,051,713</u>
Non current liabilities:		
Accrued compensated absences	57,727	52,775
General Obligation Notes payable - CWF	<u>24,588,635</u>	<u>23,498,478</u>
Total liabilities	<u><u>25,784,644</u></u>	<u><u>24,602,966</u></u>
Net Assets:		
Invested in capital assets, net of related debt	43,675,902	43,513,729
Sewer equipment replacement	277,230	334,508
Retained earnings	2,429,574	2,154,723
Total net assets	<u>46,382,706</u>	<u>46,002,960</u>
Total Liabilities and Net Assets	<u><u>\$ 72,167,350</u></u>	<u><u>\$ 70,605,926</u></u>

City of Franklin
Sanitary Sewer Fund
Statement of Revenue, Expenditures,
and Changes in Net Assets
For the Three months ended March 31, 2014 and 2013

	2014	2014	Current	Prior
	Amended Budget	Year-to-Date Budget	Year-to-Date Totals	Year-to-Date Totals
Operating Revenue				
Residential	\$ 1,919,075	\$ 479,769	\$ 457,887	\$ 455,169
Commercial	869,938	217,485	105,523	193,156
Industrial	284,321	71,080	87,018	76,875
Public Authority	218,545	54,636	41,758	41,574
Penalties/Other	40,000	10,000	5,056	4,608
Multi Family	-	-	105,103	-
Total Operating Revenue	3,331,879	832,970	802,345	771,382
Operating Expenditures				
Salaries and benefits	\$ 462,678	\$ 115,670	\$ 108,048	\$ 120,173
Contractual services	100,365	25,091	62,607	49,270
Supplies	102,500	25,625	10,809	14,936
Facility charges	57,504	14,376	8,538	8,375
Shared meter costs	10,000	-	-	-
Sewer service - MMSD	2,048,209	512,052	488,470	462,580
Other operating costs	21,945	5,486	5,421	4,697
Allocated expenses	108,510	27,128	26,250	26,257
Sewer improvements	250,000	62,500	36,306	1,011
Depreciation	63,500	15,875	15,900	18,252
Total operating expenditures	3,225,211	803,803	762,349	705,551
Operating Income (Loss)	106,668	29,167	39,996	65,831
Non-Operating Revenue (Expenditures)				
Miscellaneous income	3,000	750	450	450
Investment income	518,860	129,715	16,235	4,291
Interest expense	(510,860)	(127,715)	-	-
RCI expenses	-	-	-	-
Total non-operating revenue (expenditures)	11,000	2,750	16,685	4,741
Income (Loss) before Capital Contributions	117,668	31,917	56,681	70,572
Retained Earnings- Beginning	2,660,847	2,660,847	2,660,847	2,422,962
Transfer (to) from Invested in Capital Assets	(1,430,450)	(1,072,838)	(10,724)	(4,303)
Retained Earnings- Ending	1,348,065	1,619,927	2,706,804	2,489,231
Capital Contributions	600,000	-	-	-
Depreciation - CIAC	(586,000)	(146,500)	(146,700)	(146,500)
Transfer (to) from Retained Earnings	1,430,450	357,613	10,724	4,303
Change in Net Investment in Capital Assets	1,444,450	211,113	(135,976)	(142,197)
Net Investment in Capital Assets-Beginning	43,811,878	43,811,878	43,811,878	43,655,926
Net Investment in Capital Assets-Ending	45,256,328	44,022,991	43,675,902	43,513,729
Total net assets	\$ 46,604,393	\$ 45,642,917	\$ 46,382,706	\$ 46,002,960

City of Franklin
Sanitary Sewer Fund
Statement of Cash Flows
For the Three months ended March 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Operating income (loss)	\$ 39,996	\$ 65,831
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	15,900	18,252
allocated from water utility	-	-
(Increase) decrease in assets:		
Accounts receivable	(33,995)	22,901
Taxes receivable	133,253	131,668
Due from other funds	(74,240)	(5,926)
Due from MMSD & Other Governments		
Miscellaneous receivable	-	-
Increase (decrease) in liabilities:		
Accounts payable	(556,958)	(1,842,726)
Accrued expenses	487,802	462,581
Due to other funds	(10,214)	(18,329)
Due to general fund	(757)	211,172
Notes payable	-	-
Compensated absences reserve	-	-
Total Adjustments	<u>(39,209)</u>	<u>(1,020,407)</u>
Net Cash Provided by Operating Activities	\$ 787	\$ (954,576)
Cash Flows From Capital & Related Financing Activities		
Due from MMSD & Other Governments	(17,394)	(73,258)
Notes payable	23,212	1,433,645
Acquisition of capital assets	(26,625)	(22,557)
Net Cash Provided (Used) in Capital and Financing Activities	(20,807)	1,337,830
Cash Flows from Investing Activities		
Interest and other income	16,685	4,741
Interest expense	-	-
Net Change in Cash and Cash Equivalents	(3,335)	387,995
Cash and Cash Equivalents, beginning of period	1,973,399	1,683,815
Cash and Cash Equivalents, end of period	\$ 1,970,064	\$ 2,071,810

Franklin Municipal Water Utility
Comparative Balance Sheet
March 31, 2014 & 2013

Assets	2014	2013
Current Assets:		
Cash and investments	\$ 577,097	\$ 108,620
Accounts receivable	1,380,773	1,247,052
Taxes receivable	-	-
Accrued receivables	-	2,719
Due from City of Franklin	3,664	25,011
Total current assets	1,961,534	1,383,402
Utility plant in service:		
Land	162,885	162,885
Buildings and improvements	1,833,594	1,833,594
Construction in Progress	71,935	72,132
Improvements other than buildings	53,434,293	55,300,008
Machinery and equipment	4,385,873	2,112,677
	59,888,580	59,481,296
Less accumulated depreciation	<u>14,776,415</u>	<u>13,950,788</u>
Net utility plant in service	45,112,165	45,530,508
Total Assets	\$ 47,073,699	\$ 46,913,910
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 404,382	\$ -
Accrued liabilities	678,989	637,389
Due to City of Franklin	17,607	47,698
Advance from municipality	60,000	150,000
Customer deposits	2,500	2,200
Compensated absences reserve	57,727	52,775
Total Liabilities	1,221,205	890,062
Net Assets		
Invested in capital assets, net of related debt	45,112,165	45,530,508
Retained earnings	<u>740,329</u>	<u>493,340</u>
Total net assets	45,852,494	46,023,848
Total Liabilities and Net Assets	\$ 47,073,699	\$ 46,913,910

Franklin Municipal Water Utility
Comparative Statement of Revenue, Expenditures,
and Changes in Net Assets
For the period ended March 31, 2014 and 2013

	2014	2013
Operating Revenue		
Total metered sales	1,137,524	1,018,486
Fire protection	156,072	151,751
Forfeited discounts, penalties and other	7,319	(960)
Total Operating Revenue	1,300,915	1,169,277
Operating Expenditures		
Operation and maintenance expenses:		
Source of supply	682,608	638,855
Pumping	33,356	26,802
Water treatment	4,763	936
Transmission and distribution	76,654	56,315
Customers' accounts	12,071	12,075
Administrative and general	84,083	92,773
Total operation and maintenance expenses	893,535	827,756
Depreciation	88,800	97,525
Taxes	272,539	272,160
Total Operating Expenditures	1,254,874	1,197,441
Operating Income (Loss)	46,041	(28,164)
Non-Operating Revenue (Expenses)		
Sundry	12,614	8,000
Interest on investments	1,409	(1,340)
Interest-Debt to Municipality	-	(2,185)
Depreciation - CIAC	(125,100)	(125,000)
Total Non-Operating Revenue (Expenses)	(111,077)	(120,525)
Income before Capital Contributions	(65,036)	(148,689)
Capital Contributions-Developer & Municipality	-	-
Net change in net assets	(65,036)	(148,689)
Net Assets, beginning of period	45,917,530	46,172,537
Net Assets, end of period	\$ 45,852,494	\$46,023,848

Franklin Municipal Water Utility
Comparative Statement of Cash Flows
For the period ended March 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Operating income (loss)	\$ 46,041	\$ (28,164)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	88,800	97,525
(Increase) decrease in assets:		
Accounts receivable	(76,650)	3,599
Due from other funds	75,042	18,329
Taxes receivable	181,829	151,144
Accrued receivables	-	83,934
Increase (decrease) in liabilities:		
Accounts payable	(342,496)	(724,061)
Accrued expenses	678,300	634,318
Due to other funds	(99,658)	(30,068)
Advance from municipality	-	(147,000)
Customer deposits	-	(100)
Total Adjustments	<u>505,669</u>	<u>87,620</u>
Net Cash Provided (Used) by Operating Activities	<u>551,710</u>	<u>59,456</u>
Cash Flows From Capital & Related Financing Activities		
Acquisition of capital assets	(42,758)	(13,061)
Net Cash Provided (Used) in Capital and Financing Activities	<u>(42,758)</u>	<u>(13,061)</u>
Cash Flows from Investing Activities		
Interest, property rental & other income	<u>14,023</u>	<u>6,660</u>
Net Change in Cash and Cash Equivalents	<u>522,975</u>	<u>53,055</u>
Cash and Cash Equivalents, beginning of period	<u>54,122</u>	<u>55,565</u>
Cash and Cash Equivalents, end of period	<u>\$ 577,097</u>	<u>\$ 108,620</u>

Franklin Municipal Water Utility
Detailed Statement of Revenue, Expenditures
and Changes in Net Assets
For the period ended March 31, 2014 and 2013

Account Description	Annual Budget	Year to Date Budget	Current Year to Date	Prior Year to Date
Operating Revenue				
Metered Sales-Residential	\$ 2,892,961	\$ 723,240	\$ 639,011	\$ 595,835
Metered Sales-Commercial	1,493,706	373,427	163,568	278,850
Metered Sales-Industrial	336,501	84,125	84,982	70,547
Other Sales to Public Authority	279,336	69,834	75,776	73,254
Metered Sales-Multifamily	-	-	166,544	-
Metered Sales-Irrigation	-	-	7,643	-
Total Metered Sales	5,002,504	1,250,626	1,137,524	1,018,486
Unmetered Sales	-	-	179	(7,899)
Private Fire Protection	116,000	29,000	29,458	29,220
Public Fire Protection	501,400	125,350	126,614	122,531
Forfeited Discount	60,000	15,000	7,140	6,939
Total Operating Revenue	\$ 5,679,904	\$ 1,419,976	\$ 1,300,915	\$ 1,169,277
Operating Expenditures				
Operation and maintenance expense				
Source of Supply-Oper Labor	\$ 1,500	\$ 375	\$ -	\$ 1,304
Operations Supplies & Expense	10,000	2,500	2,811	381
Wholesale Water	3,137,056	784,264	678,300	636,700
Maint of Water Source plant	4,000	1,000	1,497	470
Source of Supply	3,152,556	788,139	682,608	638,855
Pumping-Fuel	46,350	11,588	13,110	11,425
Pumping-Operations Labor	68,000	17,000	18,673	14,743
Pumping-Main Labor Pumping	10,400	2,600	205	178
Pumping-Main Expense Pumping	11,000	2,750	1,368	456
Pumping	135,750	33,938	33,356	26,802
Water Treat Chemicals	500	125	-	-
Water Treat Operation Labor	520	130	1,307	-
Water Treat Tests	23,000	5,750	3,355	299
Water Treat Maint Labor	520	130	64	637
Water Treat Maint Expenses	500	125	37	-
Water Treatment	25,040	6,260	4,763	936
Storage Software Maintenance	11,000	2,750	-	-
Trans & Distr Labor	33,280	8,320	5,149	7,095
Trans & distr Supp Exp	31,000	7,750	2,931	4,193
Trans & Distr Safety Supplies & Expense	4,000	1,000	114	214
Maint Labor-Distr Reservoir	4,000	1,000	-	59
Maint Expenses-Distr Reservoir	4,000	1,000	683	-
Maintenance Labor-Mains	15,600	3,900	2,120	6,506
Maintenance Expense-Mains	35,000	8,750	13,436	9,529
Locating Labor-Mains	12,150	3,038	2,076	1,191
Maint Labor-Services	17,000	4,250	2,139	1,585
Maint Expense-Services	57,000	14,250	15,681	4,709
Locating Labor-Services	12,000	3,000	2,210	5,050
Maint Labor-Meters	20,800	5,200	5,553	4,916
Maint Expenses-Meters	3,000	750	66	1,208
Maint Labor-Hydrants	26,000	6,500	3,430	3,733
Maint Expenses-Hydrants	48,000	12,000	2,524	1,261
Maint Labor-Plant	11,024	2,756	6,991	5,044
Maint Expenses-Plant	15,000	3,750	11,551	22
Transmission & Distribution	359,854	89,964	76,654	56,315

Franklin Municipal Water Utility
Detailed Statement of Revenue, Expenditures
and Changes in Net Assets
For the period ended March 31, 2014 and 2013

Account Description	Annual Budget	Year to Date Budget	Current Year to Date	Prior Year to Date
Meter Reading Labor	8,112	2,028	666	765
Acct & Collection Labor	23,140	5,785	2,065	4,970
Acctg & Coll Payroll Exp	13,468	3,367	3,240	3,238
Supplies & Expense	8,000	2,000	204	1,688
Bank Fees	10,150	2,538	5,896	2,012
Uncollectible Accounts	-	-	-	(598)
Customer Accounts	62,870	15,718	12,071	12,075
Admin & General Payroll Exp	49,192	12,298	11,850	11,825
Office Supplies	1,100	275	66	223
Conferences/Dues/Subscriptions	6,000	1,500	3,474	1,058
Mileage	1,000	250	237	75
Outside Services	46,200	11,550	5,427	22,764
Insurance	29,952	7,488	6,240	6,242
Employee Leave Time & Benefits	208,012	52,003	52,366	46,537
Regulatory Commision Exp	5,000	1,250	-	-
Misc General Expense	1,000	250	-	84
Maintenance of General Plant	5,500	1,375	3,906	3,965
Transportation Expenses	19,500	4,875	517	-
Administrative and general	372,456	93,114	84,083	92,773
Total Operation and Maintenance Expenditures	4,108,526	1,027,132	893,535	827,756
Depreciation	355,000	88,750	88,800	97,525
Taxes-Property Tax Equivalent	1,070,000	267,500	267,600	267,500
Taxes-FICA	24,253	6,063	4,939	4,660
Total Operating Expenditures	5,557,779	1,389,445	1,254,874	1,197,441
Operating Income	\$ 122,125	\$ 30,531	\$ 46,041	\$ (28,164)
Non-Operating Revenue (Expenditures)				
Interest Income	-	-	1,409	(1,340)
Misc Revenue	3,000	750	-	-
Water Property Rent	39,000	9,750	12,329	6,954
Other Water Revenue	-	-	285	1,046
Interest-Debt to Municipality	-	-	-	(2,185)
Total non-operating revenue	42,000	10,500	14,023	4,475
Income before capital contributions	\$ 164,125	\$ 41,031	\$ 60,064	\$ (23,689)
Retained earnings - beginning	634,223	634,223	634,223	430,380
Transfer (to) from invested in capital assets	(1,735,680)	(433,920)	46,042	86,649
Retained earnings - ending	\$ (937,332)	\$ 241,334	\$ 740,329	\$ 493,340
Capital contributions	500,000	125,000	-	-
Depreciation - CIAC	(500,000)	(125,000)	(125,100)	(125,000)
Transfer (to) from retained earnings	1,735,680	433,920	(46,042)	(86,649)
Change in net investment	(138,984)	482,669	(171,142)	(211,649)
Net investment in capital assets - beginning	45,283,307	45,283,307	45,283,307	45,742,157
Net investment in capital assets - ending	\$ 45,144,323	\$ 45,765,976	\$ 45,112,165	\$ 45,530,508
Total net assets	\$ 44,206,991	\$ 46,007,310	\$ 45,852,494	\$ 46,023,848

Franklin Municipal Water Utility
Notes to the Financial Statements
For the period ended March 31, 2014 and 2013

- ¹ Operating revenue is below budgeted levels for the first quarter. The first quarter is traditionally the lowest consumption quarter of the year. Actual first quarter billings were used for the statements.
- ² Operating expenditures are also less than the budget for the first quarter. The cost of wholesale water purchased from Oak Creek was estimated for the statements.

Water Connection Fee

Prior to May 31, 2002, the City collected a water connection fee on new construction and connections to existing properties, to be used to fund water main construction projects. The water connection fees on hand on March 31, 2014 total \$196,766.

Water Impact Fee

Since May 31, 2002 a water impact fee on residential and commercial replaced the water connection fee on new residential construction. Water Impact Fees collected in 2014 total \$63,040 and funds on hand on March 31, 2014 total \$972,951. Deferred oversizing costs amounting to \$1,850 will need to be paid out of impact during the next year plus.

**City of Franklin
Self Insurance Fund - Actives
Balance Sheet
March 31, 2014 and 2013**

Assets	2014	2013
Cash and investments	\$ 1,080,147	\$ 1,112,237
Accounts receivable	7,191	651
Interfund advance receivable	2,338,000	2,163,000
Prepaid expenses	57,500	-
Total Assets	<u>\$ 3,482,838</u>	<u>\$ 3,275,888</u>
Liabilities and Net Assets		
Accounts payable	\$ 30,868	\$ -
Claims payable	379,100	352,000
Special deposits	-	-
Unrestricted net assets	3,072,870	2,923,888
Total Liabilities and Fund Balance	<u>\$ 3,482,838</u>	<u>\$ 3,275,888</u>

**City of Franklin Self Insurance Fund - Actives
Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013**

Revenue	2014	2014	2013
	Forecast	Year-to-Date Forecast	Year-to-Date Actual
Medical Premiums-City	\$ 2,959,000	\$ 739,750	\$ 654,689
Medical Premiums-Employee	412,300	103,075	108,418
Other - Investment Income, etc.	92,190	23,048	30,762
Medical Revenue	3,463,490	865,873	793,869
Dental Premiums-City	105,630	26,408	26,136
Dental Premiums-Retirees	6,000	1,500	2,880
Dental Premiums-Employee	59,000	14,750	12,969
Dental Revenue	170,630	42,658	41,985
Total Revenue	<u>3,634,120</u>	<u>908,530</u>	<u>835,854</u>
Expenditures:			
Active Employees-Medical			
Medical claims - Current Year	2,275,200	568,800	166,673
Medical claims - Prior Year	54,300	13,575	338,815
Prescription drug claims	341,100	85,275	51,180
Refunds-Stop Loss Coverage	-	-	(839)
Total Claims-Actives	2,670,600	667,650	556,668
Medical Claim Fees	167,600	41,900	64,644
Memberships	-	-	4,525
Miscellaneous Wellness	21,300	5,325	2,275
Section 125 administration Fee	5,500	1,375	1,233
Stop Loss Premiums	487,500	121,875	192,863
Total Medical Costs-Actives	<u>3,352,500</u>	<u>838,125</u>	<u>822,208</u>
Active Employees-Dental			
Dental claims - Current Year	147,000	36,750	26,892
Dental claims - Prior Year	-	-	14,586
Dental Claim Fees	5,600	1,400	3,845
Total Dental Costs-Actives	<u>152,600</u>	<u>38,150</u>	<u>45,323</u>
Retirees-Dental			
Dental claims - Current Year	7,400	1,850	1,503
Dental claims - Prior Year	-	-	195
Dental Claim Fees	-	-	156
Total Dental Costs-Retirees	<u>7,400</u>	<u>1,850</u>	<u>1,854</u>
Total Dental Costs	<u>160,000</u>	<u>40,000</u>	<u>47,177</u>
Total Expenditures	<u>3,512,500</u>	<u>878,125</u>	<u>869,385</u>
Revenue over (under) expenditures	121,620	<u>\$ 30,405</u>	(33,531)
Net assets, beginning of year	3,106,401		3,106,401
Net assets, end of period	<u>\$ 3,228,021</u>		<u>\$ 2,923,888</u>

City of Franklin
City of Franklin Post Employment Benefits Trust
Balance Sheet
March 31, 2014 and 2013

Assets	2014	2013
Cash and investments	\$ (214,169)	\$ 598,630
Investments held in trust - Fixed Inc	700,960	182,615
Investments held in trust - Equities	3,550,120	2,907,658
Accounts receivable	13,495	12,291
Total Assets	<u>\$ 4,050,406</u>	<u>\$ 3,701,194</u>
Liabilities and Net Assets		
Accounts payable	\$ 8,900	\$ -
Claims payable	77,182	24,500
Due from OPEB Trust	-	-
Net assets held in trust for post employment benefits	3,964,324	3,676,694
Total Liabilities and Fund Balance	<u>\$ 4,050,406</u>	<u>\$ 3,701,194</u>

City of Franklin Post Employment Benefits Trust
Statement of Revenue, Expenses and Fund Balance
For the Three months ended March 31, 2014 and 2013

Revenue	2014	2014	2013	
	Forecast	Year-to-Date Forecast	Year-to-Date Actual	Year-to-Date Actual
ARC Medical Charges - City	\$ 209,300	\$ 52,325	\$ 49,849	\$ 47,586
Medical Charges - Retirees	125,000	31,250	42,966	46,502
Implicit Rate Subsidy	261,080	65,270	-	-
Interest Income			(1,114)	1,212
Medical Revenue	<u>595,380</u>	<u>148,845</u>	<u>91,701</u>	<u>95,300</u>
Expenditures:				
Retirees-Medical				
Medical claims - Current Year	342,400	85,600	48,827	51,159
Medical claims - Prior Year	39,080	9,770	64,467	23,845
Prescription drug claims	160,200	40,050	18,158	37,501
Refunds-Stop Loss Coverage	-	-	(76,495)	-
Total Claims-Retirees	541,680	135,420	54,957	112,505
Medical Claim Fees	7,500	1,875	5,636	2,133
Stop Loss Premiums	46,200	11,550	20,005	11,320
Miscellaneous Expense	-	-	-	-
Total Medical Costs-Retirees	<u>595,380</u>	<u>148,845</u>	<u>80,598</u>	<u>125,958</u>
Revenue over (under) expenditures	-	-	11,103	(30,658)
Annual Required Contribution-Net	300,420	75,105	87,880	172,467
Other - Investment Income, etc.	302,100	75,525	59,157	158,731
Total Revenues	<u>602,520</u>	<u>150,630</u>	<u>147,037</u>	<u>331,198</u>
Net Revenues (Expenditures)	602,520	150,630	158,140	300,540
Net assets, beginning of year	3,806,184		3,806,184	3,376,154
Net assets, end of period	<u>\$ 4,408,704</u>		<u>\$ 3,964,324</u>	<u>\$ 3,676,694</u>

CITY OF FRANKLIN, WISCONSIN
Balance Sheet
Nonmajor Governmental Funds
March 31, 2014

CITY OF FRANKLIN, WISCONSIN
Schedule of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Three Months Ended March 31, 2014

	Utility Development Fund	Library Auxiliary Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Grant Fund	Total
REVENUE							
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,385)	\$ (2,385)
Public charges for services	78,853	-	-	-	-	-	-
Special assessments	4,705	32	-	-	-	-	78,853
Investment earnings	-	27,601	(93)	714	-	-	5,451
Miscellaneous revenue	-	-	8,836	-	-	-	36,439
Total revenue	83,558	27,633	(93)	9,550	-	(2,290)	118,358
EXPENDITURES							
Current:							
General government				134			134
Public safety				4,330			4,330
Public works				-			-
Health and human services				-			-
Culture and recreation				-			-
Conservation and development				-			-
Capital outlay				-			-
				-			1,235
Total expenditures	-	5,500	-	4,464	594	6,747	17,305
Excess (deficiency) of revenue over expenditures	83,558	22,133	(93)	5,086	(594)	(9,037)	101,053
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net change in fund balances	83,558	22,133	(93)	5,086	(594)	(9,037)	101,053
Fund balances - beginning	443,438	142,622	(708)	102,325	51,476	165,846	904,999
Fund balances - ending	\$ 526,996	\$ 164,755	\$ (801)	\$ 107,411	\$ 50,882	\$ 156,809	\$ 1,006,052

**City of Franklin
Park Commission**
Statement of Revenue and Expenses
For the Three months ended March 31, 2014

	2014 Adopted Budget	2014 Year-to-Date Budget	Current Year-to-Date Totals	2013 Year-to-Date Totals
General Fund Operating Expenses:				
Personal Services	\$ 107,910	\$ 26,978	\$ 7,959	\$ 8,580
Park Maintenance	12,628	3,157	1,210	522
Uniforms	250	63	-	106
Allocated insurance	4,794	1,199	1,199	1,175
Mileage	500	125	-	-
Utilities	<u>7,000</u>	<u>1,750</u>	<u>1,375</u>	<u>1,108</u>
Total Operating Fund Expenses	<u>\$ 133,082</u>	<u>\$ 33,271</u>	<u>\$ 11,743</u>	<u>\$ 11,491</u>
Capital Outlay Fund Expenses:				
Landscaping-Park/Tree Maint	\$ 2,000	\$ 500	\$ -	\$ -
Park Improvements-Development	13,000	3,250	419	-
Park Equipment & Supplies	<u>3,000</u>	<u>750</u>	<u>-</u>	<u>-</u>
Total Capital Outlay Expenditures	<u>\$ 18,000</u>	<u>\$ 4,500</u>	<u>\$ 419</u>	<u>\$ -</u>

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A9PROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 5/06/14
Reports and Recommendations	Designation of Official Newspaper	ITEM NUMBER <i>G,19.</i>

Each year the Council must designate the official newspaper for the City of Franklin in which the City publishes its official notices. Pursuant to Chapter 61, Franklin Municipal Code & Sec. 985.03, WI Stats., bids were advertised and were opened May 1, 2014.

Attached for your review is the one bid received, which is from The Journal Sentinel, Inc. (NOW).

COUNCIL ACTION REQUESTED

Motion adopting Resolution No. 2014-_____ resolution designating an official newspaper.

MILWAUKEE • WISCONSIN
JOURNAL SENTINEL
jsonline.com

April 25, 2014

Ms. Sandy Wesolowski
City of Franklin
9229 W. Loomis Rd.
Franklin, WI 53132

Dear Ms. Wesolowski,

The following is The Milwaukee Journal Sentinel's bid for publishing Franklin's legal notices and council proceedings for the coming year in CNI Community Newspapers (Oak Creek Now). * All legal notices may be [posted online under Public Notices in the Classified Section. The bid is made in accordance with Section 985 of the Wisconsin State Statutes. The Community Newspapers have a loyal following and a broad reach in their individual communities. They are sought out as the trusted source of news and information every week.

	<u>2014 rate</u>	<u>2013 rate</u>
	<u>1st insertion per line</u>	<u>2nd insertion per line</u>
a) For council proceedings:	\$0.65	.61 .50
b) For the city's legal notices:	\$0.65	.61 .50
	<u>1st insertion per column inch</u>	<u>2nd insertion per column inch</u>
c) For display ads, sample ballots, and other matter set in a display format:	\$6.50	\$5.30
	<u>per affidavit</u>	
d) For affidavit:	\$1.00	1.00

These rates are below the rates currently allowed by Wisconsin State Statutes.

* There is an additional fee for online postings.

Sincerely,



Pamela Henson

Sr.VP of Advertising, Marketing & Digital Sales
Journal Community Publishing Group

STATE OF WISCONSIN : CITY OF FRANKLIN : MILWAUKEE COUNTY

RESOLUTION NO. 2014-_____

A RESOLUTION DESIGNATING AN OFFICIAL NEWSPAPER

WHEREAS, The Wisconsin State Statutes, Chapter 985.03 and 985.06 provide that the City of Franklin name an official newspaper to publish their legal notices, and

WHEREAS, bids have been solicited pursuant to Section 61, Franklin Municipal Code, and

WHEREAS, there are no publishers of newspapers in the City of Franklin.

NOW, THEREFORE, BE IT RESOLVED that The Journal Sentinel, Inc. (NOW) is hereby designated as the official newspaper of the City of Franklin for one (1) year commencing May 1, 2014 and ending April 30, 2015.

BE IT FURTHER RESOLVED that the price of publication shall not exceed the legal rate for like work.

Introduced at a regular meeting of the Common Council of the City of Franklin on the 6th day of May, 2014 by Alderman _____.

Passed and adopted by the Common Council on the 6th day of May, 2014.

APPROVED:

Stephen R. Olson, Mayor

ATTEST:

Sandra L. Wesolowski, City Clerk

AYES ____ NOES ____ ABSENT ____

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APPROVAL <i>Shw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 5/06/14
REPORTS & RECOMMENDATIONS	Summer Meeting Schedule for 2014	ITEM NUMBER <i>G, 20.</i>

The Common Council may wish to set a summer meeting schedule for the months of June, July and August.

~ June 2014 ~						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

~ July 2014 ~						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	Independ. Day
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

~ August 2014 ~						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	
3	4	5	6	7	8	9
Night Out C/Whole						
10	11	12	13	14	15	16
		Partisan Primary				
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

~ September 2014 ~						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	
7	8	9	10	11	12	13
	Comm. of THE WHOLE					
14	15	16	17	18	19	20
21	22	23	24	25	26	27
		COMMON COUNCIL				
28	29	30				

COUNCIL ACTION REQUESTED

No action (regular meeting schedule would be 1st and 3rd Tuesdays for Common Council with Committee of the Whole on the Monday preceding the 1st Tuesday).

OR

Motion to establish the amended meeting schedule for 2014 (all meetings to begin at 6:30 p.m.) as follows:

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APPROVAL <i>Slu</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 05/06/2014
LICENSES AND PERMITS	MISCELLANEOUS PERMITS	ITEM NUMBER H.1.

See attached list from meeting of May 6, 2014.

COUNCIL ACTION REQUESTED



City of Franklin

9229 W. Loomis Road
Franklin, WI 53132-9728

414-425-7500

License Committee Agenda* Alderman's Room May 6, 2014 – 5:30 p.m.

1.	Call to Order & Roll Call	Time:		
2.	Applicant Interviews & Decisions			
License Applications Reviewed			Recommendations	
Type/ Time	Applicant Information		Approve	Hold
Operator - New 2013-14	Hosseini, Shaun A. 1158 N 50 th St Milwaukee, WI 53208 Gus' Mexican Cantina			
Operator - New 2013-14	Kizer, Drew M. S75W345 Crooked Lake Ln Lindenhurst, IL 60046 Place of Employment: Not Yet Known			
Operator - Renewal 2013-14	Peltier, Danielle K. 2520 W Abbott Ave Milwaukee, WI 53221 Country Lanes			
Operator - Renewal 2013-14	Hodach, Daniel P. 4520 Empire Ln Waterford, WI 53185 Hodach Citgo			
Operator - Renewal 2013-14	Braovac, John D. 1335 S 124 th St Brookfield, WI 53005 Croatian Park			
Operator - Renewal 2013-14	Rainwater, Jeanne A. 2604 W LeRoy Ave Milwaukee, WI 53221 Staybridge Suites			
Operator - Renewal 2013-14	Rozek, Jenna 2669 S 92 nd St West Allis, WI 53227 Crossroads Pizza & Subs			
Operator - Renewal 2013-14	Falk, Michael D. 10440 W Scharles Ave Hales Corners, WI 53130 Crossroads Pizza & Subs			
Operator - Renewal 2013-14	Marquardt, Shelly L. 2733 N Maple Rd Burlington, WI 53105 Hodach Citgo			
Operator - Renewal 2013-14	Beierle, Wendy J. 9221 S 96 th St Franklin, WI 53132 Hodach Citgo			

License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Operator - Renewal 2013-14	Koeferl, Jacob A. 11507 W Church St Franklin, WI 53132 Crossroads Pizza & Subs			
Operator - Renewal 2013-14	Rozek, Jessica L. 2669 S 92 nd St West Allis, WI 53227 Crossroads Pizza & Subs			
Operator - Renewal 2013-14	Gjika, Enea 8405 S 27 th St Franklin, WI 53132 La Toscana			
Operator - Renewal 2013-14	Cutting, Robert A. 4380 S Placid Dr Greenfield, WI 53220 Kwik Trip #857			
Operator - Renewal 2013-14	Feest, Stephanie M. 2117 W Grays Ln Oak Creek, WI 53154 Mulligan's Irish Pub & Grille			
Operator - Renewal 2013-14	DeFord, Kristen M. 7161 S 38 th St Franklin, WI 53132 Walgreen-Loomis			
Operator - Renewal 2013-14	Le Claire, Jill A. 6516 S 35 th St, #101 Franklin, WI 53132 Kwik Trip #857			
Operator - Renewal 2013-14	Conway, Melissa A. S64W13012 Kipling Ct Muskego, WI 53150 Kwik Trip #857			
Operator - Renewal 2013-14	Zeka, Kristin M. 6885 S Timber Ridge Ln #7206 Oak Creek, WI 53154 Walgreen # 15020			
Operator - Renewal 2013-14	Varga, Kathleen A. 2605 Rebecca Dr Racine, WI 53402 Walgreen # 15020			
Operator - Renewal 2013-14	Tiedke, Nathan T. 8029 S 61 st St Franklin, WI 53132 Walgreen # 15020			
Operator - Renewal 2013-14	Kowalski, Kristin J. 11210 W 6 th Mile Rd Franksville, WI 53126 Hodach Citgo			

License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Operator - Renewal 2013-14	Gidlund, Tanya J. 5001 S 40 th St Greenfield, WI 53221 Walgreen #05459			
Operator - Renewal 2013-14	Hart, Linda J. S75W14150 Restfull Ln Muskego, WI 53150 Kwik Trip #857			
Operator-Renewal 2014-15	Bergner, John E. 8501 Parkland Dr Franklin, WI 53132 Franklin Civic Celebration			
Operator-Renewal 2014-15	Grass, Randy F. 9056 W Elm Ct., Unit F Franklin, WI 53132 Franklin Civic Celebration			
Operator-Renewal 2014-15	Megna, Anthony M. 10321 W Church St Franklin, WI 53132 Franklin Civic Celebration			
Operator-Renewal 2014-15	Reichl, Michael B. 7557 Drake Lane Franklin, WI 53132 Franklin Civic Celebration			
Operator-Renewal 2014-15	Sawinski, Brain K. P.O. Box 320412 Franklin, WI 53132 Franklin Civic Celebration			
Operator-Renewal 2014-15	Cope, Katherine M. 4032 S 77 th St Apt 2 Milwaukee, WI 53220 Walgreen #15020			
Operator-Renewal 2014-15	Barth, Jill M. 4651 W Sharon Ln Franklin, WI 53132 Walgreen #15020			
Operator-Renewal 2014-15	Balcerzak, Amy B. 2605 E Emily Ave Oak Creek, WI 53154 Walgreen #15020			
Operator-Renewal 2014-15	Kloppenburg, Breana M. 7801 W Imperial Dr Franklin, WI 53132 Walgreen #15020			
Operator-Renewal 2014-15	Lippel, Steven G. 10145 Plumtree Circle 203 Hales Corners, WI 53130 Walgreen #15020			

License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Operator-Renewal 2014-15	Arbogash, Adam O. 1351 N 70 th St Wauwatosa, WI 53213 Walgreen #15020			
Operator-Renewal 2014-15	Behrendt, Larry E. 6631 S 51 st St Franklin, WI 53132 Walgreen #15020			
Operator-Renewal 2014-15	Naumann, Lynette J. 3780 E County Line Rd Oak Creek, WI 53154 Walgreen #15020			
Operator-Renewal 2014-15	Reikowski, Mark A. W125 S8317 North Cape Rd Muskego, WI 53150 Walgreen #15020			
Temporary Class B Beer Temporary Entertainment & Amusement	Civic Celebration – Fourth of July Festivities Person in Charge: Michael B Reichl Location: 9229 W Loomis Rd Dates of Event: 7/3/2014 thru 7/5/2014			
Temporary Class B Beer & Wine	Federation of Croatian Societies – Croatian Fest Person in Charge: John Braovac Location: 9100 S. 76 th St Dates of Event: 7/19/2014 thru 7/20/2014			
Temporary Class B Beer & Wine & Temporary Entertainment & Amusement	St. Martin of Tours-Church 7963 S 116 th Street Fee Waivers: Temporary Class B Beer & Wine Licenses and Temporary Entertainment & Amusement (Public Grant) Dates of the Event: May 16, 17 and 18, 2014 Location: St. Martin of Tours Parish Hall			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	Franklin Lioness Club – Fund Raiser Fee Waivers: St Martins Fair Permit, Temporary Class B Beer & Wine Licenses and Temporary Operators Licenses Date of the Event(s): 8/31-9/1/2014 Location: St Martins Fair			
Day Care 2014-15	Academy of Preschool Learning 3501 W Ryan Rd Lois L Schreiter, Manager			
Day Care 2014-15	Little Gems Academy, LLC 9758 S Airways Ct Dennis Vlach, Manager			
Day Care 2014-15	Mrs Rikki's Structured Day Care 11224 W Forest Home Ave Rochelle Boyce, Manager			

License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Coin Machine Operator 2014-15	Wisconsin P & P Amusement 12565 Lisbon Rd Brookfield, WI 53005 Michael L. Weigel, Owner			
Mobile Home Court 2014-15	D&K Management VIII, LLC 6405 S 27th St Wendy Winograd, Manager			
3.	Adjournment	Time		

*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

APPROVAL <i>Sue Pal</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 5/6/14
Bills	Vouchers and Payroll Approval	ITEM NUMBER I. 1.

Attached is a list of vouchers dated April 24, 2014 through May 1, 2014 Nos. 151910 through Nos. 152070 totaling \$ 2,288,360.32. Included in this listing is EFT's Nos. 2596 through Nos. 2601 and Library vouchers in the amount of \$ 41,286.07 and \$ 1,404,457.28 for the Environmental Loan Fund that was reported at the April 15th meeting. Also attached is a list of voided checks in the amount of \$(1,233.00).

The net payroll dated May 2, 2014 is \$334,778.84, previously estimated at \$326,000.00. Payroll deductions for May 2, 2014 are \$212,885.94, previously estimated at \$206,000.00. These deductions are included in the check disbursement report.

The estimated net payroll dated May 16, 2014 is \$355,000.00 with estimated payroll deductions of \$373,000.00.

Attached is a list of property tax settlements dated April 15, 2014 through April 23, 2014 Nos. 13274 through Nos. 13278 in the amount of \$10,071,083.78. Included in this listing is EFT's Nos. 8 through Nos. 14.

COUNCIL ACTION REQUESTED

Motion approving net general checking account City vouchers in the range Nos. 151910 through Nos. 152070 in the amount of \$2,288,360.32 dated April 24, 2014 through May 1, 2014.

Motion approving the net payroll dated May 2, 2014 in the amount of \$334,778.84 and payments of the various payroll deductions in the amount of \$212,885.94, plus any City matching payments, where required.

Motion approving the net payroll dated May 16, 2014 estimated at \$355,000.00 and payments of the various payroll deductions estimated at \$373,000.00 plus any City matching payments, where required.

Motion approving property tax settlements in the range of Nos. 13274 though Nos. 13278 in the amount of \$10,071,083.78 dated April 15, 2014 through April 23, 2014.