

ORDINANCE No. _____

**AN ORDINANCE OF THE
TOWN OF ASHLAND CITY, TENNESSEE
ADOPTING THE ANNUAL BUDGET AND TAX RATE
FOR THE FISCAL YEAR BEGINNING JULY 1, 2023, AND ENDING JUNE 30, 2024**

WHEREAS, Tenn, Code Ann. § 9-1-116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the Governing Body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the Board will consider final passage of the budget.

NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE TOWN OF ASHLAND CITY, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2024, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years:

| GENERAL FUND | Actual FY 2022 | Estimated Actual FY 2023 | Budget FY 2024 |
|-----------------------------------------------------------|---------------------------|-----------------------------------------|---------------------------|
| Revenues | | | |
| Local Taxes | \$ 6,533,132 | \$ 7,113,658 | \$ 7,397,120 |
| Licenses And Permits | 174,077 | 158,834 | 110,500 |
| Intergovernmental | 1,210,167 | 970,275 | 2,711,114 |
| Charges For Services | 13,507 | 20,305 | 20,000 |
| Fines And Forfeitures | 417,788 | 452,946 | 482,000 |
| Other | 762,446 | 757,629 | 2,528,350 |
| Other Financing Sources | | | |
| Issuance of Debt / Debt Proceeds | | - | - |
| Sale of Capital Assets | - | - | - |
| Transfers In - from other funds | - | - | - |
| Transfers In - from other funds (PILOT) | - | - | - |
| Total Revenues and Other Financing Sources | \$ 9,111,117 | \$ 9,473,647 | \$ 13,249,084 |
| Appropriations | | | |
| Expenditures | | | |
| Finance Department | \$ 714,519 | \$ 684,062 | \$ 1,130,800 |
| City Court Department | \$ 299,693 | \$ 259,032 | \$ 328,975 |
| Public Safety | \$ 3,225,301 | \$ 3,308,115 | \$ 4,041,073 |
| Senior Center Department | \$ 303,406 | \$ 395,490 | \$ 784,850 |
| Streets Department | 619,057 | 650,620 | 912,665 |
| Technology Department | 196,381 | 204,673 | 354,250 |
| Parks Department | 420,187 | 399,482 | 2,558,805 |
| Codes Department | 183,274 | 217,270 | 345,800 |
| Capital Outlay | 1,381,729 | 573,125 | 2,349,175 |
| Debt Service - Principal and Interest | 69,936 | 90,338 | 383,281 |
| Other Financing Uses | | | |
| Transfers Out - to other funds | (467,727) | - | - |
| Total Appropriations | \$ 6,945,756 | \$ 6,782,207 | \$ 13,189,674 |
| Change in Fund Balance (Revenues - Appropriations) | 2,165,361 | 2,691,440 | 59,410 |
| Beginning Fund Balance July 1 | 8,509,561 | 10,674,922 | 13,366,362 |
| Ending Fund Balance June 30 | \$ 10,674,922 | \$ 13,366,362 | \$ 13,425,772 |
| Ending Fund Balance as a % of Total Appropriations | 153.7% | 197.1% | 101.8% |

| STATE STREET AID FUND | Estimated | | |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|
| | Actual FY 2022 | Actual FY 2023 | Budget FY 2024 |
| Revenues | | | |
| State Gas and Motor Fuel Taxes | \$ 184,678 | \$ 182,263 | \$ 185,400 |
| Gas Tax Increase | - | - | - |
| Interest | 1,010 | 12,715 | 18,000 |
| Other Financing Sources | | | |
| Issuance of Debt / Debt Proceeds | - | - | - |
| Transfers In - from other funds | - | - | - |
| Total Revenues and Other Financing Sources | \$ 185,688 | \$ 194,978 | \$ 203,400 |
| Appropriations | | | |
| Streets | \$ 187,482 | \$ 15 | \$ 200,000 |
| Debt Service - Principal and Interest | - | - | - |
| Total Appropriations | \$ 187,482 | \$ 15 | \$ 200,000 |
| Change in Fund Balance (Revenues - Appropriations) | (1,794) | 194,963 | 3,400 |
| Beginning Fund Balance July 1 | 514,619 | 512,825 | 707,788 |
| Ending Fund Balance June 30 | \$ 512,825 | \$ 707,788 | \$ 711,188 |
| Ending Fund Balance as a % of Total Appropriations | 273.5% | 4718586.7% | 355.6% |

| DRUG FUND | Estimated | | |
|-----------------------------------------------------------|-------------------|-------------------|-------------------|
| | Actual FY 2022 | Actual FY 2023 | Budget FY 2024 |
| Revenues | | | |
| Fines And Forfeitures | \$ 11,184 | \$ 9,652 | \$ 10,000 |
| Other | 2 | 16 | 5 |
| Other Financing Sources | | | |
| Issuance of Debt / Debt Proceeds | - | - | - |
| Transfers In - from other funds | - | - | - |
| Total Revenues and Other Financing Sources | \$ 11,186 | \$ 9,668 | \$ 10,005 |
| Appropriations | | | |
| Public Safety | \$ 4,864 | \$ 1,000 | \$ 1,000 |
| Debt Service | - | - | - |
| Total Appropriations | \$ 4,864 | \$ 1,000 | \$ 1,000 |
| Change in Fund Balance (Revenues - Appropriations) | 6,322 | 8,668 | 9,005 |
| Beginning Fund Balance July 1 | 66,345 | 72,667 | 81,335 |
| Ending Fund Balance June 30 | \$ 72,667 | \$ 81,335 | \$ 90,340 |
| Ending Fund Balance as a % of Appropriations | 1494.0% | 8133.5% | 9034.0% |

| CAPITAL PROJECTS FUND | | Estimated | |
|-----------------------------------------------------------|----------------|----------------|----------------------|
| | Actual | Actual | Budget |
| | FY 2022 | FY 2023 | FY 2024 |
| Revenues | | | |
| Senior Center Building Fund | \$ - | \$ - | |
| City Hall Project | - | - | 5,300,000 |
| Fire Hall Project | - | - | 7,785,000 |
| Transfers In - from other funds | - | - | - |
| Other Financing Sources | | | |
| Issuance of Debt / Debt Proceeds | - | - | - |
| Transfers In - from other funds | - | - | - |
| Total Revenues and Other Financing Sources | \$ - | \$ - | \$ 13,085,000 |
| Appropriations | | | |
| City Hall Project | \$ - | \$ - | \$ 5,300,000 |
| Fire Hall Project | - | - | 7,785,000 |
| Total Appropriations | \$ - | \$ - | \$ 13,085,000 |
| Change in Fund Balance (Revenues - Appropriations) | - | - | - |
| Beginning Fund Balance July 1 | - | - | - |
| Ending Fund Balance June 30 | \$ - | \$ - | \$ - |
| Ending Fund Balance as a % of Total Appropriations | #DIV/0! | #DIV/0! | 0.0% |

| WATER and SEWER FUND | Actual FY 2022 | Estimated Actual FY 2023 | Budget FY 2024 |
|-----------------------------------------------------------------|---------------------------|-----------------------------------------|---------------------------|
| Operating Revenues | | | |
| Water Sales | \$ 1,911,023 | \$ 2,199,791 | \$ 2,415,000 |
| Sewer Fees | 1,296,672 | 1,504,207 | 1,702,000 |
| Tap Fees | 145,879 | 360,600 | 1,000,000 |
| Miscellaneous Other Fees | 57,803 | 463,713 | 390,600 |
| Total Operating Revenues | \$ 3,411,377 | \$ 4,528,311 | \$ 5,507,600 |
| Operating Expenses | | | |
| Administrative | \$ 1,003,566 | \$ 1,041,407 | \$ 1,218,655 |
| Utilities | 184,215 | 266,355 | 325,925 |
| Repairs & Maintenance | 313,922 | 370,413 | 656,480 |
| Other Contractual Services | 169,366 | 89,358 | 110,990 |
| Supplies | 225,813 | 88,812 | 108,040 |
| Materials | 12,440 | 211,143 | 261,600 |
| Insurance | 51,402 | 61,559 | 67,500 |
| Depreciation | 530,727 | 550,000 | 550,000 |
| Total Operating Expenses | \$ 2,491,451 | \$ 2,679,047 | \$ 3,299,190 |
| Operating Income (Loss) | \$ 919,926 | \$ 1,849,264 | \$ 2,208,410 |
| Nonoperating Revenues (Expenses) | | | |
| Revenue: Investment Income | \$ 10,528 | \$ - | \$ - |
| Grants - Operating | - | - | - |
| Other Income | - | - | - |
| Expense: Debt Service - Interest Expense | (63,218) | (109,979) | (258,888) |
| Other Expense | (27,330) | - | (16,100) |
| Total Nonoperating Revenue (Expenses) | \$ (80,020) | \$ (109,979) | \$ (274,988) |
| Income (Loss) Before Capital Contributions and Transfers | \$ 839,906 | \$ 1,739,285 | \$ 1,933,422 |
| Capital Contributions and Transfers | | | |
| Capital Contributions - Tap Fees in Excess of Cost | \$ 326,400 | \$ - | \$ - |
| Capital Contributions - Grants | - | - | - |
| Capital Contributions - Other | - | - | - |
| Transfers In - from Other Funds | 255,265 | - | - |
| Transfers Out - to Other Funds (PILOT) | - | - | - |
| Total Capital Contributions and Transfers | \$ 581,665 | \$ - | \$ - |
| Change in Net Position | \$ 1,421,571 | \$ 1,739,285 | \$ 1,933,422 |
| Beginning Net Position July 1 | 17,432,769 | 18,854,340 | 20,593,625 |
| Ending Net Position June 30 | \$ 18,854,340 | \$ 20,593,625 | \$ 22,527,047 |

SECTION 2: At the end of the fiscal year 2023, the governing body estimates fund balances or deficits as follows:

| Fund | Estimated Fund Balance/Net Position at June 30, 2023 |
|------------------------------|-----------------------------------------------------------------|
| General Fund | \$ 13,366,362 |
| State Street Street Aid Fund | 707,788 |
| Capital Improvement Projects | - |
| Drug Fund | 81,335 |
| Water & Sewer Fund | 20,593,625 |

SECTION 3: That the governing body herein certifies that the condition of its sinking funds, if applicable, are compliant pursuant to its bond covenants, and recognizes that the municipality has outstanding bonded and other indebtedness as follows:

| Bonded or Other Indebtedness | Debt Authorized and Unissued | Principal Outstanding at June 30, 2023 | FY2024 Principal Payment | FY2024 Interest Payment |
|-------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------|
| Bonds - | | | | |
| USDA RUS Loan - Fire Truck 2020 2.125% | | \$ 761,475 | \$ 55,000 | \$ 16,000 |
| Fire Hall -Public Building Authority of Clarksville Bond Series 2022 1.35% | \$ 137,604 | \$ 273,110 | | \$ 50,000 |
| City Hall -Public Building Authority of Clarksville Bond Series 2022 2.08% | \$ 5,105,383.00 | \$ 194,617.00 | | |
| Water and Sewer Revenue and Tax Bonds Series 2012A .55-3.5% | | \$ 1,760,000 | \$ 105,000 | \$ 53,088 |
| Sewer Treatment Plant Loan, Bond Series 2021 1.690% | \$ 14,126,396 | \$ 650,043 | | \$ 100,000 |
| Loan Agreements | | | | |
| Fire Hall Construction - USDA 1.2% | \$ 5,560,000.00 | | \$ 87,181.00 | \$ 125,100.00 |
| Fire Hall Cost Overrun - USDA 3.25% | \$ 1,225,000.00 | | | |
| City Hall Construction - USDA 1.93% | \$ 5,300,000.00 | | | |
| Sewer Treatment Plant Loan - USDA 1.5% | \$ 16,599,000.00 | | | |
| Sewer Treatment Plant Cost Overrun Loan - USDA3% | \$ 5,000,000.00 | | | |
| Sewer Treatment Plant Cost Overrun Loan - USDA 3% | \$ 5,639,000.00 | | | |
| Notes - None | | | | |
| Leases None | | | | |

SECTION 4: During the coming fiscal year (2024) the governing body has pending and planned capital projects with proposed funding as follows:

| Pending Capital Projects | Pending Capital Projects - Total Expense | Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves | Pending Capital Projects Expense Financed by Debt Proceeds |
|--------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------|
| Construction of New City Hall | \$ 5,300,000.00 | | \$ 5,300,000.00 |
| Construction of New Fire Station 1 | \$ 6,900,000.00 | \$ 750,000.00 | \$ 6,150,000.00 |
| Construction of New Sewer Treatment Plant | \$ 36,293,000.00 | \$ 3,420,000.00 | \$ 32,873,000.00 |
| Purchase of Police Vehicles & Equipment | \$ 110,000.00 | \$ 110,000.00 | |
| Purchase of Public Works Truck | \$ 50,025.00 | \$ 50,025.00 | |
| Purchase of Christmas Display Lights | \$ 15,000.00 | \$ 15,000.00 | |
| Purchase of New Furniture for Fire Hall | \$ 108,000.00 | \$ 108,000.00 | |
| Purchase of Shade Structure for Playground | \$ 20,000.00 | \$ 20,000.00 | |
| Repave or Seal needed areas | \$ 54,500.00 | \$ 54,500.00 | \$ - |

| Proposed Future Capital Projects | Proposed Future Capital Projects - Total Expense | Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves | Proposed Future Capital Projects Expense Financed by Debt Proceeds |
|---------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| Construction of New Senior Center | \$ 5,000,000.00 | | \$ 5,000,000.00 |
| Construction of New Recreation Center | \$ 5,000,000.00 | | \$ 5,000,000.00 |
| Construction of New Firing Range | \$ 1,000,000.00 | | \$ 1,000,000.00 |
| Construction of Sports Complex | \$ 30,000,000.00 | \$ - | \$ 30,000,000.00 |

SECTION 5: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 (Tenn. Code Ann. § 6-56-208). In addition, no appropriation may be made in excess of available funds except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Tenn. Code Ann. § 6-56-205.

SECTION 6: The Financial Director is hereby granted the authority to transfer monies from one appropriation to another in the same fund, subject to such limitations and procedures as set by the Governing Body pursuant to Tenn. Code Ann. § 6-56-209. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

SECTION 7: A detailed financial plan will be attached to this budget and become part of this budget ordinance.

SECTION 8: There is hereby levied a property tax of \$0.58 per \$100 of assessed value on all real and personal property.

SECTION 9: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. If the Comptroller of the Treasury or

Comptroller’s Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller’s Designee.

SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 11: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 12: This ordinance shall take effect July 1, 2023, the public welfare requiring it.

Passed 1st Reading: _____

Passed 2nd Reading: _____

Mayor

ATTESTED:

Interim City Recorder

