

ORDINANCE No. _____

**AN ORDINANCE OF THE
CITY COUNCIL FOR THE TOWN OF ASHLAND CITY, TENNESSEE
ADOPTING THE ANNUAL BUDGET AND TAX RATE
FOR THE FISCAL YEAR BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022**

WHEREAS, Tennessee Code Annotated § 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 Board of Mayor and Aldermen 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 BOARD OF MAYOR AND CITY COUNCIL 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 2022, 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 2020	Estimated Actual FY 2021	Budget FY 2022
Revenues			
Local Taxes	\$ 4,896,510	\$ 5,082,812	\$ 4,307,600
Licenses And Permits	105,046	150,879	58,000
Intergovernmental	639,368	915,778	3,822,525
Charges For Services	3,839	24,337	20,000
Fines And Forfeitures	380,206	205,969	300,000
Other Revenue Sources	520,956	1,589,843	10,488,200
Total Revenues and Other Financing Sources	\$ 6,545,925	\$ 7,969,618	\$ 18,996,325
Appropriations			
Expenditures			
Finance	\$ 1,311,546	\$ 855,699	\$ 6,125,295
City Court	245,903	261,832	349,420
Police Department	1,308,915	1,619,081	2,178,139
Fire Department	1,662,613	2,951,832	7,044,474
Streets	552,342	768,279	864,745
Senior Center	230,610	282,510	362,945
Parks and Recreation	417,770	386,755	830,826
Codes			271,695
Technology	171,424	143,329	289,700
Total Appropriations	\$ 5,901,123	\$ 7,269,317	\$ 18,317,239
Change in Fund Balance (Revenues - Appropriations)	644,802	700,301	679,086
Beginning Fund Balance July 1	6,570,008	7,214,810	7,915,111
Ending Fund Balance June 30	\$ 7,214,810	\$ 7,915,111	\$ 8,594,197
Ending Fund Balance as a % of Total Appropriations	122.3%	108.9%	46.9%

STATE STREET AID FUND	Actual FY 2020	Estimated Actual FY 2021	Budget FY 2022
Revenues			
State Gas and Motor Fuel Taxes	\$ 185,267	\$ 194,867	\$ 190,800
Interest	620	168	-
Total Revenues and Other Financing Sources	\$ 185,887	\$ 195,035	\$ 190,800
Appropriations			
Public Works Department	\$ 7	\$ 1	\$ 190,000
Total Appropriations	\$ 7	\$ 1	\$ 190,000
Change in Fund Balance (Revenues - Appropriations)	185,880	195,034	800
Beginning Fund Balance July 1	403,760	589,640	784,674
Ending Fund Balance June 30	\$ 589,640	\$ 784,674	\$ 785,474
Ending Fund Balance as a % of Total Appropriations	8423428.6%	78467400.0%	413.4%

DRUG FUND	Actual FY 2020	Estimated Actual FY 2021	Budget FY 2022
Revenues			
Fines And Forfeitures	\$ 2,450	\$ 7,328	\$ 5,000
Other			
Interest Earnings	5	6	2
Total Revenues and Other Financing Sources	\$ 2,455	\$ 7,334	\$ 5,002
Appropriations			
Drug Enforcement	\$ 981	\$ 43	\$ 1,000
Total Appropriations	\$ 981	\$ 43	\$ 1,000
Change in Fund Balance (Revenues - Appropriations)	1,474	7,291	4,002
Beginning Fund Balance July 1	56,645	58,119	65,410
Ending Fund Balance June 30	\$ 58,119	\$ 65,410	\$ 69,412
Ending Fund Balance as a % of Appropriations	5924.5%	152116.3%	6941.2%
WATER and SEWER FUND	Actual FY 2020	Estimated Actual FY 2021	Budget FY 2022
Operating Revenues			
Water Sales	\$ 1,650,833	\$ 1,807,503	\$ 1,802,500
Sewer Fees	1,112,684	1,150,802	1,207,100
Tap Fees	204,806	783,325	200,000
Connection Fees	136,695	24,324	24,000
Miscellaneous Other Fees	53,651	166,923	143,500
Other Revenue Sources	250,000	-	16,599,000
Interest	34,413	3,107	20,000
Grant Proceeds		-	1,130,681
Total Operating Revenues	\$ 3,443,082	\$ 3,935,984	\$21,126,781
Operating Expenses			
Water & Sewer Department	\$ 2,367,743	\$ 2,372,314	\$20,644,855
Other	-	-	-
Depreciation	-	-	-
Total Operating Expenses	\$ 2,367,743	\$ 2,372,314	\$20,644,855
Operating Income (Loss)	\$ 1,075,339	\$ 1,563,670	\$ 481,926
Nonoperating Revenues (Expenses)			
Revenue: Investment Income	\$ -	\$ -	\$ -
Grants - Operating	-	-	-
Other Income	-	-	-
Expense: Debt Service - Interest Expense	(64,462)	(60,019)	(337,725)
Debt Service - Principal Expense	(166,940)	(100,000)	(100,000)
Total Nonoperating Revenue (Expenses)	\$ (231,402)	\$ (160,019)	\$ (437,725)
Income (Loss) Before Capital Contributions and Transfers	\$ 843,937	\$ 1,403,651	\$ 44,201
Change in Net Position	\$ 843,937	\$ 1,403,651	\$ 44,201
Beginning Net Position July 1	15,250,204	16,094,141	17,497,792
Ending Net Position June 30	\$16,094,141	\$17,497,792	\$17,541,993

SECTION 2: At the end of the fiscal year 2021, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance/Net Position at June 30, 2021
General Fund	\$ 7,915,111
State Street Street Aid Fund	784,674
Drug Fund	65,410
Water & Sewer Fund	17,497,792

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, 2021	FY2022 Principal Payment	FY2022 Interest Payment
Bonds -				
USDA RUS Loan - Fire Truck 2020 2.125%		\$ 866,130	\$ 52,018	\$ 17,906
Water and Sewer Revenue and Tax Bonds Series 2012A .55-3.5%		\$ 1,960,000	\$ 100,000	\$ 57,188
<i>The following have not been finalized. This is a current estimate.</i>				
Loan Agreements				
Fire Hall & City Hall Construction Projects	10000000			200000
Sewer Treatment Plant Loan	17000000			280525

SECTION 4: During the coming fiscal year (2022) 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 Building	\$ 5,000,000.00	\$ -	\$ 5,000,000.00
Construction of New Fire Station I	\$ 5,000,000.00		\$ 5,000,000.00
Purchase of Police Vehicles & Equipment	\$ 271,000.00	\$ 271,000.00	
Construction of Sewer Treatment Plant Building	\$ 17,000,000.00		\$ 17,000,000.00
Replacing all Sewer Lift Stations	\$ 319,000.00	\$ 319,000.00	
New Roof over Public Works & Police	\$ 200,000.00	\$ 200,000.00	
New Radars	\$ 29,000.00	\$ 29,000.00	
Replace SCBA Air Bottles	\$ 30,000.00	\$ 30,000.00	
Tractor/Mower	\$ 120,000.00	\$ 120,000.00	
Fire Station 2 Playground Concrete	\$ 20,000.00	\$ 20,000.00	
Tennis Court Fencing	\$ 20,000.00	\$ 20,000.00	
Christmas Decorations	\$ 6,000.00	\$ 6,000.00	
Parks - ceiling fans, rubber mulch, benches etc.	\$ 13,600.00	\$ 13,600.00	
Public Works Truck	\$ 50,000.00	\$ 50,000.00	
Caldwell to Dyer Water Line	\$ 100,000.00	\$ 100,000.00	
Caldwell Tank	\$ 150,000.00	\$ 150,000.00	
Court - Tyler Incode 10 Software upgrade	\$ 10,200.00	\$ 10,200.00	
Fire Department Building/Training Grounds	\$ 99,400.00	\$ 99,400.00	
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
Senior Center Building Fund	\$ 25,000.00	\$ 25,000.00	\$ -

- 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 (TCA § 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 Tennessee Code Annotated § 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 Mayor and City Council pursuant to Tennessee Code Annotated § 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. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full-time equivalent employees required by Tennessee Code Annotated § 6-56-206 will be attached.
- SECTION 8: There is hereby levied a property tax of \$0.53 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 if the City has debt issued pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. This budget shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21 of the Tennessee Code Annotated (the "Statutes".) 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. If the City does not have such debt outstanding, it will file this annual operating and capital budget ordinance and supporting documents with 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, 2021, the public welfare requiring it.

Passed 1st Reading: _____

Passed 2nd Reading: _____

Mayor Steve Allen

ATTESTED:

City Recorder Alicia Martin

