

## **ORDINANCE NO. 2026-04**

AN ORDINANCE OF THE CITY OF JEFFERSON CITY, TENNESSEE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2026, AND ENDING JUNE 30, 2027

WHEREAS, Tennessee Code Annotated Title 9 Chapter 1 Section 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, TCA 6-56-201, 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 the 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 annual operating budget and budgetary comparisons of the proposed budget, with the prior year (actual), and the current year (estimated) has been published in a newspaper of general circulation not less than ten (10) days prior to the meeting where the City Council will consider final passage of the budget.

NOW THEREFORE BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JEFFERSON CITY, TENNESSEE:

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SECTION 1: That the City Council of Jefferson City, Tennessee estimates anticipated revenues and appropriates revenues and fund balances, and appropriates from these anticipated revenues and unexpended and unencumbered funds for the Fiscal Year beginning July 1, 2026, and ending June 30, 2027, be and the same hereby determined and estimated by each fund as follows:

<b>GENERAL FUND</b>	<b>Actual FY 2024-25</b>	<b>Estimated FY 2025-26</b>	<b>Budget FY 2026-27</b>
<b>Revenues</b>			
Local Taxes	\$ 10,159,853	\$ 10,140,500	\$ 10,296,000
Licenses And Permits	254,807	208,750	114,600
Intergovernmental	1,340,555	1,319,120	1,419,140
Grant	214,206	174,520	-
Charges For Services	686,444	661,430	713,880
Fines And Forfeitures	242,385	188,000	181,000
Other Revenue	2,440,326	7,035,660	1,432,000
<b>Other Financing Sources</b>			
Debt Proceeds	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 15,338,576</b>	<b>\$ 19,727,980</b>	<b>\$ 14,156,620</b>
<b>Appropriations</b>			
<b>Expenditures</b>			
Administration	\$ 986,810	\$ 1,024,570	\$ 1,099,980
Police	3,872,697	3,610,140	3,756,290
Fire	2,365,859	2,566,920	2,991,510
Building Inspector	211,327	183,760	233,730
Public Works	1,843,633	1,578,070	2,359,400
Parks and Recreation	1,387,523	2,359,720	2,172,510
Culture	153,503	225,240	151,590
Other General Government	2,123,433	7,711,820	2,335,870
Debt Service	758,755	728,000	726,970
<b>Other Financing Uses</b>			
Transfers Out to Other Funds - Sanitation	308,910	247,760	400,890
<b>Total Appropriations</b>	<b>\$ 14,012,450</b>	<b>\$ 20,236,000</b>	<b>\$ 16,228,740</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>1,326,126</b>	<b>(508,020)</b>	<b>(2,072,120)</b>
<b>Beginning Fund Balance July 1</b>	<b>15,822,956</b>	<b>17,149,082</b>	<b>16,641,062</b>
<b>Ending Fund Balance June 30</b>	<b>\$ 17,149,082</b>	<b>\$ 16,641,062</b>	<b>\$ 14,568,942</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	<b>122.4%</b>	<b>82.2%</b>	<b>89.8%</b>

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<b>Sanitation Fund</b>	<b>Actual FY 2024-25</b>	<b>Estimated FY 2025-26</b>	<b>Budget FY 2026-27</b>
<b>Revenues</b>			
Charges for Services	\$ 582,673	\$ 590,000	\$ 620,000
Other Revenue	-	-	-
<b>Other Financing Sources</b>			
Transfers In from Other Funds - General Fund	308,910	247,760	400,890
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 891,583</b>	<b>\$ 837,760</b>	<b>\$ 1,020,890</b>
<b>Appropriations</b>			
Sanitation	\$ 841,240	\$ 837,760	\$ 1,168,630
<b>Total Appropriations</b>	<b>\$ 841,240</b>	<b>\$ 837,760</b>	<b>\$ 1,168,630</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>50,343</b>	<b>-</b>	<b>(147,740)</b>
<b>Beginning Fund Balance July 1</b>	<b>117,353</b>	167,696	167,696
<b>Ending Fund Balance June 30</b>	<b>\$ 167,696</b>	<b>\$ 167,696</b>	<b>\$ 19,956</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	19.9%	20.0%	1.7%

<b>STATE STREET AID FUND</b>	<b>Actual FY 2024-25</b>	<b>Estimated FY 2025-26</b>	<b>Budget FY 2026-27</b>
<b>Revenues</b>			
State Gas and Motor Fuel Taxes	\$ 295,695	\$ 301,820	\$ 308,180
Other Revenue	7,276	2,000	2,000
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 302,971</b>	<b>\$ 303,820</b>	<b>\$ 310,180</b>
<b>Appropriations</b>			
Streets	\$ 313,903	\$ 326,500	\$ 389,500
<b>Total Appropriations</b>	<b>\$ 313,903</b>	<b>\$ 326,500</b>	<b>\$ 389,500</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>(10,932)</b>	<b>(22,680)</b>	<b>(79,320)</b>
<b>Beginning Fund Balance July 1</b>	<b>341,810</b>	330,878	308,198
<b>Ending Fund Balance June 30</b>	<b>\$ 330,878</b>	<b>\$ 308,198</b>	<b>\$ 228,878</b>
<b>Ending Fund Balance as a % of Total Appropriations</b>	105.4%	94.4%	58.8%

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DRUG FUND	Actual FY 2024-25	Estimated FY 2025-26	Budget FY 2026-27
<b>Revenues</b>			
Drug Fines and Costs	\$ 125,478	\$ 35,000	\$ 30,000
Other Revenue	10,638	5,000	5,500
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 136,116</b>	<b>\$ 40,000</b>	<b>\$ 35,500</b>
<b>Appropriations</b>			
Drug Enforcement	\$ 50,746	\$ 79,600	\$ 72,200
<b>Total Appropriations</b>	<b>\$ 50,746</b>	<b>\$ 79,600</b>	<b>\$ 72,200</b>
<b>Change in Fund Balance (Revenues - Appropriations)</b>	<b>85,370</b>	<b>(39,600)</b>	<b>(36,700)</b>
<b>Beginning Fund Balance July 1</b>	<b>119,041</b>	204,411	164,811
<b>Ending Fund Balance June 30</b>	<b>\$ 204,411</b>	<b>\$ 164,811</b>	<b>\$ 128,111</b>
<b>Ending Fund Balance as a % of Appropriations</b>	402.8%	207.0%	177.4%

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WATER and SEWER FUND	Actual FY 2024-25	Estimated FY 2025-26	Budget FY 2026-27
<b>Operating Revenues</b>			
Water Sales	\$ 3,542,782	\$ 3,500,000	\$ 3,650,000
Sewer Fees	2,045,106	2,100,000	2,120,000
Tap Fees	151,585	100,000	100,000
Miscellaneous Other Fees	122,380	127,100	147,800
Total Operating Revenues	\$ 5,861,853	\$ 5,827,100	\$ 6,017,800
<b>Operating Expenses</b>			
Administrative	\$ 706,862	\$ 682,100	\$ 790,280
Water Department	2,035,157	2,179,690	2,259,570
Sewer Department	1,146,112	1,138,740	1,204,370
Other	568,812	673,320	657,560
Depreciation	1,355,555	1,340,000	1,340,000
Total Operating Expenses	\$ 5,812,498	\$ 6,013,850	\$ 6,251,780
<b>Operating Income (Loss)</b>	\$ 49,355	\$ (186,750)	\$ (233,980)
<b>Nonoperating Revenues (Expenses)</b>			
Revenue: Investment Income	\$ 93,268	\$ 50,000	\$ 50,000
Grants - Operating			
Other Income	41,663	20,000	10,000
Expense: Debt Service - Interest Expense	(265,763)	(266,230)	(251,880)
Other Expense			
Total Nonoperating Revenue (Expenses)	\$ (130,832)	\$ (196,230)	\$ (191,880)
<b>Income (Loss) Before Capital Contributions and Transfers</b>	\$ (81,477)	\$ (382,980)	\$ (425,860)
<b>Capital Contributions and Transfers</b>			
Capital Contributions - Grants	1,787,451	2,665,000	2,500,000
Capital Contributions - Other			
Transfers In - from Other Funds			
Transfers Out - to Other Funds (PILOT)			
Total Capital Contributions and Transfers	\$ 1,787,451	\$ 2,665,000	\$ 2,500,000
<b>Change in Net Position</b>	\$ 1,705,974	\$ 2,282,020	\$ 2,074,140
<b>Beginning Net Position July 1</b>	18,308,996	20,014,970	22,296,990
<b>Ending Net Position June 30</b>	\$ 20,014,970	\$ 22,296,990	\$ 24,371,130

SECTION 2: At the end of the current fiscal year the governing body estimates the net change in fund balances as follows:

Fund	Estimated Fund Balance at June 30, 2026
General Fund	\$ 16,641,062
Sanitation Fund	\$ 167,696
State Street Aid Fund	\$ 308,198
Drug Fund	\$ 164,811
Water & Sewer Fund	\$ 22,296,990

SECTION 3: That the governing body recognizes that the municipality has bonded and other indebtedness as follows:

City of Jefferson City									
Schedule of Outstanding Debt and Budgeted Debt Service									
Fiscal Year 2027									
Note: Enter information in the unshaded cells.									
Fund	Type of Debt	Loan Name and Description	Original Issuance Amount	Authorized & Unissued	Total Principal Outstanding at June 30	Budgeted Annual Debt Service			Detailed Budget Page Number
						Principal	Interest	Total	
General	Bonds	General Obligation Bonds (2021) - Refunding Library	\$ 1,900,000		\$ 1,360,000	\$ 110,000	\$ 25,480	\$ 135,480	44
		General Obligation Bonds (2017) - City Center Complex	6,550,000		3,910,000	395,000	106,620	501,620	15
		General Obligation Bond (2025) - Fire Station 2 and Fire Truck	5,300,000		5,300,000	-	221,320	221,320	23
	Notes	Police - Capital Outlay Note Series 2022	227,970		60,000	60,000	1,100	61,100	18
		Streets Vehicles & Equipment - Capital Outlay Note Series 2022B	218,350		128,100	23,600	5,170	28,770	26
<b>Total</b>			\$ 14,196,320	\$ -	\$ 10,758,100	\$ 588,600	\$ 359,690	\$ 948,290	
Water and Sewer	Bonds	Rural Development Loan - W/S Revenue Tax Bond Series 2012A (Sewer)	3,065,000		\$ 2,579,710	\$ 65,450	\$ 54,460	\$ 119,910	64 & 68
		Cumberland Securities Bond Series 2020 - Water Refunding (Water)	6,450,000		5,150,000	240,000	102,500	342,500	57 & 66
		Rural Development Loan - W/S Revenue Tax Bond Series 2019 (Sewer)	4,483,000		4,040,220	90,810	54,990	145,800	64 & 68
		Cumberland Securities Bond Series 2021 - Sewer Refunding (Sewer)	1,315,000		995,000	75,000	18,630	93,630	64 & 68
	Loan Agreements	Tennessee Local Development Authority 2004-060 (Water)	5,000,000		1,260,050	261,340	9,020	270,360	57 & 66
	Notes	Capital Outlay Note (W/S) - Series 2022B	433,650		304,800	33,000	12,290	45,290	57, 64, 66, 68
		Capital Outlay Note (W/S) - Series 2027		2,500,000					
<b>Total</b>			\$ 20,746,650	\$ 2,500,000	\$ 14,329,780	\$ 765,600	\$ 251,890	\$ 1,017,490	

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

<b>Pending Capital Projects</b>	<b>Pending Capital Projects- Total Expense</b>	<b>Pending Capital Projects Expense Financed by Estimated Revenues and/or Reserves</b>	<b>Pending Capital Projects Expense Financed by Debt Proceeds</b>
\$0.00		\$0.00	\$0.00

<b>Proposed Future Capital Projects</b>	<b>Proposed Future Capital Projects – Total Expense</b>	<b>Proposed Future Capital Projects Expense Financed by Estimated Revenues and/or Reserves</b>	<b>Proposed Future Capital Projects Expense Financed by Debt Proceeds</b>
\$0.00		\$0.00	\$0.00

SECTION 5: Amendments to budget, when budget must be adopted, and effect of adoption.

After the first reading the council may adopt the budget with or without amendment, but no amendment shall decrease expenditures required by law for debt service. The budget shall be adopted for the ensuing fiscal year before the end of the current fiscal year. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed. (City Charter – Article IX, Section 5)

SECTION 6: Supplemental appropriations. If during the fiscal year the manager certifies that there are available for appropriation revenues in excess of those estimated in the budget, the council by ordinance may make supplemental appropriations for the year up to the amount of such excess. (City Charter – Article IX, Section 6)

SECTION 7: Emergency appropriations. Upon a declaration by the council that there exists a public emergency affecting life, health, property or the public peace, the council may make emergency appropriations by ordinance. To the extent that there are no available unappropriated revenues to meet such appropriations council is authorized to borrow funds sufficient to meet said emergency by issuing negotiable notes.

SECTION 8: Deficits. If at any time during the fiscal year it appears probable to the manager that the revenues available will be insufficient to meet the amount appropriated, he shall report to the council without delay, indicating the estimated amount of the deficit, any remedial action taken by him and his recommendations as to any other steps to be taken. The council shall then take such further action as it deems necessary to prevent or minimize any deficit and for that purpose it may by ordinance reduce appropriations. (City Charter – Article IX, Section 8)

SECTION 9: Transfer of unencumbered appropriations. At any time during the fiscal year the manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the manager, the council may by resolution transfer part of all of any unencumbered appropriation balance from one department, office, or agency to another. (City Charter – Article IX, Section 9)

SECTION 10: A detailed budget and financial plan is attached and will become part of this budget ordinance.

SECTION 11: This annual operating and capital budget ordinance shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval if the City has notes issued pursuant to Title 9, Chapter 21, TCA or loan agreements with a public building authority issued pursuant to Title 12, Chapter 10, TCA approved by the Comptroller of the Treasury or Comptroller's Designee within 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, TCA.

SECTION 12: Lapsing of appropriations. Every appropriation shall lapse at the end of the fiscal year to the extent that it has not been expended or encumbered. (City Charter – Article IX, Section 10)

SECTION 13: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed. (City Charter – Article IX, Section 12)

SECTION 14: This ordinance shall take effect July 1, 2026, the public welfare requiring it.

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1st Reading 27th day of April 2026.  
2nd Reading 1st day of June 2026.

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Mitch Cain, Mayor

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Bettina Chandler, City Recorder