

ORDINANCE NO. _____

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

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 be 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 during which the Governing Body will consider final passage of the budget.

BE IT ORDAINED BY THE CITY OF KINGSPORT, as follows:

SECTION I: 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 2027, 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 - 110	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Taxes	\$ 55,948,097	\$ 67,296,132	\$ 67,835,736
Licenses and Permits	732,603	897,160	774,450
Intergovernmental	34,957,958	35,327,600	35,542,011
Charges for Services	2,492,993	2,675,094	3,028,850
Fines and Forfeitures	1,088,465	1,111,210	1,156,000
Other Revenue	2,042,946	1,470,129	1,403,300
Other Financing Sources			
Transfers In - from other funds	2,642,821	2,713,958	2,863,754
Transfers In - from other funds (PILOT)	1,491,000	1,491,000	1,491,000
Total Revenues and Other Financing Sources	\$ 101,396,883	\$ 112,982,283	\$ 114,095,101
Appropriations			
General Government	\$ 13,370,857	\$ 14,744,240	\$ 15,266,265
Public Safety	27,835,895	30,904,403	32,514,297
Public Works	14,957,090	16,303,816	17,239,314
Economic Development	2,008,951	2,273,597	2,441,990
Leisure Services (Parks & Recreation)	5,174,397	5,449,107	5,575,894
Other Expenses (Miscellaneous Government Expenses)	1,459,772	1,356,971	1,366,366
Capital Outlay	813,935	-	-
Other Financing Sources			
Transfers Out - To Debt Service Fund (Principal and Interest)	10,664,552	11,687,878	11,679,634
Transfers Out - To Other Funds	24,258,170	28,301,711	28,011,341
Total Appropriations	\$ 100,543,619	\$ 111,021,723	\$ 114,095,101
Change in Fund Balance	\$ 853,264	\$ 1,960,560	\$ -
Beginning Fund Balance	\$ 25,584,464	\$ 26,437,728	\$ 28,398,288
Ending Fund Balance	\$ 26,437,728	\$ 28,398,288	\$ 28,398,288
Ending Fund Balance as % of Appropriations	26.3%	25.6%	24.9%

State Street Aid Fund - 121	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
State Gas & Motor Fuel Taxes	\$ 1,965,203	\$ 2,064,205	\$ 2,007,382
Other Financing Sources			
Transfers In - From General Fund	1,217,360	1,305,960	1,300,000
Total Revenues and Other Financing Sources	<u>\$ 3,182,563</u>	<u>\$ 3,370,165</u>	<u>\$ 3,307,382</u>
Appropriations			
Public Works Department	\$ 3,182,563	\$ 3,370,165	\$ 3,307,382
Total Appropriations	<u>\$ 3,182,563</u>	<u>\$ 3,370,165</u>	<u>\$ 3,307,382</u>
Change in Fund Balance	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ 22,767	\$ 22,767	\$ 22,767
Ending Fund Balance	<u>\$ 22,767</u>	<u>\$ 22,767</u>	<u>\$ 22,767</u>
Ending Fund Balance as % of Appropriations	0.7%	0.7%	0.7%

Metropolitan Planning Grant Project Fund - 122	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Federal Government	\$ 233,062	\$ 373,297	\$ 423,636
State Government	15,131	21,745	40,500
Other Financing Sources			
Transfers In - From General Fund	829,740	68,054	68,000
Investment Earnings	509	-	-
Total Revenues and Other Financing Sources	<u>\$ 1,078,442</u>	<u>\$ 463,096</u>	<u>\$ 532,136</u>
Appropriations			
Transportation	\$ 303,752	\$ 463,096	\$ 532,136
Total Appropriations	<u>\$ 303,752</u>	<u>\$ 463,096</u>	<u>\$ 532,136</u>
Change in Fund Balance	\$ 774,690	\$ -	\$ -
Beginning Fund Balance	\$ 136,656	\$ 911,346	\$ 911,346
Ending Fund Balance	<u>\$ 911,346</u>	<u>\$ 911,346</u>	<u>\$ 911,346</u>
Ending Fund Balance as % of Appropriations	300.0%	196.8%	171.3%

Criminal Forfeiture Fund - 126	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Fines and Forfeitures	\$ 22,705	\$ 8,031	\$ 6,000
Other	2,959	-	-
Total Revenues	<u>\$ 25,664</u>	<u>\$ 8,031</u>	<u>\$ 6,000</u>
Appropriations			
Public Safety	\$ -	\$ 8,031	\$ 6,000
Total Appropriations	<u>\$ -</u>	<u>\$ 8,031</u>	<u>\$ 6,000</u>
Change in Fund Balance	\$ 25,664	\$ -	\$ -
Beginning Fund Balance	\$ 129,302	\$ 154,966	\$ 154,966
Ending Fund Balance	<u>\$ 154,966</u>	<u>\$ 154,966</u>	<u>\$ 154,966</u>
Ending Fund Balance as % of Appropriations	0.0%	1929.6%	2582.8%

Drug Fund - 127	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Fines and Forfeitures	\$ 47,058	\$ 192,000	\$ 91,000
Total Revenues	\$ 47,058	\$ 192,000	\$ 91,000
Appropriations			
Drug Enforcement	\$ 82,579	\$ 192,000	\$ 91,000
Total Appropriations	\$ 82,579	\$ 192,000	\$ 91,000
Change in Fund Balance	\$ (35,521)	\$ -	\$ -
Beginning Fund Balance	\$ 605,743	\$ 570,222	\$ 570,222
Ending Fund Balance	\$ 570,222	\$ 570,222	\$ 570,222
Ending Fund Balance as % of Appropriations	690.5%	297.0%	626.6%

Regional Sales Tax Fund - 130	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Local Option Sales Tax	\$ 5,010,384	\$ 5,000,000	\$ 5,000,000
Transfer In From General Fund	23,024	-	397,000
Total Revenues and Other Financing Sources	\$ 5,033,408	\$ 5,000,000	\$ 5,397,000
Appropriations			
Transfers Out - To Other Funds	\$ 5,378,979	\$ 5,000,000	\$ 5,397,000
Total Appropriations	\$ 5,378,979	\$ 5,000,000	\$ 5,397,000
Change in Fund Balance	\$ (345,571)	\$ -	\$ -
Beginning Fund Balance	\$ 575,259	\$ 229,688	\$ 229,688
Ending Fund Balance	\$ 229,688	\$ 229,688	\$ 229,688
Ending Fund Balance as % of Appropriations	4.3%	4.6%	4.3%

Visitors Enhancement Fund - 135	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Hotel/ Motel Tax Allocation	\$ 601,190	\$ 580,000	\$ 580,000
Other	-	-	-
Total Revenues and Other Financing Sources	\$ 601,190	\$ 580,000	\$ 580,000
Appropriations			
Culture and Recreation	\$ 325,898	\$ 235,637	\$ 757,000
Transfers Out - To Other Funds	294,166	305,398	-
Total Appropriations	\$ 620,064	\$ 541,035	\$ 757,000
Change in Fund Balance	\$ (18,874)	\$ 38,965	\$ (177,000)
Beginning Fund Balance	\$ 221,773	\$ 202,899	\$ 241,864
Ending Fund Balance	\$ 202,899	\$ 241,864	\$ 64,864
Ending Fund Balance as % of Appropriations	32.7%	44.7%	8.6%

Library Governing Board Fund - 137	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
County Government	\$ 15,000	\$ 15,000	\$ 15,000
Charges for Services	7,084	8,700	10,000
Fines and Forfeitures	9,705	9,700	10,500
Investment Earnings	1,221	-	-
Other	97	-	-
Other Financing Sources			
Transfers In - From General Fund	1,375,000	1,375,000	1,425,000
Total Revenues and Other Financing Sources	\$ 1,408,107	\$ 1,408,400	\$ 1,460,500
Appropriations			
Culture and Recreation	\$ 1,207,557	\$ 1,408,400	\$ 1,460,500
Total Appropriations	\$ 1,207,557	\$ 1,408,400	\$ 1,460,500
Change in Fund Balance	\$ 200,550	\$ -	\$ -
Beginning Fund Balance	\$ 292,636	\$ 493,186	\$ 493,186
Ending Fund Balance	\$ 493,186	\$ 493,186	\$ 493,186
Ending Fund Balance as % of Appropriations	40.8%	35.0%	33.8%

General Purpose School Fund - 141	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Taxes	\$ 32,700,297	\$ 31,964,000	\$ 32,844,000
From State of Tennessee	49,426,252	52,551,841	54,286,600
From Federal Government	132,615	149,000	143,000
Charges for Services	1,567,751	1,422,500	1,504,000
Investments	149,837	100,000	100,000
Miscellaneous	1,311,113	1,319,384	830,000
Other Financing Sources			
Transfer from Fed. Project Fund	95,474	75,000	80,000
From General Fund-MOE	11,245,300	11,245,300	11,245,300
From General Fund-Debt	4,434,430	4,441,400	5,066,100
From Fund Balance	-	7,160,526	1,808,500
Total Revenues and Other Financing Sources	\$ 101,063,069	\$ 110,428,951	\$ 107,907,500
Appropriations			
Educational Services	\$ 90,882,479	\$ 97,438,446	\$ 97,519,100
Non-Instructional Services	1,442,055	1,269,328	1,208,500
Capital Outlay	1,296,411	1,236,777	1,007,000
Other Financing Sources			
Transfers Out - To Debt Service Fund (Principal and Interest)	4,962,680	4,819,300	5,440,800
Transfers Out - To Internal Service Funds	1,744,486	2,435,100	2,507,100
Transfers Out - To Other Funds	125,754	3,230,000	225,000
Total Appropriations	\$ 100,453,865	\$ 110,428,951	\$ 107,907,500
Change in Fund Balance	\$ 609,204	\$ -	\$ -
Beginning Fund Balance	\$ 15,573,280	\$ 16,182,484	\$ 16,182,484
Ending Fund Balance	\$ 16,182,484	\$ 16,182,484	\$ 16,182,484
Ending Fund Balance as % of Appropriations	16.1%	14.7%	15.0%

Public Law 93-380 Grant Project Fund - 142	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Federal Government Thru State	\$ 7,471,487	\$ 6,028,161	\$ 6,047,748
Transfers In - From General Purpose School Fund	60,754	-	-
Total Revenues and Other Financing Sources	\$ 7,532,241	\$ 6,028,161	\$ 6,047,748
Appropriations			
Instruction	\$ 3,167,554	\$ 2,399,751	\$ 2,793,938
Support Services	3,902,545	3,107,302	2,728,642
Other	116,473	521,108	525,168
Capital Outlay	345,669	-	-
Total Appropriations	\$ 7,532,241	\$ 6,028,161	\$ 6,047,748
Change in Fund Balance	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -
Ending Fund Balance as % of Appropriations	0.0%	0.0%	0.0%

School Grant Projects Fund - 145	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Federal Government	\$ 557,084	\$ -	\$ -
State Government	1,163,095	973,720	1,091,915
Local Government	-	20,000	20,000
Charges for Services	201,748	-	-
Other Financing Sources			
Transfers In - From General Purpose School Fund	65,000	140,000	150,000
Total Revenues and Other Financing Sources	\$ 1,986,927	\$ 1,133,720	\$ 1,261,915
Appropriations			
Instruction	\$ 1,428,952	\$ 1,002,650	\$ 1,110,345
Support Services	263,871	127,807	148,264
Capital Outlay	294,104	-	0
To Risk Fund	-	3,263	3,306
Total Appropriations	\$ 1,986,927	\$ 1,133,720	\$ 1,261,915
Change in Fund Balance	\$ -	\$ -	\$ -
Beginning Fund Balance	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ -	\$ -
Ending Fund Balance as % of Appropriations	0.0%	0.0%	0.0%

School Nutrition Fund - 147	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Federal Government	\$ 4,303,564	\$ 4,277,900	\$ 5,111,700
State Government	32,732	34,800	34,800
Charges for Services	302,475	311,900	389,200
Unrealized Commodity Value	167,919	225,000	227,000
Investments	151	1,800	1,900
Local Revenue	13,173	112,400	83,600
Total Revenues and Other Financing Sources	\$ 4,820,014	\$ 4,963,800	\$ 5,848,200
Appropriations			
School Food Service	\$ 5,150,762	\$ 5,341,800	\$ 5,693,200
Capital Outlay	263,731	292,000	355,000
Other Financing Sources			
Transfers Out - To Other Funds	-	-	-
Total Appropriations	\$ 5,414,493	\$ 5,633,800	\$ 6,048,200
Change in Fund Balance	\$ (594,479)	\$ (670,000)	\$ (200,000)
Beginning Fund Balance	\$ 3,516,862	\$ 2,922,383	\$ 2,252,383
Ending Fund Balance	\$ 2,922,383	\$ 2,252,383	\$ 2,052,383
Ending Fund Balance as % of Appropriations	54.0%	40.0%	33.9%

Debt Service Fund - 211	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Interest on Investments	\$ 1,583,022	\$ 750,000	\$ 125,000
Other Financing Sources			
Transfers In - From Other Funds	14,041,465	16,195,500	16,745,675
Total Revenues and Other Financing Sources	\$ 15,624,487	\$ 16,945,500	\$ 16,870,675
Appropriations			
Principal on Bonds/Notes Bonds	\$ 11,163,062	\$ 11,546,044	\$ 12,242,256
Interest on Bonds/Notes	4,790,092	4,385,689	4,503,419
Other Expenses	106,588	350,000	105,000
Bank Service Charges	-	15,000	20,000
Total Appropriations	\$ 16,059,742	\$ 16,296,733	\$ 16,870,675
Change in Fund Balance	\$ (435,255)	\$ 648,767	\$ -
Beginning Fund Balance	\$ 969,745	\$ 534,490	\$ 1,183,257
Ending Fund Balance	\$ 534,490	\$ 1,183,257	\$ 1,183,257
Ending Fund Balance as % of Appropriations	3.3%	7.3%	7.0%

Solid Waste Fund - 415 - Cash Basis	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Charges for Services	\$ 4,707,879	\$ 4,578,000	\$ 4,970,800
Total Revenues	<u>\$ 4,707,879</u>	<u>\$ 4,578,000</u>	<u>\$ 4,970,800</u>
Operating Expenses			
Trash Collection	\$ 1,346,055	\$ 1,407,900	\$ 1,478,068
Organic Collection	4,248,332	3,905,200	4,457,420
Refuse Disposal	2,419,078	1,520,500	1,572,958
Other	73,936	85,400	85,300
Total Operating Expenses	<u>\$ 8,087,401</u>	<u>\$ 6,919,000</u>	<u>\$ 7,593,746</u>
Operating Income (Loss)	<u>\$ (3,379,522)</u>	<u>\$ (2,341,000)</u>	<u>\$ (2,622,946)</u>
Nonoperating Revenue (Expenses)			
Revenue			
Investment Income	\$ 112,010	\$ 67,100	\$ 100,600
Expense			
Debt Service (Principal)	(163,913)	(164,000)	(164,000)
Debt Service (Interest)	(52,913)	(62,100)	(62,100)
Total Nonoperating Revenue (Expenses)	<u>\$ (104,816)</u>	<u>\$ (159,000)</u>	<u>\$ (125,500)</u>
Income (Loss Before Transfers)	<u>\$ (3,484,338)</u>	<u>\$ (2,500,000)</u>	<u>\$ (2,748,446)</u>
Transfers			
Transfers In - From General Fund	2,500,000	2,500,000	2,100,000
Total Transfers	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,100,000</u>
Change in Net Position - Cash Basis	<u>\$ (984,338)</u>	<u>\$ -</u>	<u>\$ (648,446)</u>
GAAP RECONCILIATION			
Change in Net Position - Cash Basis	<u>\$ (984,338)</u>	<u>\$ -</u>	<u>\$ (648,446)</u>
Add:			
Debt Service - Principal	163,913	164,000	164,000
Capital Purchases	326,704	101,000	70,000
GASB 68, GASB 75, and OPEB (Non Cash Adj)	460,713	-	-
Subtract:			
Depreciation Expense	(178,614)	(180,000)	(180,000)
Change in Net Position GAAP Basis	<u>\$ (211,622)</u>	<u>\$ 85,000</u>	<u>\$ (594,446)</u>
Net Position - Beginning of Year - Restated	<u>\$ 1,817,011</u>	<u>\$ 1,605,389</u>	<u>\$ 1,690,389</u>
Net Position - End of Year	<u>\$ 1,605,389</u>	<u>\$ 1,690,389</u>	<u>\$ 1,095,943</u>

Aquatic Center Fund - 419	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Operating Revenues			
Charges and fees	\$ 1,465,781	\$ 1,442,108	\$ 1,502,240
Miscellaneous	31,616	16,700	15,000
Total Operating Revenues	\$ 1,497,397	\$ 1,458,808	\$ 1,517,240
Operating Expenses			
Operating Expenses	\$ 2,235,320	\$ 2,374,828	\$ 2,335,111
Depreciation	835,802	840,000	840,000
Total Operating Expenses	\$ 3,071,122	\$ 3,214,828	\$ 3,175,111
Operating Income (Loss)	\$ (1,573,725)	\$ (1,756,020)	\$ (1,657,871)
Nonoperating Revenue (Expenses)			
Revenue			
Investment Income	\$ 7,653	\$ 2,000	\$ 2,000
Expense			
Debt Service (Interest)	(272,198)	(277,336)	(318,096)
Total Nonoperating Revenue (Expenses)	\$ (264,545)	\$ (275,336)	\$ (316,096)
Income (Loss Before Transfers)	\$ (1,838,270)	\$ (2,031,356)	\$ (1,973,967)
Transfers			
Transfers In - From Visitors Enhancement Fund	\$ 139,584	\$ -	\$ -
Transfers In - From Regional Sales Tax Fund	2,521,207	2,258,057	2,700,000
Transfers Out - To Other Funds	(67,505)	-	-
Total Transfers	\$ 2,593,286	\$ 2,258,057	\$ 2,700,000
Change in Net Position	\$ 755,016	\$ 226,701	\$ 726,033
Beginning Net Position	\$ 3,298,524	\$ 4,053,540	\$ 4,280,241
Ending Net Position	\$ 4,053,540	\$ 4,280,241	\$ 5,006,274

Meadowview Conference Center Fund - 420	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Operating Revenues			
Charges and Fees	\$ 407,220	\$ 400,000	\$ 363,400
Total Operating Revenues	\$ 407,220	\$ 400,000	\$ 363,400
Operating Expenses			
Operating Expenses	\$ 1,456,547	\$ 1,288,682	\$ 1,476,413
Depreciation	1,544,476	1,545,000	1,545,000
Total Operating Expenses	\$ 3,001,023	\$ 2,833,682	\$ 3,021,413
Operating Income (Loss)	\$ (2,593,803)	\$ (2,433,682)	\$ (2,658,013)
Nonoperating Revenue (Expenses)			
Revenue			
Investment Income	\$ 50,969	\$ 30,000	\$ 40,000
Expense			
Debt Service (Interest)	(223,752)	(239,908)	(189,014)
Total Nonoperating Revenue (Expenses)	\$ (172,783)	\$ (209,908)	\$ (149,014)
Income (Loss Before Transfers)	\$ (2,766,586)	\$ (2,643,590)	\$ (2,807,027)
Transfers			
Transfers In - From Regional Sales Tax Fund	\$ 2,662,829	\$ 2,345,213	\$ 2,300,000
Capital Contributions	212,300	-	-
Total Transfers	\$ 2,875,129	\$ 2,345,213	\$ 2,300,000
Change in Net Positions	\$ 108,543	\$ (298,377)	\$ (507,027)
Beginning Net Position	\$ 16,977,870	\$ 17,086,413	\$ 16,788,036
Ending Net Position	\$ 17,086,413	\$ 16,788,036	\$ 16,281,009

Cattails Golf Course Fund - 421	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Operating Revenues			
Sales/ Fees	\$ 1,281,329	\$ 1,489,332	\$ 1,350,000
Total Operating Revenues	<u>\$ 1,281,329</u>	<u>\$ 1,489,332</u>	<u>\$ 1,350,000</u>
Operating Expenses			
Operating Expenses	\$ 1,433,974	\$ 1,400,000	\$ 1,400,000
Depreciation	237,174	240,000	240,000
Total Operating Expenses	<u>\$ 1,671,148</u>	<u>\$ 1,640,000</u>	<u>\$ 1,640,000</u>
Operating Income (Loss)	<u>\$ (389,819)</u>	<u>\$ (150,668)</u>	<u>\$ (290,000)</u>
Nonoperating Revenue (Expenses)			
Revenue			
Investment Income	\$ 20,070	\$ 20,070	\$ 20,100
Other Income	-	-	-
Expense			
Debt Service (Interest)	(10,255)	(10,350)	(76,000)
Total Nonoperating Revenue (Expenses)	<u>\$ 9,815</u>	<u>\$ 9,720</u>	<u>\$ (55,900)</u>
Income (Loss Before Transfers)	<u>\$ (380,004)</u>	<u>\$ (140,948)</u>	<u>\$ (345,900)</u>
Transfers			
Transfers In - From Regional Sales Tax Fund	\$ 166,623	\$ 20,000	\$ 241,000
Total Transfers	<u>\$ 166,623</u>	<u>\$ 20,000</u>	<u>\$ 241,000</u>
Change in Net Positions	<u>\$ (213,381)</u>	<u>\$ (120,948)</u>	<u>\$ (104,900)</u>
Beginning Net Position	<u>\$ 2,827,514</u>	<u>\$ 2,614,133</u>	<u>\$ 2,493,185</u>
Ending Net Position	<u>\$ 2,614,133</u>	<u>\$ 2,493,185</u>	<u>\$ 2,388,285</u>

Fleet Maintenance Fund - 511 - Cash Basis	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Operating Revenues			
Charges and Fees	\$ 10,197,679	\$ 10,244,700	\$ 11,364,101
Miscellaneous	8,695	46,000	16,700
Nonoperating Revenues			
Investment Income	143,662	47,000	20,000
Gain on disposal of capital assets	126,043	46,000	100,000
Total Revenues and Other Financing Sources	<u>\$ 10,476,079</u>	<u>\$ 10,383,700</u>	<u>\$ 11,500,801</u>
Appropriations			
Operations	\$ 7,245,315	\$ 6,241,400	\$ 6,348,104
Capital	\$ 5,962,184	\$ 5,494,200	\$ 3,211,000
Depreciation	\$ -	\$ -	\$ -
Total Appropriations	<u>\$ 13,207,499</u>	<u>\$ 11,735,600</u>	<u>\$ 9,559,104</u>
Change in Net Position - Cash Basis	<u>\$ (2,731,420)</u>	<u>\$ (1,351,900)</u>	<u>\$ 1,941,697</u>
GAAP Reconciliation			
Change in Net Position - Cash Basis	<u>\$ (2,731,420)</u>	<u>\$ (1,351,900)</u>	<u>\$ 1,941,697</u>
<u>Add:</u>			
Capital Purchases	\$ 5,962,184	\$ 5,494,200	\$ 3,211,000
<u>Subtract:</u>			
Depreciation Expense	\$ (2,871,193)	\$ (3,510,000)	\$ (3,642,346)
Change in Net Position GAAP Basis	<u>\$ 359,571</u>	<u>\$ 632,300</u>	<u>\$ 1,510,351</u>
Beginning Net Position - Restated	<u>\$ 17,525,150</u>	<u>\$ 17,884,721</u>	<u>\$ 18,517,021</u>
Ending Net Position	<u>\$ 17,884,721</u>	<u>\$ 18,517,021</u>	<u>\$ 20,027,372</u>
Ending Net Position as % of Appropriations	<u>135.4%</u>	<u>157.8%</u>	<u>209.5%</u>

Risk Management Fund - 615	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Investments	\$ 257,603	\$ 145,000	\$ 233,000
Miscellaneous	3,968	-	-
Other Financing Sources			
From Other Funds - Risk Charges	2,768,928	2,909,170	3,042,800
Total Revenues and Other Financing Sources	<u>\$ 3,030,499</u>	<u>\$ 3,054,170</u>	<u>\$ 3,275,800</u>
Appropriations			
Administration	\$ 1,820,457	\$ 1,896,099	\$ 1,962,912
Insurance Claims	1,461,659	1,158,071	1,632,000
Total Appropriations	<u>\$ 3,282,116</u>	<u>\$ 3,054,170</u>	<u>\$ 3,594,912</u>
Change in Net Position	\$ (251,617)	\$ -	\$ (319,112)
Beginning Net Position - Restated	\$ 4,106,048	\$ 3,854,431	\$ 3,854,431
Ending Net Position	<u>\$ 3,854,431</u>	<u>\$ 3,854,431</u>	<u>\$ 3,535,319</u>
Ending Net Position as % of Appropriations	117.4%	126.2%	98.3%

Health Insurance Fund - 625	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Operating Revenues			
Employee Contributions	\$ 2,301,894	\$ 2,473,000	\$ 2,625,000
City Contributions	7,569,506	8,655,000	9,095,000
Other Revenue	1,638,282	1,480,000	1,480,000
Nonoperating Revenues			
Earnings on Investments	135,642	120,000	120,000
Total Revenues	<u>\$ 11,645,324</u>	<u>\$ 12,728,000</u>	<u>\$ 13,320,000</u>
Operating Exepnses			
Administration	\$ 111,802	\$ 145,642	\$ 105,150
Insurance & Claims	9,325,894	9,929,284	10,603,735
Other	1,873,613	2,138,914	2,238,750
Total Expenses	<u>\$ 11,311,309</u>	<u>\$ 12,213,840</u>	<u>\$ 12,947,635</u>
Change in Net Position	\$ 334,015	\$ 514,160	\$ 372,365
Net Position, Beginning of Year	\$ 3,557,025	\$ 3,891,040	\$ 4,405,200
Net Position, End of Year	<u>\$ 3,891,040</u>	<u>\$ 4,405,200</u>	<u>\$ 4,777,565</u>
Ending Net Position as % of Appropriations	34.4%	36.1%	36.9%

Retirees Health Insurance Fund - 626	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Operating Revenues			
Retiree Contributions	\$ 500,948	\$ 511,200	\$ 520,800
City Contributions	750,000	750,000	750,000
Other Revenue	1,365,363	1,430,000	1,430,000
Nonoperating Revenues			
Earnings on Investments	64,577	40,759	22,070
Total Revenues	<u>\$ 2,680,888</u>	<u>\$ 2,731,959</u>	<u>\$ 2,722,870</u>
Operating Exepnses			
Insurance & Claims	\$ 3,750,169	\$ 3,305,939	\$ 3,471,500
Other	46,277	49,000	50,900
Total Expenses	<u>\$ 3,796,446</u>	<u>\$ 3,354,939</u>	<u>\$ 3,522,400</u>
Change in Net Position	\$ (1,115,558)	\$ (622,980)	\$ (799,530)
Net Position, Beginning of Year	\$ 2,474,195	\$ 1,358,637	\$ 735,657
Net Position, End of Year	<u>\$ 1,358,637</u>	<u>\$ 735,657</u>	<u>\$ (63,873)</u>
Ending Net Position as % of Appropriations	35.8%	21.9%	-1.8%

Public Library Commission Fund - 611	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Investments	\$ 244	\$ 162	\$ 100
Total Revenues and Other Financing Sources	\$ 244	\$ 162	\$ 100
Appropriations			
Supplies & Materials	\$ -	\$ 162	\$ 100
Total Appropriations	\$ -	\$ 162	\$ 100
Change in Fund Balance	\$ 244	\$ -	\$ -
Beginning Fund Balance	\$ 5,498	\$ 5,742	\$ 5,742
Ending Fund Balance	\$ 5,742	\$ 5,742	\$ 5,742
Ending Fund Balance as % of Appropriations	#DIV/0!	3544.4%	5742.0%

Bays Mountain Commission Fund - 612	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Receipts	\$ 317,309	\$ 250,000	\$ 340,000
Investments	25,308	30,000	20,000
From Non-Profit Groups	771,972	100,000	-
Total Revenues and Other Financing Sources	\$ 1,114,589	\$ 380,000	\$ 360,000
Appropriations			
Maintenance	\$ 159,395	\$ 247,700	\$ 185,500
Capital Outlay	-	41,300	-
Other Financing Sources			
Transfers Out	792,647	-	-
Total Appropriations	\$ 952,042	\$ 289,000	\$ 185,500
Change in Fund Balance	\$ 162,547	\$ 91,000	\$ 174,500
Beginning Fund Balance	\$ 561,863	\$ 724,410	\$ 815,410
Ending Fund Balance	\$ 724,410	\$ 815,410	\$ 989,910
Ending Fund Balance as % of Appropriations	76.1%	282.1%	533.6%

Parks and Recreation Commission - 613	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Charges for Services	\$ 469,074	\$ 342,010	\$ 394,600
Investment Earnings	17,656	16,500	16,500
Contributions & Donations	83,542	75,000	85,000
Other Revenue	14,743	10,600	10,600
Other Financing Sources			
Transfers In - from General Fund	81,435	-	-
Total Revenues and Other Financing Sources	\$ 666,450	\$ 444,110	\$ 506,700
Appropriations			
Culture & Recreation	\$ 576,994	\$ 425,018	\$ 506,700
Total Appropriations	\$ 576,994	\$ 425,018	\$ 506,700
Change in Fund Balance	\$ 89,456	\$ 19,092	\$ -
Beginning Fund Balance	\$ 407,308	\$ 496,764	\$ 515,856
Ending Fund Balance	\$ 496,764	\$ 515,856	\$ 515,856
Ending Fund Balance as % of Appropriations	86.1%	121.4%	101.8%

Palmer Center Trust Fund - 617	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Investments	\$ 3,651	\$ 2,500	\$ 100
Total Revenues and Other Financing Sources	\$ 3,651	\$ 2,500	\$ 100
Appropriations			
Donations & Grants	\$ -	\$ 100	\$ 100
Total Appropriations	\$ -	\$ 100	\$ 100
Change in Fund Balance	\$ 3,651	\$ 2,400	\$ -
Beginning Fund Balance	\$ 76,693	\$ 80,344	\$ 82,744
Ending Fund Balance	\$ 80,344	\$ 82,744	\$ 82,744
Ending Fund Balance as % of Appropriations	N/A	82744.0%	82744.0%

Allandale Trust Fund - 620	2024-2025	2025-2026	2026-2027
	Audited	Estimated	Budgeted
Revenues			
Investments	\$ 10,597	\$ 8,000	\$ 8,000
Total Revenues and Other Financing Sources	\$ 10,597	\$ 8,000	\$ 8,000
Appropriations			
Capital Outlay	\$ -	\$ 52,000	\$ -
Total Appropriations	\$ -	\$ 52,000	\$ -
Change in Fund Balance	\$ 10,597	\$ (44,000)	\$ 8,000
Beginning Fund Balance	\$ 237,559	\$ 248,156	\$ 204,156
Ending Fund Balance	\$ 248,156	\$ 204,156	\$ 212,156
Ending Fund Balance as % of Appropriations	N/A	392.6%	N/A

SECTION II: At the end of the fiscal year 2026, the governing body estimates fund balances or deficits as follows:

Fund Name - Fund #	Estimated Fund Balance/ Net Position at June 30, 2026
General Fund - 110	\$ 28,398,288
State Street Aid Fund - 121	\$ 22,767
Metropolitan Planning Grant Project Fund - 122	\$ 911,346
Criminal Forfeiture Fund - 126	\$ 154,966
Drug Fund - 127	\$ 570,222
Regional Sales Tax Fund - 130	\$ 229,688
Visitors Enhancement Fund - 135	\$ 64,864
Library Governing Board Fund - 137	\$ 493,186
General Purpose School Fund - 141	\$ 16,182,484
Public Law 93-380 Grant Project Fund - 142	\$ -
School Grant Projects Fund - 145	\$ -
School Nutrition Fund - 147	\$ 2,052,383
Debt Service Fund - 211	\$ 1,183,257
Solid Waste Fund - 415 - Cash Basis	\$ 1,690,389
Aquatic Center Fund - 419	\$ 5,006,274
Meadowview Conference Center Fund - 420	\$ 16,281,009
Cattails Golf Course Fund - 421	\$ 2,388,285
Fleet Maintenance Fund - 511 - Cash Basis	\$ 18,517,021
Risk Management Fund - 615	\$ 3,535,319
Health Insurance Fund - 625	\$ 4,777,565
Retirees Health Insurance Fund - 626	\$ (63,873)
Public Library Commission Fund - 611	\$ 5,742
Bays Mountain Commission Fund - 612	\$ 989,910
Parks and Recreation Commission - 613	\$ 515,856
Palmer Center Trust Fund - 617	\$ 82,744
Allandale Trust Fund - 620	\$ 212,156

SECTION III: 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:

Type of Indebtedness	Debt Authorized and Unissued	Principal Outstanding at June 30, 2026	FY 2027 Principal Payment	FY 2027 Interest Payment
Bonds -Payable Through General Fund				
General Obligation Refunding Series 2013	12,177,052	969,416	969,416	29,083
General Obligation Refunding Series 2014A	13,233,893	7,564,648	720,846	251,575
General Obligation Refunding Series 2015 (Feb)	17,695,000	4,020,000	2,695,000	120,600
General Obligation Refunding Series 2015A	15,105,000	3,162,151	277,288	96,624
General Obligation Refunding Series 2016A	16,580,000	2,348,647	760,594	62,603
General Obligation Refunding Series 2016B	13,360,000	1,763,170	466,721	48,098
General Obligation Refunding Series 2016 (Nov)	7,821,325	4,721,756	401,423	154,190
General Obligation Refunding Series 2017A	14,885,000	9,592,447	766,407	264,077
General Obligation Refunding Series 2018A	7,040,000	4,740,000	395,000	151,700
General Obligation Series 2019 Refunding (09 BABS)	14,100,000	3,330,345	774,377	166,517
General Obligation Series 2019A	18,615,000	6,607,521	488,028	216,060
General Obligation Series 2020 Refunding 11 & 12C	14,925,000	5,683,813	908,046	95,983
General Obligation Series 2021	17,760,000	7,896,294	370,584	235,039
General Obligation Public Improvement Series 2023	40,770,000	39,365,000	755,000	1,719,288
General Obligation Public Improvement Series 2026A	12,000,000	12,000,000	403,636	535,181
General Obligation Refunding Series 2026B	6,418,328	6,418,328	621,364	279,062
Bonds -Payable Through Aquatic Center Fund				
General Obligation Public Improvement Series 2012A	3,110,000	1,220,000	190,000	38,181
General Obligation Refunding Series 2013A (Lazy River)	1,310,000	635,000	70,000	25,400
General Obligation Refunding Series 2016B	9,029,862	3,676,830	973,279	100,302
General Obligation Refunding Series 2017A	164,712	107,553	8,593	2,961
General Obligation Refunding Series 2018C	2,360,000	1,640,000	115,000	52,569
General Obligation Refunding Series 2019	295,809	133,534	31,049	6,677
General Obligation Refunding Series 2020	103,584	63,643	10,168	1,075
Bonds -Payable Through Meadowview Fund				
General Obligation Refunding Series 2016A	9,221,015	3,125,579	1,012,198	83,312
General Obligation Public Improvement Series 2016 (NOV)	3,266,427	1,971,951	167,646	64,395
General Obligation Refunding Series 2019 (09 BABS)	542,374	244,838	56,930	12,242
General Obligation Public Improvement Series 2019 (NOV)	324,543	240,771	17,783	7,873
General Obligation Public Improvement Series 2021	830,000	711,996	33,415	21,193
Bonds -Payable Through Cattails Golf Course Fund				
General Obligation Series 2019 (Nov))	231,817	171,979	12,702	5,624
General Obligation Series 2020 Refunding 11 & 12C	334,626	205,596	32,846	3,472
General Obligation Public Improvement Series 2026A	1,500,000	1,500,000	50,455	66,898
Bonds -Payable Through Solid Waste Fund				
General Obligation Refunding Series 2013	132,948	10,584	10,584	318
General Obligation Refunding Series 2014A	2,371,107	1,355,352	129,154	45,075
General Obligation Series 2019 Refunding (09 BABS)	161,953	73,109	16,999	3,655
General Obligation Refunding Series 2026B	138,764	138,764	13,434	6,033
Notes				
HUD 108-Paid Through CDBG Project Fund	856,000	211,000	43,000	8,260
School EESI Series 2021- Paid Through General Purpose School Fund	2,866,134	2,277,456	175,393	10,985
09 QSCB - Paid Through General Purpose School Fund	1,240,000	8,464	8,464	11
2020 Capital Outlay Notes - Paid Through General Purpose School Fund	2,000,000	1,166,665	166,667	21,558
2024 Capital Outlay Notes - Paid Through General Fund	2,000,000	1,833,333	166,667	78,283
Capital Leases				
No Capital Leases				

SECTION IV: During the coming fiscal year (2027) 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	Pending Capital Projects Expense Financed by Debt Proceeds
Main Street Improvements	\$ 19,800,000	\$ 16,850,000	\$ 2,950,000
Transit Garage	\$ 6,293,000	\$ 5,575,000	\$ 718,000
Sullivan North Renovation	\$ 8,914,000	\$ 6,549,000	\$ 2,365,000
Dobyns Bennet Renovation	\$ 5,442,000	\$ 442,000	\$ 5,000,000
Library Renovations	\$ 9,300,000	\$ 4,550,000	\$ 4,750,000
Schools HVAC Replacements	\$ 6,700,000	\$ 6,700,000	\$ -
DB Dome Replacement	\$ 23,800,000	\$ 300,000	\$ 23,500,000
Justice Center Expansion	\$ 18,900,000	\$ 5,500,000	\$ 13,400,000
Dental Clinic	\$ 6,500,000	\$ 6,500,000	\$ -
Washing Elem HVAC Replacement	\$ 4,800,000	\$ 4,600,000	\$ 200,000

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
State Industrial Access Road	\$ 1,085,000	\$ 335,000	\$ 750,000
Clinchfield Bridge	\$ 1,390,000	\$ -	\$ 1,390,000
Watauga Street	\$ 2,020,000	\$ -	\$ 2,020,000
White and Eastman	\$ 656,000	\$ -	\$ 656,000
Jessee and Memorial	\$ 757,000	\$ -	\$ 757,000
Other Bridge Projects	\$ 1,800,000	\$ -	\$ 1,800,000
Senior Center Parking	\$ 757,000	\$ -	\$ 757,000

SECTION V: 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 Tenn. Code Ann. § 6-56-205.

SECTION V: 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 Tenn. Code Ann. § 6-56-205.

SECTION VI: Money may be transferred from one appropriation to another in the same fund in an amount of up to \$15,000 by the City Manager, 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 VII: A detailed financial plan will be attached to this budget and become part of this budget ordinance.

SECTION VIII: The tax rate will be set once the Certified Rate is received from the State of Tennessee Board of Equalization for both Sullivan County inside city residents and for Hawkins County inside city rates for tax year 2026.

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

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

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

PAUL W. MONTGOMERY, MAYOR

ATTEST:

ANGELA MARSHALL, DEPUTY CITY RECORDER

APPROVED AS TO FORM:

RODNEY B. ROWLETT, III, CITY ATTORNEY

PASSED ON 1ST READING
PASSED ON 2ND READING