

Ordinance No. 2019-06-24-2229 A

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE GENERAL FUND, STATE STREET AID, DOWNTOWN VIP FUND, SANITATION FUND, STORMWATER UTILITY FUND, CAPITAL PROJECT I, LENOIR CITY DEA FUND LENOIR CITY STATE DRUG FUND AND TAX LEVY FOR THE FISCAL YEAR BEGINNING JULY 1, 2019 AND ENDING JUNE 30, 2020.

- 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 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 stature, 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 Councilpersons has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and 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 COUNCILPERSONS OF THE CITY OF LENOIR 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 2020, 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:

| <u>General Fund</u>               | <u>2017-2018</u>   | <u>2018-2019</u>   | <u>2019-2020</u>   |
|-----------------------------------|--------------------|--------------------|--------------------|
| <u>Cash Receipts</u>              | <u>Actual</u>      | <u>Estimated</u>   | <u>Budget</u>      |
| Local Taxes                       | \$4,703,207        | \$4,702,114        | \$4,722,114        |
| Licenses and Permits              | \$118,942          | \$73,115           | \$60,500           |
| Intergovernmental                 | \$1,309,209        | \$1,007,321        | \$1,065,714        |
| Charges for Services              | \$490,684          | \$527,376          | \$536,500          |
| Fines and Forfeitures             | \$299,562          | \$300,000          | \$300,000          |
| Miscellaneous                     | \$1,095,473        | \$537,234          | \$462,100          |
| <b><u>Total Cash Receipts</u></b> | <b>\$8,017,077</b> | <b>\$7,147,160</b> | <b>\$7,146,928</b> |

| <u>General Fund</u>          | <u>2017-2018</u> | <u>2018-2019</u> | <u>2019-2020</u> |
|------------------------------|------------------|------------------|------------------|
|                              | <u>Actual</u>    | <u>Estimated</u> | <u>Proposed</u>  |
| Government Administrative    | \$3,837,281      | \$3,976,369      | \$3,975,509      |
| Police Department            | \$2,140,004      | \$2,099,448      | \$2,112,476      |
| Fire Department              | \$1,305,311      | \$1,323,845      | \$1,505,799      |
| Office of Building Inspector | \$102,239        | \$114,618        | \$127,769        |
| Park & Recreation Department | \$828,921        | \$827,159.       | \$246,166        |
| Hwy and Streets Department   | \$677,034        | \$811,114        | \$1,452,328      |
| Library                      | \$31,901         | \$32,210         | \$32,210         |
| Education                    | \$359,165        | \$359,165        | \$359,165        |
| Debt Service                 | \$1,790,796      | \$1,098,725      | \$1,102,305      |

|  |                     |                     |                     |
|--|---------------------|---------------------|---------------------|
| Lenoir City Event Center                 | \$418,299           | \$443,081           | \$416,241           |
| <b><u>Total Appropriations</u></b>       | <b>\$11,490,951</b> | <b>\$11,085,734</b> | <b>\$11,329,968</b> |
| Total other financing sources (uses)     | \$3,261,374         | \$3,800,382         | \$4,089,649         |
| Change in Cash (Receipts-Appropriations) | \$(212,500.00)      | \$(138,192)         | \$(93,391.00)       |
| Beginning Cash Balance July 1            | \$4,779,308         | \$4,566,808         | \$4,428,616         |
| Ending Cash Balance June 30              | \$4,566,808         | \$4,428,616         | \$4,335,225         |
| Ending Cash as a % of Total Cash         | 39.74%              | 39.95%              | 38.26               |

| <b><u>State Street Aid Fund</u></b>      | <b><u>2017-2018</u></b> | <b><u>2018-2019</u></b> | <b><u>2019-2020</u></b> |
|--|-------------------------|-------------------------|-------------------------|
|  | <b><u>Actual</u></b>    | <b><u>Estimated</u></b> | <b><u>Proposed</u></b>  |
| <b>Cash Receipts</b>                     |                         |                         |                         |
| State Gas and Motor Fuel Tax             | \$289,802               | \$275,000               | \$275,000               |
| Miscellaneous                            | \$323                   | \$275                   | \$275                   |
| <b><u>Total Cash Receipts</u></b>        | <b>\$290,125</b>        | <b>\$275,275</b>        | <b>\$275,275</b>        |
| <b>Appropriations</b>                    |                         |                         |                         |
| Public Works Department                  | \$287,461               | \$275,275               | \$275,275               |
| <b><u>Total Appropriations</u></b>       |                         |                         |                         |
| Change in Cash (Receipts-Appropriations) | \$2,664                 | \$0                     | \$0                     |
| Beginning Cash Balance July 1            | \$51,377                | \$54,041                | \$54,041                |
| Ending Cash Balance June 30              | \$54,041                | \$54,041                | \$54,041                |
| Ending Cash as a % of Total Cash         | 18.8%                   | 20.12%                  | 20.12%                  |

| <b><u>Sanitation Fund</u></b>            | <b><u>2017-2018</u></b> | <b><u>2018-2019</u></b> | <b><u>2019-2020</u></b> |
|--|-------------------------|-------------------------|-------------------------|
|  | <b><u>Actual</u></b>    | <b><u>Estimated</u></b> | <b><u>Proposed</u></b>  |
| Chargers for Services                    | \$335,011               | \$371,257               | \$370,000               |
| <b><u>Total Cash Receipts</u></b>        |                         |                         |                         |
| <b>Appropriations</b>                    |                         |                         |                         |
| Public Works Department                  | \$335,533               | \$371,185               | \$370,000               |
| <b><u>Total Appropriations</u></b>       |                         |                         |                         |
| Change in Cash (Receipts-Appropriations) | \$ (522.00)             | \$72.00                 | \$0                     |
| Beginning Cash Balance July 1            | \$31,730                | \$31,208                | \$31,280                |
| Ending Cash Balance June 30              | \$31,208                | \$31,280                | \$31,280                |
| Ending Cash as a % of Total Cash         | 9.30%                   | 8.43%                   | 8.43%                   |

| <b><u>DEA Fund</u></b>                   | <b><u>2017-2018</u></b> | <b><u>2018-2019</u></b> | <b><u>2019-2020</u></b> |
|--|-------------------------|-------------------------|-------------------------|
|  | <b><u>Actual</u></b>    | <b><u>Estimated</u></b> | <b><u>Proposed</u></b>  |
| <b>Cash Receipts</b>                     |                         |                         |                         |
| Fines and Forfeitures                    | \$28,475                | \$2,332                 | \$12,250                |
| <b><u>Total Cash Receipts</u></b>        |                         |                         |                         |
| <b>Appropriations</b>                    |                         |                         |                         |
| Drug Enforcement                         | \$12,762                | \$38,842                | \$12,000                |
| <b><u>Total Appropriations</u></b>       |                         |                         |                         |
| Change in Cash (Receipts-Appropriations) | \$15,713.00             | \$(36,510.00)           | \$250.00                |
| Beginning Cash Balance July 1            | \$58,400                | \$74,113                | \$37,603                |
| Ending Cash Balance June 30              | \$74,113                | \$37,603                | \$37,853                |
| Ending Cash as a % of Total Cash         | 58%                     | 94.24%                  | 31.0%                   |

| <b><u>State Drug Fund</u></b>            | <b><u>2017-2018</u></b> | <b><u>2018-2019</u></b> | <b><u>2019-2020</u></b> |
|--|-------------------------|-------------------------|-------------------------|
|  | <b><u>Actual</u></b>    | <b><u>Estimated</u></b> | <b><u>Proposed</u></b>  |
| <b><u>Cash Receipts</u></b>              |                         |                         |                         |
| Fines and Forfeitures                    | \$26,108                | \$18,485                | \$30,100                |
| <b>Total Cash Receipts</b>               |                         |                         |                         |
| <b><u>Appropriations</u></b>             |                         |                         |                         |
| Drug Enforcement                         | \$30,908                | \$28,180                | \$24,266                |
| <b>Total Appropriations</b>              |                         |                         |                         |
| Change in Cash (Receipts-Appropriations) | \$(4,800.00)            | \$(9,695.00)            | \$5,834.00              |
| Beginning Cash Balance July 1            | \$15,562                | \$10,762                | \$1,067                 |
| Ending Cash Balance June 30              | \$10,762                | \$1,067                 | \$6,901                 |
| Ending Cash as a % of Total Cash         | 35%                     | 3.79%                   | 28.44%                  |

| <b><u>Downtown VIP Fund</u></b>          | <b><u>2017-2018</u></b> | <b><u>2018-2019</u></b> | <b><u>2019-2020</u></b> |
|--|-------------------------|-------------------------|-------------------------|
|  | <b><u>Actual</u></b>    | <b><u>Estimated</u></b> | <b><u>Proposed</u></b>  |
| <b><u>Cash Receipts</u></b>              |                         |                         |                         |
| Contributions                            | \$40,299                | \$46,311                | \$60,000                |
| Miscellaneous                            | \$114                   | \$129                   | \$130                   |
| <b>Total Cash Receipts</b>               | <b>\$40,413</b>         | <b>\$46,440</b>         | <b>\$60,130</b>         |
| <b><u>Appropriations</u></b>             |                         |                         |                         |
| VIP Awarded Grant                        | \$41,029                | \$46,311                | \$60,130                |
| <b>Total Appropriations</b>              |                         |                         |                         |
| Change in Cash (Receipts-Appropriations) | \$(616.00)              | \$129.00                | \$0                     |
| Beginning Cash Balance July 1            | \$6,010                 | \$5,394                 | \$5,394                 |
| Ending Cash Balance June 30              | \$5,394                 | \$5,523                 | \$5,394                 |
| Ending Cash as a % of Total Cash         | 13.15%                  | 11.93                   | 8.97                    |

| <b><u>Capital Project Budget</u></b>     | <b><u>2017-2018</u></b> | <b><u>2018-2019</u></b> | <b><u>2019-2020</u></b> |
|--|-------------------------|-------------------------|-------------------------|
|  | <b><u>Actual</u></b>    | <b><u>Estimated</u></b> | <b><u>Proposed</u></b>  |
| <b><u>Cash Receipts</u></b>              |                         |                         |                         |
| State and Federal Grant                  | \$846,763               | \$504,587               | \$3,216,960             |
| Loan Proceeds                            | \$0                     | \$281,458               | \$404,632               |
| Other Financing Sources                  | \$11,780                | \$2,717                 | \$149,715               |
| <b>Total Cash Receipts</b>               | <b>\$858,543</b>        | <b>\$788,762</b>        | <b>\$3,771,307</b>      |
| <b><u>Capital Project Budget</u></b>     |                         |                         |                         |
| <b>Operations</b>                        | <b>\$473,421</b>        | <b>\$1,093,557</b>      | <b>\$3,770,000</b>      |
| <b>Total Appropriations</b>              |                         |                         |                         |
| Change in Cash (Receipts-Appropriations) | \$385,122               | \$(304,795.00)          | \$1,307                 |
| Beginning Cash Balance July 1            | \$712,438               | \$1,097,560             | \$792,765               |
| Ending Cash Balance June 30              | \$1,097,560             | \$792,765               | \$794,072               |
| Ending Cash as a % of Total Cash         | 23.18%                  | 72.49%                  | 21.06%                  |

| <u>Stormwater Fund</u>                   | <u>2017-2018</u><br><u>Actual</u> | <u>2018-2019</u><br><u>Estimated</u> | <u>2019-2020</u><br><u>Proposed</u> |
|--|-----------------------------------|--------------------------------------|-------------------------------------|
| <u>Cash Receipts</u>                     |                                   |                                      |                                     |
| Chargers for Services                    | \$493,455                         | \$552,269                            | \$552,000                           |
| <b>Total Cash Receipts</b>               |                                   |                                      |                                     |
| Operations                               | \$457,072                         | \$421,590                            | \$551,062                           |
| <b>Total Appropriations</b>              |                                   |                                      |                                     |
| <u>Stormwater Fund:</u>                  |                                   |                                      |                                     |
| Change in Cash (Receipts-Appropriations) | \$36,383                          | \$130,679                            | \$938                               |
| Beginning Cash Balance July 1            | \$0                               | \$36,383                             | \$167,062                           |
| Ending Cash Balance June 30              | \$36,383                          | \$167,062                            | \$168,000                           |
| Ending Cash as a % of Total Cash         | 7.96%                             | 39.63%                               | 30.49%                              |

**SECTION 2:** At the end of the fiscal year 2019, the governing body estimates fund balances or deficits as follows:

|                              |                     |
|------------------------------|---------------------|
| <b>General Fund</b>          | <b>\$ 4,428,616</b> |
| <b>State Street Aid Fund</b> | <b>\$ 58,049</b>    |
| <b>Capital Project Fund</b>  | <b>\$ 407,643</b>   |
| <b>Solid Waste Fund</b>      | <b>\$ 31,280</b>    |
| <b>Downtown VIP Fund</b>     | <b>\$ 5,523</b>     |
| <b>DEA Fund</b>              | <b>\$ 37,603</b>    |
| <b>State Drug Fund</b>       | <b>\$ 48,354</b>    |
| <b>Stormwater Fund</b>       | <b>\$ 167,062</b>   |

**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:

| <u>Bonded or Other</u><br><u>Indebtedness</u> | <u>Debt Principal</u> | <u>Interest</u><br><u>Requirements</u> | <u>Debt</u><br><u>Authorized &amp;</u><br><u>Unissued</u> | <u>Principal</u><br><u>Outstanding at</u><br><u>June 30,2020</u> |
|---|-----------------------|--|---|--|
| <u>Bonds</u>                                  | <u>\$14,721,353</u>   | <u>\$4,522,366.</u>                    | <u>\$212,979.55</u>                                       | <u>\$14,043,472</u>  |

|                               |                  |                   |            |                    |
|-------------------------------|------------------|-------------------|------------|--------------------|
| <u>Other<br/>Indebtedness</u> | <u>\$162,000</u> | <u>\$6,432.00</u> | <u>\$0</u> | <u>\$98,000.00</u> |
|-------------------------------|------------------|-------------------|------------|--------------------|

**SECTION 4:** During the coming fiscal year (2020) the governing body has pending and planned capital projects with proposed funding as followed:

| Pending Capital Projects    | Pending Capital Expense | Pending Capital Projects Expense |                           |
|-----------------------------|-------------------------|----------------------------------|---------------------------|
|                             | Total Expense           | Financed by Estimated Revenues   | Financed by Debt Proceeds |
|                             |                         | AND/ OR Reserves                 |                           |
| SIMPSON ROAD PROJECT        | \$750,000               | \$75,120                         | \$150,000                 |
| INTERSTATE LIGHTING HWY 321 | \$720,000               | \$71,954                         | \$72,046                  |
| DOWNTOWN STREETSCAPES II    | \$1,300,000             | \$77,414                         | \$182,586                 |
| HWY 321 FIBER OPT PROJECT   | \$1,000,000             | \$0                              | \$0                       |

**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-third (2/3) vote of at least a quorum of the governing body in accord with Tennessee code Annotated 6-56-205.

**SECTION 6:** 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 fulltime equivalent employees required by Tennessee Code Annotated 6-56-206 will be attached.

**SECTION 7:** There is hereby levied a property tax of \$0.9955 per \$100 of assessed value on all real and personal property.

**SECTION 8:** 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 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 of 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 9:** All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the fund balances.

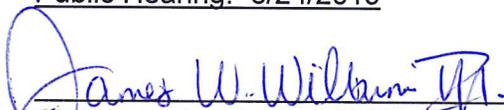
**SECTION 10:** All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

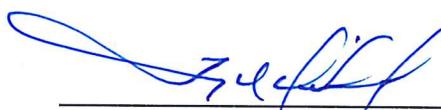
**SECTION 11:** This ordinance shall take effect July 1, 2019, the public welfare requiring it.

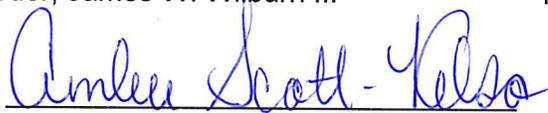
Passed 1<sup>st</sup> Reading: 6/10/2019

Passed 2<sup>nd</sup> Reading: 6/24/2019

Public Hearing: 6/24/2019

  
 City Recorder, James W. Wilburn III

  
 Mayor, Tony Aikens

ATTESTED:   
 City Administrator, Amber Scott-Kelso