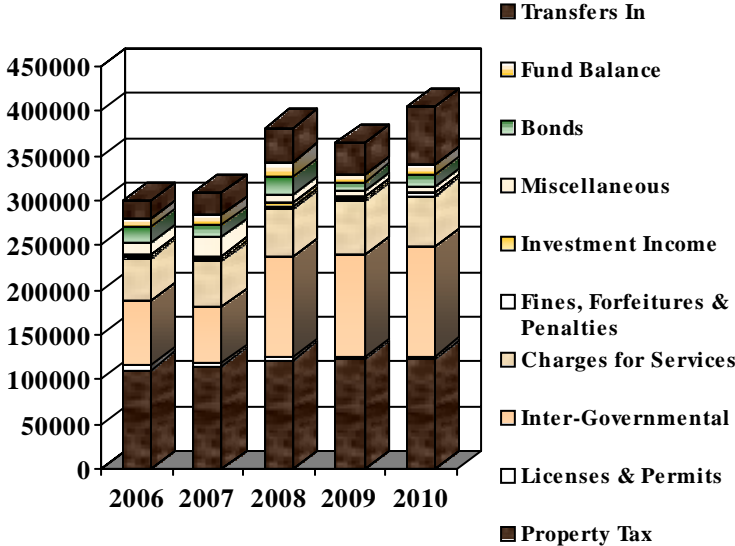


Financial Overview

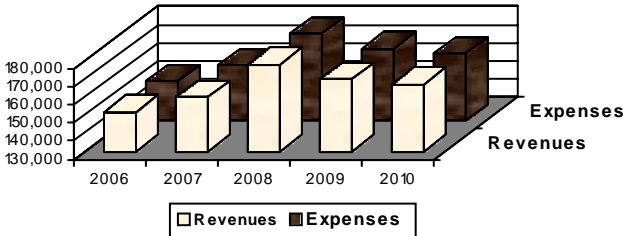
Revenue and Expenditure History

Total City revenues and operating transfers in for the fiscal year ended June 30, 2006 were \$300,644,568. Total projected City revenue for the fiscal year ended June 30, 2010 is \$405,786,719, an increase of \$105,142,151 or 35% over this five year period. During this period the Undesignated General Fund Budget increased from \$155,714,238 in FY06 to \$167,535,000 in FY10. The chart below shows the Undesignated General Fund revenues and expenditures during this time period. To the right are five year comparisons of total revenues and expenditures.

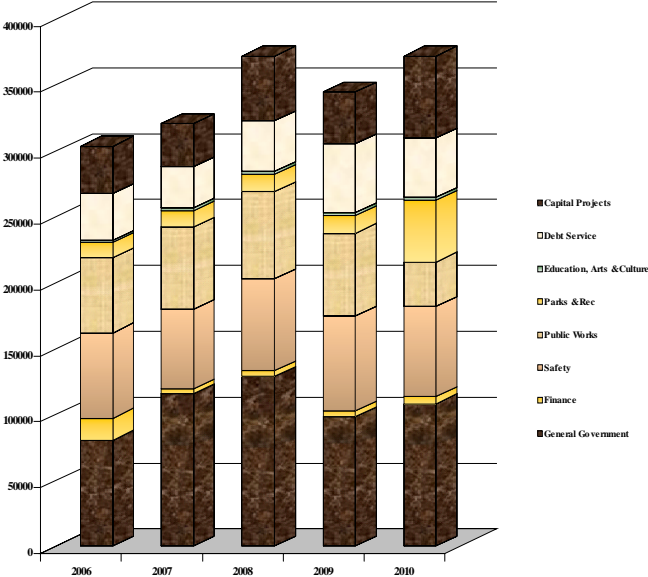
Budgeted Revenues
(in 1,000)



Undesignated General Fund



Budgeted Expenditures
(in 1,000)



**BUDGETED REVENUES & APPROPRIATIONS
BY FUND TYPE
FY2010**

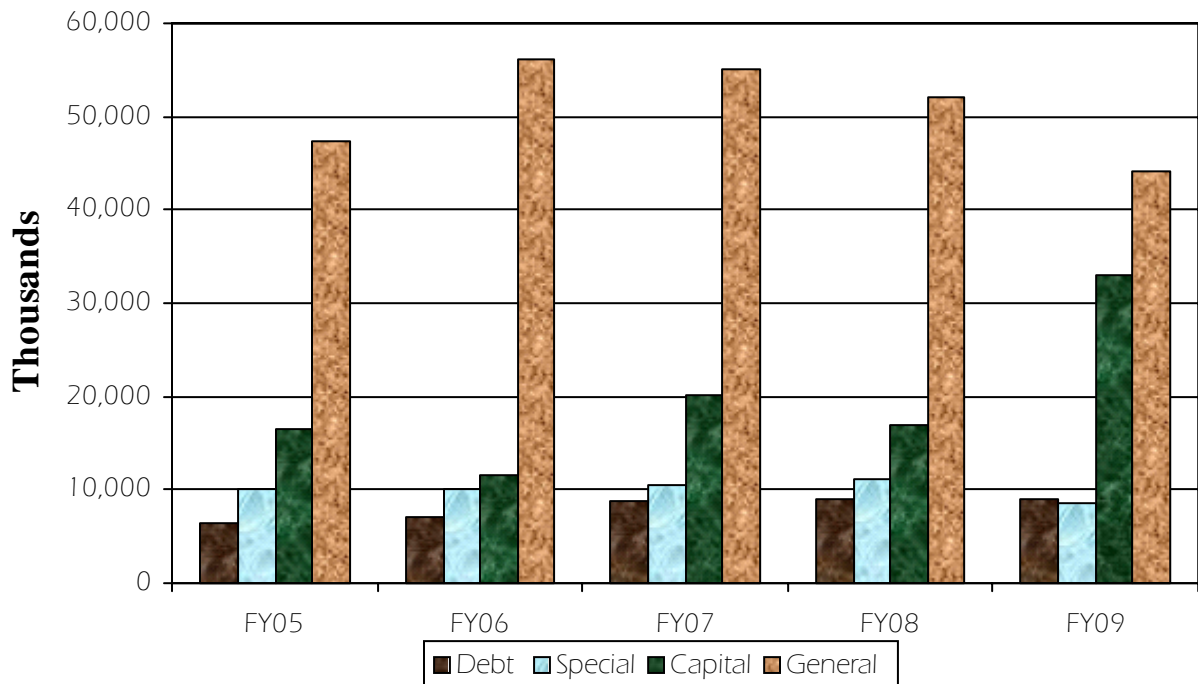
Revenues	Undesignated General	Governmental Fund Types			Proprietary Fund Types	Internal Service Funds	Budget Total Revenue FY2010	Budget Total Revenue FY2009
		Special Revenue	Debt Service	Capital Projects				
Taxes	109,542,826	14,339,000					123,881,826	122,615,642
Licenses & Permits	2,624,700						2,624,700	3,443,800
Intergovernmental	42,817,230	23,041,227	1,336,613	5,755,442	125,000	48,260,208	121,335,720	117,193,298
Charges for services	2,296,554	1,874,252			53,680,729		57,851,535	60,094,274
Fines, forfeitures and penalties	1,551,100	1,300,000					2,851,100	1,614,600
Interest earnings	500,000	124,465			584,053		1,208,518	2,420,115
Miscellaneous	4,027,897	1,607,815	366,836		84,900		6,087,448	8,463,836
Bonds				13,526,945			13,526,945	10,000,000
Fund Balance		576,868	-		10,804,000		11,380,868	990,745
Transfers In	4,174,693	1,246,086	19,746,194	39,187,134	683,952		65,038,059	37,367,336
Total Revenues	167,535,000	44,109,713	21,449,643	58,469,521	65,962,634	48,260,208	405,786,719	364,203,646
Appropriations								
General Government	19,417,454	29,924,368					97,602,030	88,601,130
Finance & Administration	3,874,300	1,300,000					5,174,300	4,076,750
Safety Department	68,197,021	362,000				48,260,208	68,559,021	72,138,185
Public Works Department	29,746,148	3,985,115			-		33,731,263	62,703,405
Parks & Recreation	11,589,463	1,827,652			33,535,562		46,952,677	13,487,671
Personnel	7,047,622						7,047,622	6,745,967
Neighborhood Services	1,870,020						1,870,020	4,828,702
Executive Branch	1,580,113						1,580,113	1,715,512
Education, Arts, & Culture	2,285,926						2,285,926	2,347,882
Debt Service			21,449,643		20,380,787		45,169,085	49,056,634
Capital Projects		2,129,009		58,469,521	1,242,285		61,840,815	36,417,387
Transfers Out	21,926,933	1,242,914			10,804,000		33,973,847	22,084,421
Total Appropriations	167,535,000	44,109,713	21,449,643	58,469,521	65,962,634	48,260,208	405,786,719	364,203,646

Fund Balance/Net Asset Summary

During the past five years the City of Chattanooga has seen a total net increase in its Governmental Fund Balances of \$13.9 million. This is due to the increase in the fund balance for the Capital Funds, Debt Service Fund. Fund Balances for the General fund and Special Revenue Fund have decreased during this period.

Changes in Fund Balance Governmental Funds

Includes Designated Funds



Governmental Fund Balances

	FY05	FY06	FY07	FY08	FY09 unaudited
Debt Service Fund	\$ 6,471,929	\$ 7,139,208	\$ 8,871,565	\$ 8,925,003	\$ 8,925,003
Special Revenue Funds	\$ 10,123,928	\$ 10,168,369	\$ 10,497,924	\$ 11,176,061	\$ 8,662,908
Capital Funds	\$ 16,559,134	\$ 11,482,674	\$ 20,161,801	\$ 16,995,039	\$ 32,923,230
General Fund	\$ 47,450,200	\$ 56,042,709	\$ 55,130,348	\$ 52,094,869	\$ 44,040,792
Totals	\$ 80,605,191	\$ 84,832,960	\$ 94,661,638	\$ 89,190,972	\$ 94,551,933

Fund Balance/Net Asset Summary

The General Fund Balance was \$56,042,709 in FY06. This has fallen to a current unaudited balance of \$44,040,792 for FY09. This decrease has primarily been caused by the economic downturn in FY08-FY09. FY09 revenue has decreased by \$4 million while expenditures have increased by \$2 million. Major revenue sources have been affected by the current recession are interest income, permits and licenses, city allocation of state income tax and state and local sales tax.

The Special Revenue Fund Balance decreased from a balance of \$10,168,369 in FY06 to a FY10 unaudited beginning balance of \$8,662,908. Fund balance has remained relatively constant since fiscal year 2004 with a slight uptick in FY07 and FY08, then decreased in FY09. When Hamilton County residents voted for the half-cent sales tax, no City portion was required to be collected and remitted to the County School System. The remaining funds are dedicated to economic development supported capital and the payments for the retirement of the Lease Rental Revenue Bonds.

Debt Service Fund Balance was \$7,139,208 in FY06, increasing to \$8,925,003 (unaudited) at the beginning of FY10. During FY07, debt service fund balance increased due to budgeting for the anticipated new debt to cover the FY06 and FY07 Capital Budgets. This bond transaction was delayed until December 2006, thus requiring only one interest payment during FY07. Also in early 2007 the City refunded \$17.7M of the outstanding General Obligation Series 2001.

The Capital Fund Balance has fluctuated most during

the past few years. This is primarily due to the City's 21st Century Waterfront capital plan, which was substantially completed in FY07, also because city recorded \$46 million bond proceeds in FY09. Since FY06, the balance has almost tripled from \$11,482,674 to an unaudited \$32,923,230 at the beginning of FY10.

The growth of the Net Assets within the Enterprise Funds (excluding the Electric Power Board) has been most dramatic. Net Assets of \$251,386,948 in FY06 have increased to a FY09 unaudited balance of \$268,483,869. For more than fourteen years, the City was subject to federal mandates relative to water quality and landfill operations which necessitated the imposition of a water quality fee and increased landfill rates to fund such mandates. In FY06 there was no change in rate, but prior to that, there were increases in sewer rates from FY03 to FY05 ranging from 2.54% to 7.29%. In FY07 an increase of 15.5% was applied, and for FY08 and FY09 a 6% increase will be phased in at 3% in October and 3% in April of each respective year.

The Internal Service Fund Balance was \$1,977,404 in FY06. At the beginning of FY10, this fund is projected to have an unaudited Fund Balance of \$23,706,764. This change reflects the capital recovery portion of the Fleet Leasing Program, with the capital requirements for vehicle replacement factored into the current lease rate. This fund is not intended to generate profits.

The chart on the previous page plots the year-to-year changes in Fund Balances for the governmental fund types in the City of Chattanooga. The subsequent Fund Balance schedules are inclusive of all reported funds found in and outside of the budget ordinance, while the departmental sections present only funds which are accounted for in the budget ordinance.

City of Chattanooga, Tennessee

General Fund

Includes Designated General Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual on Budgetary Basis
 Years Ended June 30, 2007 - 2010

	FY06/07	FY07/08	Unaudited FY08/09	Budget FY09/10
FUND BALANCE at beginning of year	<u>56,042,709</u>	<u>55,130,348</u>	<u>52,094,869</u>	<u>44,040,792</u>
Revenues				
Taxes	102,315,279	105,484,765	108,304,069	109,542,826
Licenses and permits	4,754,390	4,633,755	4,435,320	3,271,175
Intergovernmental Revenues	59,519,871	61,140,654	69,534,820	62,828,693
Charges for Services	4,478,508	4,929,419	5,016,133	4,202,543
Fines, forfeitures and penalties	1,424,431	2,493,879	2,835,260	2,851,100
Interest Income	4,531,197	3,936,266	1,606,176	500,000
Sale of Property	578,639	97,766	4,278	80,000
Prior Year Surplus	0	0	0	0
Miscellaneous Revenues	<u>4,420,393</u>	<u>5,359,967</u>	<u>4,673,644</u>	<u>4,451,991</u>
Total Revenues	<u>\$182,022,708</u>	<u>\$188,076,471</u>	<u>\$196,409,700</u>	<u>\$187,728,328</u>
Expenditures				
General Government	39,110,283	38,730,111	51,274,341	47,527,307
Finance & Administration	3,587,822	3,899,805	3,798,207	4,026,513
Safety	69,072,377	72,346,019	72,440,836	68,894,390
Public Works	29,092,374	30,373,073	32,664,046	30,455,225
Parks & Recreation	12,620,316	14,296,456	14,355,411	13,451,491
Education, Arts, & Culture	<u>2,115,102</u>	<u>2,320,848</u>	<u>2,131,337</u>	<u>2,289,075</u>
Total Expenditures	<u>\$155,598,274</u>	<u>\$161,966,312</u>	<u>\$176,664,178</u>	<u>\$166,644,001</u>
Excess (deficiency) of revenues over expenditures	26,424,434	26,110,159	19,745,522	21,084,326
Other Financing Sources (Uses)				
Operating transfers in	3,203,961	4,973,059	3,588,795	6,283,382
Operating transfers out	(26,875,456)	(30,380,092)	(27,537,395)	(23,516,708)
Operating transfers to component units	<u>(3,665,300)</u>	<u>(3,738,606)</u>	<u>(3,851,000)</u>	<u>(3,851,000)</u>
Total other financing sources (uses)	<u>(27,336,795)</u>	<u>(29,145,639)</u>	<u>(27,799,600)</u>	<u>(21,084,326)</u>
Excess (deficiency) of revenues and other financing sources over (under) expend	<u>(912,361)</u>	<u>(3,035,480)</u>	<u>(8,054,078)</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$55,130,348</u>	<u>\$52,094,869</u>	<u>\$44,040,792</u>	<u>\$44,040,792</u>

City of Chattanooga, Tennessee

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 2007 - 2010

	FY06/07	FY07/08	Unaudited FY08/09	Budget FY09/10
FUND BALANCE at beginning of year	10,168,369	10,497,924	11,176,061	8,662,908
Revenues				
Taxes	3,747,137	4,067,597	3,893,990	3,939,000
Intergovernmental Revenues	25,322,559	21,053,011	22,629,693	27,596,959
Charges for Services	281,572	298,345	286,727	236,641
Interest Income	256,980	282,975	138,529	119,614
Sale of Property	23,599	27,395	22,609	0
Prior Year Surplus	0	0	0	0
Miscellaneous Revenues	1,840,385	1,877,549	1,332,169	1,279,485
Total Revenues	<u>\$31,472,232</u>	<u>\$27,606,872</u>	<u>\$28,303,717</u>	<u>\$33,171,699</u>
Expenditures				
General Government	24,810,317	21,975,522	23,522,420	28,867,841
Finance and Administration	0	0	0	0
Safety	246,685	314,862	175,993	362,000
Public Works	4,527,265	4,836,014	4,521,953	3,985,115
Capital Outlay/Fixed Assets	622,515	1,122,379	401,015	0
Total Expenditures	<u>\$30,206,782</u>	<u>\$28,248,777</u>	<u>\$28,621,381</u>	<u>\$33,214,956</u>
Excess (deficiency) of revenues over expenditures	1,265,450	(641,905)	(317,664)	(43,257)
Other Financing Sources (Uses)				
Operating transfers in	3,821,137	3,825,137	3,873,477	3,873,477
Operating transfers out	(4,757,032)	(7,081,095)	(6,068,966)	(3,830,220)
Proceeds of bonds and notes	0	4,576,000	0	0
Total other financing sources (uses)	<u>(935,895)</u>	<u>1,320,042</u>	<u>(2,195,489)</u>	<u>43,257</u>
Net change in Fund Balance	<u>329,555</u>	<u>678,137</u>	<u>(2,513,153)</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$10,497,924</u>	<u>\$11,176,061</u>	<u>\$8,662,908</u>	<u>\$8,662,908</u>

City of Chattanooga, Tennessee

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Years Ended June 30, 2007 - 2010

	FY06/07	FY07/08	Unaudited FY08/09	Budget FY09/10
FUND BALANCE at beginning of year	<u>7,139,208</u>	<u>8,871,565</u>	<u>8,925,003</u>	<u>8,925,003</u>
Revenues				
Intergovernmental funds	1,360,442	1,269,740	1,286,950	1,136,613
Other	230,059	230,476	367	200,000
Total Revenues	<u>1,590,501</u>	<u>1,500,216</u>	<u>1,287,317</u>	<u>1,336,613</u>
Expenditures				
Principal retirement	8,453,319	10,839,021	9,591,680	12,482,331
Interest	6,744,094	6,873,641	6,263,053	8,867,312
Fiscal agent fees	89,916	100,088	70,000	100,000
Total Expenditures	<u>15,287,329</u>	<u>17,812,750</u>	<u>15,924,733</u>	<u>21,449,643</u>
Excess (deficiency) of revenues over expenditures	<u>(13,696,828)</u>	<u>(16,312,534)</u>	<u>(14,637,416)</u>	<u>(20,113,030)</u>
Other Financing Sources (Uses)				
Operating transfers in	15,429,185	16,365,972	14,637,416	20,113,030
Total other financing sources (uses)	<u>15,429,185</u>	<u>16,365,972</u>	<u>14,637,416</u>	<u>20,113,030</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>1,732,357</u>	<u>53,438</u>	<u>0</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$8,871,565</u>	<u>\$8,925,003</u>	<u>\$8,925,003</u>	<u>\$8,925,003</u>

City of Chattanooga, Tennessee

Capital Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Years Ended June 30, 2007 - 2010

	FY06/07	FY07/08	Unaudited FY08/09	Budget FY09/10
FUND BALANCE at beginning of year	<u>11,482,674</u>	<u>20,161,801</u>	<u>16,995,039</u>	<u>32,923,230</u>
Revenues				
Intergovernmental Revenues	1,565,984	146,722	1,565,325	5,755,442
Charges for services	0	0	0	0
Interest Income	705,325	422,938	350,452	0
Contributions and Donations	449,600	2,351,045	0	0
Sale of Property	0	0	132,546	0
Miscellaneous Revenues	780,513	1,156,402	393,871	3,000,000
Total Revenues	<u>\$3,501,422</u>	<u>\$4,077,107</u>	<u>\$2,442,194</u>	<u>\$8,755,442</u>
Expenditures				
General Government	4,810,960	3,549,006	4,782,290	8,846,850
Finance & Administration	10,559,470	4,494,607	5,077,107	0
Safety	1,554,407	801,214	3,867,967	5,212,100
Public Works	11,050,777	5,259,559	16,319,603	20,628,603
Parks & Recreation	2,181,215	8,913,988	10,630,645	700,000
Education, Arts, & Culture	168,126	193,416	400,531	0
General Services	63,267	0	0	0
Capital outlay/fixed assets	801,080	52,975	1,049,623	12,277,968
Total Expenditures	<u>\$31,189,302</u>	<u>\$23,264,765</u>	<u>\$42,127,766</u>	<u>\$47,665,521</u>
Excess (deficiency) of revenues over expenditures	<u>(27,687,880)</u>	<u>(19,187,658)</u>	<u>(39,685,572)</u>	<u>(38,910,079)</u>
Other Financing Sources (Uses)				
Operating transfers in	15,420,488	15,829,203	9,550,712	25,359,129
Operating transfers out	(9,271,613)	(3,677,942)	(353,043)	0
Bond/Note Proceeds	45,124,480	3,869,635	46,416,094	13,550,950
Refund Bond Escrow Agent	(14,906,348)	0	0	0
Total other financing sources (uses)	<u>36,367,007</u>	<u>16,020,896</u>	<u>55,613,763</u>	<u>38,910,079</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>8,679,127</u>	<u>(3,166,762)</u>	<u>15,928,191</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$20,161,801</u>	<u>\$16,995,039</u>	<u>\$32,923,230</u>	<u>\$32,923,230</u>

City of Chattanooga, Tennessee

Fiduciary Funds

Statement of Changes in Fiduciary Net Assets Years Ended June 30, 2007 - 2010

	<u>FY06/07</u>	<u>FY07/08</u>	<u>Unaudited FY08/09</u>	<u>Budget FY09/10</u>
ADDITIONS				
Interest Income	380,006	(66,636)	(614,679)	(164,721)
Miscellaneous	<u>2,011,043</u>	<u>2,500,643</u>	<u>850,358</u>	<u>850,358</u>
Total Additions	2,391,049	2,434,007	235,679	685,637
DEDUCTIONS				
Finance & Administration	13,426	0	0	0
General Government	<u>73,358</u>	<u>96,782</u>	<u>101,682</u>	<u>71,870</u>
Total Deductions	86,784	96,782	101,682	71,870
CHANGES IN NET ASSETS	2,304,265	2,337,225	133,997	613,767
NET ASSETS at Beginning of Year	<u>3,288,814</u>	<u>5,593,079</u>	<u>7,930,304</u>	<u>8,064,301</u>
NET ASSETS at End of Year	<u><u>\$5,593,079</u></u>	<u><u>\$7,930,304</u></u>	<u><u>\$8,064,301</u></u>	<u><u>\$8,678,068</u></u>

Fiduciary funds reflect the three medal funds: Chattanooga High School, Ochs-Oakes Fire and Police, and Ochs-Oakes High School. Library Endowment Fund added to Fiduciary Funds beginning in the fiscal year ending June 30, 2005. OPEB Trust Fund added in FY07

City of Chattanooga, Tennessee

Enterprise Fund

Combining Statement of Revenues, Expenses and
Changes in Net Assets
Years Ended June 30, 2007 - 2010

	FY06/07	FY07/08	Unaudited FY08/09	Budget FY09/10
OPERATING REVENUES				
Customer Charges	51,088,712	54,023,383	57,224,233	65,869,629
Other	72,668	189,973	191,575	25,000
Total Revenues	<u>51,161,380</u>	<u>54,213,356</u>	<u>57,415,808</u>	<u>65,894,629</u>
OPERATING EXPENSES				
Sewer Plant Operation	21,034,136	23,839,656	26,476,148	39,303,195
Solid Waste Operation	2,858,717	2,836,263	2,737,807	3,307,228
Water Quality Management Operation	3,035,190	3,408,004	3,990,248	3,422,211
Depreciation and Amortization	11,637,145	11,511,129	11,743,946	14,430,000
Closure/Postclosure Costs	318,383	220,391	(186,674)	0
Other/Housing	835,587	715,753	660,023	1,025,000
Total Operating Expenses	<u>39,719,158</u>	<u>42,531,196</u>	<u>45,421,498</u>	<u>61,487,634</u>
OPERATING INCOME (LOSS)	<u>11,442,222</u>	<u>11,682,160</u>	<u>11,994,310</u>	<u>4,406,995</u>
NONOPERATING REVENUES (EXPENSES)				
Investment Income	2,535,647	2,265,845	1,200,904	584,053
Interest Expense	(6,844,637)	(6,363,321)	(5,843,846)	(5,500,000)
Intergovernmental	513,081	444,623	0	125,000
Other Income (expense)	60,477	372,180	0	0
Net Gain on Sale of Property	0	0	0	0
Total Nonoperating Rev. (Exp.)	<u>(3,735,432)</u>	<u>(3,280,673)</u>	<u>(4,642,942)</u>	<u>(4,790,947)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND SPECIAL ITEM	<u>7,706,790</u>	<u>8,401,487</u>	<u>7,351,368</u>	<u>(383,952)</u>
Capital Contributions	0	0	194,551	0
Operating Transfers In	11,913,836	683,952	712,002	683,952
Operating Transfers Out	(10,073,085)	(1,536,059)	(14,000)	0
NET INCOME (LOSS) BEFORE EXTRAORDINARY LOSS	<u>9,547,541</u>	<u>7,549,380</u>	<u>8,243,921</u>	<u>300,000</u>
NET INCOME (LOSS)	<u>9,547,541</u>	<u>7,549,380</u>	<u>8,243,921</u>	<u>300,000</u>
NET ASSETS - Beginning	<u>251,386,948</u>	<u>260,934,489</u>	<u>268,483,869</u>	<u>276,727,790</u>
NET ASSETS - Ending	<u>\$260,934,489</u>	<u>\$268,483,869</u>	<u>\$276,727,790</u>	<u>\$277,027,790</u>

City of Chattanooga, Tennessee

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Assets
Years Ended June 30, 2007 - 2010

	<u>FY06/07</u>	<u>FY07/08</u>	<u>Unaudited FY08/09</u>	<u>Budget FY09/10</u>
OPERATING REVENUES				
Billings to Departments	11,837,584	34,037,262	15,019,833	11,617,850
Other	920,717	6,044,489	537,682	10,000
Intergovernmental Revenue	0	0	354,351	0
Misc Revenue	0	0	27,333,054	28,107,358
Prior Year surplus	0	0	0	6,225,000
Total Operating Revenues	<u>\$12,758,301</u>	<u>\$40,081,751</u>	<u>\$43,244,920</u>	<u>\$45,960,208</u>
OPERATING EXPENSES				
Repairs & Maintenance - Amnicola	3,265,652	3,486,424	3,089,636	3,233,323
Repairs & Maintenance - 12th St	2,959,097	3,021,137	3,149,318	2,924,360
Operations - Amnicola	969,207	1,261,626	952,126	1,309,055
Operations - 12th St	2,049,650	2,659,694	2,279,298	2,650,901
Fleet Leasing Capital Recovery	327,856	11,797	(66,741)	5,054,817
Fleet Leasing Operations	51,590	1,290,182	728,543	955,394
Judgments & Costs	1,828,847	463,350	1,754,604	4,025,000
Water System	0	0	0	0
Claims & Tort Liabilities	114,443	161,390	287,364	0
Special Counsel	156,008	93,767	25,981	0
TAWC Rate Hearing	0	0	246,772	0
Employee Healthcare	0	22,417,694	23,630,808	24,125,875
Pensioner Healthcare	0	660,414	424,458	442,036
On Site Clinic & Wellness	0	1,777,772	2,104,382	3,539,447
Total Operating Expenses	<u>\$11,722,350</u>	<u>\$37,305,247</u>	<u>\$38,606,549</u>	<u>\$48,260,208</u>
OPERATING INCOME (LOSS)	<u>1,035,951</u>	<u>2,776,504</u>	<u>4,638,371</u>	<u>(2,300,000)</u>
TRANSFERS IN	4,330,298	4,309,865	4,638,371	2,300,000
TRANSFERS OUT	0	0	0	0
CHANGES IN NET ASSETS	<u>5,366,249</u>	<u>7,086,369</u>	<u>9,276,742</u>	<u>0</u>
Net Assets, beginning of year	<u>1,977,404</u>	<u>7,343,653</u>	<u>14,430,022</u>	<u>23,706,764</u>
Net Assets, ending of year	<u>\$7,343,653</u>	<u>\$14,430,022</u>	<u>\$23,706,764</u>	<u>\$23,706,764</u>



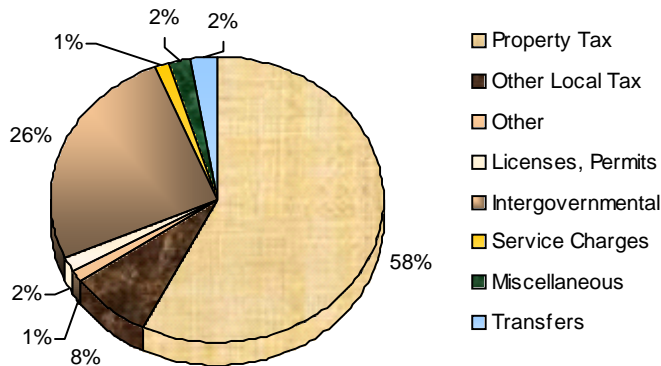
Undesignated General Fund

Fund Structure

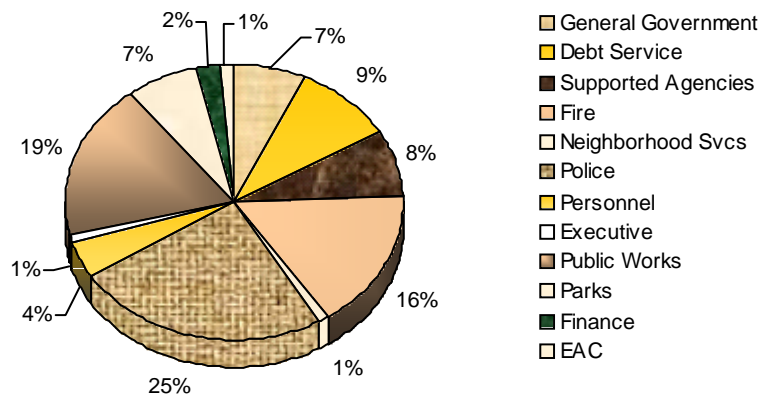
The Undesignated General Fund accounts for all financial resources applicable to the general operations of city government which are not accounted for in another fund. This fund is the only unrestricted fund of a government unit. The basis of budgeting is modified accrual. Undesignated general fund operations budget is \$167,535,000. The charts on this page relate to the undesignated general fund operations. In FY 2010, the budgeted revenues and expenses for all reported General Fund is \$194,011,710, including designated general government operations totaling \$26,476,710. The largest is the Economic Development Fund with a budget of \$10,400,000.

The major revenues of the general fund include: property taxes; other local taxes; licenses and permits; fines, forfeitures, and penalties; investment income; revenue from other agencies; and services charges. Departments of the General Fund include:

Undesignated Revenues 2010
\$167,535,000



Undesignated Appropriations 2010
\$167,535,000



Fund Revenue Summary
 Fiscal Years ending June 30, 2007 thru 2010
 (expressed in \$1,000)

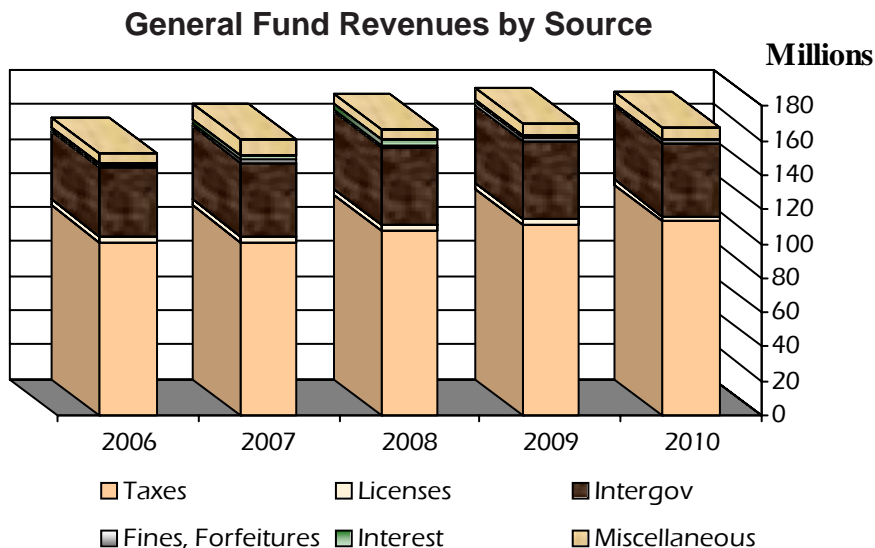
Fund Type	Actual FY06/07	Actual FY07/08	Budget FY08/09	Budget FY09/10	Budget 10 Increase (Decrease)	% Change FY09/10
Undesignated General Fund:						
Property Taxes	90,182	92,090	93,828	95,805	1,977	2.11%
Other Local Taxes	12,134	13,394	13,210	13,738	528	4.00%
Licenses, Permits, Etc.	4,317	3,422	3,444	2,625	(819)	-23.78%
Fines, Forfeitures & Penalties	1,424	1,673	1,615	1,551	(64)	-3.96%
Investment Income	4,827	3,669	1,705	580	(1,125)	-65.98%
Revenue from Other Agencies	45,337	47,297	45,742	42,817	(2,925)	-6.39%
Service Charges	2,316	2,615	2,496	2,296	(200)	-8.01%
Miscellaneous Revenues	4,035	4,410	4,561	3,948	(613)	-13.44%
Transfers In	3,143	4,944	3,469	4,175	706	N/A
Revenue From Fund Balance	-	-	7,542	-	(7,542)	N/A
<i>Total General Fund</i>	<u>167,715</u>	<u>173,514</u>	<u>177,612</u>	<u>(1) 167,535</u>	<u>(10,077)</u>	<u>-5.67%</u>

(1) Amount excludes amendment for capital appropriations of \$8,761,261 for FY10.

Revenues

The proposed Budget for FY 2010 shows a decrease of \$10,076,9401 or 5.7%. The decrease is due to the exclusion of the FY10 Proposed capital amendment. When compared to FY09 excluding capital, there is a lower decrease of \$2,535,000 or 1.5%. The decrease can be largely attributed to decreased sales tax revenues. Current County wide Sales Tax is estimated to decrease \$1,649,319 or 6.1%, State Sales Tax is estimated to decrease \$1,137,590 or 9.9%. Property Taxes are expected to increase by \$1,977,605 or 2.1%, and Franchise Taxes are expected to increase \$57,200 or 2.62% for the City in FY 2010.

The chart shows the General Fund Revenues by Source for the fiscal years 2006 thru 2010.



Property Taxes

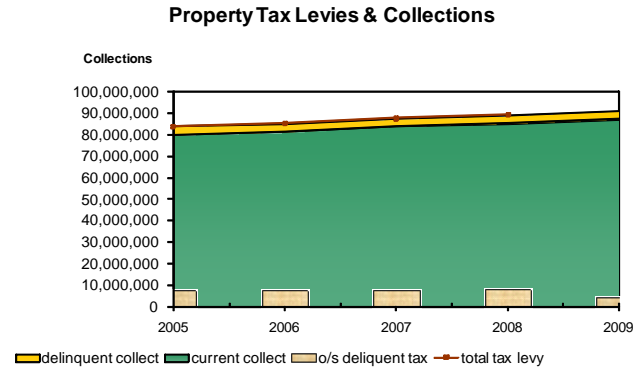
FY 2010 Estimate: **\$95,805,126**
% of General Fund: **57.19%**
Growth From FY 09: **1,977,605**
% Change: **2.1%**

Current Real Property Taxes remain the primary source of funds for the City of Chattanooga, with the FY 2010 estimate of \$88,604,177 representing 52.89% of the total undesignated General Fund Budget. All property tax estimates inclusive of delinquencies and in lieu of tax payments total \$98,805,126 or 57.19% of the total undesignated General Fund budget. The current tax rate is \$1.939 per \$100.00 of the assessed valuation. This is considerably less than the 1995 rate of \$2.98, and is the lowest tax rate in nearly 50 years. Revenues generated in 1996 with a \$2.98 tax rate amounted to \$65,915,783 while the estimate for FY 2010 is \$88,604,177, an increase of \$22,688,394, or 33.4%. Assessments for 1995 were \$2,198,869,948. This figure has risen to \$3,945,010,317 in 2009, an increase of \$1,746,140,369 or 79.41% in the last 14 years. Based on the City's economic climate, this trend is expected to continue.

Commercial and industrial property is assessed at 40%, while residential property and farms are assessed at 25% of the appraised value. Personal property is assessed at 30% of the appraised value. The Public Utilities assessments are made by the State of Tennessee for all counties and cities in the state.

The property taxes levied on taxable assessed valuation in the City are billed by the City on October 1st of each year and are due without penalty by the last day of February of the following year. Effective August 1, 2003 taxes not paid by the due date shall bear interest at twelve percent (12%) per annum, and a penalty of six percent (6%) per annum, plus other penalties as provided by law, which shall be paid by the taxpayer except for taxpayers receiving tax relief under T.C.A. Sections 67-5-702 through 67-5-705. If a tax bill continues to be unpaid through June of such following year, it is turned over to a Delinquent Tax Attorney to be filed in the Clerk and Master's office of Chancery Court on July 1 of such year for collection. An additional fee of 10% is charged representing a 5% attorney's collection fee and a 5% City General Fund fee. Property is subject to a tax sale once taxes are delinquent for three years.

Below is a graphical outlook of Property Tax Levies and Collections for the last five years. Not included in the totals are payment in lieu of taxes (PILOT) received from the EPB and certain other entities within the City.



Pursuant to Tennessee Code Annotated 5-52-301 to 7-52-310, known as the Municipal Electric System Tax Equivalent Law of 1987, the minimum levy for the EPB is \$2,296,692, according to a new formula specified in the 1987 Law based on a revenue floor of \$5,635,434. This revenue floor was exceeded in fiscal year 1994, resulting in a calculation which generated less PILOT collection for the City. The estimate to be received from Electric Power Board for FY 2010 is \$3,759,893 or 8.39% over FY09. The Telecommunication in lieu of tax due from the EPB is \$42,417, a 12.67% increase over FY09. The EPB PILOT was reclassified in FY06 to a transfer in to properly reflect EPB's status as a city owned entity.

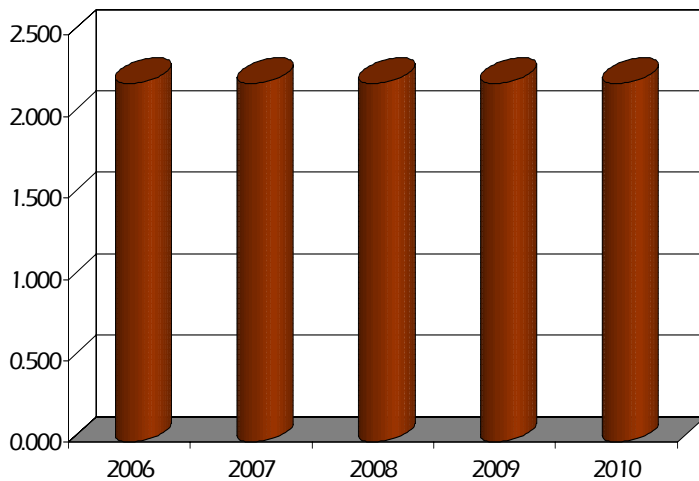
Tax rates per \$100 of assessed valuation during this period were as follows:

Fiscal Year	Tax Rate	Event
93/1994	2.62	
94/1995	2.98	City Tax Increase
95/1996	2.98	
96/1997	2.70	Property Reappraisal
97/1998	2.31	City Tax Decrease
98/1999	2.31	
99/2000	2.31	
00/2001	2.31	
01/2002	2.516	City Tax Increase
02/2003	2.516	
03/2004	2.516	
04/2005	2.516	
05/2006	2.202	Property Reappraisal
06/2007	2.202	
07/2008	2.202	
08/2009	2.202	
09/2010	1.939	Property Reappraisal

The 1995 increase in tax rates from \$2.62 to \$2.98 was the first tax increase imposed by the City since 1987 and was imposed primarily to provide funds for capital purposes. In FY02, a reappraisal year, the new certified tax rate was \$2036. A property tax increase of \$0.48 was approved increasing the rate to \$2.516. After the reappraisal in FY06, the tax rate was decreased to \$2.202. FY10 was a reappraisal year resulting in a decrease to \$1.939. A one penny increase produces additional income of \$457,060. Current City policy for budgeting is to estimate collections at 95% of the property tax levy.

Payments In Lieu of Taxes. Through a series of tax incentives and agreements the City receives sizeable in lieu of tax payments each year. Companies paying in lieu of taxes include Tennessee Valley Authority, Regis Corporation, American Plastics Inc, Signal Mountain Cement, Kenco Group, Blue Cross Blue Shield, US Express, and Custom Baking Co. The collection of in lieu of taxes accounts for \$2,690,949, or 1.61% of the operating budget in FY10.

Property Tax Rates
(per \$100 of Assessed Valuation)



Other Local Taxes:

FY 2010 Estimate:	\$13,737,700
% of General Fund:	8.20%
Growth From FY 09:	527,493
% Change:	4.0%

Gross Receipts Taxes

FY 2010 Estimate:	\$4,005,000
% of General Fund:	2.39%
Decline From FY 09:	(15,607)
% Change:	-0.4%

Even though Gross Receipts Taxes are a steady source in the General Fund, they represent only 2.39% of total collections each year. The trend over the past five years shows the annual growth of this collection has varied considerably, as shown in the chart. There was a steady upward trend from FY 05 thru FY09. The economic downturn in FY 09 is expected to produce a decrease in growth for FY10.

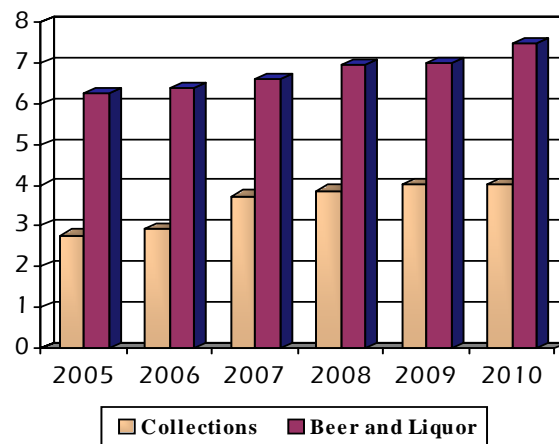
Beer & Liquor Taxes

FY 2010 Estimate:	\$7,486,800
% of General Fund:	4.28%
Increase From FY 09:	486,800
% Change:	7.0%

Beer & Liquor Taxes make up the bulk of Other Local Taxes. They represent 4.28% of total collections each year. The trend over the past five years shows the annual growth of this collection has been steady despite economic downturns in other areas.

Other Local Taxes

Millions



Licenses & Permits:

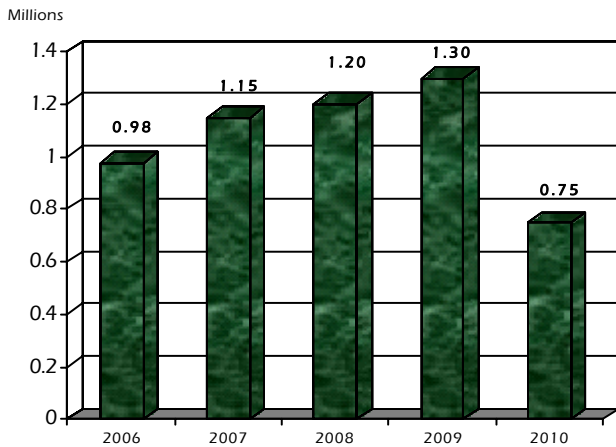
FY 2010 Estimate:	\$2,624,700
% of General Fund:	1.57%
Decline From FY 09:	(819,100)
% Change:	-23.8%

Building Permits

FY 2010 Estimate :	\$7,500,000
% of General Fund:	0.45%
Growth from FY 09:	(550,000)
% Change:	-42.3%

Building Permits are the single greatest revenue generator in the category of Licenses & Permits. As shown in the chart below, revenue budgets for Building Permits have increased over 30% thru 2009, reflecting the strength of the housing market over that period of time. The economic events of FY09 have significantly hurt the housing market resulting in a drop in building and other construction permits.

Building Permits



One major decrease compared to prior years is in FY 08 when the City contracted with the Chattanooga Area Regional Transit Authority to manage and maintain the parking meters located in the city. With the agreement the city transferred about \$450,000 in operating revenue while also decreasing operating costs such as meter parts and vehicle cost. The employees previously assigned parking meter tasks were reassigned to other duties within the Public Works department.

Revenue from Other Agencies:

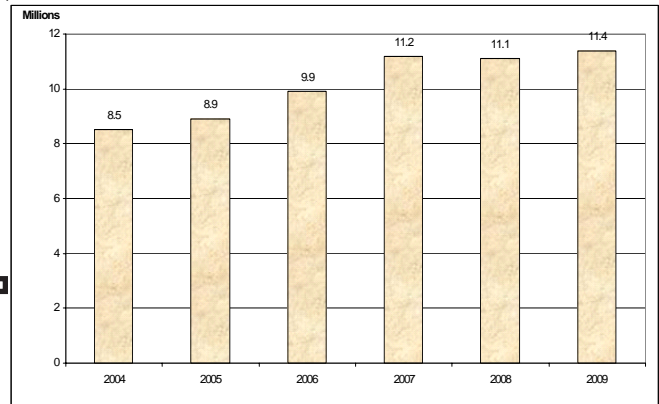
FY 2010 Estimate:	\$42,817,230
% of General Fund:	25.56%
Decline From FY 09:	(3,041,972)
% Change:	-6.6%

City Allocation State Sales Tax

FY 2010 Estimate:	\$10,300,000
% of General Fund :	6.15%
Decline From FY 09:	(1,137,590)
% Change:	-9.9%

The State of Tennessee imposes a 7% tax on sales. Under TCA 67-6-103(3)(A), 5.5% to 5.75% is returned to all municipalities. This distribution is based on a population figure from the latest certified census. The City of Chattanooga has a certified population of 169,884 and its per capita allocation from state sales tax for Fiscal Year 2009 was \$72.22. In 2010 the per capita allocation is \$64.44. Allocations decreased in FY04 due to a 9% cut to local governments to balance the state budget. This cut was returned to local governments: 50% in each of fiscal years 2006 and 2007. The State Sales Tax is expected to decrease by 9.9% or \$1,137,590 in FY 2010. This suggests that the economy has weakened and that more consumers are cutting back on their purchases of goods and services.

State Sales Tax



Revenues from Other Agencies

County-Wide Sales Taxes

FY 2010 Estimate :	\$25,600,000
% of General Fund:	15.28%
Decline From FY 09:	(1,649,319)
% Change:	-6.1%

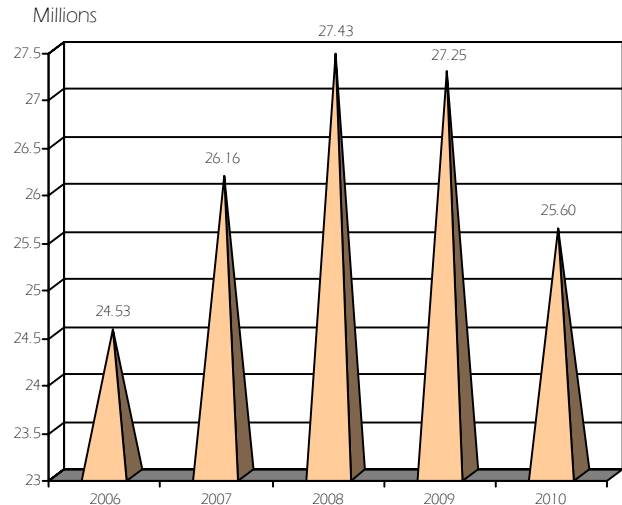
The County Wide Sales Tax, or Local Option Sales Tax, is another principal source of revenue for the City. In accordance with the 1993 Local Option Revenue Act Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended, the City and County have adopted a Local Option Sales Tax. The citizens of Hamilton County have adopted, by referendum, a county-wide sales tax of 2.25%.

The revenues from the county-wide sales tax are distributed pursuant to the provisions of the Act and other provisions of the Tennessee Code Annotated. Fifty percent of the revenues raised through a county wide sales tax are directed to education based upon the average daily attendance of each school system therein. The Economic Development Fund accounts for 1/2 cent of the sales tax collected.

From FY2005 thru FY2008 there was growth in County-Wide sales tax revenues. This was a reflection of the economic growth that has taken place in Hamilton County during that time period. Beginning in FY2009 there was a slight decline. In FY2010 there is an expected decline of 6.1% due to the current economic climate.

The County-wide sales tax represents 15.28% of the total General Fund revenues for FY 2010.

County-Wide Sales Tax



Undesignated General Fund Expenditure Summary
Fiscal Years ending June 30, 2007 thru 2010
(expressed in \$1,000)

Fund Type	Actual FY06/07	Actual FY07/08	Budget FY08/09	Budget FY 09/10	Budget 10 INC/(DEC)	% Change FY 09/10
General Fund						
General Government (1)	45,647	47,654	44,301	40,589	(3,712)	-8.38%
Department of Finance & Administration	3,488	3,836	4,077	3,874	(203)	-4.97%
Department of Police	41,023	43,456	43,283	40,833	(2,450)	-5.66%
Department of Fire	25,970	27,942	28,535	27,436	(1,099)	-3.85%
Department of Public Works	29,769	30,924	33,075	30,430	(2,645)	-8.00%
Department of Parks & Recreation	10,850	11,805	11,524	11,589	65	0.57%
Department of Personnel	5,808	6,684	6,746	7,048	302	4.47%
Department of Neighborhood Services	1,831	1,979	2,008	1,870	(138)	-6.87%
Executive Branch	1,643	1,428	1,715	1,580	(135)	-7.87%
Department of Education, Arts, & Culture	2,146	2,279	2,348	2,286	(62)	-2.64%
<i>Total General Fund (1)</i>	<u>168,175</u>	<u>165,929</u>	<u>177,612</u>	<u>167,535</u>	<u>(10,077)</u>	<u>-5.67%</u>

(1) Amount excludes amendment for capital appropriation of \$8,761,261 for FY10.

Expenses

General Government

FY 2010 Appropriation: \$40,588,770
% of General Fund: 24.23%
Increase From FY 09: \$3,711,762
% Change: 8.38%

General Government is the area where all appropriations to other funds, joint-funded and outside agencies are accounted for. These appropriations can vary from year to year based on outside agency requests or decisions reached during the joint budget hearings with the County Commission. General Services had 6 frozen positions valued at \$234,434. The reason for the increase is the appropriation to the Debt Service Fund. Major appropriations in the General Government area year-to-year are:

CARTA Subsidy

FY 2010 Appropriation: \$3,851,000
% of General Fund: 2.30%
Growth From FY 09: -0-
% Change: 0%

The City finances part of the Chattanooga Area Regional Transportation Authority's operating cost. The CARTA appropriation of \$3,851,000 enables CARTA to provide additional services to those citizens using bus service as their only means of transportation to work, school, shopping and other activities.

Chattanooga-Hamilton County Bicentennial Library

FY 2010 Appropriation: \$2,640,000
% of General Fund: 1.58%
Growth From FY 09: -0-
% Change: 0%

The City, along with the County, funds the cost of the public library system.

Chattanooga Neighborhood Enterprises

FY 2010 Appropriation: \$900,000
% of General Fund: 0.54%
Decline From FY 09: (100,000)
% Change: -10.00%

This is an ongoing appropriation for efforts to upgrade housing in Chattanooga.

Debt Service Fund

FY 2010 Appropriation: \$15,906,307
% of General Fund: 9.49%
Growth From FY 09: 3,739,851
% Change: 30.74%

Funds are provided for appropriation to the Debt Service Fund for payment of current interest and principal on the City's outstanding General Fund debt.

Renewal & Replacement

FY 2010 Appropriation: \$500,000
% of General Fund: 0.30%
Decline From FY 09: (200,000)
% Change: -28.57%

Funds are provided here to be distributed to various departments for use in replacing equipment.

Tennessee Riverpark

FY 2010 Appropriation: \$1,219,775
% of General Fund: 0.73%
Decline From FY 09: (38,857)
% Change: -3.09%

These funds are submitted to Hamilton County to cover the City's one half share of the operating costs of the Tennessee Riverpark.

Department of Finance & Administration

FY 2010 Appropriation : \$3,874,300
% of General Fund: 2.31%
Decline From FY 09: (202,450)
% Change: -4.97%

This department oversees all aspects of the City's financial program. The major expenses for this department are personnel costs, and the primary factor behind the decline in FY10 is the freezing of vacant positions and reduction in hours for part-time positions.

Department of Police

FY 2010 Appropriation : \$40,832,862
% of General Fund: 24.37%
Decline From FY 09: (2,450,677)
% Change: -5.66%

In FY10, due to the reduction in resources the department froze all vacancy positions and consolidated three satellite precincts (Eastgate, Southside, and Downtown) in an effort to reduce cost without sacrificing quality of services to the citizens.

Department of Fire

FY 2010 Appropriation: \$27,435,824
% of General Fund: 16.38%
Decline From FY 09: (1,099,172)
% Change: -3.85%

Due the FY10 reduction in appropriations, the Fire Department delayed the start of an academy for 3 months during FY2010 and postponed a second academy until FY2011. These cost saving measures have been implemented while continuing to provide exceptional Fire protection services to the citizens of Chattanooga.

Department of Public Works

FY 2010 Appropriation: \$30,430,100
% of General Fund: 18.16%
Decline from FY 09: (2,644,517)
% Change: -8.00%

The Department of Public Works General Fund decrease in FY10 appropriations represent 23 frozen, 5 deleted, and 2 transferred positions in efforts to reduce cost. Water quality added 5 positions. Also a significant decrease in Solid Waste Subsidy of \$534,785.

Department of Parks & Recreation

FY 2010 Appropriation : \$11,589,464
% of General Fund: 6.92%
Growth From FY 09: 65,731
% Change: 0.57%

The overall increase in the budget from FY09 reflects

an increase in salary and benefits to expand parks & recreation programs and and addition of Summit of Softball Complex.

Department of Personnel

FY 2010 Appropriation: \$7,047,622
% of General Fund : 4.21%
Growth From FY 09: 301,655
% Change: 4.47%

The increase in appropriations in FY10 is primarily attributable to increase in health insurance.

Department of Neighborhood Services

FY 2010 Appropriation : \$1,870,020
% of General Fund: 1.12%
Decline From FY 09: (138,393)
% Change: -6.89%

During FY10, the department discontinued the City's contribution to the VITA program and printing the Neighborhood Common Ground Newsletter. The newsletter can still be received electronically and viewed on the City's website.

Executive Branch

FY 2010 Appropriation: \$1,580,113
% of General Fund: 0.94%
Decline From FY 09: (135,399)
% Change: -7.89%

The Executive Branch consists of functions under direct control of the Mayor. This branch includes the Mayor's Office, Multicultural Affairs, and the Office of Faith Based Initiatives. The FY10 reduction is primarily due to a decrease in positions.

Education, Arts, & Culture

FY 2010 Appropriation: \$2,285,926
% of General Fund: 1.36%
Decline From FY 09: (61,956)
% Change: -2.64%

The FY10 decrease is attributed to a decrease in productions due to economic conditions. EAC had 1 frozen position valued at \$33,598.

Undesignated General Fund Revenues

Fiscal Years 2007-2010

Revenue Source	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget '10 INC/(DEC)	%	
						Change FY 09/10	% OF TOTAL
Property Taxes:							
Current Property Taxes	83,711,108	85,456,826	87,100,000	88,604,177	1,504,177	1.7%	52.89%
Interest & Penalty - Current Year	127,624	103,301	120,000	100,000	(20,000)	-16.7%	0.06%
Interest & Penalty - Prior Year	683,641	681,400	650,000	650,000	0	0.0%	0.39%
Prior Year Property Taxes	3,287,061	3,388,359	3,400,000	3,400,000	0	0.0%	2.03%
City Fee- Collection of Delinquent Taxes	138,455	179,589	178,000	160,000	(18,000)	-10.1%	0.10%
Corporate Excise Tax-State	247,210	242,690	225,000	200,000	(25,000)	-11.1%	0.12%
Payments In Lieu of Taxes	1,986,612	2,038,328	2,154,521	2,690,949	536,428	24.9%	1.61%
Total Property Tax	\$90,181,711	\$92,090,493	\$93,827,521	\$95,805,126	1,977,605	2.1%	57.19%
Other Local Taxes:							
Franchise Taxes-Chatt Gas	245,016	287,945	290,000	292,000	2,000	0.7%	0.17%
Franchise Taxes-Century Tel	23,982	24,955	25,000	32,200	7,200	28.8%	0.02%
Franchise Taxes - CCTV	1,496,436	2,194,304	1,870,000	1,918,000	48,000	2.6%	1.14%
Liquor Taxes	1,748,194	1,860,775	1,900,000	1,978,800	78,800	4.1%	1.18%
Beer Taxes	4,840,524	5,090,283	5,100,000	5,508,000	408,000	8.0%	3.29%
Gross Receipts Tax	3,773,167	3,931,405	4,020,607	4,005,000	(15,607)	-0.4%	2.39%
Local Litigation Taxes	6,247	4,605	4,600	3,700	(900)	-19.6%	0.00%
Total Other Local Taxes	\$12,133,566	\$13,394,272	\$13,210,207	\$13,737,700	527,493	4.0%	8.20%
Licenses & Permits.:							
Motor Vehicle License	379,230	346,400	380,000	380,000	0	0.0%	0.23%
Parking Meters	482,922	0	0	0	0	N/A	0.00%
Business License excluding Liquor	152,025	153,130	150,000	150,000	0	0.0%	0.09%
Building Permits	1,637,523	1,692,772	1,300,000	750,000	(550,000)	-42.3%	0.45%
Other Licenses, Permits, Fees	1,665,560	1,229,616	1,613,800	1,344,700	(269,100)	-16.7%	0.80%
Total Licenses & Permits	\$4,317,260	\$3,421,918	\$3,443,800	\$2,624,700	(819,100)	-23.8%	1.57%
Fines, Forfeitures, & Penalties:							
City Court Fines	541,849	756,188	715,000	738,000	23,000	3.2%	0.44%
Criminal Court Fines	209,890	187,690	200,000	140,000	(60,000)	-30.0%	0.08%
Parking Ticket Fines	660,207	724,551	695,000	670,000	(25,000)	-3.6%	0.40%
Other Fines Forfeitures, & Penalties	12,486	4,721	4,600	3,100	(1,500)	-32.6%	0.00%
Total Fines, Forfeitures, & Penalties	\$1,424,432	\$1,673,150	\$1,614,600	\$1,551,100	(63,500)	-3.9%	0.93%
Investment Income:							
Interest on Investments	4,248,388	3,620,972	1,625,000	500,000	(1,125,000)	-69.2%	0.30%
Sale of Property	578,640	47,988	80,000	80,000	0	0.0%	0.05%
Total Investment Income	\$4,827,028	\$3,668,960	\$1,705,000	\$580,000	(1,125,000)	-66.0%	0.35%

Continued on Next Page

Undesignated General Fund Revenues

Fiscal Years 2007-2010

Revenue Source	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	#REF! INC/(DEC)	%	
						CHANGE FY 09/10	% OF TOTAL
Revenue From Other Agencies:							
County wide Sales Tax - General Fu	26,154,704	26,604,258	27,249,319	25,600,000	(1,649,319)	-6.1%	15.28%
State Beer Tax	83,504	85,085	87,355	89,000	1,645	1.9%	0.05%
Hall Income Tax	4,125,590	4,909,130	2,700,000	2,500,000	(200,000)	-7.4%	1.49%
State Sales Tax	11,180,175	11,185,750	11,437,590	10,300,000	(1,137,590)	-9.9%	6.15%
State Mixed Drink Tax	1,748,548	1,818,211	1,870,399	1,775,000	(95,399)	-5.1%	1.06%
State Gas Inspection Fees	343,002	339,382	340,000	230,000	(110,000)	-32.4%	0.14%
State Maintenance of Streets	218,917	370,195	350,000	340,000	(10,000)	-2.9%	0.20%
State Alcohol Beverage Tax	88,202	93,368	91,835	96,000	4,165	4.5%	0.06%
TEMA Flood Recovery	79,923	198,678	0	0	0	N/A	0.00%
State - Special Training Funds	416,187	469,800	469,800	469,800	0	0.0%	0.28%
State - Telecom Sales Tax	25,752	20,041	20,000	20,000	0	0.0%	0.01%
State- Misc Receipts	0	2,317	7,477	2,400	(5,077)	-67.9%	0.00%
Ham. County-Ross Landing Plaza	660,549	916,154	905,771	913,930	8,159	0.9%	0.55%
Ham. County-Radio & Electronics	200,211	217,501	170,614	170,000	(614)	-0.4%	0.10%
Miscellaneous	12,071	13,599	159,042	311,100	152,058	95.6%	0.19%
Ham. County - SWAT Reimburseme	0	53,865	0	0	0	N/A	0.00%
Total Revenue from Other Agencies	\$45,337,335	\$47,297,334	\$45,859,202	\$42,817,230	(3,041,972)	-6.6%	25.56%
Service Charges:							
City Court Cost	261,337	350,413	320,400	316,200	(4,200)	-1.3%	0.19%
Clerk's Fee	946,409	1,228,410	1,200,000	1,200,000	0	0.0%	0.72%
State Court Cost	2,726	2,102	2,000	2,000	0	0.0%	0.00%
Public Works - Services Charge	436,321	297,247	296,900	202,000	(94,900)	-32.0%	0.12%
PR - Services Charge	266,094	280,887	249,600	257,154	7,554	3.0%	0.15%
Police - Service Charge	122,650	120,854	118,000	116,800	(1,200)	-1.0%	0.07%
Other Charges for Services	279,977	334,821	309,400	202,400	(107,000)	-34.6%	0.12%
Total Service Charges	\$2,315,514	\$2,614,734	\$2,496,300	\$2,296,554	(199,746)	-8.0%	1.37%
Miscellaneous Revenues:							
Indirect Cost	2,485,866	2,485,866	2,585,866	2,585,866	0	0.0%	1.54%
Land & Bldg. Rents	90,283	201,909	225,000	150,000	(75,000)	-33.3%	0.09%
Dock Rental	12,275	26,887	25,000	35,000	10,000	40.0%	0.02%
Mem. Aud.- Rents, Conc., OT, BO	383,760	438,832	423,500	234,500	(189,000)	-44.6%	0.14%
Tivoli - Rents, Conc., OT, BO	255,820	295,154	294,000	203,500	(90,500)	-30.8%	0.12%
Coolidge Park Revenue	111,770	127,055	115,500	115,500	0	0.0%	0.07%
Other General Government Misc.	695,666	833,884	775,708	623,531	(152,177)	-19.6%	0.37%
Total Miscellaneous Revenues	\$4,035,440	\$4,409,587	\$4,444,574	\$3,947,897	(496,677)	-11.2%	2.36%
Transfers In	3,142,787	4,944,287	3,468,796	4,174,693	705,897	20.3%	2.49%
Revenue from Prior Year Surplus	0	0	7,541,940	0	(7,541,940)	-100.0%	0.00%
Grand Totals	\$167,715,073	\$173,514,735	\$177,611,940	\$167,535,000	(\$10,076,940)	-5.7%	100.00%

(1) Amount excludes amendment for capital appropriations of \$8,761,261 for FY10.

Undesignated General Fund Expenditures

Fiscal Years 2007-2010

Expenditure	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget '10 INC/(DEC)	% Change FY 09/10	% Of Total
General Government							
Agencies:							
Air Pollution	270,820	270,820	270,820	270,820	0	0.00%	0.16%
Allied Arts	155,000	155,000	255,000	191,250	(63,750)	-25.00%	0.11%
African American Museum	70,000	70,000	70,000	64,000	(6,000)	-8.57%	0.04%
Alexian Brothers/Sr Neighbors	0	0	0	22,094	22,094	N/A	0.01%
Assoc of Visual Artists	0	0	0	0	0	N/A	0.00%
CARCOG & SETDD	31,111	31,111	31,111	31,111	0	0.00%	0.02%
CARTA	3,665,300	3,665,300	3,851,000	3,851,000	0	0.00%	2.30%
Carter Street Corporation	150,000	150,000	200,000	185,000	(15,000)	-7.50%	0.11%
Carter Street Lease	0	0	0	0	0	N/A	0.00%
Chattanooga Area Food Bank	0	0	0	15,000	15,000	N/A	0.01%
Chattanooga Urban League	50,000	50,000	50,000	50,000	0	0.00%	0.03%
C-HC Bicentennial Public Library	2,487,660	2,487,660	2,640,000	2,640,000	0	0.00%	1.58%
Chattanooga Comm Resource Cntr	27,050	27,050	0	0	0	N/A	0.00%
Chattanooga History Center	24,000	24,000	24,000	18,000	(6,000)	-25.00%	0.01%
Chattanooga Neighborhood Enterprises	1,500,000	1,500,000	1,000,000	900,000	(100,000)	-10.00%	0.54%
Children's Advocacy Center	30,000	30,000	30,000	22,500	(7,500)	-25.00%	0.01%
Choose Chattanooga	0	0	25,000	20,000	(5,000)	-20.00%	0.01%
Community Foundation Scholarships	160,000	160,000	160,000	120,000	(40,000)	-25.00%	0.07%
Community Impact Fund	250,000	250,000	300,000	208,511	(91,489)	-30.50%	0.12%
Downtown Partnership	100,000	100,000	100,000	80,000	(20,000)	-20.00%	0.05%
Enterprise South Nature Park	82,076	82,076	190,150	283,861	93,711	49.28%	0.17%
ESIP Security	0	0	0	53,021	53,021	N/A	0.03%
Finley Stadium	25,000	25,000	60,000	60,000	0	0.00%	0.04%
Friends of Moccasin Bend	0	0	0	30,000	30,000	N/A	0.02%
Go! Fest	25,000	25,000	25,000	15,000	(10,000)	-40.00%	0.01%
Heritage Hall Fund	57,019	57,019	57,019	62,653	5,634	9.88%	0.04%
Homeless Health Center	17,500	17,500	17,500	15,750	(1,750)	-10.00%	0.01%
Railroad Authority	20,000	20,000	55,794	67,822	12,028	21.56%	0.04%
Regional Planning Agency	942,817	942,817	990,007	1,115,712	125,705	12.70%	0.67%
Scenic Cities	22,888	22,888	22,888	5,000	(17,888)	-78.15%	0.00%
Stop the Madness	100,000	100,000	0	0	0	N/A	0.00%
Water Quality Management Fee	76,526	76,526	77,000	85,000	8,000	10.39%	0.05%
Tennessee Riverpark	1,090,648	1,090,648	1,258,632	1,219,775	(38,857)	-3.09%	0.73%
Tenn Valley Railroad Museum	0	0	0	0	0	N/A	0.00%
Waterfront Management Agreement	40,000	40,000	0	0	0	N/A	0.00%
Front Porch Alliance	0	0	30,000	27,000	(3,000)	-10.00%	0.02%
WTCI - TV 45	60,000	60,000	60,000	45,000	(15,000)	-25.00%	0.03%
General Government:							
Audits, Dues & Surveys	248,142	248,142	206,757	206,000	(757)	-0.37%	0.12%
Capital Improvements	7,982,285	7,982,285	7,541,940	0	(7,541,940)	-100.00%	0.00%
City Attorney/Operations	1,011,391	1,011,391	1,134,824	1,084,778	(50,046)	-4.41%	0.65%
City Attorney Liability Insurance Fund	2,173,000	2,173,000	400,000	800,000	400,000	100.00%	0.48%
City Council	677,010	677,010	741,598	709,617	(31,981)	-4.31%	0.42%
City Court Judicial #1	341,961	341,961	353,376	363,901	10,525	2.98%	0.22%
City Court Judicial #2	331,256	331,256	353,323	354,963	1,640	0.46%	0.21%
Contingency Fund	0	0	235,609	235,634	25	0.01%	0.14%
Debt Service Fund	11,567,051	11,567,051	12,166,456	15,906,307	3,739,851	30.74%	9.49%
Election Expense	24,961	24,961	120,000	10,000	(110,000)	-91.67%	0.01%
Human Services	1,333,477	1,333,477	1,333,477	1,233,477	(100,000)	-7.50%	0.74%
Internal Audit	436,416	436,416	499,419	478,740	(20,679)	-4.14%	0.29%
Intergovernmental Relations	278,023	278,023	327,000	357,000	30,000	9.17%	0.21%
Pensions, FICA & UIC	45,024	45,024	50,000	68,000	18,000	36.00%	0.04%
T.A.P. (tuition & books)	17,952	17,952	20,000	20,000	0	0.00%	0.01%
Connecting the Dots with Technology	57,097	57,097	0	0	0	N/A	0.00%
Renewal & Replacement	1,948,649	1,948,649	700,000	500,000	(200,000)	-28.57%	0.30%
Enterprise Center	100,000	100,000	100,000	237,500	137,500	137.50%	0.14%
General Services Administration	239,776	239,776	308,378	310,220	1,842	0.60%	0.19%
Information Services	2,637,944	2,637,944	2,971,519	2,923,156	(48,363)	-1.63%	1.74%
Telecommunications	284,433	284,433	300,501	335,841	35,340	11.76%	0.20%
Purchasing	868,134	868,134	726,448	692,677	(33,771)	-4.65%	0.41%
Building Maintenance	555,579	555,579	806,665	901,616	94,951	11.77%	0.54%
Radio & Electronics	457,898	457,898	465,584	491,062	25,478	5.47%	0.29%
Real Estate	43,894	43,894	28,946	24,287	(4,659)	-16.10%	0.01%
Property Maintenance	25,462	25,462	33,700	32,000	(1,700)	-5.04%	0.02%
CCRC Operations	4,022	4,022	3,750	3,750	0	0.00%	0.00%
311 Call Center	425,833	425,833	520,341	533,364	13,023	2.50%	0.32%
total	\$45,647,085	\$45,647,085	\$44,300,532	\$40,588,770	(\$3,711,762)	-8.38%	24.23%

Undesignated General Fund Expenditures

Fiscal Years 2007-2010

Expenditure	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget '10 INC/(DEC)	% Change FY 09/10	% Of Total
Department of Finance & Administration:							
Finance Office	1,806,429	1,806,429	2,177,519	2,057,102	(120,417)	-5.53%	1.23%
Information Services	0	0	0	0	0	N/A	0.00%
City Treasurer	643,819	643,819	768,711	765,946	(2,765)	-0.36%	0.46%
Telecommunications	0	0	0	0	0	N/A	0.00%
City Court Clerk's Office	1,037,558	1,037,558	1,130,520	1,051,252	(79,268)	-7.01%	0.63%
Purchasing	0	0	0	0	0	N/A	0.00%
Building Maintenance	0	0	0	0	0	N/A	0.00%
Radio & Electronics	0	0	0	0	0	N/A	0.00%
Property Maintenance	0	0	0	0	0	N/A	0.00%
Real Estate	0	0	0	0	0	N/A	0.00%
total	\$3,487,806	\$3,487,806	\$4,076,750	\$3,874,300	(\$202,450)	-4.97%	2.31%
Department of Police:							
	\$37,831,066	\$41,022,971	\$43,283,539	\$40,832,862	(\$2,450,677)	-5.66%	24.37%
Department of Fire:							
	\$24,200,937	\$25,969,695	\$28,534,996	\$27,435,824	(\$1,099,172)	-3.85%	16.38%
Department of Public Works:							
Administration	941,221	941,221	906,840	908,911	2,071	0.23%	0.54%
City Engineer	1,833,145	1,833,145	2,159,277	2,005,028	(154,250)	-7.14%	1.20%
City Wide Services	4,110,538	4,110,538	4,697,058	4,332,306	(364,752)	-7.77%	2.59%
Sewer Construction & Maintenance	2,021,226	2,021,226	2,270,100	2,100,933	(169,167)	-7.45%	1.25%
Land Development Office	2,931,659	2,931,659	2,729,066	2,514,586	(214,480)	-7.86%	1.50%
Utilities	137,635	137,635	140,775	140,775	0	0.00%	0.08%
Pump Stations	49,526	49,526	110,600	96,300	(14,300)	-12.93%	0.06%
Traffic Management	2,575,179	2,575,179	2,656,299	2,552,986	(103,313)	-3.89%	1.52%
Street Lighting	2,614,365	2,614,365	2,886,021	2,886,020	(1)	0.00%	1.72%
Subsidies to Other Funds	5,712,694	5,712,694	6,959,512	6,424,727	(534,785)	-7.68%	3.83%
Municipal Forestry	566,786	566,786	639,503	542,094	(97,409)	-15.23%	0.32%
Waste Pickup - Brush	2,729,687	2,729,687	2,846,519	2,562,573	(283,946)	-9.98%	1.53%
Waste Pickup - Garbage	3,544,976	3,544,976	4,073,046	3,362,861	(710,185)	-17.44%	2.01%
total	\$29,768,637	\$29,768,637	\$33,074,616	\$30,430,100	(\$2,644,517)	-8.00%	18.16%
Department of Parks & Recreation:							
Administration	1,082,989	1,082,989	1,093,192	1,027,400	(65,792)	-6.02%	0.61%
Recreation	4,557,225	4,557,225	4,841,278	4,957,688	116,410	2.40%	2.96%
Parks	5,209,790	5,209,790	5,589,263	5,604,376	15,113	0.27%	3.35%
Civic Facilities	0	0	0	0	0	N/A	0.00%
total	\$10,850,004	\$10,850,004	\$11,523,733	\$11,589,464	\$65,731	0.57%	6.92%
Department of Personnel:							
Administration	1,170,779	1,170,779	1,132,259	1,057,900	(74,359)	-6.57%	0.63%
Physicals	9,450	9,450	13,000	13,000	0	0.00%	0.01%
Employee's Insurance Office	442,344	442,344	290,234	265,561	(24,673)	-8.50%	0.16%
Employee's Insurance Program	3,984,557	3,984,557	5,240,474	5,639,161	398,687	7.61%	3.37%
Wellness Initiative	96,471	96,471	0	0	0	N/A	0.00%
Job Injury Administration	104,315	104,315	70,000	72,000	2,000	2.86%	0.04%
total	\$5,807,916	\$5,807,916	\$6,745,967	\$7,047,622	\$301,655	4.47%	4.21%
Department of Neighborhood Services:							
Administration	465,454	465,454	535,534	524,218	(11,316)	-2.11%	0.31%
Codes & Community Services	1,206,490	1,206,490	1,338,792	1,247,990	(90,802)	-6.78%	0.74%
Grants Administration	71,953	71,953	79,087	42,812	(36,275)	-45.87%	0.03%
Human Rights	0	0	0	0	0	N/A	0.00%
Neighborhood Relations	0	0	0	0	0	N/A	0.00%
Neighborhood Grants	86,800	86,800	55,000	55,000	0	0.00%	0.03%
total	\$1,830,697	\$1,830,697	\$2,008,413	\$1,870,020	(\$138,393)	-6.89%	1.12%

Undesignated General Fund Expenditures

Fiscal Years 2007-2010

Expenditure	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget '10 INC/(DEC)	% Change FY 09/10	% Of Total
Executive Branch:							
Mayor's Office	1,067,321	1,067,321	879,255	871,587	(7,669)	-0.87%	0.52%
Great Ideas Competition	11,686	11,686	30,000	0	(30,000)	-100.00%	0.00%
Multicultural Affairs	361,669	361,669	459,296	384,284	(75,012)	-16.33%	0.23%
Office of Faith Based Initiatives	202,467	202,467	346,961	324,242	(22,719)	-6.55%	0.19%
Asset Management	0	0	0	0	0	N/A	0.00%
total	\$1,643,143	\$1,643,143	\$1,715,512	\$1,580,113	(\$135,399)	-7.89%	0.94%
Department of Education, Arts, & Culture:							
Administration	313,811	313,811	356,338	346,131	(10,207)	-2.86%	0.21%
Civic Facilities	1,497,724	1,497,724	1,632,876	1,599,865	(33,011)	-2.02%	0.95%
Arts & Culture	334,861	334,861	358,668	339,930	(18,738)	-5.22%	0.20%
total	\$2,146,396	\$2,146,396	\$2,347,882	\$2,285,926	(\$61,956)	-2.64%	1.36%
Expenditure Total	\$163,213,687	\$168,174,350	\$170,070,000	\$167,535,000	(\$2,535,000)	-1.49%	100.00%

(1) Amount excludes amendment for capital appropriations of \$8,761,261 for FY10.



Special Revenue Funds

Fund Structure

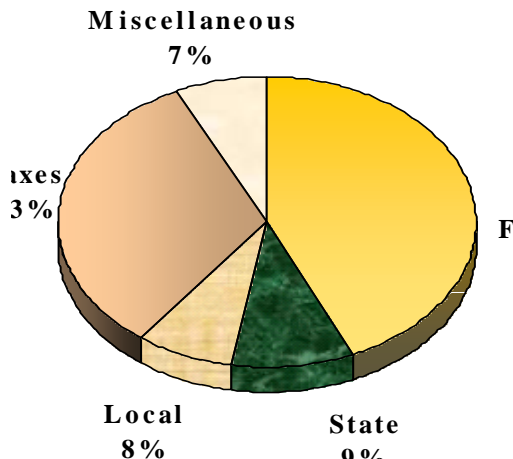
Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government. The basis of budgeting for these funds is modified accrual. Included funds are State Street Aid, Human Services, Economic Development, Narcotics, Community Development, Hotel/Motel Occupancy Tax Fund, and Municipal Golf Course Fund. For fiscal year ended June 30, 2009 the budgeted revenue and expenses were as follows:

Fund	FY 08/09 Budgeted Revenues & Expenses	(unaudited) FY 08/09 Actual Revenues	(unaudited) FY 08/09 Actual Expenses
State Street Aid Fund	4,720,290	4,141,298	4,523,438
Human Services Fund	12,719,294	13,765,589	14,127,697
Economic Development Fund	11,465,273	10,484,715	10,580,268
Narcotics Fund	319,650	373,049	597,000
Hotel/Motel Tax Fund	4,112,640	4,181,453	5,528,503
Community Development Fund	4,133,730	3,874,093	4,138,526
Municipal Golf Course Fund	1,963,938	1,861,297	1,810,468

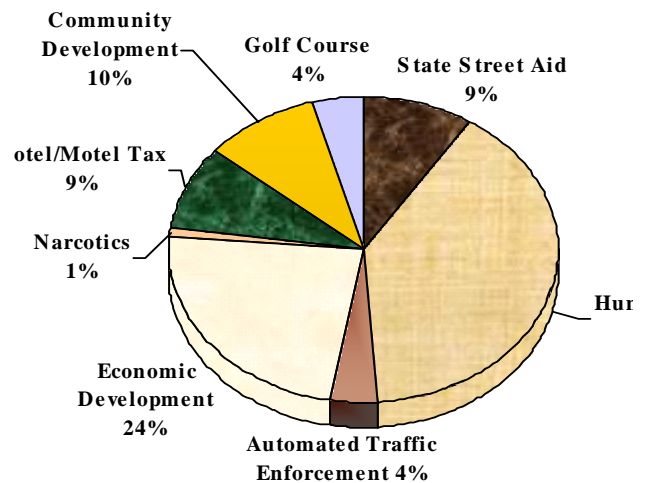
(1) While presented here, the Economic Development Fund is reported as a designated portion of General Fund.

Fiscal Year 2009/2010

Revenue by Source
\$44,109,713



Appropriation by Fund
\$44,109,713



Fund Revenue Summary

Fiscal Year Ending June 30, 2007 thru 2010
(expressed in \$1,000)

Fund Type:	Actual FY 06/07	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget 10 Increase (Decrease)	% CHANGE FY 09/10
Special Revenue Fund							
State Street Aid	4,783	4,785	4,783	4,720	3,985	(735)	-15.6%
Human Services	13,941	13,435	13,327	12,719	17,553	4,834	38.0%
Economic Development Fund	10,873	10,935	10,767	11,465	10,400	(1,065)	-9.3%
Narcotics	557	320	846	320	362	42	13.1%
Hotel/Motel Tax Fund	4,029	3,750	4,337	4,113	3,939	(174)	-4.2%
Community Development Fund	7,032	5,097	8,515	4,134	4,328	194	4.7%
Municipal Golf Course	1,794	1,749	1,942	1,964	1,828	(136)	-6.9%
Automated Traffic Enforcement	0	0	0	0	1,715	1,715	N/A
Total Special Revenue Fund	43,009	40,071	44,517	39,435	44,110	4,675	11.9%

Revenues

State Street Aid

This fund was established to receive and account for the State's distribution of the gasoline tax. Funds received in this fund are restricted to road related projects. To qualify for a portion of this distribution, the City must meet State guidelines which require that a municipality appropriate an amount equal to at least the average appropriations for road work for the previous five years. Collections in this fund have remained fairly constant over the past few years. The FY10 decline in revenue estimate is based on estimated Gas Tax collections by the State.

Human Services Fund

Human Services receives Federal, State, and City appropriations. This fund for FY10 is estimated to increase by 38.0% from FY09. Weatherization programs are responsible for the FY10 increase. The Federal government accounts for majority of this increase which offsets a 7.5% decrease by City. During the year estimates for Federal and State could increase. The chart below shows how revenue for this fund has varied during a five year period.

Municipal Golf Course Fund

Revenues come mainly from green fees and golf cart rentals. Overall estimated revenues are expected to decrease by 6.9% from FY09 budget.

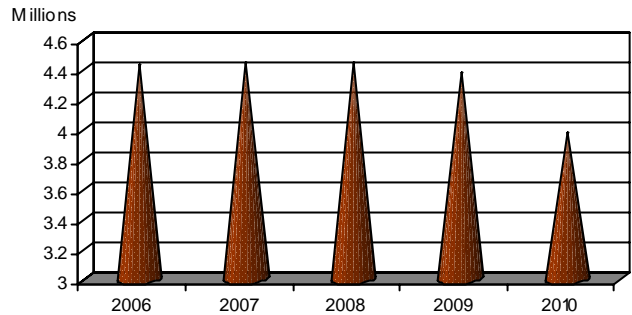
Narcotics Fund

Revenues come mainly from confiscated funds which include forfeited cash and proceeds from the sale of items seized. Funds are also received from Federal and State.

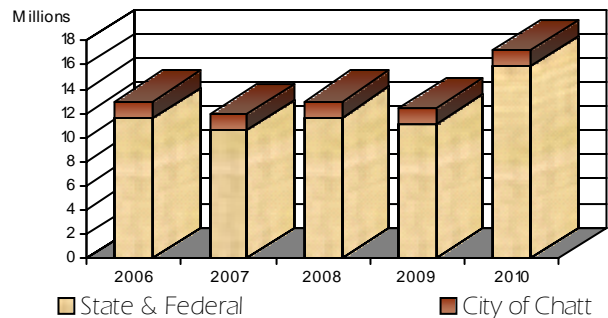
Automated Traffic Enforcement Fund

Revenues comes mainly from automated traffic and speeding fines. Overall proposed FY10 revenues are estimated to be \$1,714,800.

State Gas Tax Collections



Human Services Collections



Economic Development Fund

In August 1997, the citizens of Chattanooga approved a half-cent tax on retail sales in the city. Revenues from this tax were shared on a 50/50 basis for education and economic development. In a county-wide election in February 2004, the residents of Hamilton County voted to increase the county-wide local option tax rate from 1.75% to 2.25% thereby repealing the city-only 1/2% tax. The additional taxes generated by the 1/2% increase in the county-wide tax will be distributed to the county, city and education in accordance with TCA 67-6-712 which requires that 50% is used for education and the remainder on a situs basis. The City continues to receive comparable amounts for economic development from the county-wide tax as it has in prior years. The education component is distributed directly to the Hamilton County Department of Education. Estimated revenues are expected to decrease by 9.3% from FY09 budget.

Community Development

Annual funding is allocated by the U.S. Department of Housing and Urban Development which accounts for the fluctuation in the revenues received each year.

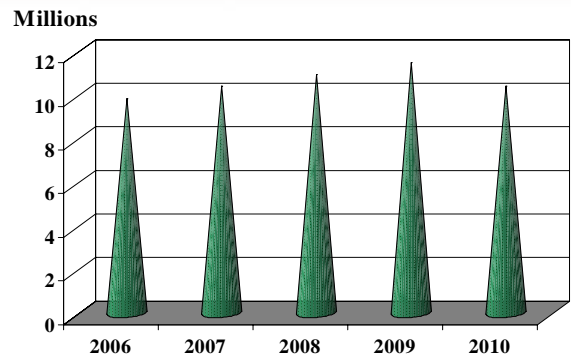
The total FY10 increase for this fund is \$194,085 compared to FY09. This increase in the fund is due to the changes in grant funding during the City's fiscal year and increase funds from the Federal. As with most federal funds, these sources are allocated to the City based on the Federal Government's budget year which is different from the City's fiscal reporting year.

Hotel-Motel Occupancy Privilege Tax Fund

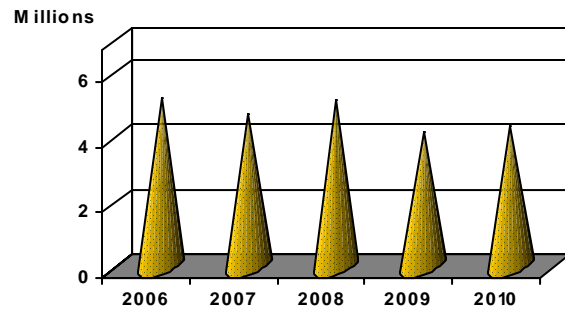
The City of Chattanooga has the authority to levy a privilege tax on the occupancy of hotel/motel rooms by transients. Pursuant to T.C.A 67-4-1401, et seq. and City Ordinance No 11303, the City has levied such a tax. The tax is set at 4%.

The FY09 budgeted revenue totaled \$4,112,640. The FY10 estimate is \$3,939,000.

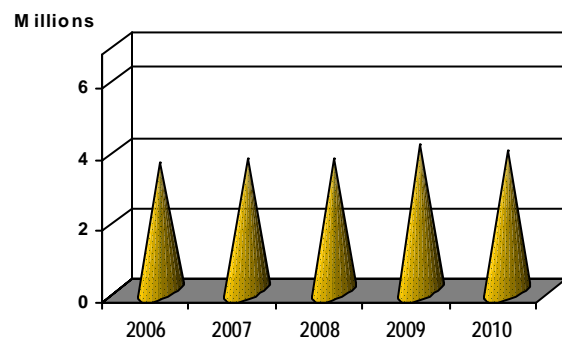
Economic Development Collections



Community Development Collections



Hotel-Motel Tax Collections



Fund Expenditure Summary
Fiscal Year Ending June 30, 2007 thru 2010
(expressed in \$1,000)

Fund Type:	Actual FY 06/07	Budget FY 07/08	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	Budget 10 Increase (Decrease)	% CHANGE FY 09/10
Special Revenue Fund							
State Street Aid	4,527	4,785	4,527	4,720	3,985	(735)	-15.6%
Human Services	13,941	13,435	13,096	12,719	17,553	4,834	38.0%
Economic Development Fund	10,602	10,935	8,630	11,465	10,400	(1,065)	-9.3%
Narcotics	325	320	1,156	320	362	42	13.1%
Hotel/Motel Tax Fund	3,938	3,750	3,952	4,113	3,939	(174)	-4.2%
Community Development Fund	6,589	5,097	7,009	4,134	4,328	194	4.7%
Municipal Golf Course	1,766	1,749	1,870	1,964	1,828	(136)	-6.9%
Automated Traffic Enforcement	0	0	0	0	1,715	1,715	N/A
Total Special Revenue Fund	41,688	40,071	40,240	39,435	44,110	4,675	11.9%

Expenses

State Street Aid

State gasoline tax distribution is collected into this fund and used for major street work in the Chattanooga area, under State guidelines. The primary use of these funds are personnel, vehicle and construction costs.

Human Services

Human Services' FY10 estimated expenditures have increased by 38.0%. The primary reason for the increase in FY10 is the Weatherization Program.

Economic Development Fund

During FY2010, \$8,162,556 will be spent on debt service for the Southside Development. Since Hamilton County residents voted for the half-a-cent sales tax in February 2004, 100% of the school portion is retained by the County. The remaining funds are dedicated to economic development.

Community Development

This fund receives federal grants directly from HUD as well as grants administered through the State of Tennessee. Each year the expenses from one block grant year to the next spans multiple fiscal years because the City's fiscal year is different than the Federal government's fiscal year. The federal funding is on a draw down basis as expended by the entity; therefore due to the spending rate of specific qualified programs the expenses will vary from year to year.

Federal guidelines are followed by the City in

expending Community Development and Home Investment Funds. These are subject to federal audit at any time, and are also included in the City's annual audit.

Hotel-Motel Occupancy Privilege Tax Fund

This tax is used to fund improvements in the downtown and riverfront area to encourage tourism and enhance quality of life. This tax was dedicated to the 21st Century Waterfront Plan which involved redevelopment of the city waterfront. The Waterfront Plan, with an estimated cost of \$120 million, was funded jointly by the public and the private sectors. Current funds will be used to pay debt service on the Hotel-Motel Tax Bonds and fund any additional waterfront related capital project.

Municipal Golf Course Fund

Funds are used to cover the operational cost of the City's two golf courses. The primary costs are personnel and purchase services. Expenses FY10 are estimated to decrease by 6.9% from FY09.

Narcotics Fund

Funds are primarily used for drug enforcement activity which includes purchase of surveillance equipment, drug identifications kits, maintenance on narcotics officer's vehicles and pay to informants. Funds can also be used for local drug treatment and education programs.

Automated Traffic Enforcement Fund

Funds are primarily used for automated traffic enforcement operations. Expenses for FY10 are estimated to be \$1,714,800.

Special Revenue Fund Revenues
Fiscal Years 2007 - 2010

Revenue Source	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY 09/10	% OF TOTAL
State Street Aid (Fund 2104)							
State of Tennessee	4,413,593	4,433,367	4,370,290	3,970,115	(400,175)	-9.2%	9.0%
Fund Balance	300,000	346,786	300,000	0	(300,000)	-100.0%	0.0%
Interest Earnings	69,106	55,861	50,000	15,000	(35,000)	-70.0%	0.0%
Total State Street Aid	\$4,782,699	\$4,836,014	\$4,720,290	\$3,985,115	(\$735,175)	-15.6%	9.0%
Human Services (Fund 2102)							
Federal - State Grants	12,134,532	11,164,371	11,085,154	15,916,112	4,830,958	43.6%	36.1%
City of Chattanooga	1,333,477	1,335,627	1,333,477	1,246,086	(87,391)	-6.6%	2.8%
Day Care Fees	99,662	85,853	86,653	109,465	22,812	26.3%	0.2%
Miscellaneous	96,635	75,514	73,000	73,000	0	0.0%	0.2%
Interest Income	17,365	59,465	17,365	46,600	29,235	168.4%	0.1%
Fund Balance	259,576	375,003	123,645	162,068	38,423	31.1%	0.4%
Total Human Services	\$13,941,247	\$13,095,832	\$12,719,294	\$17,553,331	\$4,834,037	38.0%	39.8%
Economic Development (Fund 1119)							
Local Option Sales Tax	10,566,227	10,767,083	11,465,273	10,400,000	(1,065,273)	-9.3%	23.6%
Intergovernmental	47,635	11,671	0	0	0	N/A	0.0%
Interest Income	259,231	284,781	0	0	0	N/A	0.0%
Total Economic Development	\$10,873,093	\$11,063,535	\$11,465,273	\$10,400,000	(\$1,065,273)	-9.3%	23.6%
Narcotics (Fund 2103)							
Federal	85,181	94,892	41,300	50,000	8,700	21.1%	0.1%
State	18,413	13,880	8,100	12,000	3,900	48.1%	0.0%
Confiscated Narcotics Funds	290,805	600,448	170,250	200,000	29,750	17.5%	0.5%
Other	162,797	136,979	100,000	100,000	0	0.0%	0.2%
Total Narcotics	\$557,196	\$846,199	\$319,650	\$362,000	\$42,350	13.2%	0.8%
Hotel/Motel Tax (Fund 2106)							
21st Century Waterfront	3,747,137	4,067,597	4,112,640	3,939,000	(173,640)	-4.2%	8.9%
SRC Parking Garage Revenue	181,910	212,492	0	0	0	N/A	0.0%
Interest Income	100,431	87,495	0	0	0	N/A	0.0%
Total Hotel/Motel Tax	\$4,029,478	\$4,367,583	\$4,112,640	\$3,939,000	(\$173,640)	-4.2%	8.9%
Community Development (Fund 2105) (includes HOME program)							
Federal	6,049,953	7,407,389	2,883,730	3,093,000	209,270	7.3%	7.0%
Miscellaneous/Program	981,609	1,107,845	1,250,000	1,234,815	(15,185)	-1.2%	2.8%
Total Community Development	\$7,031,562	\$8,515,234	\$4,133,730	\$4,327,815	\$194,085	4.7%	9.8%
Total Municipal Golf Course(1108)	\$1,793,788	\$1,942,192	\$1,963,938	\$1,827,652	(\$136,286)	-6.9%	4.1%
Automated Traffic Enforcement (Fund P127)							
Automated Traffic & Speeding Fines	0	0	0	1,300,000	1,300,000	N/A	2.9%
Use of Fund Balance	0	0	0	414,800	414,800	N/A	0.9%
Total Automated Traffic Enforcement	\$0	\$0	\$0	\$1,714,800	\$1,714,800	N/A	3.9%
Grand Total	\$43,009,063	\$44,666,589	\$39,434,815	\$44,109,713	\$4,674,898	11.9%	100.0%

Special Revenue Fund Expenditures
Fiscal Years 2007 - 2010

Expenditures	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY09/10	% OF TOTAL
State Street Aid (Fund 2104)							
Street Maintenance	4,526,994	4,836,014	4,720,290	3,985,115	(735,175)	-15.6%	9.0%
Total State Street Aid	\$4,526,994	\$4,836,014	\$4,720,290	\$3,985,115	(\$735,175)	-15.6%	9.0%
Human Services (Fund 2102)							
Administration	1,073,817	1,053,817	824,993	903,481	78,488	9.5%	2.05%
Headstart	7,897,542	7,800,139	7,688,713	8,277,037	588,324	7.7%	18.76%
Daycare	883,255	878,894	802,226	845,062	42,836	5.3%	1.92%
Weatherization	368,197	336,775	340,427	3,975,647	3,635,220	1067.8%	9.01%
Foster Grandparents	507,535	504,956	509,780	500,877	(8,903)	-1.7%	1.14%
LIHEAP	2,106,035	1,367,657	1,422,421	1,093,383	(329,038)	-23.1%	2.48%
Community Service Block Grant	759,670	792,571	810,366	1,489,434	679,068	83.8%	3.38%
Human Services Programs	270,666	288,511	247,500	395,542	148,042	59.8%	0.90%
City General Relief -	74,530	72,512	72,868	72,868	0	0.0%	0.2%
Total Human Services	\$13,941,247	\$13,095,832	\$12,719,294	\$17,553,331	\$4,834,037	38.0%	39.8%
Economic Development (Fund 1119 & P419)							
Other	630,300	769,398	675,000	600,000	(75,000)	-11.1%	1.36%
Debt Service	7,963,477	6,772,702	9,370,806	8,162,556	(1,208,250)	-12.9%	18.51%
Capital Outlay/Projects	2,007,852	2,845,000	1,419,467	1,637,444	217,977	15.4%	3.7%
Total Economic Development	\$10,601,629	\$10,387,099	\$11,465,273	\$10,400,000	(\$1,065,273)	-9.3%	23.6%
Narcotics (Fund 2103)							
Operations	325,362	1,155,640	319,650	362,000	42,350	13.2%	0.8%
Total Narcotics	\$325,362	\$1,155,640	\$319,650	\$362,000	\$42,350	13.2%	0.8%
Hotel/Motel Tax (Fund 2106)							
21st Century Waterfront	0		0	491,565	491,565	N/A	1.11%
Other Waterfront Capital Fund	650,000	787,688	734,077		(734,077)	-100.0%	0.00%
Hamilton County	30,000	30,000	30,000	30,000	0	0.0%	0.07%
Debt Service	3,183,577	3,216,150	3,265,313	3,338,655	73,342	2.2%	7.57%
Hotel/Motel Collection Fee	74,347	80,474	83,250	78,780	(4,470)	-5.4%	0.2%
Total Hotel/Motel Tax	\$3,937,924	\$4,114,312	\$4,112,640	\$3,939,000	(\$173,640)	-4.2%	8.9%
Community Development (Fund 2105) (includes HOME program)							
Community Development Projects	6,182,105	5,761,492	3,570,893	4,019,815	448,922	12.6%	9.11%
Administration	406,856	513,221	562,837	308,000	(254,837)	-45.3%	0.7%
Total Community Development	\$6,588,961	\$6,274,712	\$4,133,730	\$4,327,815	\$194,085	4.7%	9.8%
Total Municipal Golf Course(1108)	\$1,766,484	\$1,867,934	\$1,963,938	\$1,827,652	(\$136,286)	-6.9%	4.1%
Automated Traffic Enforcement (Fund P127)							
Automated Traffic & Speeding Fines	0			1,300,000	1,300,000	N/A	2.95%
Use of Fund Balance	0			414,800	414,800	N/A	0.9%
Total Automated Traffic Enforcement	\$0	\$0	\$0	\$1,714,800	\$1,714,800	N/A	3.9%
Grand Totals	\$41,688,601	\$41,731,544	\$39,434,815	\$44,109,713	\$4,674,898	11.9%	100.0%

Enterprise Funds

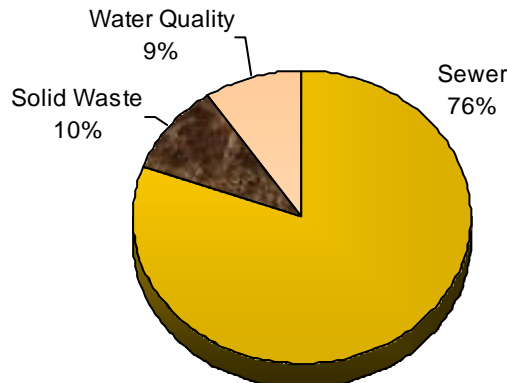
Fund Structure

Enterprise Funds are established for operations that the City chooses to account for as though they were private enterprises. An Enterprise Fund might be established because an operation is expected to cover its costs (including depreciation expense) through user charges or because the City believes it is necessary to account for income and capital maintenance. The budgetary basis of accounting for these funds is the accrual method where measurement focus is their economic resources, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. The CAFR shows the status of the funds finances on the basis of GAAP. The City of Chattanooga has three (3) budgeted Enterprise Funds: Interceptor Sewer Fund, Water Quality Management Fund and Solid Waste and Sanitation Fund. As of June 30, 2009 the budgeted revenue and expenses were as follows:

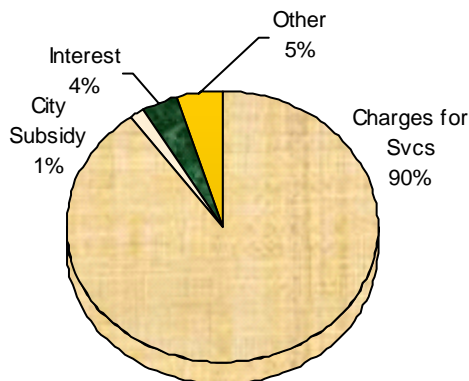
FUND	FY 09 Budgeted Revenue & Expenditures	(Unaudited) FY 09 Actual Revenues	(Unaudited) FY 09 Actual Expenses
Interceptor Sewer Fund	51,257,028	52,142,626	58,514,737
Solid Waste & Sanitation Fund	7,564,382	7,252,392	4,902,453
Water Quality Management Fund	6,967,675	7,314,573	5,858,942

Fiscal Year 2009/2010

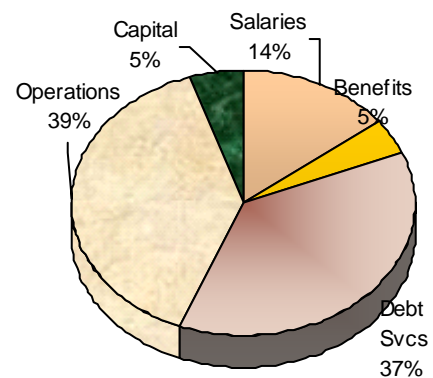
\$65,962,634



Revenue



Appropriation



Fund Revenue Summary
Fiscal Year Ending June 30, 2010
(expressed in \$1,000)

Fund Type:	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 Increase (Decrease)	% CHANGE FY 09/10
Enterprise Funds						
Interceptor Sewer System	43,028	44,077	43,757	53,123	9,366	21.4%
Solid Waste & Sanitation	6,156	5,700	7,264	6,617	(647)	-8.9%
Storm Water Fund	4,756	8,108	6,193	6,222	29	0.5%
Total Enterprise Funds	57,059	57,885	57,214	65,963	8,749	15.3%

Revenues

Interceptor Sewer Fund

Sewer Service Charges. Revenues to operate, maintain, and finance the system are derived primarily from sewer service charges collected from residential, commercial, and industrial customers using the System. Sewer service charges for the City are primarily collected through the Tennessee-American Water Company, Hixson Utility District and the Eastside Utility District. The sewer service rates are based upon the quantity of water used and are expressed as cents per thousand gallons.

Regional users such as Walker County, Georgia, and the City of Collegedale and the Town of Lookout Mountain, Tennessee are billed on the basis of metered water consumption. This method of billing does not allow for the recovery of costs incurred to treat flows beyond the amount of water purchased, such as inflow and infiltration into the System. However, the wheelage and treatment rate is approximately two times the total metered flow rate, therefore, some inflow and infiltration is paid for. The City of Chattanooga has installed flow metering stations on the discharge lines connecting regional users so that they may be billed on the basis of total measured wastewater flows, under the EPA approved user charge system. Contract negotiations with each respective government are underway and must be completed before this method of billing can begin.

The sewer service charges for the regional users -- Rossville, Northwest Georgia, Dade County, Ringgold, Collegedale, Lookout Mountain, TN, Lookout Mountain, GA, Hamilton County, East Ridge, Soddy Daisy, Red Bank and Walker County -- are

based on a regional service charge rate schedule (wheelage and treatment). The regional service charge rate schedule currently in effect provides rate schedules for billing the regional users on either a metered water consumption basis (billable flow method) or a total measured wastewater flow basis (total flow method). This allows the City to begin billing the regional users on a total flow method immediately upon completion of successful contract negotiation for total flow method billing. Other System revenues come from an industrial user sewer surcharge, truck discharge operation permit fees, septic tank discharge fees, holding tank discharge fees, service line connection fees and garbage grinder usage fees.

The City operates the System on a self-supporting basis from sewer service charges and fees. The July 1, 2008 proposed rate schedule, is as follows:

Enumeration Of Charges - Quantity of Water Used

Sewer service charges are based upon the quantity of water registered by water meters. The dollar amount is derived by applying the total charge in dollars per one thousand gallons for the following quantities of water:

User Class	FY2009/2010 Total Charges (\$/1,000 gal)
First 100,000	\$ 5.28
Next 650,000	3.92
Next 1,250,000	3.18
Next 30,000,000	2.68
Over 32,000,000	2.60

Regional Service Charge Rate (Wheelage and Treatment)

The regional sewer service user charge (wheelage and treatment) shall be collected from regional users of the system including Rossville, Northwest Georgia, Dade County, Ringgold, Collegedale, Lookout Mountain, TN, Lookout Mountain, GA, Hamilton County, East Ridge, Soddy Daisy, Red Bank and Walker County and shall be determined either under the "billable flow" method based upon quantity of water used as shown by applicable water company meter readings or the "total flow" method based upon flow meter measured flow accordingly to the applicable contract with the regional user.

Billable Flow

The amount due from the regional user shall be the dollar amount derived by applying the total charge shown in the table below per one thousand (1,000) gallons of water sold.

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 1.4954	\$ 0.5682	\$ 2.0636

If regional customers are billed directly through the water company, the rate shall be two dollars and twenty-one cents (\$2.21) per one thousand (1,000) gallons.

Total Flow

The amount due from the regional user shall be the dollar amount derived by applying the total charge shown in the table below applied to the quantity of wastewater measured by a flow meter installed and maintained at or near the point of connection between the system of the regional user and the Chattanooga System. In the event of any malfunction of said meters, flow shall be estimated, interpolated and/or projected in the most equitable manner possible. Such estimates along with available readings for periods where there was no malfunction shall be the basis for billing.

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 0.8518	\$ 0.3125	\$ 1.1643

Monthly Minimum Sewer Service Charges

Minimum sewer service charges based upon water meter connection size are as follows:

Meter Size	FY2009/2010 Charge per Month
5/8"	\$ 10.90
3/4"	38.89
1"	67.96
1 1/2"	152.09
2"	269.29
3"	631.25
4"	1,166.56
6"	2,778.56
8"	4,914.78

Industrial User Sewer Surcharge

An industrial user surcharge is levied upon industrial users which discharge wastewater in concentrations in excess of "normal wastewater" at the following rates:

- \$0.099 per pound of 5-day biochemical oxygen demand (BOD₅) for concentrations in excess of 300 milligrams per liter, and,
- \$0.067 per pound of total suspended solids for concentrations in excess of 400 milligrams per liter.

The City has also established the following fees and charges:

- A Sewer Service Line Connection Fee of \$800;
- A Truck Discharge Operation Permit Fee of \$100 per truck per year;
- A Septic Tank Discharge Fee of \$59.00 per 1,000 gallons of waste;
- Holding Tank Waste Fee of \$5.28 per 1,000 gallons of waste and
- Garbage Grinders Fee of \$160.00 per month per unit.

In 1985, the City, in conjunction with consulting engineers and financial advisors, developed a five year financial analysis which examined the System's capital improvement program at different yearly funding commitments of the City. As a result of this analysis, the City established its annual funding commitment of the System at \$10,000,000 per year. Simultaneously, the City committed itself to enacting annual rate increases of at least 6.14% for each of the five consecutive years starting in July 1985 in order to support the \$10,000,000 per year funding program. The 6.14% rate increase schedule through fiscal year ending June 30, 1990 was

formulated by the consulting engineers pursuant to the five year financial analysis. Enactment of the rate increases requires adoption of the city ordinance by the City Council each year. The five year program and the related future rate increases were announced publicly in the City proceedings in 1985 and they received widespread community support.

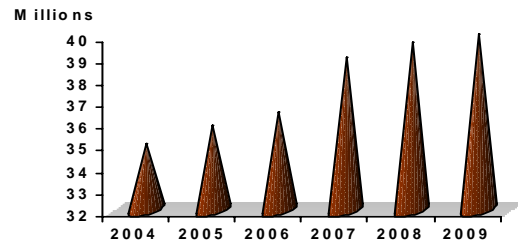
The City has followed through with its commitment to raise rates to support the program since 1985. As of April 1990, the City had adopted five consecutive annual sewer rate increases of 6.14%. The first 6.14% rate increase took place July 1985, followed by four more 6.14% rate increases in July 1986, July 1987, July 1988, and July 1989, respectively. Annually, the consulting engineers review the financial operations of the System and its revenue requirements for the upcoming fiscal year to determine the size of the rate increase needed for the next fiscal year, and this year it was decided that a rate increase of roughly 6% was necessary.

Since the City successfully accomplished its goal of enacting 6.14% sewer rate increases for the five consecutive fiscal years, the City planned to enact future annual rate increases at a lower level than 5%. The City had increased sewer rates for nine consecutive years in support of its program. However, in fiscal year 94/95 through 98/99 the rate increase was 0% due to improved efficiency of the system and implementation of management policies. In FY00, after close analysis of the financial state and operations of the system, the City enacted a 10% rate decrease. There was no rate increase for FY01 and FY02. In FY03, the City Council approved rate increases for the next three years of 7.29%, 7.07%, and 2.54% respectively. In FY07 the rate increased by 15.5% then by 6% in FY08. As evidenced by its program since 1985, the City remains committed to keeping the System self-supported from sewer revenues including adoption of any necessary sewer rate increases to ensure that it remains self supporting. Following is a history of rate increases since 1988:

FY 87/88 6.14%	FY 95/96 0.00%	FY 03/04 7.07%
FY 88/89 6.14%	FY 96/97 0.00%	FY 04/05 2.54%
FY 89/90 6.14%	FY 97/98 0.00%	FY 05/06 0.00%
FY 90/91 5.24%	FY 98/99 0.00%	FY 06/07 15.48%
FY 91/92 3.32%	FY 99/00 (10.00%)	FY 07/08 6.00%
FY 92/93 5.79%	FY 00/01 0.00%	FY 08/09 6.00%
FY 93/94 3.00%	FY 01/02 0.00%	FY 09/10 3.00%
FY 94/95 0.00%	FY 02/03 7.29%	

Below is the sewer systems historical trend of collections. Revenue increases can be attributed to the completion of several construction projects bringing more taps on line and rate increases to address the CMOM (Capacity, Management, Operations and Maintenance) project proactively.

Interceptor Sewer Collections 2003 thru 2008



Solid Waste and Sanitation Fund

This fund accounts for the costs associated with the disposal of solid waste and recyclable materials. Prior to FY2002, the fund accounted for both collection and disposal of these materials. Due to reorganization, the collection portion of garbage and brush and trash were transferred to Public Works General Fund. Section 68-31-874 (a) of the Tennessee Code Annotated sets forth the accounting requirements for financial activities related to the management of solid waste. Effective July 1, 1992, each municipality which collected solid waste and/or operated a landfill was required to account for them separately in individual funds. Effective July 1, 1993, it became a requirement to account for the operation of a landfill as an enterprise fund.

Landfill Tipping Fees. Revenues to operate, maintain and finance the Solid Waste Disposal System are derived primarily from tipping fees charged at the disposal sites. Municipalities may impose such a fee upon each ton of waste or its volume equivalent received at such a disposal facility. During FY 98/99, the disposal operation was relocated to a new site in Birchwood as the available space at the old facility had been depleted. The new location is farther away from the center of the city, which has led some disposal companies to reroute their disposal traffic to other regional disposal facilities more conveniently located. The new sanitary landfill also stopped accepting construction waste. The construction debris site is operated by a private company. These changes have led to a reduction in the projected revenue for the fund.

Solid Waste Disposal Fee. Since the revenue from the landfill tipping fees does not totally fund the expenditures of the fund, it is necessary for the General Fund to support the Solid Waste & Disposal Fund through a General Fund Waste Disposal Fee. This FY09/10 fee of \$5,740,775 accounts for 86.8% of the total budget.

The chart below shows the historical trend of collections and subsidy. The primary sources of revenues for this fund are landfill tipping fees and a City of Chattanooga waste disposal fee.



Solid Waste Revenue

Water Quality Management Fund

The Water Quality Management Fund was established in 1993 to comply with a Federal mandate for the City to control storm water runoff. The City is required to impose controls to reduce the discharge of pollutants in storm water to the maximum extent practicable using management practices, control techniques and system design and engineering methods for the control of such pollutants. This fund accounts for the construction and operation of the storm water system of the City.

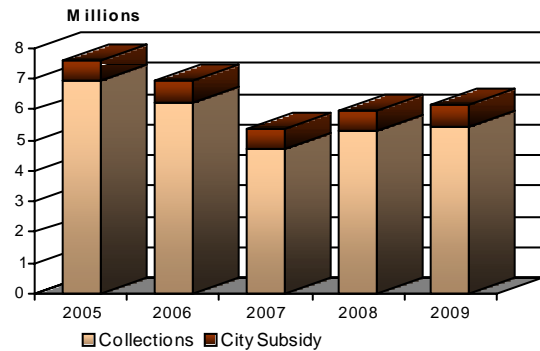
For the purpose of operating the water quality program of the City and the payment of the cost and expenses appurtenant, incident or necessary thereto for the construction, extension, enlargement or acquisition of necessary storm water facilities or flood control improvement, including replacement thereof, and for the operation and maintenance thereof, there

is imposed a storm water user's fee upon the owner of property served directly or indirectly by the City's storm water system.

The revenue for this fund is derived from water quality fees, \$5,458,259 (87.7%), and a City of Chattanooga General Fund subsidy of \$683,952 (11.0%).

Below is a chart showing the historical trend of fees collected.

Water Quality Collections



Fund Expenditure Summary
Fiscal Year Ending June 30, 2010
(expressed in \$1,000)

Fund Type:	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 Increase (Decrease)	% CHANGE FY 09/10
Enterprise Funds						
Interceptor Sewer System	48,639	39,147	43,757	53,123	9,366	21.4%
Solid Waste & Sanitation	5,870	6,969	7,264	6,617	(647)	-8.9%
Storm Water Fund	6,932	6,479	6,193	6,222	29	0.5%
Total Enterprise Funds	61,441	52,595	57,214	65,963	8,749	15.3%

Expenses

Interceptor Sewer Fund

Expenses for the Interceptor Sewer System reflect major cost areas: personnel costs, chemical costs for liquid and solid handling, maintenance costs, electricity costs, and depreciation. Major capital expenses needed for the Moccasin Bend Wastewater Treatment Plant (MBWWTP), such as vehicle replacement, pump replacement, and major system repairs occur here. In FY 08/09, the operations and maintenance budget increased \$2,223,917, or 5.4%, due to increases related to the CMOM program, the addition of three positions, and increases in the cost of liquid chemicals and plant maintenance. The largest single change in the ISS budget for FY08/09 is the \$813,036 appropriation for solids handling operations at MBWWTP.

The debt service portion of the proposed budget for FY 08/09 decreased \$110,617 from FY 07/08. This change is due to the varying interest and principal payments on bonded debt and/or capital outlay notes required from one fiscal year to the next.

Solid Waste and Sanitation Fund

Expenses in the Solidwaste & Sanitation Fund include:

- Recycle Center
- Waste Disposal - Landfill
- Compost Waste Center
- Debt Service
- Capital Projects

Major expenditures of this fund are personnel costs and vehicle related costs. The Solid Waste Fund budget for FY 08/09 decreased \$199,073 This is due to a decrease in capital improvements. The Solid Waste Fund budget for FY 09/10 decreased \$199,073

In February 1995, the City issued \$13,291,500 General Obligation Bonds for Solid Waste facilities improvements and equipment purchases. This issue provided financing for the capital improvements necessary for the landfill.

In March 1998 and March 2001, the City issued general obligation bonds totaling \$17.9 million and \$6.7 million respectively, to fund capital improvements at the Summit landfill and the new landfill located in Birchwood.

Water Quality Management Fund

As this is an Enterprise Fund, its major revenue is derived from the Water Quality Fee. Expenses in the Water Quality Management Fund include:

- Personnel
- Operations
- Capital Projects
- Debt Service

The City has maintained the same level of General Fund support for water quality maintenance and repairs as prior to the implementation of the water quality fee.

Enterprise Fund Revenues

Fiscal Years 2007 - 2010

Revenue Source	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY 09/10
Interceptor Sewer System (Fund 5100):						
Sewer Service Charges	30,507,080	33,719,554	35,034,044	33,933,848	(1,100,196)	-3.1%
Industrial Surcharges	3,737,690	3,786,624	2,900,000	2,500,000	(400,000)	-13.8%
Septic Tank Charges	285,254	353,817	225,568	307,335	81,767	36.2%
Wheelage & Treatment						
<i>Lookout Mountain, TN</i>	155,004	149,210	172,341	188,282	15,941	9.2%
<i>Dade County, GA</i>	6,199	10,860	13,540	13,920	380	2.8%
<i>Walker County, GA</i>	357,611	396,277	439,225	413,859	(25,366)	-5.8%
<i>Collegedale, TN</i>	218,022	246,690	291,670	291,538	(132)	0.0%
<i>Soddy-Daisy, TN</i>	124,731	135,868	165,948	162,146	(3,802)	-2.3%
<i>East Ridge, TN</i>	977,987	866,384	1,017,255	1,081,977	64,722	6.4%
<i>Windstone</i>	23,193	22,024	27,147	27,069	(78)	-0.3%
<i>Hamilton County, TN</i>	540,500	571,451	680,676	640,609	(40,067)	-5.9%
<i>Northwest Georgia</i>	590,196	621,950	664,806	641,584	(23,222)	-3.5%
<i>Lookout Mountain, GA</i>	55,991	57,075	65,238	62,376	(2,862)	-4.4%
<i>Ringgold, GA</i>	87,247	337,306	254,742	422,655	167,913	65.9%
<i>Rossville, GA</i>	324,184	191,788	393,056	307,271	(85,785)	-21.8%
<i>Red Bank, TN</i>	443,443	436,981	498,199	484,533	(13,666)	-2.7%
Debt Service Northwest Georgia	410,074	372,794	447,353	447,353	0	0.0%
Industrial User Permits	40,500	38,500	41,000	41,000	0	0.0%
Industrial Violation Fines	12,900	3,300	0	0	0	N/A
Garbage Grinder Fees	41,773	49,130	50,220	51,840	1,620	3.2%
Capital Contributions	0	0	0	0	0	N/A
Miscellaneous Revenue	20,121	78,939	0	0	0	N/A
Fund Balance for Capital	2,321,695	0	0	10,804,000	10,804,000	N/A
Interest Earnings	1,746,502	1,630,150	375,000	300,000	(75,000)	-20.0%
Total Interceptor Sewer	\$43,027,897	\$44,076,672	\$43,757,028	\$53,123,195	\$9,366,167	21.4%
Solid Waste & Sanitation(Fund 5200):						
Landfill Tipping Fees	472,828	505,958	487,572	430,000	(57,572)	-11.8%
Landfill Permit Fees	28,613	2,646	3,500	2,500	(1,000)	-28.6%
City of Chattanooga Tipping Fees	5,028,742	4,622,810	6,275,560	5,740,775	(534,785)	-8.5%
State Sub Recyclable Material	18,007	21,838	60,000	60,000	0	0.0%
S/W Surcharge - State	81,223	0	85,000	0	(85,000)	-100.0%
Interest	449,711	448,283	352,750	284,053	(68,697)	-19.5%
Public Works Capital	0	0	0	0	0	N/A
State THHWG	0	46,214	0	65,000	65,000	N/A
Misc Revenues	77,375	52,185	0	34,900	34,900	N/A
Total Solid Waste & Sanitation	\$6,156,499	\$5,699,934	\$7,264,382	\$6,617,228	(\$647,154)	-8.9%
Water Quality (Fund 5300):						
Water Quality Fee	5,539,770	5,619,138	5,398,723	5,458,259	59,536	1.1%
Public Works Capital	0	0	0	0	0	N/A
Fund Balance for Capital	1,565,559	1,675,000	0	0	0	N/A
Misc Revenue	85,632	129,876	110,000	80,000	(30,000)	-27.3%
General Fund Subsidy	683,952	683,952	683,952	683,952	0	0.0%
Total Water Quality	\$7,874,913	\$8,107,966	\$6,192,675	\$6,222,211	\$29,536	0.5%
Grand Totals:	\$57,059,309	\$57,884,572	\$57,214,085	\$65,962,634	\$8,748,549	15.3%
					100.00%	

Enterprise Fund Expenditures

Fiscal Years 2007 - 2010

Expenditures	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY 09/10	% OF TOTAL
Interceptor Sewer System (Fund 5100):							
Operations & Maintenance:							
Administration	2,238,790	2,434,463	2,463,483	2,492,653	29,170	1.2%	3.78%
Combined Sewer Overflow	139,996	149,071	544,400	434,150	(110,250)	-20.3%	0.66%
Engineering	249,648	340,620	367,728	455,897	88,169	24.0%	0.69%
Inflow & Infiltration	788,805	1,082,659	1,248,463	1,199,812	(48,651)	-3.9%	1.82%
Laboratory	540,449	582,023	642,928	603,444	(39,484)	-6.1%	0.91%
Landfill Handling	1,403,183	1,606,636	1,725,000	1,482,000	(243,000)	-14.1%	2.25%
Moccasin Bend - Liquid Handling	6,587,538	7,943,862	7,860,615	8,176,257	315,642	4.0%	12.40%
Moccasin Bend - Solid Handling	3,843,507	3,223,784	4,184,563	3,865,084	(319,479)	-7.6%	5.86%
Plant Maintenance	1,260,536	1,338,616	1,529,036	1,491,720	(37,316)	-2.4%	2.26%
Pretreatment/Monitoring	318,214	403,806	441,007	447,634	6,627	1.5%	0.68%
Safety & Training	119,881	132,364	134,825	127,666	(7,159)	-5.3%	0.19%
Sewer Maintenance	1,810,396	2,089,454	2,807,774	3,522,309	714,535	25.4%	5.34%
	<u>19,300,943</u>	<u>21,327,358</u>	<u>23,949,822</u>	<u>24,298,626</u>	<u>348,804</u>	<u>1.5%</u>	
Pumping Stations							
19th Street	48,948	29,555	51,825	45,325	(6,500)	-12.5%	0.07%
23rd Street	128,548	142,852	189,630	137,780	(51,850)	-27.3%	0.21%
Big Ridge 1 - 5	50,784	73,831	95,723	91,373	(4,350)	-4.5%	0.14%
Brainerd	12,532	47,038	16,215	20,350	4,135	25.5%	0.03%
Citico	296,344	360,587	297,810	269,335	(28,475)	-9.6%	0.41%
Dupont Parkway	15,745	19,085	30,915	29,725	(1,190)	-3.8%	0.05%
East Brainerd	30,091	70,608	101,590	37,615	(63,975)	-63.0%	0.06%
Enterprise South	276	3104	3,108	4,120	1,012	32.6%	0.01%
Friar Branch	106,871	124,172	197,140	143,040	(54,100)	-27.4%	0.22%
Highland Park	9,662	9,600	13,760	13,760	0	0.0%	0.02%
Hixson 1,2,3,&4	75,520	123,487	92,323	99,623	7,300	7.9%	0.15%
Latta Street	5,977	7,412	18,505	14,560	(3,945)	-21.3%	0.02%
Mountain Creek	22,904	24,979	21,535	\$18,835	(2,700)	-12.5%	0.03%
Murray Hills	8,576	10,030	17,460	20,860	3,400	19.5%	0.03%
North Chattanooga	13,829	15,534	20,960	26,260	5,300	25.3%	0.04%
Northwest Georgia	37,337	32,750	85,425	123,725	38,300	44.8%	0.19%
Odor Control Pump Stations	367,482	668,437	675,000	710,000	35,000	5.2%	1.08%
Ooltewah-Collegedale	77,136	80,018	98,470	93,020	(5,450)	-5.5%	0.14%
Orchard Knob	57,194	38,462	56,460	53,260	(3,200)	-5.7%	0.08%
Residential Pump Stations	20,116	22,574	70,500	79,000	8,500	12.1%	0.12%
Ringgold Pump Station	7,286	31076	98,400	54,350	(44,050)	-44.8%	0.08%
River Park	0	5381	4,250	4,250	0	0.0%	0.01%
South Chattanooga	1,824	3,980	5,405	6,955	1,550	28.7%	0.01%
South Chickamauga Creek	356,966	422,817	332,800	305,800	(27,000)	-8.1%	0.46%
Tiftonia 1&2	25,444	31,180	48,650	57,975	9,325	19.2%	0.09%
VAAP	1,648	2,505	5,110	9,760	4,650	91.0%	0.01%
	<u>1,779,040</u>	<u>2,401,054</u>	<u>2,648,969</u>	<u>2,470,656</u>	<u>(178,313)</u>	<u>-6.7%</u>	
Depreciation	9,577,178	0	0	0	0	N/A	0.00%
Capital Improvements Program	108,954	197,456	627,594	1,242,285	614,691	97.9%	1.88%
Debt Service & Reserve							
Principal	10,854,522	10,854,522	11,484,348	\$9,492,618	(1,991,730)	-17.3%	14.39%
Interest	4,696,538	4,367,087	4,110,598	3,755,185	(355,413)	-8.6%	5.69%
Trfrs to ISS Const Trust	2,321,695	0	0	0	0	N/A	0.00%
Reserve Coverage	0	0	935,697	1,059,825	124,128	13.3%	1.61%
	<u>17,872,755</u>	<u>15,221,609</u>	<u>16,530,643</u>	<u>14,307,628</u>	<u>(2,223,015)</u>	<u>-13.4%</u>	
Construction Trust Fund (P540)	0	0	0	10,804,000	10,804,000	N/A	16.38%
Total Interceptor Sewer	\$48,638,870	\$39,147,477	\$43,757,028	\$53,123,195	(\$1,437,833)	-3.3%	80.54%
Solid Waste & Sanitation (Fund 5200):							
Recycle	592,895	615,992	818,524	808,336	(10,188)	-1.2%	1.23%
Capital Improvements	0	1,865,000	0	0	0	N/A	0.00%
Sanitary Landfill (Summitt)	108,697	215,765	352,750	284,053	(68,697)	-19.5%	0.43%
Waste Disposal - City Landfill	1,072,131	1,077,348	1,162,888	1,109,468	(53,420)	-4.6%	1.68%
Compost Waste Recycle	715,585	693,658	611,029	532,674	(78,355)	-12.8%	0.81%
Household Hazardous Waste	117,438	83,724	100,000	100,000	0	0.0%	0.15%
Solid Waste Reserve	0	0	435,000	0	(435,000)	-100.0%	0.00%
Montague Park Monitoring	0	3,701	0	9,000	9,000	N/A	0.01%
Debt Service	3,263,008	2,413,624	3,784,191	3,773,697	(10,494)	-0.3%	5.72%
	<u>5,869,754</u>	<u>\$6,968,812</u>	<u>\$7,264,382</u>	<u>\$6,617,228</u>	<u>(\$647,154)</u>	<u>-8.9%</u>	<u>10.03%</u>
Water Quality (Fund 5300):							
Water Quality Management	1,620,157	1,769,322	2,082,805	2,395,782	312,977	15.0%	3.63%
Water Quality Operations	1,420,004	1,539,090	1,765,453	1,496,776	(268,677)	-15.2%	2.27%
Renewal & Replacement	62,088	32,234	45,562	30,191	(15,371)	-33.7%	0.05%
Capital Improvement	1,565,559	1,675,000	0	0	0	N/A	0.00%
Depreciation and Bad Debt	0	0	0	0	0	N/A	0.00%
Debt Service	2,264,493	1,463,046	2,298,855	2,299,462	607	0.0%	3.49%
	<u>\$6,932,301</u>	<u>\$6,478,692</u>	<u>\$6,192,675</u>	<u>\$6,222,211</u>	<u>\$29,536</u>	<u>0.5%</u>	<u>9.43%</u>
Total Water Quality	\$6,932,301	\$6,478,692	\$6,192,675	\$6,222,211	\$29,536	0.5%	9.43%
Grand Totals:	\$61,440,925	\$52,594,981	\$57,214,085	\$65,962,634	(\$2,055,451)	-3.6%	100.00%

Internal Service Funds

Fund Structure

Internal Service Funds are used to provide goods or services to other governmental operating units such as departments, bureaus, and agencies. The cost associated with providing these goods or services is usually recovered from those governmental units that receive benefits. The budgetary basis of accounting for these funds is the accrual method with economic resources measurement focus, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. Funds are reported on GAAP basis in CAFR.

Municipal Fleet Services Fund accounts for revenues and expenditures associated with the operation of the City's garage, gasoline, and fleet leasing services. The cost for these services are

paid by the departments and agencies of City government and charges to external agencies.

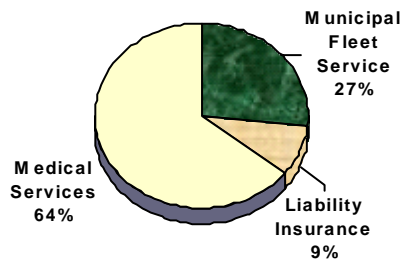
Liability Insurance Fund accounts for the City self-insurance programs for claims and losses due to liabilities arising under the laws of State and Federal governments. The costs for these programs are funded through premiums paid by the departments and agencies of City government.

Medical Services Fund accounts for the health insurance, onsite clinic, and wellness program benefits for current employees and retirees. The costs are funded by employee and department/agency premiums.

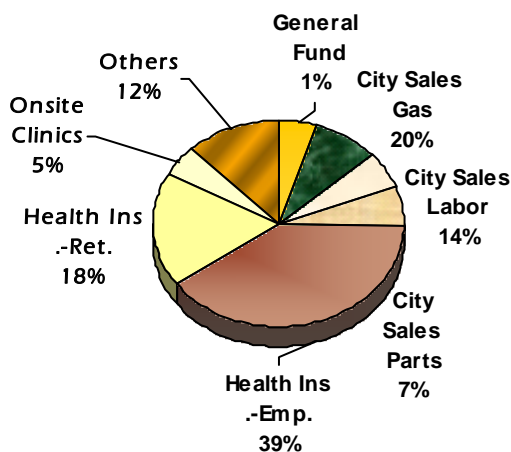
Fund	FY08/09 Budgeted Revenue & Expenses	FY08/09 Actual Revenues	FY08/09 Actual Expenses
Municipal Fleet Service Fund(1)	\$15,723,263	\$14,706,686	\$13,087,317
Liability Insurance Fund	\$3,824,400	\$5,189,400	\$2,314,722
Medical Services Fund	\$26,922,192	\$27,865,818	\$28,479,457

(1) Amounts include capital contributions and purchases

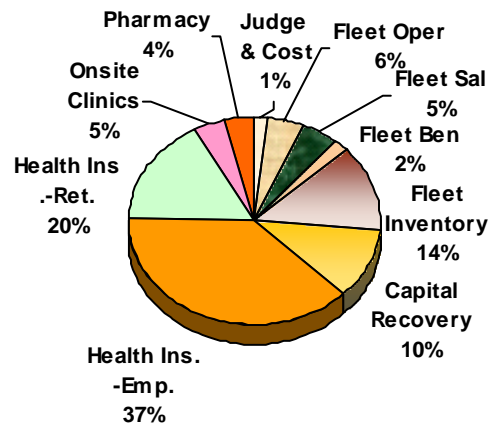
Fiscal Year 2009/10 Budgeted Amount by Fund \$48,260,208



Revenue



Appropriations



Fund Revenue Summary
Fiscal Years 2007 - 2010
(expressed in \$1,000)

Fund Type:	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 Increase (Decrease)	% CHANGE FY 10
Internal Service Fund						
Municipal Fleet Services	14,916	17,382	15,723	16,128	405	2.6%
Liability Insurance Fund	2,173	800	3,824	4,025	201	5.3%
Medical Services Fund	-	-	26,922	28,107	1,185	4.4%
Total Internal Service Fund	17,089	18,182	46,469	48,260	606	1.3%

Revenues

Municipal Fleet Services Fund

Service Stations and Garages. Revenues to operate, maintain, and finance the Fleet Service areas are derived primarily from sales of fuel, parts, labor, and leased vehicles to City Departments and other municipalities and agencies.

The garages collections and rates have not increased for FY10. Users will continue to pay a \$65.00 per hour charge for garage services for vehicles that are not part of the lease program. For budgeting or planning purposes during FY10, a 25% premium is applied to parts billed to departments. Gasoline and diesel fuel will be billed to departments with an approximate 10% premium applied to cost.

Fleet Leasing Program. Continuing in FY10 is the Fleet Leasing Program, in which new vehicles will be purchased, owned and maintained by Fleet Services and leased back to the various departments and agencies at a fixed rate. Started in FY07 and designed to replace the entire fleet over a period of six years, the program is expected to both provide the capital for vehicle replacement going forward and reduce maintenance costs with the progressive replacement of the oldest vehicles in the city fleet with new vehicles. In FY10, in order to relieve some expenses to the departments, the decision was made to suspend the capital replacement component of the lease rate for one year.

Liability Insurance Fund

Revenues to operate this fund are primarily transfers from the General Fund. Revenue and expenditures have fluctuated over the past four years. The premium requirement from General Fund fluctuates from fiscal year to fiscal year depending on the outstanding liabilities and potential outcomes based on the opinion and advice of the City Attorney.

Medical Services Fund

Revenues are generated from health insurance premiums charged to employees, retirees, departments, and agencies, and from charges to departments and agencies for the onsite medical clinics and wellness initiative. The city currently operates two clinics, one employee fitness facility, and an onsite pharmacy.

Fund Expenditure Summary
Fiscal Years 2007 - 2010
(expressed in \$1,000)

Fund Type:	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 Increase (Decrease)	% CHANGE FY 10
Internal Service Fund						
Municipal Fleet Services	13,913	15,148	15,723	16,128	405	2.6%
Liability Insurance Fund	2,099	719	3,824	4,025	201	5.3%
Medical Services Fund	-	-	26,922	28,107	1,185	4.4%
Total Internal Service Fund	16,012	15,867	46,469	48,260	606	1.3%

Expenses

Municipal Fleet Services Fund

Expenses for these funds are primarily for personnel, inventory supplies, and vehicle purchases.

The number of positions within the Division of Fleet Services decreased from 77 to 61 from FY 02 to FY 07 and have remained constant since then. As equipment replacements were made with more up to date equipment, it was decided the positions would not be filled. However, the cost for salaries has not decreased at the same rate during this time period due to yearly 3% cost of living adjustments through FY 08 and Pay Plan implementation in FY09. No cost of living adjustment was given for FY 10 due to economic conditions. Also, numerous positions have been upgraded to accommodate additional demands.

Liability Insurance Fund

Expenses fluctuate from year to year depending on advice of Counsel as a result of claims made against the City.

Medical Services Fund

Expenses are primarily for employee and retiree health insurance claims and the cost of operating the onsite clinics and wellness initiative program. The city also invests in stop loss insurance so as to mitigate the financial impact of unusually large medical claims.

Internal Service Fund Revenues

Fiscal Years 2007 - 2010

Revenue Source	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY 10	% OF TOTAL
Municipal Service Station (Fund 6100):							
Amnicola Service Station:							
Fleet Fuel- City Sales	1,059,873	1,318,856	1,300,000	1,375,129	75,129	5.8%	2.85%
Fleet Fuel- Outside Sales	8,773	13,162	15,000	25,000	10,000	66.7%	0.05%
Transfers In-Gen. Govt. Cap. Fund 4103	-	-	-	-	-	N/A	0.00%
Total Amnicola Station	1,068,646	1,332,018	1,315,000	1,400,129	85,129	6.5%	2.90%
12th & Park Service Station:							
Fleet Fuel- City Sales	2,164,400	2,789,593	2,700,000	2,300,000	(400,000)	-14.8%	4.77%
Fleet Fuel- Outside Sales	111,938	83,685	85,000	52,500	(32,500)	-38.2%	0.11%
Transfers In-Gen. Govt. Cap. Fund 4103	17,400	1,269	-	-	-	-	-
Total 12th & Park Station	2,293,738	2,874,547	2,785,000	2,352,500	(432,500)	-15.5%	4.87%
Total Municipal Service Station	\$3,362,384	\$4,206,565	\$4,100,000	\$3,752,629	(347,371)	-8.5%	7.78%
Municipal Garage (Fund 6101)							
Amnicola Garage:							
Sale of Surplus Equip/Scrap	21,066	33,924	28,263	10,000	(18,263)	-64.6%	0.02%
Misc Revenue	-	-	-	-	-	N/A	0.00%
Fleet - Sale of Parts	1,529,674	1,454,710	1,400,000	1,200,000	(200,000)	-14.3%	2.49%
Outside Sale of Parts	244,804	184,235	200,000	150,000	(50,000)	-25.0%	0.31%
Sales - Labor	1,282,234	1,465,788	1,325,000	1,350,000	25,000	1.9%	2.80%
Outside Sales - Labor	265,237	263,416	270,000	191,000	(79,000)	-29.3%	0.40%
Total Amnicola Garage	3,343,015	3,402,073	3,223,263	2,901,000	(322,263)	-10.0%	6.01%
12th & Park Garage:							
Fleet - Sale of Parts	1,675,620	1,476,000	1,400,000	1,630,000	230,000	16.4%	3.38%
Outside Sale of Parts	6,111	(183)	-	1,000	1,000	N/A	0.00%
Sales - Labor	1,116,156	1,348,964	1,325,000	1,275,000	(50,000)	-3.8%	2.64%
Outside Sales - Labor	1,990	8,083	-	500	500	N/A	0.00%
Total 12th & Park Garage	2,799,877	2,832,864	2,725,000	2,906,500	181,500	6.7%	6.02%
Total Municipal Garage	\$6,142,892	\$6,234,937	\$5,948,263	\$5,807,500	(140,763)	-2.4%	12.03%
Fleet Leasing Capital (Fund 6102)							
Damage Settlements	60,549	127,528	125,000	125,000	-	0.0%	0.26%
Sale of Surplus Equip/Scrap	260,800	275,491	225,000	200,000	(25,000)	-11.1%	0.41%
Fleet Leased Vehicles	-	-	-	-	-	N/A	0.00%
Vehicle Replacement Reserve	360,352	1,052,062	1,970,000	203,777	(1,766,223)	-89.7%	0.42%
Fleet Mileage Surcharge	104,988	339,067	390,000	26,040	(363,960)	-93.3%	0.05%
Use of Fund Balance	-	-	1,390,000	3,000,000	1,610,000	115.8%	6.22%
Transfers In-General Fund	812,897	1,500,000	-	1,500,000	1,500,000	N/A	3.11%
Transfers In-Gen. Govt. Cap. Fund 4103	3,500,000	2,572,426	-	-	-	N/A	0.00%
Total Fleet Leasing Capital Program	\$5,099,586	\$5,866,574	\$4,100,000	\$5,054,817	954,817	23.3%	10.47%
Fleet Leasing Operations (Fund 6103)							
Fleet Leased Vehicles	247,409	845,290	1,315,000	1,264,904	(50,096)	-3.8%	2.62%
Fleet Mileage Surcharge	63,328	228,352	260,000	248,000	(12,000)	-4.6%	0.51%
Total Fleet Leasing Operations Program	\$310,737	\$1,073,642	\$1,575,000	\$1,512,904	(62,096)	-3.9%	3.13%
Total Fleet Services	\$14,915,599	\$17,381,718	\$15,723,263	\$16,127,850	\$404,587	2.6%	33.42%
Liability Insurance Fund (6200)							
Prior Year Surplus	0	0	3,424,400	3,225,000	(199,400)	-5.8%	6.68%
General Fund Transfer -1100	2,173,000	800,000	400,000	800,000	400,000	100.0%	1.66%
Total Liability Insurance	\$ 2,173,000	\$ 800,000	\$ 3,824,400	\$ 4,025,000	\$ 200,600	5.2%	8.34%
Medical Services Fund (6300)							
Employee Premium Health Insurance	-	-	3,310,000	3,365,244	55,244	1.7%	6.97%
Department Premium Health Insurance	-	-	13,240,000	13,460,975	220,975	1.7%	27.89%
Department Premium Health Ins. HSA	-	-	568,000	983,501	415,501	73.2%	2.04%
Department Premium Retiree Health Ins.	-	-	5,154,780	5,577,046	422,266	8.2%	11.56%
Retiree Premium Health Insurance	-	-	1,841,220	1,916,874	75,654	4.1%	3.97%
Department Premium Pensioners	-	-	787,044	700,000	(87,044)	-11.1%	1.45%
Department Premium Onsite Med. Clinics	-	-	1,980,498	2,063,068	82,570	4.2%	4.27%
Miscellaneous Revenue	-	-	40,650	40,650	-	0.0%	0.08%
Total Medical Services	\$ -	\$ -	\$ 26,922,192	\$ 28,107,358	\$ 1,185,166	4.4%	58.24%
Grand Total:	\$17,088,599	\$18,181,718	\$46,469,855	\$48,260,208	\$605,187	1.3%	100.00%

Internal Service Fund Expenditures

Fiscal Years 2007 - 2010

Expenditures	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY 10	% OF TOTAL
Municipal Service Station (Fund 6100):							
<i>Amnicola Service Station</i>							
Salaries & Wages	45,167	60,160	47,169	33,849	(13,320)	-28.2%	0.07%
Fringes	12,021	16,823	16,466	9,809	(6,657)	-40.4%	0.02%
Purchased Services	1,334	8,002	2,500	10,000	7,500	300.0%	0.02%
Materials & Supplies	-	308	500	-	(500)	-100.0%	0.00%
Vehicle Operating Expenses	2,657	10,386	5,000	5,000	-	0.0%	0.01%
Inventory Supplies	888,721	1,147,027	1,170,000	1,170,000	-	0.0%	2.42%
Capital Outlay	-	-	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	19,307	2,072	19,500	80,397	60,897	312.3%	0.17%
Total Amnicola Station	969,207	1,244,778	1,261,135	1,309,055	47,920	3.8%	2.71%
<i>12th & Park Service Station</i>							
Salaries & Wages	60,313	73,850	63,398	50,341	(13,057)	-20.6%	0.10%
Fringes	40,978	21,918	21,729	14,719	(7,010)	-32.3%	0.03%
Purchased Services	5,670	11,364	4,200	2,200	(2,000)	-47.6%	0.00%
Materials & Supplies	-	185	1,500	1,500	-	0.0%	0.00%
Vehicle Operating Expenses	4,405	5,269	7,100	6,000	(1,100)	-15.5%	0.01%
Insurance, Claims, Damages	81	82	100	-	(100)	-100.0%	0.00%
Inventory Supplies	1,920,303	2,552,330	2,450,000	2,450,000	-	0.0%	5.08%
Capital Outlay	25,004	(7,450)	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	1,570	1,570	1,600	126,141	124,541	7783.8%	0.26%
Total 12th & Park Station	2,058,324	2,659,118	2,549,627	2,650,901	101,274	4.0%	5.49%
Total Municipal Service Station	\$ 3,027,531	\$ 3,903,896	\$ 3,810,762	\$ 3,959,956	\$ 149,194	3.9%	8.21%
Municipal Garage (Fund 6101)							
<i>Amnicola Garage - Repair & Maint.</i>							
Salaries & Wages	965,764	1,013,484	1,104,183	1,053,815	(50,368)	-4.6%	2.18%
Fringes	295,067	361,656	403,661	409,540	5,879	1.5%	0.85%
Purchased Services	209,183	250,143	221,500	165,864	(55,636)	-25.1%	0.34%
Materials & Supplies	17,446	22,743	20,400	12,124	(8,276)	-40.6%	0.03%
Travel	678	-	-	-	-	N/A	0.00%
Vehicle Operating Expenses	167,895	118,185	100,300	43,280	(57,020)	-56.8%	0.09%
Insurance, Claims, Damages	8,237	9,152	9,100	9,100	-	0.0%	0.02%
Inventory Supplies	1,307,861	1,331,385	1,400,000	1,360,000	(40,000)	-2.9%	2.82%
Capital Outlay	2,580	29,625	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	314,031	305,483	327,458	179,600	(147,858)	-45.2%	0.37%
Total Amnicola Garage	3,288,742	3,441,856	3,586,602	3,233,323	(353,279)	-9.8%	6.70%
<i>12th & Park Garage - Repair & Maint.</i>							
Salaries & Wages	855,864	835,739	1,025,785	997,434	(28,351)	-2.8%	2.07%
Fringes	293,420	318,604	367,243	390,050	22,807	6.2%	0.81%
Purchased Services	118,000	109,009	89,600	106,550	16,950	18.9%	0.22%
Materials & Supplies	25,313	34,839	34,200	27,550	(6,650)	-19.4%	0.06%
Travel	-	-	-	-	-	N/A	0.00%
Vehicle Operating Expenses	48,436	140,827	103,400	73,000	(30,400)	-29.4%	0.15%
Insurance, Claims, Damages	109,206	121,494	123,000	126,000	3,000	2.4%	0.26%
Inventory Supplies	1,271,465	1,125,348	1,070,000	1,050,000	(20,000)	-1.9%	2.18%
Capital Outlay	597	1,701	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	273,613	298,497	287,658	153,776	(133,882)	-46.5%	0.32%
Total 12th & Park Garage	2,995,914	2,986,058	3,100,886	2,924,360	(176,526)	-5.7%	6.06%
Total Municipal Garage	\$ 6,284,656	\$ 6,427,914	\$ 6,687,488	\$ 6,157,683	\$ (529,805)	-7.9%	12.76%
Fleet Leasing Capital (Fund 6102)							
Capital Outlay	4,221,265	3,061,037	1,390,000	4,500,000	3,110,000	223.7%	9.32%
Fund Balance Reserve	-	1,390,000	2,710,000	554,817	(2,155,183)	-79.5%	1.15%
Purchased Services	-	5,914	-	-	-	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	327,856	-	-	-	-	N/A	0.00%
Total Fleet Leasing Capital Program	\$ 4,549,121	\$ 4,456,951	\$ 4,100,000	\$ 5,054,817	\$ 954,817	23.3%	10.47%
Fleet Leasing Operations (Fund 6103)							
Vehicle Operating Expenses	51,590	359,522	1,125,013	955,394	(169,619)	-15.1%	1.98%
Total Fleet Leasing Operations Program	\$ 51,590	\$ 359,522	\$ 1,125,013	\$ 955,394	\$ (169,619)	-15.1%	1.98%
Total Fleet Services	\$ 13,912,898	\$ 15,148,283	\$ 15,723,263	\$ 16,127,850	\$ 404,587	2.6%	33.42%
Liability Insurance Fund (6200)							
Special Council & Claims	2,099,298	718,506	3,824,400	4,025,000	200,600	5.2%	8.34%
Total Liability Insurance	\$ 2,099,298	\$ 718,506	\$ 3,824,400	\$ 4,025,000	\$ 200,600	5.2%	8.34%
Medical Services Fund (6300)							
Health Insurance Admin Fee	-	-	-	-	-	N/A	0.00%
Health Insurance Stop Loss	-	-	525,000	485,000	(40,000)	-7.6%	1.00%
Health Insurance Employees	-	-	15,850,000	16,357,827	507,827	3.2%	33.90%
Health Insurance Retirees	-	-	7,729,000	7,211,239	(517,761)	-6.7%	14.94%
Pharmacy	-	-	-	1,769,272	1,769,272	N/A	3.67%
Employee Assistance Program (EAP)	-	-	40,650	40,650	-	0.0%	0.08%
COBRA	-	-	10,000	31,159	21,159	211.6%	0.06%
Health Insurance Pensioners	-	-	787,044	442,036	(345,008)	-43.8%	0.92%
On-site Med Clinic Administration	-	-	1,036,000	1,075,808	39,808	3.8%	2.23%
On-site Med Clinic #1 King St.	-	-	164,150	156,722	(7,428)	-4.5%	0.32%
On-site Med Clinic #2 Amnicola	-	-	109,600	119,394	9,794	8.9%	0.25%
On-site Med Clinic Other OccMed Cst	-	-	479,600	251,894	(227,706)	-47.5%	0.52%
Wellness Initiative Administration	-	-	160,948	147,407	(13,541)	-8.4%	0.31%
Wellness Initiative Fitness Facility	-	-	30,200	18,950	(11,250)	-37.3%	0.04%
Total Medical Services	\$ -	\$ -	\$ 26,922,192	\$ 28,107,358	\$ 1,185,166	4.4%	58.24%
Grand Totals	\$ 16,012,196	\$ 15,866,789	\$ 46,469,855	\$ 48,260,208	\$ 605,187	1.3%	100.00%





General Government

www.chattanooga.gov

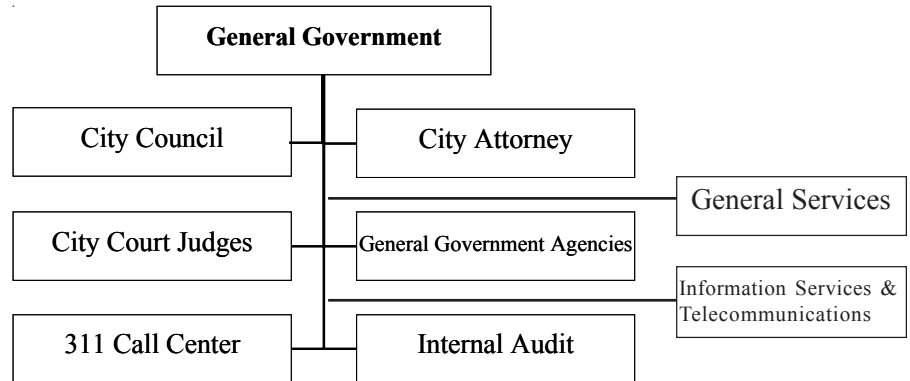
Mission:

To administer the executive, legislative, legal and judicial affairs for the City of Chattanooga.

Description:

The General Government budget provides for legal and legislative functions of government that pertain to the general day to day operations of the City of Chattanooga, as well as appropriations for most agencies and nonprofit organizations or other special funds to which the City contributes funding. The City Council Office and City Court Judges represent the elected officials of the City and their respective operations. The City Attorney's Office represents the City in all legal matters, litigating on behalf of the City, as well as providing legal advice to the governing body and other departments where appropriate. The audit department enhances government efficiency and accountability by conducting performance and financial reviews of City departments and City-funded agencies. 311 Call Center simplifies citizen access to government by providing a single point of contact for all City services. In addition, 311 provides City departments with data needed to identify service needs, trends, and outcomes.

Other functions in General Government include funding for memberships in organizations such as the Tennessee Municipal League. Funds are also provided for promotion of the city through various means as determined by the Mayor or the City Council. Administrative expenses for the annual audit, various general studies and surveys which the City deems necessary are administered through this department. Due to reorganization, General Services and Information Systems are now under General Government. These areas include purchasing, building maintenance, real property management, fleet services, mobile communications, information service and telecommunications.



Goals and Objectives

Develop prudent and applicable laws to further economic development, enhance educational opportunities and to respond to citizens requests as deemed prudent and necessary.

- ❶ 100% consideration of all citizens requests and concerns which pertain to legislative matters.
- ❷ Council minutes to be made available to any concerned party within 2 workdays after completion of a Council meeting.
- ❸ Adopt a budget to operate within budget guidelines and parameters set forth within the budget ordinance.

Enforce all laws pertaining to City ordinances and to support the city in legal disputes in which the city is involved.

- ❶ Hear 100% of cases reported to be in violation of any city ordinance and applicable traffic violations.
- ❷ Reduce the number of legal claims against the City.

Make recommendations that will enhance the efficiency and effectiveness of service delivery, reduce costs where appropriate, and ensure compliance with applicable standards and guidelines

- ❶ Identify high risk areas for audit.
- ❷ Plan and conduct audits in an independent and objective manner.
- ❸ Ensure staff are sufficiently trained to perform duties at a professional level.

Deliver a quality customer experience to 311 customers

- ❶ Answer 85 percent of calls within two minutes or less and 95 percent of emails within 24 business hours.
- ❷ Meet or exceed target service levels of 135 calls per day per customer service representative.
- ❸ Maintain satisfaction ratings of "good" or "excellent" for 90 percent of 311 contacts.

To provide timely, efficient and quality telecommunications and information services, as well as fleet, real estate and facilities management and support services for all City departments and agencies.

- ❶ Increase efficiency of service delivery.
- ❷ Achieve 100% on-time job performance.
- ❸ Strive for an excellent quality response to every support service request.

Performance Measures

	Actual FY08	Goal FY09	Actual FY09	Goal FY10
311 service requests created	72,663	80,000	66,443	80,000
311 service requests closed	99%	100%	97.3%	100%
Customer satisfaction rating	N/A	90%	N/A	90%
Total City Fleet	1,769	1,680	1,773	1,780
Total City Fleet Repairs and Maintenance	\$6,115,427	\$5,900,000	\$13,594,949 ¹	\$5,900,000
Days from Council Meeting to minutes	2	2	2	2
Paid in full prior to judgement	40.1%	50.0%	N/A	50.0%
Percent with final judgement	69.0%	80.0%	N/A	80.0%

*N/A=Not Available, N/P= Not Provided

1) Increase due to replacement of garbage truck arms

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
City Council Office	\$ 677,010	\$ 687,196	\$ 741,598	\$ 709,617
Office of City Court Judges	673,217	679,957	706,699	718,864
Office of City Attorney	1,011,391	1,057,642	1,134,824	1,084,778
Supported Agencies	12,860,316	12,905,712	13,207,398	13,160,857
Debt Service	11,567,051	9,392,174	12,166,456	15,906,307
311 Call Center	425,833	438,808	520,341	533,364
Internal Audit	436,416	468,415	499,419	478,740
Information Services	2,922,377	3,216,813	3,272,020	3,258,997
General Services	2,194,765	2,373,638	2,373,471	2,455,612
Other General Government Activities	12,878,709	16,434,026	11,086,083	2,281,634
Total Expenditures	\$45,647,085	\$47,654,382	\$45,708,309	\$40,588,770
Per Capita	\$294.95	\$283.16	\$269.06	\$237.53
Positions Authorized	174	177	177	181

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 5,902,135	\$ 6,655,073	\$ 6,644,299	\$ 6,644,299
Overtime	15,078	4,000	2,000	2,000
Operating	39,729,872	40,995,309	39,062,010	33,942,471
Revenue	-	-	-	-

Supported Agencies

Supported agencies are a portion of General Government and are primarily in two different categories. The first category is appropriations to special funds that are either jointly supported with Hamilton County and / or some other agency which are accounted for in another fund on the City's books. These include CARTA, Library, Regional Planning Agency and the Air Pollution Control Bureau. The second category is appropriations to other organizations which the City Government determines meet the definition of serving a public purpose that are not accounted for on the City books. These include agencies such as Urban League, Allied Arts, and Chattanooga Neighborhood Enterprise (CNE). The following descriptions give a short explanation of each general government agency. Some of the appropriations are for closed-ended programs, but most are for ongoing programs or agencies which the City Government supports on a continual basis. In addition, the Liability Insurance Fund accounts for liability claims and losses. Amounts are provided for Fiscal Year 2009/2010.

Air Pollution Control Bureau

The overall mission is to achieve and maintain levels of air quality which will protect human health and safety and prevent injury to plant and animal life and property. The Chattanooga Area has progressed from being listed as one of the nation's most polluted cities in the late 1960's to being held out as a model of improvement. The City currently meets all federal air quality standards.

The bureau provides a program of air pollution prevention, abatement, and control to foster the health, comfort and convenience of all citizens of Hamilton County.

City's Contribution.....\$270,820

Allied Arts Council

The overall mission is to provide a united voice for all cultural organizations and activities, further the significance of their roles in the life of the community, provide financial assistance and such other measures necessary to strengthen the area's cultural resources, and work with other agencies in the public and private sectors to make quality of life a priority issue for the community.

Through its annual fund drive, Allied Arts provides essential operating funds to eight cultural institutions:

- The Hunter Museum of Art*
- Chattanooga Symphony & Opera Assoc.*
- Chattanooga Boys Choir*
- Houston Museum of Decorative Arts*
- Arts & Education Council*
- Chattanooga Regional History Museum*
- Association for Visual Artists*
- Choral Arts Society*
- Chattanooga Girls Choir*

City's Contribution.....\$191,250

Bessie Smith Hall, Inc.

The mission of the Chattanooga African American Museum/Bessie Smith Hall is to collect, preserve, interpret and present art and artifacts relating to the history and culture of African American's while serving as a resource for local and national history. The CAAM also houses artifacts and documents to support educational programs, services and resources for the community.

City's Contribution.....\$64,000

Carter Street Corporation

Carter Street Corporation manages the Downtown Convention & Trade Center. The convention and trade center provides rental space for conventions, trade shows, meetings, banquets, etc., which bring outside dollars into the community, as well as providing a place for local organizations to hold events.

City's Contribution.....\$185,000

Chattanooga Area Regional Transportation Authority (CARTA)

The overall mission is the provision of public transit services. The Authority operates the regional bus service, the Lookout Mountain Incline Railway, and the free Downtown Electric Shuttle. Specialized transportation services are offered for the disabled in Hamilton County. CARTA is the sole provider in the Chattanooga-Hamilton County area of public transportation.

City's Contribution.....\$3,851,000

Chattanooga African-American Museum/ Building Maintenance

The museum's mission is to develop, coordinate, and provide a facility to house research materials and artifacts of the African-American culture, as well as documenting the contributions of African-Americans to the development of Chattanooga and this nation.

The programs promote ethnic pride, self-esteem, cultural enrichment, cross-cultural awareness, improved human relations within the community and sensitivity to the African-American experience. The museum helps one to understand the culture and heritage of African-Americans. In addition, the museum is responsible for the overall management and maintenance of the Heritage Center in which the Center houses the Bessie Smith Hall and the African-American Museum.

City's Contribution.....\$62,653

Chattanooga Area Food Bank

The Food Bank funds programs that feed hungry families residing in the City of Chattanooga.

City Contribution..... \$15,000

Chattanooga Area Regional Council of Governments / Southeast Tennessee Development District

The mission is to provide area-wide planning and coordination on a regional basis and to assist local governments in project and program development within the thirteen counties of Southeast Tennessee and the bi-state metropolitan Chattanooga region.

This agency's program represents local governments in their relationships to State and Federal programs and seeks to maximize the amount of external funding that can be brought to bear on the area's development needs. Examples of funding secured in past years include funding for CARTA, the regional sewage treatment facility, industrial parks, water and sewer projects and a number of social service agencies for the elderly.

City's Contribution.....\$31,111

Chattanooga Area Urban League

The overall mission is the elimination of discriminatory behavior by empowering African-Americans and other minorities through educational and vocational training which will increase economic power. The tools of social work, economic law and business are utilized to secure equal opportunities throughout all sectors of society. The essence of this program is to assist the Hamilton County and City of Chattanooga governments in improving minority representation on construction sites which are funded with public funds. It will also provide technical assistance and make available to contractors a pool of applicants for employment consideration. This will create avenues for employment opportunities and also ensure that the county is in compliance with local, state, and

federal regulations governing minority representation in the construction industry and have an impact on affirmative action goals throughout the local governments.

City's Contribution.....\$50,000

Chattanooga Downtown Partnership

The mission of the organization is development in the downtown area of Chattanooga. The Partnership directory of available office and retail space provides a comprehensive inventory for investors and new growth. Representatives attend regional and national leasing and retail recruiting expositions. Seasonal promotions are conducted throughout the year. The Partnership Windows Program fills vacant storefronts with banners and exhibits installed by businesses and civic organizations. Through efforts of the organization, Chattanooga is one of thirty U.S. cities selected to establish a benchmark of leading indicators to be used to measure downtown progress for the International Downtown Association.

City's Contribution.....\$80,000

Chattanooga - Hamilton County Bicentennial Library

The library serves the community by making materials and services available to all residents. To meet patrons' educational, professional, and personal needs, the library provides current information, promotes learning, and preserves the community's history.

The library provides access to information through books, periodicals, newspapers, pamphlets, government documents, phonograph records, audiocassettes, videocassettes, films, internet, and brochures. Through state, regional, national and international networks, the library can provide access to resources. The library encourages the love of reading in children and adults and provides information for both leisure and professional use.

City's Contribution.....\$2,640,000

Chattanooga/Hamilton County Regional Planning Agency

The mission of the CHCRPA and its staff is to develop a comprehensive vision and guide for the region which ensures that our land resources support, enhance, and sustain our community and its quality of life. This vision should include both short and long-range goals and strategies which public and private community leaders can utilize to implement these objectives.

The planning program facilitates government and

various public and private decision-making by providing research, data, plans, studies and suggested strategies related to community land use, transportation, and social issues.

City's Contribution.....\$1,115,712

Chattanooga History Center

The overall mission is to collect, preserve, research, interpret and display the written, spoken, pictorial and artifactual record of the Chattanooga and Tri-State region from the earliest times to the present. This is accomplished by operating a museum and providing appropriate publications, exhibits and educational programs for all segments of the community in the context of the museum's permanent theme, "*Chattanooga Country: Its Land, Rivers, and People*".

The museum has a working board and staff, and a proven track record of helping to improve the quality of life for current and future Hamilton County residents. Education is the primary purpose, which the education department fulfills with a full schedule of school tours, adult programs and outreach programs. The "Traveling Trunks" outreach program includes hands-on activities that bring to life specific historical periods in our area.

City's Contribution.....\$18,000

Chattanooga Neighborhood Enterprise

The mission of the organization is to rid the Chattanooga area of all substandard housing. The City government joined in this effort in 1989.

City's Contribution..... \$900,000

Children's Advocacy Center

Mission is to provide a safe environment where a child's voice is heard and respected. This includes the coordination and facilities for the state-mandated team responsible for the investigation, intervention and treatment for the child and family, and prosecution of the abuser. Extended assessments, crisis counseling, therapeutic groups and support groups for children and their families are also provided.

City's Contribution.....\$22,500

Choose Chattanooga

Choose Chattanooga is a marketing effort designed to increase area population growth as a necessary ingredient to accelerating economic development and organically increasing the local tax base. Funding will be used to promote Hamilton County to retirees and others who might potentially locate in the Chattanooga area.

City Contribution..... \$20,000

Community Foundation Scholarships

This is a partnership of public and private funds to provide for scholarships to qualified and deserving students who would not otherwise be able to further their education beyond the public school system. The Foundation is committed to raising, on a two-to-one basis, funds from the community to match the City's contribution. Scholarships are awarded annually to students who meet the established criteria.

City's Contribution.....\$120,000

Community Impact of Chattanooga, Inc.

Community Impact is a non-profit organization created to support the City of Chattanooga in its efforts to revitalize distressed urban neighborhoods. Its mission is "to create an improving quality of life for participating neighborhoods through support of neighborhood associations and partnerships with key organizations."

City Contribution.....\$208,511

Enterprise South Nature Park

This is the passive park area of the Enterprise South Industrial Park. It is jointly funded between Hamilton County and the City. The park is managed by the County with the City contributing half of the cost of operations.

City Contribution.....\$283,861

Finley Stadium

These funds will be distributed to the Stadium Corp. to cover a portion of the operating expenses for Finley Stadium/Davenport Field.

City Contribution..... \$ 60,000

Friends of Moccasin Bend

The purpose of the Friends of Moccasin Bend National Park is to support the preservation, protection and interpretation of the cultural, historical and natural resources of Moccasin Bend National Archeological District in partnership with the National Park Service. The Friends will also support the design, construction and sustainability of an interpretive center/visitor facility at Moccasin Bend.

City Contribution..... \$ 30,000

Front Porch Alliance

The Front Porch Alliance seeks to mobilize groups such as churches and faith-based organizations to have a greater impact in the low and moderate-income neighborhoods where they are located.

City Contribution.....\$ 27,000

Homeless Healthcare Center

The Chattanooga - Hamilton County Homeless Healthcare Center provides outreach, primary care, substance abuse, and mental health services to Chattanooga's homeless population. Clients are provided assistance with locating housing, applying for entitlement programs and with obtaining jobs.

City's Contribution.....\$15,750

Liability Insurance Fund

The Liability Insurance fund accounts for the City self insurance program for liability claims and losses due to liabilities arising under the laws of State and Federal governments. Cost incurred in this account may include judgement and cost, special counsel fees, and cost for any special legal cases of the City. The cost for these programs are funded through premiums paid by the departments and agencies of City government.

City's Contribution.....\$800,000

Railroad Authority

The Railroad Authority is governed by a board which includes the City and County Mayors and the Executive Director of the Chamber of Commerce, providing for continuation of rail service in the region as it is needed and feasible.

City Contribution.....\$67,822

Scenic Cities Beautiful

The organization's focus is to study, investigate, develop, and carry out programs for improving the cleanliness and beauty of the community through organized cleanups and beautification efforts. The organization also works with groups to implement proper waste handling practices, and to support and promote community wide recycling.

Scenic Cities serves as the coordinating body for county-wide cleanups and beautification programs, and provides support, information, and materials to those involved in promoting a cleaner community. It also provides speakers and environmental exhibits for community affairs, garden clubs, civic groups, and neighborhood organizations.

City's Contribution.....\$5,000

Tennessee Riverpark

This is a jointly funded activity in partnership with the Hamilton County Government. The local leaders have committed to a redevelopment of the riverfront area which includes a park connecting the downtown area with the Chickamauga Dam. This park is overseen by the County government, with the City contributing

half of the cost of operations.

City's Contribution.....\$1,219,775

The Enterprise Center

The Enterprise Center is a public benefit corporation that is organized exclusively for charitable purposes including relief of the poor and distressed, lessening the burdens of government, promoting social welfare, and combating community deterioration. In furtherance of such purposes, the corporation will operate to further the economic development of the City of Chattanooga and its surrounding region. FY10 appropriation includes \$142,500 as matching grant funds toward a federal maglev grant.

City's Contribution\$237,500

WTCI TV 45

The overall mission is to provide informational, educational, and quality cultural television programs to the people of the Greater Chattanooga and Hamilton County community on Channel 45. The station provides information on the City of Chattanooga and Hamilton County governments, getting the public involved by way of television.

City's Contribution.....\$45,000

Resources	Actual FY06/07	Actual FY07/08	Budget FY08/09	Budget FY09/10
Air Pollution Control Bureau	270,820	270,820	270,820	270,820
Allied Arts Council	155,000	255,000	255,000	191,250
Bessie Smith Hall, Inc.	70,000	70,000	70,000	64,000
CARTA	3,665,300	3,738,606	3,851,000	3,851,000
Chattanooga African-Museum				
Building Maintenance	57,019	57,019	57,019	62,653
Chattanooga Area Urban League	50,000	50,000	50,000	50,000
Chattanooga Downtown Partnership	100,000	100,000	100,000	80,000
Chattanooga - Hamilton County				
Bicentennial Library	2,487,660	2,491,660	2,640,000	2,640,000
Chattanooga Neighborhood Enterprises	1,500,000	1,000,000	1,000,000	900,000
Chattanooga History Center	24,000	24,000	24,000	18,000
Chatt. Area Regional Council of Gov.				
Southeast Tennessee Dev. District	31,111	31,038	31,111	31,111
Children's Advocacy Center	30,000	30,000	30,000	22,500
Community Foundation Scholarships	160,000	160,000	160,000	120,000
Homeless Healthcare Center	17,500	17,500	17,500	15,750
Chattanooga/ Hamilton County				
Regional Planning Agency	942,817	942,817	990,007	1,115,712
Scenic Cities Beautiful	22,888	22,888	22,888	5,000
Tennessee Riverpark	1,090,648	1,175,386	1,258,632	1,219,775
WTCL TV 45	60,000	60,000	60,000	45,000
Liability Insurance Fund	2,173,000	800,000	400,000	800,000
Enterprise Center	100,000	100,000	100,000	237,500
Carter Street Corp	150,000	200,000	200,000	185,000
Community Impact of Chattanooga	250,000	300,000	300,000	208,511
Railroad Authority	20,000	74,960	55,794	67,822
Enterprise South Nature Park	82,076	130,475	190,150	283,861
Stop the Madness	100,000	100,000	0	0
Front Porch Alliance	0	32,000	30,000	27,000
Choose Chattanooga	0	25,000	25,000	20,000
Chattanooga Area Food Bank	0	0	0	15,000
Finley Stadium	25,000	0	60,000	60,000
Friends of Moccasin Bend	0	0	0	30,000
TOTAL	13,634,839	12,259,169	12,248,921	12,637,265





Economic Development

Ron Littlefield, Mayor

www.chattanooga.gov

Description:

In August 1997, the citizens of Chattanooga approved a half-cent tax on retail sales in the city. Revenues from this tax were shared on a 50/50 basis for education and economic development. In a county-wide election in February 2004, the residents of Hamilton county voted to increase the county-wide local option tax rate from 1.75% to 2.25% thereby repealing the city-only 1/2% tax. The additional taxes generated by the 1/2% increase in the county-wide tax are distributed to the county, city and education in accordance with TCA 67-6-712 which requires that 50% is used for education and the remainder on situs basis. The City should continue to receive a comparable amount for economic development from the county-wide tax as it has in prior years. With the passage of the county-wide tax increase the education component is distributed directly to the Hamilton County Department of Education.

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Capital fund	2,007,852	2,845,000	1,419,467	1,637,444
African American Chamber	150,000	150,000	150,000	75,000
Chamber for Economic Devel	400,000	450,000	450,000	450,000
Chamber Marketing-Enterprise South	0	0	75,000	75,000
Chattanooga Opportunity Fund	0	0	0	0
Business Development Initiative	75,000	0	0	0
Tourist Development Debt Service	47,635	0	0	0
Net Debt Service	7,921,142	6,772,702	9,370,806	8,162,556
Total Expenditures	\$ 10,601,629	\$ 10,217,702	\$ 11,465,273	\$ 10,400,000
City Only Sales Tax	\$ 10,566,227	\$ 10,767,083	\$ 11,465,273	\$ 10,400,000
Unreserved Fund Balance	0	0	0	0
TDZ State Sales Tax	0	0	0	0
TDZ County Sales tax	47,635	0	0	0
Interest Income	240,432	200,783	0	0
Total Revenues	\$ 10,854,294	\$ 10,967,866	\$ 11,465,273	\$ 10,400,000
Per Capita	\$ 68.50	\$ 66.02	\$ 67.49	\$ 60.86





Community Development

Beverly P. Johnson, Administrator

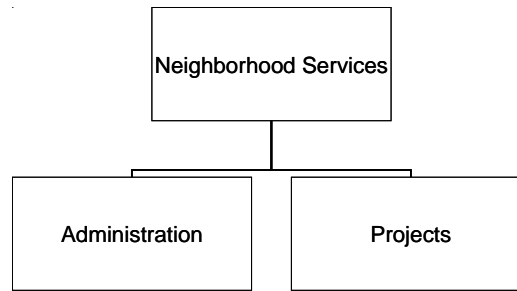
www.chattanooga.gov/communitydev

Mission:

To improve housing and employment opportunities for all low-to-moderate income Chattanooga residents and to provide the support needed to stabilize and revitalize low income communities.

Description:

Community Development, using grants from the U. S. Department of Housing and Urban Development, is dedicated to the revitalization of low-to-moderate income neighborhoods and the economic improvement of its residents. The department funds affordable housing initiatives, employment and business assistance, public facility and infrastructure improvements, and social services to assist the community as a whole.



Goals & Objectives:

To increase availability and access to affordable, quality housing in the City's low-to-moderate income communities.

- ❶ Increase neighborhood understanding of fair housing regulations to make sure good quality housing is accessible for lower income residents.
- ❷ Increase the stock of available, quality housing by the creation of new homes and rental units or providing financing to enable residents to build a new home.
- ❸ Help homeowners preserve existing housing and restore structures that have become uninhabitable.
- ❹ Encourage home ownership as a means of further stabilizing the community.

To drive the revitalization of Community Development Block Grant (CDBG) eligible neighborhoods.

- ❶ Strengthen the foundation of neighborhoods through infrastructure repairs and streetscape improvements.
- ❷ Create or renew public facilities to be used as community centers in targeted neighborhoods.

To increase employment in lower income areas.

- ❶ Use available resources and training to make sure that lower income residents have needed skills to get and retain good jobs.
- ❷ Bolster the existing business base and encourage the creation of new enterprises through access to capital funds.

Performance Measures	Actual	Goal	Actual	Goal
	FY08	FY09	FY09	FY10
Increase the stock of safe, affordable rental units	57	90	110	90
Rehabilitate substandard housing # of units	171	100	207	100
Assist first time LMI(low/moderate income) purchase with mortgages	69	120	59	120
# of Participants in Homebuyer Education Programs	164	200	145	200

*N/A=Not Available

Community Development

Beverly P. Johnson, Administrator

www.chattanooga.gov/communitydev

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Administration	416,424	583,265	562,837	560,000
Community Dev Projects	6,183,655	4,513,676	4,534,104	4,997,680
Total Expenditures	\$6,600,079	\$5,096,941	\$5,096,941	\$5,557,680
Per Capita	\$ 42.65	\$ 32.93	\$ 30.29	\$ 32.52
Positions Authorized	7	7	7	7

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 340,854	\$ 405,531	\$ 390,000	\$ 390,000
Overtime	0	0	0	0
Operating	6,259,225	4,691,410	4,706,941	5,167,680
Revenue	7,031,562	8,515,233	4,133,730	5,557,680



Department of Finance & Administration

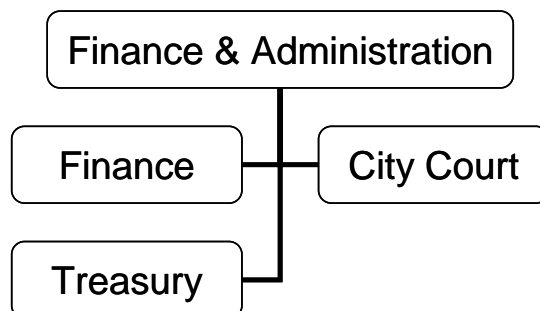
Daisy W. Madison, Administrator
 Vickie Haley, Deputy Finance Officer
www.chattanooga.gov/finance

Mission:

To ensure the overall fiscal health of the City of Chattanooga and provide high quality support services to City departments and agencies.

Description:

The Finance and Administration Department provides financial and management information, control, and guidance to the Mayor, Department Administrators and the City Council. The department is responsible for all budget and finance related functions of the City including accounting, and treasury operations. The department also provides support to other departments and agencies in the areas of City Court operations.



Goals & Objectives:

Using prudent economic forecasts, develop, monitor and help implement a balanced budget that secures the efficient and appropriate delivery of City Services.

- ❶ Propose and maintain a balanced budget that accounts for recurring revenue and cost.
- ❷ Develop an accurate and prudent economic revenue forecast.
- ❸ Provide for the efficient and effective use of budgeted funds to eliminate wasteful spending, and maximizing the service and program results from each tax dollar spent.

To provide for the fair and efficient collection of and appropriate use and accounting of city revenues in a manner consistent with Federal, State and Local laws.

- ❶ Maximize revenue collection.
- ❷ Increase collection efficiency.
- ❸ Maintain best use and investment of assets.
- ❹ Ensure 100% GAAP compliance.
- ❺ Compliance with law.

Performance Measures	Actual	Goal	Actual	Goal
	FY08	FY09	FY08	FY10
Cash Management Yield on investment portfolio	5.2%	5.0%	5.2%	5.0%
% of Current Levy Collected	96.0%	97.0%	96.0%	97.0%
Annual Debt Service Requirement as % of General Fund	5.6%	5.0%	5.6%	5.0%
Bond Rating by Standard & Poor's	AA	AA	AA	AA
Bond Rating by Fitch Ratings Ltd.	AA	AA	AA	AA

Department of Finance & Administration

Daisy W. Madison, Administrator

Vickie Haley, Deputy Finance Officer

www.chattanooga.gov/finance

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Finance	\$1,806,429	\$1,959,594	\$2,177,519	\$2,057,102
Treasurer	643,819	701,627	768,711	765,946
City Court Clerk	1,037,558	1,174,817	1,130,520	1,051,252
Information Services	0	0	0	0
Purchasing	0	0	0	0
Building Maintenance	0	0	0	0
Radio & Electronics	0	0	0	0
Real Estate	0	0	0	0
Fleet Services	0	0	0	0
Total Expenditures	\$ 3,487,806	\$ 3,836,038	\$ 4,076,750	\$ 3,874,300
Per Capita	\$ 22.54	\$ 24.79	\$ 24.00	\$ 22.67
Positions Authorized	66	66	67	67

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 2,915,760	\$ 3,123,964	\$ 3,415,802	\$ 3,335,951
Overtime	6,642	13,645	5,200	5,200
Operating	578,688	698,429	655,748	533,149
Revenue	-	-	156,967,172	155,923,859



Mission:

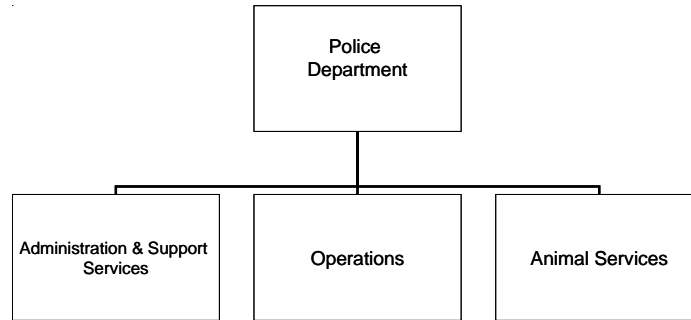
To work cooperatively with the public and within the framework of the constitutions of the United States and the State of Tennessee to enforce the laws, preserve the peace, maintain order, and provide for a safe community.

Description:

The department is separated into three major divisions: Police Administration & Support Services, Operations, and Animal Services.

The department's responsibilities include effective and efficient police protection through investigation of criminal offenses, enforcement of state laws and City ordinances, response to citizen requests for services, and maintenance of support services.

The Animal Services division provides essential services to residents of Chattanooga through the enforcement of animal-related codes as stated in the Tennessee Code and City Code. They also license animals; provide animal safety and educational programs; and emergency and rescue services for animals.



Goals & Objectives:

Reduce Index Offenses Crime

- 1 Reduce all Crime 3% in 2008 (Calendar Year)
- 2 Reduce all Property Crime 5% in 2008 (Calendar Year)
- 3 Meet or surpass national Uniform Crime Report crime reduction trends each year.

Prevent Crime and Make Citizens Safe

- 1 Increase traffic safety
- 2 Reduce "broken window" crimes & violations
- 3 Maximize the visibility and effectiveness of police officers.

Promote the Attractiveness and Long-Term Economic Growth of the Area

- 1 Create a safe, orderly and appealing destination for visitors
- 2 Build a community environment that is conducive to the maintenance of peace and order and attractive to businesses

Rigorously Comply with all Local, State, and Federal Laws in the Pursuit of a Safe, Lawful Community

- 1 Minimize sustained incidences of police misconduct
- 2 Increase police awareness and respect for citizens rights to effect fewer litigation claims and more legally defensible police actions
- 3 Provide sufficient assistance, time, resources, and training for officers to insure successful prosecution of charges.

Department of Police

Freeman Cooper, Chief of Police

Mark Rawlston, Deputy Police Chief

www.chattanooga.gov/police/

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Police Administration	\$ 2,281,409	\$ 2,399,164	\$ 2,314,701	\$ 2,302,093
Operations	28,692,413	25,270,558	31,628,234	26,200,005
Animal Services	1,051,581	1,054,288	1,114,572	1,474,572
Support Services	8,997,568	14,731,635	8,226,032	10,856,193
Total	\$ 41,022,971	\$ 43,455,645	\$ 43,283,539	\$ 40,832,863
Per Capita	\$ 265.07	\$ 280.79	\$ 254.78	\$ 238.96
Positions Authorized	685	685	675	601

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 32,892,959	\$ 34,507,418	\$ 36,579,931	\$ 31,274,111
Overtime	1,185,371	1,170,290	722,000	722,000
Operating	6,944,641	7,777,937	5,981,608	8,836,751
Revenue	454,843	419,322	368,200	368,000

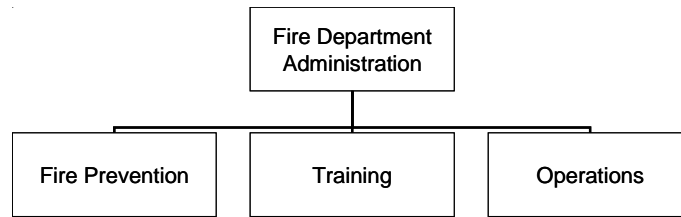


Department of Fire

Randall Parker, Fire Chief
Lamar Flint, Exec Dep Fire Chief

Mission:

To protect life, property and community resources through prevention, preparation, response and mitigation.



Description:

The department has four core divisions: Fire Administration, Operations, Fire Prevention, and Training. Operations includes 17 fire stations and more than 350 firefighters who respond to fire, automobile accidents, first response medical emergencies, hazardous materials incidents and other emergencies. The Fire Prevention Bureau includes code enforcement, fire investigation, and fire safety education. The Training Division provides instruction to all fire fighters on the latest tactics and technology in the fire service, and also trains new recruits in fire academies.

Goals & Objectives:

Reduce fire fatalities and injuries for civilians and firefighters.

- ① Meet or surpass National Fire Prevention Association (NFPA) reduction numbers for fatalities, injuries and total fires.
- ② Pursue an aggressive fire prevention education program to reach throughout the community.

Reduce property loss resulting from fire.

Maintain or improve the City's Insurance Services Office (ISO) public protection classification in order to reduce insurance costs to residents and businesses.

Provide a timely first response to medical emergencies, and offer well-trained emergency personnel to administer appropriate treatment.

Provide a Homeland Security regional response

- ① Establish a regional response team that is capable and ready to respond to any chemical, biological, radiological, nuclear or explosive (CBRNE) incident, as well as hazardous spills or structural collapse emergencies.

Performance Measures	Actual FY08	Goal FY09	Actual FY09	Goal FY10
Average response time (Department)	5:05	5:00	5:15	5:00
Inspections	5,978	6,277	7,769	6,277
Civilian Deaths	2	-	1	-
Civilian injuries	8	-	7	-
Firefighter Injuries	46	-	48	-
Property Damage (\$million)	\$6.35	\$ 5.45	\$5.02	\$ 5.45
Fire Calls	995	-	920	-
Non-Fire Calls	10,854	-	11,969	-

*Response time in minutes and seconds (mm:ss)

Department of Fire

Randall Parker, Fire Chief

Lamar Flint, Exec Dep Fire Chief

www.chattanooga.gov/fire/fire

Department Summary				
	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Fire Operations	\$ 25,692,643	\$ 27,844,427	\$ 28,534,996	\$ 27,435,823
Fire Utilities	277,016	0	0	0
Total Expenditures	\$ 25,969,659	\$ 27,844,427	\$ 28,534,996	\$ 27,435,823
Per Capita	\$ 167.80	\$ 179.92	\$ 167.97	\$ 160.56
Positions Authorized	417	417	417	417

Resources				
	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 23,150,790	\$ 25,078,400	\$ 25,882,294	\$ 24,636,111
Overtime	23,065	21,116	20,000	23,500
Operating	2,818,905	2,766,028	2,652,702	2,799,712
Revenue	745	750	750	750



Department of Public Works

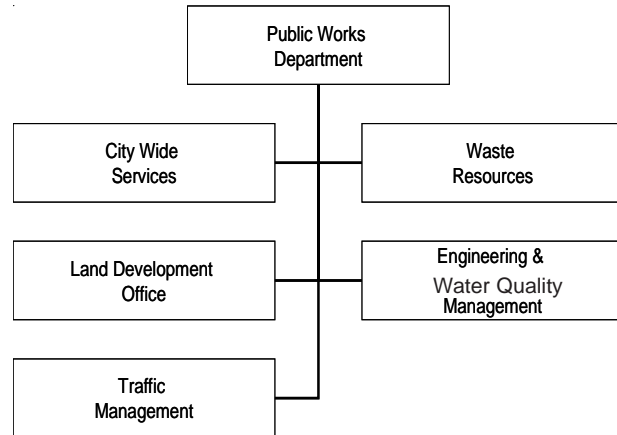
Steve Leach, Administrator
Lee Norris, Deputy Administrator
www.chattanooga.gov/pubworks/

Mission:

To preserve and enhance the quality of the physical environment through prompt, cost effective and courteous delivery of services that protect the health, safety and welfare of citizens, and to maintain and improve the city's infrastructure.

Description:

Public Works is responsible for the City's infrastructure: its design, construction and maintenance; the interceptor sewer system; the City's storm water system; the collection and disposal of garbage and brush, recycling and household hazardous waste; building inspections and code enforcement; and traffic management, signs and markings.



Goals & Objectives:

To preserve and enhance the city's physical environment, provide clean streets and clean water, and enforce zoning regulations as a foundation for a healthy and pleasing community.

- 1 To achieve 100% compliance with applicable Federal and State clean water laws and regulations
- 2 Increase the number of clean communities by striving for 100% maintenance of rights-of-way, and dependable scheduled curbside garbage collection.
- 3 To insure full compliance with zoning laws to preserve and protect communities and their citizens.

To provide prompt, courteous and cost-effective service delivery for solid waste collection, building inspection, permitting, and response to citizen inquiries and requests.

- 1 Strive to consistently provide "on time" response to citizen service requests and inquiries.
- 2 Maintain and increase the percentage of residents satisfied with the city's response to service requests, including those whose requests fall outside the departments' authority.
- 3 Reduce the number of citizen complaints, especially those involving repeated storm water grievances.

Maintain and improve the infrastructure of the city, including streets, bridges, traffic lights, signals and parking meters; sewers, treatment plant and storm water facilities; and the landfill and recycling center

- 1 Maintain and increase the quality of paved streets.
- 2 Maintain treatment plant, landfill and sewers in compliance with federal and state regulations.
- 3 Maintain and improve the condition and flow of the storm water infrastructure to address any existing or anticipated problem areas.
- 4 Ensure that the city has sufficient streets to handle substantive changes in the traffic load.

Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

www.chattanooga.gov/pubworks/

To protect the health, safety and welfare of the City's residents through the enforcement of building codes, flood protection and mitigation, traffic safety, and by providing for recycling and solid waste disposal, all within compliance of applicable state and federal regulations.

- ❶ *To reduce the threat of personal or property damage or loss due to non-compliant construction.*
- ❷ *To prevent or mitigate property damage or loss due to flooding.*
- ❸ *To reduce the number of traffic accidents, injuries and fatalities in the City.*
- ❹ *To anticipate and provide adequate capacity for disposal of the City's solid waste.*

Performance Measures	Actual FY08	Goal FY09	Actual FY09	Goal FY10
City Wide Service CSRs closed on time	95.2%	95.0%	95.2%	95.0%
Trash Flash CSRs closed on time	96.9%	96.0%	96.9%	96.0%
Engineering CSRs closed on time	77.1%	95.0%	77.1%	95.0%
Missed Garbage CSRs closed on time	94.4%	96.0%	94.4%	96.0%
Traffic Engineering CSRs closed on time	94.4%	95.0%	94.4%	95.0%
Waste Resources CSRs closed on time	95.9%	96.0%	95.9%	96.0%

*CSR Customer Service Request

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
General Fund	\$ 29,768,637	\$ 30,923,929	\$ 33,074,616	\$ 30,430,100
Interceptor Sewer Fund	41,264,864	37,989,525	43,757,210	53,123,195
Solid Waste Fund	5,869,754	6,425,720	7,264,382	6,617,228
WaterQuality Fund	7,874,913	6,661,948	6,192,675	6,222,211
State Street Aid Fund	4,526,994	4,824,090	4,720,290	3,985,115
Total Expenditures	\$ 89,305,162	\$ 86,825,212	\$ 95,009,173	\$ 100,377,849
Per Capita	\$ 576.71	\$ 560.69	\$ 612.21	\$ 587.42
Positions Authorized	609	618	620	618

Resources	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 26,123,424	\$ 26,049,026	\$ 30,136,582	\$ 27,543,246
Overtime	761,418	687,020	736,763	736,763
Operating	65,579,813	65,505,415	64,135,828	64,884,852
Revenue	60,154,871	58,154,871	95,009,173	100,377,849



Parks & Recreation

Larry Zehnder, Administrator

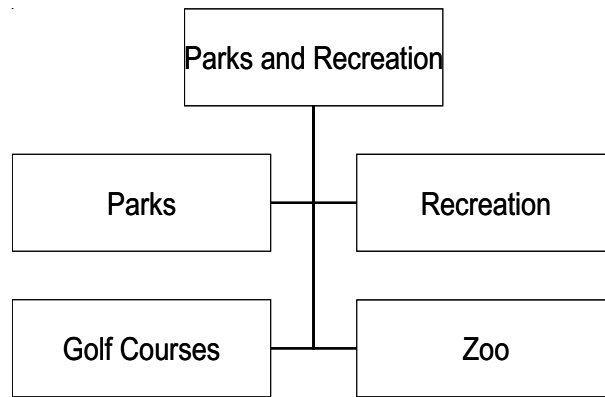
www.chattanooga.gov/cpr

Mission:

To provide public space and programs that promote a healthy active lifestyle that will impact our community's economy and tourism. To offer programs, parks, and facilities equitably to maximize use by the broadest spectrum of Chattanooga residents and visitors, which will help develop and educate our community physically, socially, and morally.

Description:

Parks & Recreation provides a wide variety of educational and recreational activities throughout a network of programs, parks and public facilities. The department includes Recreation Centers, Aquatics, Therapeutic Recreation activities, Sports, the Chattanooga Fitness Center, OutVenture Programs, and the Chattanooga Zoo. The department is responsible for all park and public spaces maintenance including two public golf courses and a tournament quality tennis complex.



Goals & Objectives:

To maximize usage at the City's parks, facilities and recreational programs.

- ❶ Increase the use/attendance of parks.
- ❷ Increase the use/attendance of recreation centers and programs.
- ❸ Increase the use/attendance of the golf courses.
- ❹ Increase the use/attendance of the zoo.

To increase access to the park system for all residents, and to offer facilities and programs that appeal to all segments of our diverse community.

- ❶ To ensure that the park system is accessible to all city residents.
- ❷ To ensure that parks and programs are offered in diverse areas, and to anticipate different priorities or needs in each one.

To work in concert with existing preservation groups.

- ❶ To maintain existing conservation sites within the parks department.
- ❷ To increase land set aside for conservation along creeks and waterways.

Performance Measures	Actual FY08	Goal FY09	Actual FY09	Goal FY10
Park Permit CSRs closed on time	98.9%	95%	98.8%	95%
Park reservation CSRs closed on time	99.4%	95%	98.6%	95%
Park work requests closed on time	87.4%	90%	87.4%	90%
Recreation Center Attendance	567,444	575,000	588,927	575,000

Parks & Recreation

Larry Zehnder, Administrator

www.chattanooga.gov/cpr

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Administration	\$ 1,082,990	\$ 1,073,581	\$ 1,093,192	\$ 1,027,400
Program Services	4,557,224	4,890,579	4,841,278	4,957,688
Parks & Facilities	4,694,415	5,296,630	5,060,762	5,027,635
Chattanooga Zoo	515,376	544,650	528,501	576,741
Municipal Golf	1,771,579	1,873,559	1,963,938	1,827,652
Total Expenditures	\$ 12,621,584	\$ 13,678,999	\$ 13,487,671	\$ 13,417,116
Per Capita	\$ 81.55	\$ 88.39	\$ 79.39	\$ 78.52
Positions Authorized	217	229	229	230

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 6,636,764	\$ 9,170,651	\$ 9,167,048	\$ 9,098,826
Overtime	63,862	76,398	74,145	69,115
Operating	3,133,360	4,431,949	3,903,934	4,249,175
Revenue	2,933,789	3,625,276	3,154,635	3,569,386



Department of Human Services

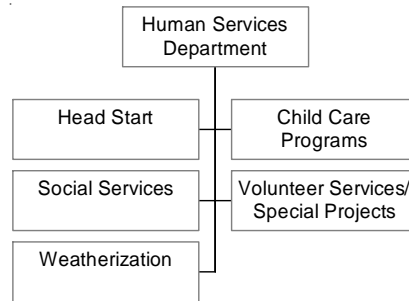
Bernadine Turner, Administrator
 Tommie L. Pruitt, Deputy Administrator
www.chattanooga.gov

Mission:

To improve quality of life by providing a safety net of services for very low income and/or disadvantaged citizens in Hamilton County.

Description:

The Department of Human Services seeks to improve the lives of the lower income or disadvantaged citizens in Hamilton County through a number of programs funded by the federal, state or local governments. These include Social Services, Head Start, Foster Grandparents, and child care. The department also offers emergency assistance to help individuals or families in dire circumstances maintain independent living.



Goals & Objectives:

To promote independent living, offering support and assistance to help the greatest number of residents maintain their autonomy.

- ❶ *Maintain the Foster Grandparents program to enable eligible older adults to help special needs children within their community, while strengthening their bond to the neighborhood.*
- ❷ *Offer emergency assistance including food vouchers, clothing, and rent or utility funds to prevent eviction or service interruption.*
- ❸ *Within the reach of Hamilton County, make certain that no one perishes because they lacked the resources to provide for the most basic human needs.*
- ❹ *Increase the availability of decent and affordable shelter through the Low Income Home Energy Assistance Program (LIHEAP), Weatherization, Mortgage Assistance, Rental Assistance and Reverse Mortgage counseling.*
- ❺ *Reduce foreclosures, evictions and utility cutoffs within the very low income population.*
- ❻ *Offer numerous channels to reduce hunger and improve nutrition.*

Provide early education for low income children through Head Start and Early Head Start.

- ❶ *Seek constant improvement in each child's skill attainment level, tracked in a Child Portfolio, as a gauge of school readiness.*
- ❷ *Increase the numbers of children in Early Head Start.*
- ❸ *Increase childhood immunizations.*

Performance Measures

	Actual FY 07/08	Goal FY 08/09	Actual FY 08/09	Goal FY 09/10
Number of foster grandparents	104	110	116	110
Gas, electric, water shutoffs prevented	4,030	2,800	2,120	2,350
Homeless preventions	947	800	803	800
Participants in food distribution program	8,064	6,000	8,465	7,500
Dwelling units weatherized	80	90	117	180
Headstart funded enrollment	622	622	622	622
Early Headstart funded enrollment	146	146	146	146
Children immunized	897	900	869	899
Parents in adult ed/GED training	169	175	174	175

Department of Human Services

Bernadine Turner, Administrator
Tommie L. Pruitt, Deputy Administrator

www.chattanooga.gov

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Administration	1,074,620	1,053,817	938,456	903,481
Head Start	8,137,729	7,839,332	7,667,478	8,277,037
Day Care	883,758	886,072	802,226	845,062
Weatherization	368,197	336,775	803,350	3,975,647
Foster Grandparents	507,535	504,956	519,833	500,877
LIEAP	2,106,035	1,367,658	3,014,229	1,093,383
CSBG	759,670	794,721	784,334	1,489,434
Human Services Programs	270,666	286,360	209,443	395,542
City General Relief	74,530	72,513	72,868	72,868
Total Expenditures	14,182,740	13,142,204	14,812,217	17,553,331
Per Capita	\$ 91.64	\$ 78.09	\$ 87.19	\$ 102.72
Authorized Positions	294	289	289	286

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	7,318,245	7,253,954	7,364,156	7,340,591
Overtime	41,269	77,174	18,500	
Operating	6,823,226	5,811,076	7,429,561	10,212,740
Revenue	13,681,671	12,724,180	14,812,217	17,553,331
Total Expenditures	14,182,740	13,142,204	14,812,217	17,553,331



Department of Personnel

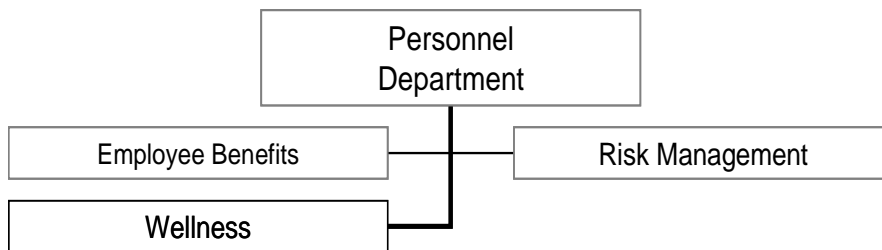
Donna Kelley, Administrator
 Susan Dubose, Deputy Administrator
 www.chattanooga.gov

Mission:

Recruit and retain a qualified and diverse workforce to serve our citizens in compliance with federal, state, and local laws.

Description:

Personnel works with each department to develop specific standards for the recruitment and hiring of a qualified, diverse workforce, and to help identify those employees who should be considered for promotion. The department also assesses job classifications, compensation and benefits, and offers employee training and skill development. In addition, Personnel maintains a competitive and quality medical program as well as two on-site medical clinics dedicated to employee wellness. The department also offers an Employee Assistance Program for confidential counseling service. All safety issues and on-the-job injuries are addressed through Risk Management.



Goals & Objectives:

Recruit a highly qualified workforce

- ❶ Determine the percentage of applicants that are qualified/well qualified.
- ❷ Reduce to zero the number of positions posted for which no qualified candidates apply.
- ❸ Determine and reduce the number of declined job offers.

Recruit and retain a diversified workforce that reflects a representation of the local workforce.

- ❶ Recruit individuals that are representative of local demographics.
- ❷ Seek diversity across all strata of pay and position.
- ❸ Retain a well qualified, diverse workforce.

Retain a well-qualified and experienced workforce.

- ❶ Reduce turnover of the most successful employees, and make a concerted effort to retain those that have been highly qualified and productive.
- ❷ Use strategic initiatives to implement a wellness program that promotes and increases the good health of City employees as a means of maintaining a productive and effective workforce at reduced cost.

Ensure compliance with all federal, state, and City regulations and practices in all personnel circumstances.

Performance Measures	Actual	Goal	Actual	Goal
	FY08	FY09	FY09	FY10
Avg. eligible candidates per Requisition	6.38	6.0	9.72	6.0
Positions where qualified candidate found	100%	100%	100%	100%
Declined job offers	16	<30	18	<30
Turnover rate	7.4%	<10%	2%	<10%
Number of promotions	100	100	55	80
Compliance with law	100%	100%	100%	100%
Workforce Diversity - Overall (+/-3%)	86.25%	85%	N/A	N/A
Workforce Diversity - Minorities (+/-3%)	95.31%	90%	N/A	N/A

Department of Personnel

Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

www.chattanooga.gov

Departmental Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Administration	\$ 1,170,779	\$ 1,157,528	\$ 1,132,259	\$ 1,057,900
Physical Exams	9,450	14,210	13,000	13,000
Wellness	96,471	-	-	-
Employee Insurance Office	442,344	366,436	280,234	265,561
Employee Insurance Program	3,984,557	4,986,327	5,128,474	5,639,161
Job Injury Administration	104,314	69,883	70,000	72,000
Total Expenditures	\$ 5,807,915	\$ 6,594,383	\$ 6,623,967	\$ 7,047,622
Per Capita	\$ 37.53	\$ 39.18	\$ 39.36	\$ 41.24
Positions Authorized	21	21	21	21

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 1,198,802	\$ 1,131,091	\$ 1,171,155	\$ 1,186,170
Overtime	-	-	-	-
Operating	4,609,114	5,463,292	5,452,812	5,861,452
Revenue	144,153	25,000	25,000	25,000
Total	\$ 5,952,069	\$ 6,619,383	\$ 6,648,967	\$ 7,072,622



Mission:

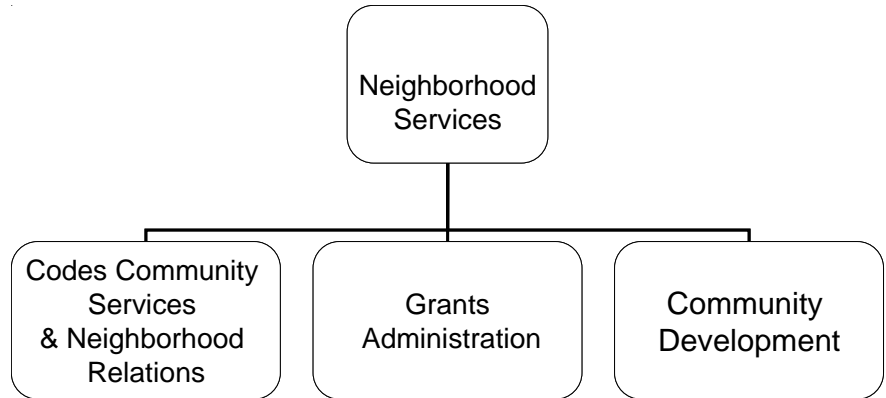
Make all Chattanooga neighborhoods a choice for people to live and invest in through the elimination of blight, code enforcement and individual participation and expended civic engagement.

Description:

The department of Neighborhood Services is comprised of four divisions: Administration; Codes and Community Services & Neighborhood Relations, Community Development, and Grants Administration.

The Codes and Community Services division is the agency which has the responsibility of enforcing the City's minimum housing, anti-litter, overgrowth and inoperable vehicle codes. They also share responsibility for overseeing proper brush and trash and garbage set out regulations along with the spot blight acquisition code.

The Neighborhood Relations division works hand in hand with Chattanooga's neighborhood associations to identify and resolve specific community problems.



Goals and Objectives:

To empower the community to use the tools of code enforcement and citizen participation to guarantee that every neighborhood throughout Chattanooga offers a pleasant and peaceful environment and makes an appealing choice for residents.

Increase the investment in housing in every neighborhood in the City annually.

- ① To provide all neighborhoods the tools to make their community one that offers the real expectation of a sound investment and an appealing home.
- ② To increase housing investment in every neighborhood annually.
- ③ Increase owner-occupied homes in every neighborhood.
- ④ Increase commercial investment in neighborhoods zoned commercial and manufacturing.

Elimination of blight in Chattanooga

- ① Reduce abandoned vacant land
- ② Increase compliance by 5 - 10% annually

Performance Measures	Actual FY08	Goal FY09	Actual FY09	Goal FY10
Abandoned vehicle CSRs dosed on time	93%	95%	93%	95%
Housing CSRs dosed on time	97%	95%	97%	95%
Illegal dumping CSRs dosed on time	83%	95%	83%	95%
Litter CSRs dosed on time	95%	95%	95%	95%
Vacant lot overgrowth CSRs dosed on time	94%	95%	94%	95%
Non-vac overgrowth CSRs dosed on time	97%	95%	97%	95%

Department of Neighborhood Services

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

www.chattanooga.gov/neighserv/

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY09/10
Administration	\$ 328,316	\$ 516,367	\$ 519,694	\$ 524,218
Grants Administration	104,431	75,071	78,058	42,812
Codes & Community Svc	728,192	1,343,949	1,332,229	1,247,990
Neighbor Partners Project	462,755	43,224	55,000	55,000
Community Development	5,003,906	6,295,153	5,096,941	5,557,680
Total	\$ 6,627,600	\$ 8,273,764	\$ 7,081,922	\$ 7,427,700
Per Capita	\$ 42.80	\$ 53.43	\$ 41.44	\$ 43.47
Positions Authorized	36	36	36	36

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY09/10
Personnel	\$ 1,502,622	\$ 1,856,355	\$ 1,809,503	\$ 1,809,503
Overtime	2,512	425	8,500	8,500
Operating	5,122,466	6,416,984	5,263,919	5,263,919
Revenue	4,485,829	8,515,428	5,096,941	5,557,680



Department of Executive Branch

Ron Littlefield, Mayor
L. Dan Johnson, Chief of Staff
www.chattanooga.gov

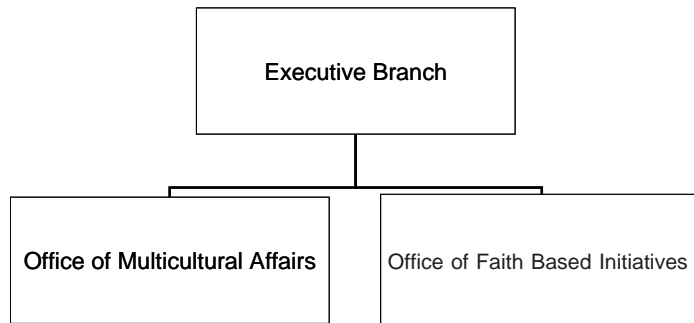
Mission:

To provide executive leadership for City government and enhance the City's capability to meet the needs of citizens by facilitating the effective, efficient and innovative application of information and resources.

Description:

The Executive Branch is comprised of the Mayor's Office, Office of Multicultural Affairs, and Office of Faith Based Initiatives. The Mayor is elected-at-large for a four year term. He serves as the chief executive officer and oversees the operations of all city departments. The Mayor sets administrative procedures and provides direction and leadership in carrying out the wishes of the citizens in matters of government operations.

The Office of Multicultural Affairs (OMA) is responsible for reviewing, implementing, and monitoring public policy that affects the disadvantaged cultural communities in Chattanooga. The Office of Faith Based Initiatives is designed to develop partnerships and resources that would empower efficient models of government with business and faith-based cooperation. The Great Ideas Competition is a scholarship based program initiated by Mayor Littlefield to reward high school juniors and seniors for their innovative ideas.



Goals & Objectives:

Office of Multicultural Affairs

Eliminate discrimination in all its forms.

- ① Track hotline complains of discrimination and report to board.
- ② Work with other agencies (i.e., UD, THRC, EEOC) to ensure City compliance.
- ③ Act as resource to City of Chattanooga Departments to ensure compliance with non-discrimination policies at the Federal, State and Local level.

Create a climate for equity and equal opportunity.

- ① Organize committees and task forces to educate the community.

Promote cross cultural communication

- ① Create collaborative community projects.
- ② Identify and network with culturally diverse organizations and communities.

Open communication between conflicting groups

- ① Conduct research and studies.
- ② Liaison with appropriate advocacy groups to promote diversity principles.

Office of Faith Based Initiatives

Improve social services and their accessibility to all of our citizens

- ① Identify and assist in developing programs to address social issues in our neighborhoods and communities.
- ② Develop or enhance outreach programs that educate and enrich the lives of our youth and senior citizens.

Develop partnerships between government, business and faith-based organizations

- ① Assist social service programs that employ the resources of the faith community.
- ② Provide open communications between government agencies in the area of faith-based concerns.

Prevent and end chronic poverty and homelessness

Department of Executive Branch

Ron Littlefield, Mayor

L. Dan Johnson, Chief of Staff

www.chattanooga.gov

Departmental Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Mayor's Office	1,067,321	851,968	879,255	871,587
Office of Faith Based Initiatives	202,467	269,449	346,961	324,242
Great Ideas Competition	11,686	12,758	30,000	-
Office of Multicultural Affairs	361,669	294,174	459,296	384,284
Total Expenditures	1,643,143	1,428,349	1,715,512	1,580,113
Per Capita	\$ 10.61	\$ 9.22	\$ 11.05	\$ 9.25
Positions Authorized	15	15	16	16

Resources

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	1,001,091	1,165,856	1,274,937	1,267,899
Overtime	199	100	-	-
Operating	397,709	262,393	440,575	312,214
Revenue				

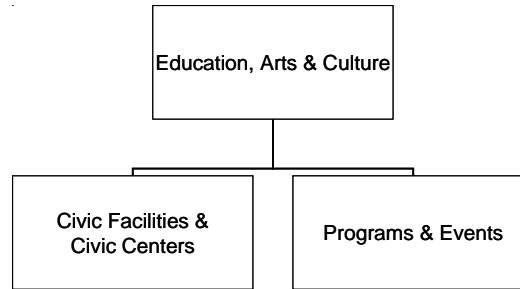


Education, Arts & Culture

Missy Crutchfield, Administrator
David Johnson, Jr., Deputy Administrator

Mission:

To expand, enhance and increase awareness and opportunities related to education, arts and culture; to provide safe, attractive and accessible public venues that invite both active participation and passive enjoyment of entertainment, cultural, and educational programs; and to take a leadership role in coordinating Chattanooga's public, private and non-profit agencies to advance public art, foster the visual and performing arts, and support educational enrichment for all citizens.



Goals & Objectives:

To maximize usage of all City of Chattanooga venues and facilities, and identify new sources of funding.

- ❶ Provide safe and secure venues with quality programs and productions for all Chattanoogaans to enjoy.
- ❷ Identify and maintain opportunities for education, arts and cultural programs by actively seeking and sustaining sponsorships, partnerships and grants.
- ❸ Launch a capital campaign for renovation of the Soldiers and Sailors Memorial Auditorium, the Tivoli Theatre, and the Community Theatre.
- ❹ Promote film production through the Chattanooga SE/TN Film Commission.
- ❺ Cultivate new partnerships with public and private educational institutions and organizations.
- ❻ Strengthen and develop effective community programming through collaboration with all City departments, as well as public and educational organizations.

Description:

Education, Arts and Culture provides a wide variety of activities throughout the city through its civic facilities. The department consists of two major Civic Facilities and three Civic Centers. Civic Facilities manage, maintain and promote the use of the Memorial Auditorium and Tivoli Theatre. These facilities offer a gathering place for all citizens to enjoy the arts, special events, as well as regular programming for the public. They also host a wide variety of programming for school groups and young children. The Civic Centers promote the arts with programs that include art, craft, and music classes at Eastgate Senior Activity Center, Heritage House, and North River Civic Center. In addition to programs and information, publications are released to further enhance the awareness of the arts.

To expand education, arts and cultural opportunities for underserved segments of the community.

- ❶ Increase and develop networking and programming opportunities between education, arts and cultural groups, schools, recreation centers, and area churches.
- ❷ Expand programming that addresses diversity issues, social issues and community concerns.
- ❸ Continue to work with area social services, art, and educational agencies to expand access to education, arts and cultural programs within the community.

To enhance the visibility of the arts in Chattanooga.

- ❶ Maintain the integrity and historic preservation of the City of Chattanooga civic facilities.
- ❷ Collaborate with local education, arts and cultural groups to promote growth of special events and on-going programs at City of Chattanooga public sites.
- ❸ Use City of Chattanooga civic facilities, civic centers, recreation facilities, and outdoor sites for Education, Arts & Culture events and programs.
- ❹ Identify opportunities for partnerships with all print, broadcast and on-line media to create new outlets for education, arts and cultural information.

Performance Measures	Actual FY08	Goal FY09	Actual FY09	Goal FY10
Civic Facilities - Attendance	288,361	290,000	225,952	250,000
Civic Facilities - # of Events	374	425	308	375
Civic Centers - Attendance	51,339	55,000	55,718	60,000

Education, Arts & Culture

Missy Crutchfield, Administrator

David Johnson, Deputy Administrator

Department Summary

	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Administration	\$ 313,811	\$ 377,478	\$ 356,338	\$ 346,131
Civic Facilities	1,497,724	1,556,138	1,632,876	1,599,865
Arts & Culture	334,860	289,162	291,773	276,380
Programs	0	56,572	66,895	63,550
Total Expenditures	\$ 2,146,395	\$ 2,279,350	\$ 2,347,882	\$ 2,285,926
Per Capita	\$ 13.87	\$ 14.73	\$ 13.82	\$ 13.38
Positions Authorized	26	26	26	27

Resources

	Actual FY 07/08	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10
Personnel	\$ 1,237,656	\$ 1,297,025	\$ 1,371,180	\$ 1,376,891
Overtime	45,317	40,438	42,271	42,271
Operating	863,422	941,887	934,431	866,764
Revenue	869,835	1,021,888	944,500	625,000

Debt Service Fund

The Debt Service Fund was established to account for all principal and interest payments on the City's long-term debt. This fund is accounted for using the modified accrual method of accounting. The long-term debt is composed of City of Chattanooga General Obligation Bonds, Notes Payable, and Capital Leases. A majority of the outstanding debt is general obligation bonds. The debt can be either Direct Indebtedness, in which case an operating transfer is made from the General Fund for the maturity payments, or it can be an Indirect Indebtedness, with the supporting fund transferring funds for the maturities. The following chart shows the history of the City's debt over the past six years and the relationship between Direct and Indirect Indebtedness.

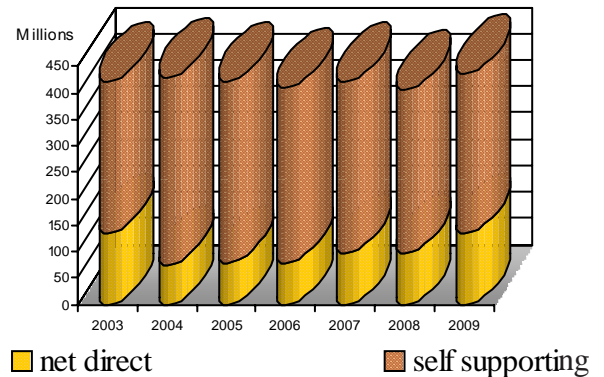
Gross outstanding indebtedness as of June 30, 2009 is \$445,601,083. This amount includes a 30-year capital lease of \$108,937,617 with final payment due on October 1, 2030 and 5-year capital lease of \$3,800,000 (balance on June 30, 2009 is \$600,159) with final payment due on July 1, 2009. Total authorized unissued debt at June 30, 2009 related to the 2004 TMBF Loan is \$1,032,960.

The City government is authorized by the City Charter to issue bonds. Title 6, Chapter V, Article I, Section 6.107 of the Charter creates this authority and at the same time creates a debt limit.

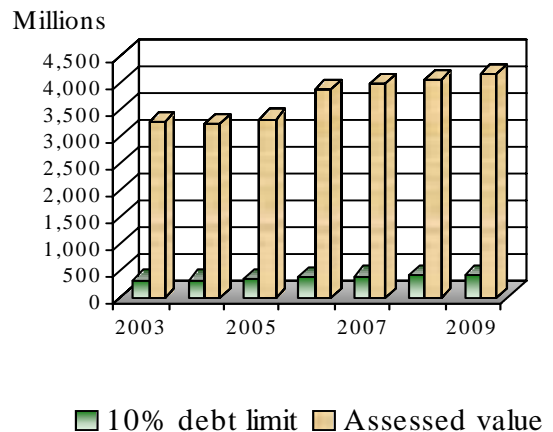
Sec.6.107. General Debt Limit. Hereafter no bonds shall be issued by the City of Chattanooga in such an aggregate amount as will create or increase the total bonded indebtedness of said City more than ten percent (10%) of the assessed valuation for the preceding year of all taxable property in said City.

The chart to your right shows the debt limit for the past seven years, based upon the assessed property valuation for the same period of time. After viewing the debt limits imposed by the City Charter when considering the assessed property valuation, the next chart presented compares the Net Direct Indebtedness with the 10% Debt Limit.

**Outstanding Debt
Fiscal Year 2003 thru 2009**

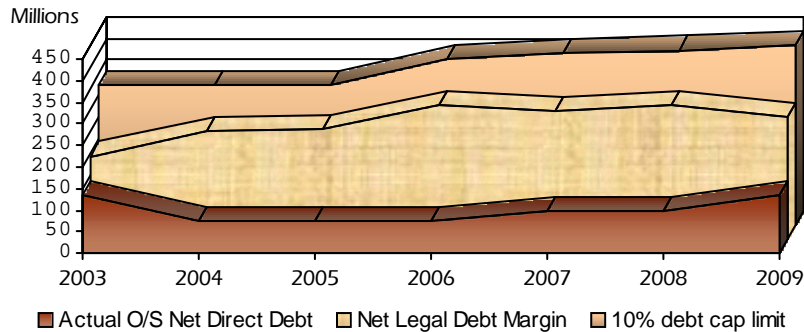


**General Obligation Debt Limit
Fiscal Year 2003 thru 2009**



The Net Direct Indebtedness is the Gross Indebtedness less the Self-Supporting Indebtedness and the Debt Service Fund Balance for each year. As is evidenced by the following chart, the City's Net Legal Debt Margin is very favorable.

**Actual Outstanding Debt vs Debt Limit
Fiscal Year 2003 thru 2009**



In October 2000, the City entered into a 30-year noncancelable capital lease agreement with the Chattanooga Downtown Redevelopment Corporation (CDRC), formerly the Southside Redevelopment Corporation, for the purpose of financing the cost of designing, acquiring, constructing and equipping four (4) facilities in the Tourist Development Zone comprising of more than 631,210 sq. ft. at a cost of over \$120M. The lease provides for semi-annual payments in amounts sufficient to meet the annual debt service requirements on \$129M in revenue bonds issued by the Industrial Development Board (IDB) of the City of Chattanooga on behalf of the CDRC, a non-profit corporation. IDB bonds are secured by payments to be made by the CDRC. The lease payments are funded by the city's share from the 1/2% increase in the county-wide sales tax passed by the county-wide referendum (see overlapping debt schedule), income from The Chattanooga, state incremental sales tax generated in the Tourist Development Zone and interest income from a debt service fund in excess of \$9M included as part of the bond issue. The City's obligation under the capital lease is estimated at \$108,937,617 at June 30, 2009. The debt service reserve fund held by the fiscal agent at June 30, 2009 amounts to \$9,908,375. The fiscal agent is required by the agreement to apply any interest on the debt service reserve fund toward the lease payments. The debt service reserve fund will be used to retire debt near the end of the lease. Beginning in FY2003, this long-term lease agreement is reported as an obligation from the City resulting in a high increase in the gross outstanding debt.

In order to take advantage of declining interest rates in 2002, the City issued \$58,130,000 General Obligation Refunding Bonds and \$38,290,000 Series A Refunding Bonds. These bonds refunded certain outstanding issues in FY02. That same year, the City also issued \$54,990,000 Hotel-Motel Tax Revenue Pledge Bonds for the 21st Century Waterfront Plan which is for the improvement in the downtown and riverfront area to encourage tourism and enhance the quality of life in Chattanooga.

In FY03, the City issued \$12,190,000 General Obligation Bonds and \$13,175,000 Sewer Refunding Bonds. The City also entered into a loan agreement with the State of TN Department of Environment and Conservation for an amount up to \$37,321,000 from the State Revolving Loan Fund. This loan is for sewer projects related to upgrades & expansion of the Moccasin Bend Waste Water Treatment Plant. Loan funds are drawn as needed. The loan has an interest rate of 2.98% with repayment over 20 years.

In FY04, the City entered into an agreement with the Tennessee Municipal Bond Fund for a variable rate loan not to exceed \$6,000,000. This debt is to partially fund certain projects in the FY02 Capital Budget. The City also increased the State Revolving Loan Fund debt by \$3.4M increasing the total loan amount from \$37,321,000 up to \$40,721,000. Pursuant to a loan agreement with Fannie Mae American Communities Fund, the City is authorized to incur indebtedness up to \$5,000,000 to finance the cost of infrastructure relative to the Alton Park Hope VI grant as part of the City's match. The source of funds for repaying the loan shall be program income generated by Chattanooga Neighborhood Enterprise (CNE) from the use of funds obtained through

Community Development Block Grant (CDBG) activities. In the event program income is insufficient to pay the loan, the City pledges to pay the same from available appropriations or reserves. The loan is structured on a ten-year amortization schedule with the possibility of an earlier lump-sum payment. Funds will be drawn as needed and as of June 30, 2009 the City had drawn down \$4,576,000. A five year Capital Lease Agreement for \$3.8M was entered into by the city for the 800 MHz Communication System. Lease payments will be funded by the Hamilton County Emergency Communication District (911) subject to availability of funds, pursuant to an interlocal agreement between the City, Hamilton County and 911. Last payment date is July 1, 2009.

In 2004 the CDRC entered into a swaption contract to provide an upfront payment of \$3,088,000 based on a notional amount of \$59,655,000. As a synthetic refunding of its 2000 bonds, this payment represents the risk-adjusted, present-value savings of a refunding in October 2010 without issuing refunding bonds currently. The counterparty has the option to exercise the agreement on October 1, 2010. The fixed rate swap (5.45%) was set at a rate that, when added to an assumption for remarketing and liquidity costs, will approximate the coupons of the "refunded" bonds. The swap's variable payment would be based on the Bond Market Association Municipal Swap Index. At June 30, 2009, the swap had a negative fair value of \$8,465,148.

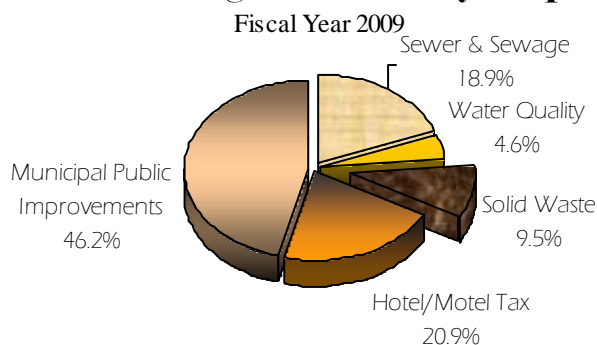
In FY05, the City issued \$51,375,000 General Obligation Refunding Bonds Series 2005A. These bonds refunded portions of outstanding issues of 2001 General Obligation, 2002 Hotel-Motel Tax, 1998 Sewer, Storm Water and Solid Waste General Obligation and 2001 Storm Water and Solid Waste General Obligation bonds. In December 2004, the City received approval to enter into an agreement with the Public Building Authority of Clarksville, Tennessee (PBACC) from the Tennessee Municipal Bond Fund Series 2004 for an amount not to exceed \$25,000,000 including originating cost of the loan used to fund the Fiscal Year 2004 and 2005 Capital Projects. As of June 30, 2009, \$24,017,915 had been issued out of the total \$24,838,671 estimated projects cost.

In FY07, the City issued \$26,400,000 General Obligation Bonds, Series 2006A. These bonds were issued to support the FY06 & FY07 capital improvement budgets of which \$5.7M for SolidWaste or landfill improvements and \$20.4M general government capital improvement including \$2M as a portion of the costs of a public building housing an animal shelter to be owned by the City and operated by the Animal Care Trust, a Tennessee not-for profit institution operating under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The City also issued \$56,110,000 Lease Rental Revenue Refunding Bonds, Series 2007. The proceeds of the Series 2007 Bonds are to be used to (i) advance refund \$55,340,000 in aggregate principal amount outstanding of certain of the Prior Bonds (Series 2000), and (ii) pay the costs of issuing the Series 2007 Bonds. The proceeds of the Series 2007A Bonds (\$17,750,000) were issued to provide the funds to advance refund certain outstanding maturities of the General Obligation Bonds, Series 2001 totaling \$17,715,000.

In FY08, The City entered into a loan agreement with the State of TN Department of Environment and Conservation for an amount up to \$13,000,000 from the State Revolving Loan Fund. This loan is for sewer projects related to upgrades & expansion of the Moccasin Bend Waste Water Treatment Plant. As of June 30, 2009 the City had drawn down \$11,302,798. The loan has an interest rate of 2.79% with repayment over 20 years.

In FY09, the City issued \$45,415,000 General Obligation Bonds, Series 2009A. These bonds were issued to support the FY08 & FY09 capital improvement budgets including \$10,963,319 for Summit of Softball, \$5,713,000 for new fire hall near ESIP/VW, \$5,550,000 for ERP software, \$3,312,000 for North Shore Garage,

General Obligation Bonds by Purpose



\$2,293,000, for Warner Park improvements and \$14,420,154 for Road Improvement projects.

\$445,601,803 Gross Outstanding Indebtedness of the City of Chattanooga as of June 30, 2009 reflects the financing decisions being made by the City to meet its long-term goals.

As the chart on the previous page points out, the City is concentrating on Sewers and Municipal Public Improvements Bonds to satisfy the needs generated by these goals. All of the Sewer portion of the debt and 35% of the debt for Municipal Public Improvements is self supported debt.

The City is in an excellent position to issue additional debt if required for future projects. The operating transfer from the General Fund to pay the non-supported portion of the debt has remained fairly constant for the past five years, as reflected in the following chart.

In FY 2006, the General Fund appropriated \$9,801,307. This increase from FY05 covered additional funds withdrawn from authorized bonds and loans in FY05 and paid in FY06.

In FY 2007, the General Fund appropriated \$11,567,051. This increase from FY06 reflects an anticipated debt issue of \$30M to cover FY06 and FY07 capital project expenditures.

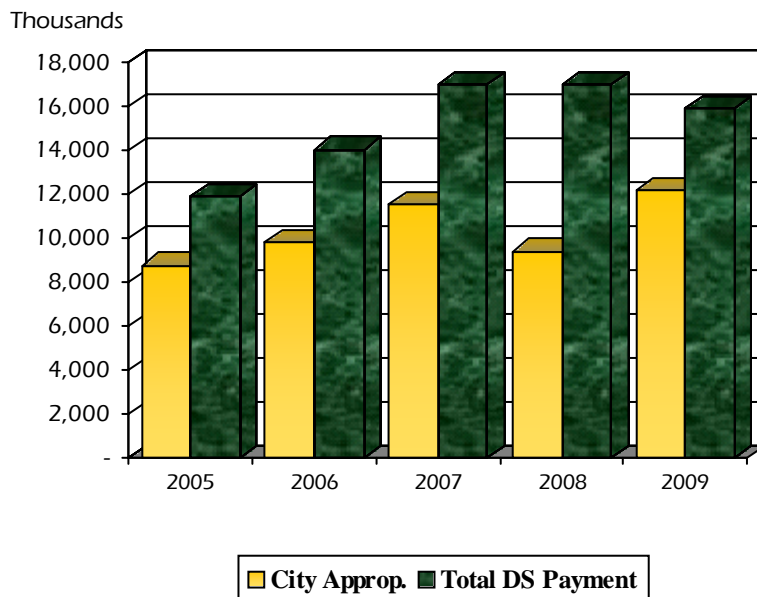
In FY 2008, the General Fund appropriated \$9,392,174. This decrease from FY07 is due to the effect of 2007A Refunding, debt retirements and the planned use of \$567,100 from the Debt Service fund balance.

In FY 2009, the General Fund appropriated \$12,166,456. This increase from FY08 is due to the principal retirement structure of existing debt.

In FY 2010, the General Fund will appropriate \$15,906,307. This increase from FY09 reflects the sale of 2009A series bonds to cover the FY08 and FY09 capital budgets.

General Fund Debt Service Appropriation

Fiscal Years 2005 thru 2009



Overlapping Debt

In addition to the City, the County has the power to issue debt and to levy taxes or cause taxes to be levied on taxable property in the City. As of June 30, 2009, the County had gross outstanding general obligation bonded debt of \$200,110,000 and net indebtedness of \$199,882,986. The percentage of County net indebtedness applicable to the City is 60.3845% or \$149,048,842. Also included in this section on Debt Service are schedules on Debt Ratios as of June 30, 2009, Historical Debt Ratios, and an analysis of General Obligation Debt as of June 30, 2009.

Outstanding General Obligation Debt

General Obligation Bonds by Purpose	
Municipal Public Improvement(1)	205,134,941
Sewer and Sewage Facilities	47,820,059
Total Bonded Indebtedness	<u>252,955,000</u>
Other Long-Term Indebtedness	
Chatt. Downtown Redev. Capital Lease	108,937,617
HUD Sec 108 Notes	4,576,000
800 MHz Equipment Capital Lease	600,159
2009 Golf Course Capital Lease	284,251
General Obligation Capital Outlay Notes	78,248,057
Total Long-Term Indebtedness	<u>192,646,083</u>
Gross Direct Indebtedness	445,601,083
Less: Self-Supporting Indebtedness	
Sewer and Sewage Facilities Bonds(2)	47,820,059
State Revolving Loan-CSO (ISS portion)(3)	46,121,401
State of GA Revolving Loan (ISS portion)(4)	4,379,319
Cap Lease City of Collegedale (ISS)	147,723
Chatt. Downtown Redev. Capital Lease(5)	108,937,617
State Revolving Loan-CSO (Water Quality portion)(3)	670,084
Tennessee Municipal Bond Notes (SoWa)(6)	850,696
Municipal Public Improvement Bonds(StW a&SoWa)(6)	35,482,242
800 MHz Equipment Capital Lease	600,159
Hotel/Motel Tax Revenue Pledge	52,768,980
HUD Sec. 108 Notes	4,576,000
2009 Golf Course Capital Lease (Golf Cart)	284,251
Total Self Supporting Indebtedness	302,638,530
Debt Service Fund(7)	<u>8,925,003</u>
Net Direct Indebtedness	<u>134,037,550</u>
Plus: Estimated Net Overlapping Indebtedness	<u>149,048,842</u>
Net Direct and Net Overlapping Indebtedness	<u>283,086,392</u>

- Note:**
- (1) \$170,000 is payable from the hotel-motel tax collected by Hamilton County for such purpose,
 - (2) Sewer and Sewage Facilities Bonds have the pledge of unlimited ad valorem taxes on all taxable property in the City for their repayment. However, such bonds have been paid by the City from revenues derived from the operation of the City's Interceptor Sewer System.
 - (3) This amount represents 100 percent of the outstanding balance on a State revolving loan, which will be paid by the City from revenues derived from the operations of the City's Interceptor Sewer System and from the operations of the Water Quality fund.
 - (4) The City of Chattanooga is the lead agent on the State of Georgia Revolving Loan; however, the debt is to be repaid by participating North Georgia municipalities.
 - (5) Funding will be paid by revenues from incremental State sales tax, profits from the Chattanooga center, and the city's Share of the 1/2% increase in the county-wide sales tax passed by county-wide referendum held in February 2004. This increase replaced the 1/2% city-only sales tax effective July 1, 2004.
 - (6) \$35,482,242 represents the outstanding balance of 1998 through 2007A Municipal Public Improvement Bonds of which \$12,189,914 is related to Water Quality and \$23,962,412 is related to Solid Waste, which will be paid by the city from the revenue derived from the operations of these funds. \$362,415 & \$488,281 from the 2003 and 2004 Tennessee Municipal Bond Fund, respectively.
 - (7) This represents unaudited Fund Balance at June 30, 2009.

Debt Ratios

The following table sets forth certain ratios relating to the City's general obligation indebtedness as of June 30, 2009.

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> ¹	<u>Percentage of Assessed Valuation</u> ²	<u>Percentage of Full Valuation</u> ³
Gross Direct Indebtedness ⁴	\$ 445,601,083	\$ 2,608	10.69%	3.35%
Net Direct Indebtedness ⁴	134,037,550	784	3.22%	1.01%
Gross Direct and Net Overlapping Indebtedness ⁵	594,649,925	3,480	14.27%	4.47%
Net Direct and Net Overlapping Indebtedness ⁵	283,086,392	1,657	6.79%	2.13%
Per Capita Assessed Valuation ⁷	\$24,386 *			
Per Capita Full Valuation ⁷	\$77,798 *			

*Based on 2009 population estimate.

- Notes:
- (1) The City's population in 2009 was estimated at 170,880.
 - (2) The City's preliminary assessed valuation of taxable property as of June 30, 2009 was \$4,167,163,278.
 - (3) The City's estimated full valuation of taxable property as of June 30, 2009 was \$13,294,163,310.
 - (4) See "Historical Debt Ratios" under this section.
 - (5) The County's net overlapping indebtedness is \$246,832,949. The City's share is \$149,048,842. (60.3845%).

<u>Ratio</u>	<u>Value</u>
General Fund Balance Requirement	15%
Average Life of Total Debt	≤ 10 Years
Percentage of Principal Paid within 10 Years	≥ 50%
Per Capita Debt/Per Capita Income	≤ 4%
Per Capita Debt/Per capita Assessed Value	≤ 4%
Debt Service/General fund Operation Expense	≤ 10%

Other Long-Term Indebtedness

As of June 30, 2009, the City had the following other outstanding long-term indebtedness.

	Outstanding Amount	Issue Dated Date	Maturity
State of Tennessee Revolving Loan 1992	1,340,168	03/01/1993	02/28/2013
State of Tennessee Revolving Loan 2003	34,148,518	02/03/2003	10/20/2024
Tennessee Municipal League Bond Pool (1997)	2,125,023	02/01/1997	05/25/2012
State of Georgia Revolving Loan (1)	4,379,320	07/01/2000	10/01/2019
Fire Hall Land Note (2)	21,786	04/01/1999	04/01/2014
Capital Lease City of Collegedale (3)	147,723	10/01/2000	08/01/2014
Chatt. Downtown Redev. Corp. Capital Lease (4)	108,937,617	07/01/2002	10/01/2030
800 MHz Equipment Capital Lease	600,159	10/01/2003	07/01/2009
Tennessee Municipal League Bond Pool (2003)	3,936,000	09/07/2003	05/25/2018
Tennessee Municipal League Bond Pool (2004)	19,740,915	05/20/2005	04/20/2025
Hennen Land Note (2008) (5)	507,807	01/15/2007	12/15/2013
Petros Land Note (2008) (5)	500,000	03/31/2008	03/13/2011
HUD Section 108 Loan Program (2008) (6)	4,576,000	06/01/2008	06/01/2024
2009 IDB Foreign Trade Zone	98,000	07/01/2009	06/30/2013
2009 Golf Course Capital Lease	284,251	07/01/2009	06/30/2014
Total	<u>\$181,343,286</u>		

Notes:

- (1) Loan agreement with the State of Georgia.
- (2) Land purchased for \$45,000 to build a Fire Super Station. Term of Loan - 15 years at 9.5%.
- (3) To lease and purchase an interceptor gravity sewer line, force main, pump station, easements and fee for property associated with purchase
- (4) Construction and purchase of the Conference Center (Chattanooga), Trade Center expansion, Development Resource Center, Parking Garage and associated infrastructure improvements.
- (5) Land purchases to support 1 Public Works road improvement project and 1 Parks greenway project
- (6) Loan agreement to pay off Fannie Mae note and establish a brownfield revolving loan fund. Community Development Block Grant program income will be used to retire the debt.

Future Capital Financing

Each year the City develops and formally adopts a long range, five year capital improvement program (CIP). Annually, as part of the CIP process, the City departments are asked to review and prioritize their capital needs for the next five years. The capital projects for the first fiscal year of the five year CIP form the basis of the capital budget for that fiscal year. When the capital budget projects are finalized for the fiscal year, those projects are formally adopted by the City Council. The capital budget is funded each year from a variety of sources including debt proceeds, City appropriations, and Federal and State aid. Since departmental needs often change over time, the CIP is considered preliminary and subject to change until a capital budget is formally adopted by the City Council for a given fiscal year.

Capital Improvement Program Fiscal Years 2010 thru 2014

Department	2010	2011	2012	2013	2014
General Government	\$8,846,850	\$6,096,850	\$6,096,850	\$5,846,850	\$5,846,850
Public Works	31,432,603	38,539,293	43,384,583	34,882,083	29,463,000
IDB VW	12,277,968	-	-	-	-
Parks & Recreation	700,000	4,623,500	2,953,000	1,105,000	315,000
EAC	-	200,000	200,000	200,000	200,000
Police	252,000	252,000	252,000	252,000	252,000
Fire	4,960,100	1,688,300	2,130,000	2,146,000	2,465,000
Total	<u>\$ 58,469,521</u>	<u>\$ 47,318,093</u>	<u>\$ 50,692,083</u>	<u>\$ 40,035,083</u>	<u>\$ 34,100,000</u>

City of Chattanooga, Tennessee
General Obligation Self Supporting Bonded Debt Service Requirements
As of June 30, 2009
Sewer & Sewage Facilities Bonds
Municipal Public Improvement Bonds (Water Quality and Solid Waste)
and State Revolving Loan (CSO)
(Water Quality and Solidwaste)

Fiscal Year	Principal	Interest	Total P & I Requirements
2010	13,962,189.26	5,325,294.99	19,287,484.25
2011	13,263,422.42	4,728,055.69	17,991,478.11
2012	11,409,006.10	4,178,073.76	15,587,079.86
2013	11,649,643.79	3,668,194.48	15,317,838.27
2014	10,691,590.97	3,190,369.08	13,881,960.05
2015	10,940,027.63	2,726,984.39	13,667,012.02
2016	9,288,490.11	2,288,637.64	11,577,127.75
2017	9,677,127.11	1,876,423.05	11,553,550.16
2018	10,080,874.89	1,447,175.87	11,528,050.76
2019	8,874,823.63	1,040,162.47	9,914,986.10
2020	3,942,457.95	785,869.93	4,728,327.88
2021	3,816,805.18	673,433.75	4,490,238.93
2022	3,914,591.18	547,540.94	4,462,132.12
2023	4,014,584.18	422,023.33	4,436,607.51
2024	4,126,820.18	289,913.92	4,416,734.10
2025	3,739,550.18	155,682.02	3,895,232.20
2026	1,543,360.18	68,142.61	1,611,502.79
2027	536,158.18	11,545.20	547,703.38
2028	0.00	0.00	0.00
2029	0.00	0.00	0.00
2030	0.00	0.00	0.00
2031	0.00	0.00	0.00
2032	0.00	0.00	0.00
Total	\$ 135,471,523.12	\$ 33,423,523.12	\$ 168,895,046.24

Does not include CDRC (Southside) Capital Lease of \$108,937,617 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2009 consist of 2004 TMBF Loan of \$1,032,960 and Tennessee Department of Environment and Conservation State Revolving loan 2007-204 of \$1,697,202.

City of Chattanooga, Tennessee
 General Obligation Debt Service Requirements
 As of June 30, 2009

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	15,234,378.10	15,125,845.62	30,360,223.72
2011	14,888,828.66	14,047,699.95	28,936,528.61
2012	13,794,140.71	13,483,759.48	27,277,900.19
2013	13,541,654.82	12,935,939.37	26,477,594.19
2014	13,566,040.93	12,385,373.39	25,951,414.32
2015	14,121,056.02	11,811,839.89	25,932,895.91
2016	14,509,264.82	11,197,775.22	25,707,040.04
2017	14,203,640.82	10,579,856.24	24,783,497.06
2018	14,867,204.82	9,953,915.59	24,821,120.41
2019	13,503,950.82	9,289,039.55	22,792,990.37
2020	13,938,401.82	8,657,548.27	22,595,950.09
2021	14,658,600.82	8,040,557.25	22,699,158.07
2022	15,313,747.82	7,318,010.06	22,631,757.88
2023	16,002,174.82	6,576,403.67	22,578,578.49
2024	15,748,196.82	5,788,031.33	21,536,228.15
2025	15,530,122.82	4,987,355.98	20,517,478.80
2026	16,300,425.82	4,156,206.14	20,456,631.96
2027	14,214,266.82	3,278,749.30	17,493,016.12
2028	13,876,391.00	2,512,196.50	16,388,587.50
2029	14,630,579.00	1,713,882.75	16,344,461.75
2030	13,171,492.00	911,572.00	14,083,064.00
2031	4,515,000.00	112,875.00	4,627,875.00
Total	\$ 310,129,560.08	\$ 174,864,432.55	\$ 484,993,992.63

Does not include CDRC (Southside) Capital Lease of \$108,937,617 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2008 consist of 2004 TMBF Loan of \$1,032,960 and Tennessee Department of Environment and Conservation State Revolving loan 2007-204 of \$1,697,202.

City of Chattanooga, TN
 Analysis of General Obligation Debt
 June 30, 2009

GOVERNMENTAL ACTIVITIES

Serial Bonds:

	Outstanding June 30, 2008	Interest Pd FY 09 June	Issued FY 09 June	Retired FY 09 June	Refunded FY 09 June	Outstanding 06/30/09	Maturing FY 2010	Interest Payable FY 2010
1998 Public Improvement Refunding	6,780,400	328,361	0	1,413,900	0	5,366,500	1,501,000	248,201
2001 Municipal Public Improvement	1,155,000	57,500	0	1,155,000	0	0	0	0
2002 Municipal Public Refunding	6,240,000	290,863	0	665,000	0	5,575,000	695,000	260,706
2002 Series A Refunding	2,664,961	94,075	0	625,241	0	2,039,720	603,953	71,836
2002 Hotel-Motel Tax Pledge	48,190,000	2,154,788	0	870,000	0	47,320,000	950,000	2,127,488
2003 Series A General Obligation	8,950,000	336,026	0	840,000	0	8,110,000	800,000	310,826
2005A Municipal Public Improvement Refunding	17,197,982	762,958	0	0	0	17,197,982	1,195,886	742,030
2005A Hotel-Motel Tax Pledge Refunding	5,448,980	240,525	0	0	0	5,448,980	21,010	240,157
2006A Municipal Public Improvement	19,696,156	783,959	0	1,036,639	0	18,659,517	1,036,640	742,493
2007A Municipal Public Refunding	14,520,000	690,783	0	0	0	14,520,000	0	690,805
2009 Series A General Obligation***	0	0	45,415,000	0	0	45,415,000	2,275,000	2,144,603
Total Serial Bonds	130,843,479	5,739,838	45,415,000	6,605,780	0	169,652,699	9,078,489	7,579,145

Notes Payable:

1997 TML Bond Fund	2,761,023	44,001	0	636,000	0	2,125,023	671,000	31,380
1999 Fire Hall Land Note	25,180	2,247	0	3,393	0	21,786	3,729	1,910
2003 TML Bond Fund	3,912,240	48,714	0	338,655	0	3,573,585	348,642	39,274
2004 TML Bond Fund	20,019,576	250,346	318,858	1,085,799	0	19,252,634	1,114,115	211,586
2008 Hennen Land Note	549,404	0	0	41,597	0	507,807	111,197	0
2008 HUD Section 108 Loan Program	4,576,000	124,823	0	0	0	4,576,000	305,000	176,940
2008 Petros Land Note	750,000	0	0	250,000	0	500,000	250,000	0
2009 IDB Foreign Trade Zone	0	0	98,000	0	0	98,000	62,000	0
Total Notes Payable	32,593,422	470,131	416,858	2,355,445	0	30,654,836	2,865,683	461,090

Capital leases payable:

Southside Capital Lease	111,411,938	7,225,279	0	2,474,321	0	108,937,617	2,629,536	7,064,814
800 MHz Equipment Capital Lease	1,191,838	17,080	0	591,679	0	600,159	600,159	8,601
2009 Golf Course Capital Lease	0	9,695	323,028	38,777	0	284,251	60,512	12,196
Total Capital Leases Payable	112,603,776	7,252,054	323,028	3,104,777	0	109,822,026	3,290,207	7,085,610

City of Chattanooga, TN
 Analysis of General Obligation Debt
 June 30, 2009

BUSINESS TYPE ACTIVITIES:

Interceptor Sewer System:

	Outstanding June 30, 2008	Interest Pd FY 09 June	Issued FY 09 June	Retired FY 09 June	Refunded FY 09 June	Outstanding 06/30/09	Maturing FY 2010	Interest Payable FY 2010
Serial Bonds:								
1998 Sewer & Sewage Facilities Refunding	11,609,900	592,759	0	857,800	0	10,752,100	910,500	544,131
2002 Municipal Public Refunding	17,588,770	779,329	0	2,431,007	0	15,157,763	2,532,248	672,128
2002 Series A Refunding	14,235,039	502,506	0	3,339,759	0	10,895,280	3,226,047	383,714
2003 B Sewer & Sewage Facilities Refunding	2,170,000	70,525	0	2,170,000	0	0	0	0
2005A Municipal Public Improvement Refunding	11,014,916	550,469	0	0	0	11,014,916	4,581	550,388
Total serial bonds	56,618,625	2,495,588	0	8,798,566	0	47,820,059	6,673,377	2,150,361
Notes payable:								
1992 CSO State Revolving Loan	836,516	30,278	0	166,432	0	670,084	173,178	23,532
1998 State of Georgia Revolving Loan	4,715,691	177,047	0	336,371	0	4,379,320	343,353	170,065
2003 State Revolving Loan	35,811,982	1,044,588	0	1,663,464	0	34,148,518	1,713,708	994,344
2007-204 State Revolving Loan	0	95,427	11,302,798	0	0	11,302,798	650,000	312,326
Total notes payable	41,364,189	1,347,340	11,302,798	2,166,268	0	50,500,719	2,880,239	1,500,267
Capital leases payable:								
2001 Capital Lease City of Collegedale	171,298	10,078	0	23,575	0	147,723	25,018	8,635
Total capital leases payable	171,298	10,078	0	23,575	0	147,723	25,018	8,635
Total Interceptor Sewer System	98,154,112	3,853,006	11,302,798	10,988,409	0	98,468,501	9,578,633	3,659,263

Solid Waste & Sanitation Fund:

	Outstanding June 30, 2008	Interest Pd FY 09 June	Issued FY 09 June	Retired FY 09 June	Refunded FY 09 June	Outstanding 06/30/09	Maturing FY 2010	Interest Payable FY 2010
Serial Bonds:								
1998 Municipal Public Improvement Refunding	3,686,100	170,957	0	1,155,600	0	2,530,500	1,226,900	105,438
2001 Municipal Public Improvement	195,000	10,000	0	195,000	0	0	0	0
2002 Municipal Public Improvement-Refunding	5,695,200	270,529	0	837,860	0	4,857,340	874,349	231,913
2005A Municipal Public Improvement Refunding	8,994,089	433,042	0	0	0	8,994,089	206,193	429,434
2006A Municipal Public Improvement	5,383,844	214,291	0	283,360	0	5,100,483	283,360	202,957
2007A Municipal Public Improvement Refunding	2,480,000	117,990	0	0	0	2,480,000	0	117,990
Total serial bonds	26,434,233	1,216,809	0	2,471,820	0	23,962,412	2,590,803	1,087,732
Notes payable:								
2003 TML Bond Fund	396,760	4,942	0	34,345	0	362,415	35,358	3,983
2004 TML Bond Fund	514,482	6,433	0	26,201	0	488,281	26,885	5,366
Total Notes Payable	911,242	11,375	0	60,546	0	850,696	62,243	9,349
Total Solid Waste & Sanitation Fund	27,345,475	1,228,184	0	2,532,366	0	24,813,108	2,653,046	1,097,081

City of Chattanooga, TN
 Analysis of General Obligation Debt
 June 30, 2009

	Outstanding June 30, 2008	Interest Pd FY 09 June	Issued FY 09 June	Retired FY 09 June	Refunded FY 09 June	Outstanding 06/30/09	Maturing FY 2010	Interest Payable FY 2010
Water Quality Fund								
Serial Bonds:								
1998 Municipal Public Improvement Refunding	2,528,600	117,274	0	792,700	0	1,735,900	841,600	72,331
2001 Municipal Public Improvement	60,000	3,000	0	60,000	0	0	0	0
2002 Municipal Public Improvement-Refunding	4,256,031	202,167	0	626,134	0	3,629,897	653,402	173,309
2005A Municipal Public Improvement Refunding	5,404,033	265,188	0	0	0	5,404,033	62,330	264,097
2007A Municipal Public Improvement Refunding	750,000	35,683	0	0	0	750,000	-	35,683
Total serial bonds	12,998,664	623,312	0	1,478,834	0	11,519,830	1,557,332	545,419
Notes payable:								
1992 State Revolving Loan	836,516	30,278	0	166,432	0	670,084	173,178	23,532
	836,516	30,278	0	166,432	0	670,084	173,178	23,532
Total Water Quality Fund	13,835,180	653,590	0	1,645,266	0	12,189,914	1,730,510	568,951
Total Business-Type Activities	139,334,766	5,734,780	11,302,798	15,166,041	0	135,471,523	13,962,189	5,325,295
TOTAL GENERAL OBLIGATION DEBT	415,375,443	19,196,803	57,457,684	27,232,043	0	445,601,083	29,196,567	20,451,141
PRIMARY GOVERNMENT REVENUE BONDS AND OTHER DEBTS								
Electric Power Board								
Revenue Bonds:								
2000 Electric System Revenue Bonds	6,400,000	263,600	0	1,600,000	0	4,800,000	1,600,000	190,800
2006B Electric System Refunding Revenue Bonds	23,430,000	957,556	0	0	0	23,430,000	0	957,556
2006A Electric System Revenue Bonds	40,000,000	1,725,725	0	0	0	40,000,000	1,070,000	1,704,325
2008A Electric System Revenue Bonds	219,830,000	9,030,219	0	0	0	219,830,000	0	10,764,500
Total Primary Government Revenue Bonds	289,660,000	11,977,100	0	1,600,000	0	288,060,000	2,670,000	13,617,181
Notes And Loans:								
Feb 05 Equipment Note	290,000	9,000	0	171,000	0	119,000	119,000	2,000
May 05 Equipment Note	222,529	7,764	0	119,050	0	103,479	103,479	2,199
Jun 05 Equipment Note	190,155	6,722	0	101,704	0	88,451	88,451	1,904
Oct 05 Equipment Note	215,635	7,501	0	115,270	0	100,365	100,365	2,124
Dec 05 Equipment Note	378,452	14,187	0	202,175	0	176,277	176,278	4,024
Total Electric Power Board	1,296,771	45,174	0	709,199	0	587,572	587,572	12,252
Housing Management								
Other Obligations								
Obligation to Dogwood Manor, LLC	0	0	2,498,108	0	0	2,498,108	20,400	7,658
Total Housing Management	0	0	2,498,108	0	0	2,498,108	20,400	7,532
Total Primary Government	290,956,771	12,022,274	2,498,108	2,309,199	0	291,145,680	3,277,972	13,637,091

City of Chattanooga, TN
 Analysis of General Obligation Debt
 June 30, 2009

COMPONENT UNITS

Revenue Bonds:

Metropolitan Airport Authority:

- 2009 Refunding
- 2002 Airport Revenue Series A Refunding

Total Metropolitan Airport Authority

Chatt Downtown Redevelopment Corporation:

- 2000 Chatt Lease Rental Revenue Bonds
- 2007 Chatt Lease Rental Rev Ref Bonds

Total Chatt. Downtown Redev. Corp.

Total Component Units

Outstanding June 30, 2008	Interest Pd FY 09 June	Issued FY 09 June	Retired FY 09 June	Refunded FY 09 June	Outstanding 06/30/09	Maturing FY 2010	Interest Payable FY 2010
12,625,000	10,910 663,030	6,600,000 0	42,831 6,025,000	6,600,000 6,600,000	6,557,169 0	292,268 0	352,620 0
<u>12,625,000</u>	<u>673,940</u>	<u>6,600,000</u>	<u>6,067,831</u>	<u>6,600,000</u>	<u>6,557,169</u>	<u>292,268</u>	<u>352,620</u>
68,590,000	3,761,906 2,698,900	0 0	2,835,000 75,000	0 0	65,755,000 56,035,000	2,975,000 75,000	3,616,656 2,695,900
<u>124,700,000</u>	<u>6,460,806</u>	<u>0</u>	<u>2,910,000</u>	<u>0</u>	<u>121,790,000</u>	<u>3,050,000</u>	<u>6,312,556</u>
<u>137,325,000</u>	<u>7,134,746</u>	<u>6,600,000</u>	<u>8,977,831</u>	<u>6,600,000</u>	<u>128,347,169</u>	<u>3,342,268</u>	<u>6,665,177</u>

History of General Obligation Debt

The following table sets forth all outstanding general obligation bond and note indebtedness of the city at the end of the fiscal years 2000/01 through 2008/09, less applicable exclusions, adjusted to reflect the City's applicable share of County debt.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Obligation Bonds by Purpose										
Public Buildings Improvement	\$ 530,000	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and Sewage Facilities	124,002,403	115,758,219	107,942,691	100,678,646	92,029,992	83,022,016	74,361,102	65,515,699	\$ 56,618,625	\$ 47,820,059
Municipal Public Improvement	81,887,597	125,716,782	120,057,309	181,276,354	174,535,008	167,682,984	159,728,898	177,464,301	\$ 170,276,376	\$ 205,134,941
Total Bonded Indebtedness	\$ 206,420,000	\$ 241,740,001	\$ 228,000,000	\$ 281,955,000	\$ 266,565,000	\$ 250,705,000	\$ 234,090,000	\$ 242,980,000	\$ 226,895,000	\$ 252,955,000
Other Long-Term Indebtedness										
General Obligation Capital Outlay Notes	8,804,735	8,434,926	9,866,532	24,399,322	41,145,146	39,608,208	46,145,255	47,232,935	(1) 48,101,287	56,874,396
Tennessee Municipal Bond Fund	8,296,833	7,819,523	6,550,098	5,339,097	6,619,343	19,424,258	18,664,185	25,781,445	27,604,081	25,801,938
Capital Leases	-	448,399	288,204	116,196,668	119,978,775	119,077,117	118,490,272	115,707,438	(2) 112,775,074	109,969,749
Gross Direct Indebtedness	\$ 223,521,568	\$ 258,442,849	\$ 244,704,834	\$ 427,890,087	\$ 434,308,264	\$ 428,814,583	\$ 417,389,713	\$ 431,701,818	\$ 415,375,442	\$ 445,601,083
Less: Self-Supporting Indebtedness	179,866,955	179,059,226	169,016,890	289,509,352	353,562,825	346,612,744	333,128,264	325,198,221	310,153,520	302,638,530
Debt Service Fund	2,671,606	3,971,606	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,003	8,925,003
Net Direct Indebtedness	\$ 40,983,007	\$ 75,412,017	\$ 70,190,861	\$ 133,392,593	\$ 75,522,735	\$ 75,729,910	\$ 77,122,241	\$ 97,632,033	\$ 96,296,919	\$ 134,037,550
Plus: Estimated Net Overlapping Indebtedness	88,150,799	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,686	149,048,842
Net Direct and Overlapping Indebtedness	\$ 129,133,806	\$ 178,529,979	\$ 179,782,718	\$ 229,540,469	\$ 183,344,484	\$ 173,216,226	\$ 164,767,669	\$ 187,025,499	\$ 232,584,605	\$ 283,086,392

Notes:

(1) As of June 30, 2009 Capital Outlay Notes consist of \$46,791,484 State of Tennessee Revolving Loan for combined sewer overflow facilities; \$4,379,319 State of Georgia Revolving Loan for the Northwest Georgia Sewer Expansion; \$4,576,000 HUD Sec 108 Note; \$1,007,806 Notes to Individual for land purchase; and \$21,788 Fire Hall Loan.

(2) Capital leases as of June 30, 2009 includes the \$147,723 City of Collegedale for Sewer Easement; \$108,937,617 CDRC (Southside) Capital Lease; \$608,159 for the 800MHz Communication Equipment and Golf Course Capital Lease (Golf Cart) \$284,251.

(3) In FY03, the \$54,990,000 2002 Hotel/Motel Tax bonds were initially treated as general government supported. In FY04 and forward they are treated as self-supporting debt since there is a dedicated revenue stream to retire the debt.

CITY OF CHATTANOOGA
HISTORICAL DEBT RATIOS
June 30, 2009 (unaudited)

Year ended June 30	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Estimated population(1)	145,700	155,554	155,992	155,582	155,289	154,853	154,762	168,293	169,884	170,880
Appraised property valuation	\$ 7,984,908,874	\$ 8,281,644,305	\$ 9,789,654,070	\$ 9,944,568,067	\$ 10,057,472,717	\$ 10,323,946,674	\$ 11,955,447,979	\$ 12,310,849,619	\$ 12,906,102,564	\$ 13,294,163,310
Assessed property valuation	2,617,535,875	2,729,199,377	3,201,743,737	3,260,023,356	3,237,183,936	3,319,249,168	3,860,452,959	3,968,157,371	4,048,760,875	4,167,163,278
Gross indebtedness (2)	223,521,569	258,442,849	244,704,834	427,890,087	434,308,264	428,814,582	417,389,712	431,701,818	415,375,442	445,601,083
Less: Self-supporting indebtedness(3)	179,866,956	178,059,226	169,036,886	344,499,352	353,582,825	346,612,744	333,128,264	325,198,221	310,153,520	302,638,530
Debt Service Fund	2,671,606	4,163,307	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,003	8,925,003
Net direct indebtedness	40,983,007	76,220,316	70,170,865	78,402,593	75,522,735	75,729,909	77,122,240	97,632,033	96,296,919	134,037,550
Plus: Estimated net overlapping indebtedness	88,150,782	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,686	149,048,842
Net direct and overlapping indebtedness	\$ 129,133,789	\$ 179,338,278	\$ 179,762,722	\$ 174,550,469	\$ 183,344,485	\$ 173,216,225	\$ 164,767,668	\$ 187,025,499	\$ 232,584,605	\$ 283,086,392
Gross debt per capita	\$ 1,534.12	\$ 1,661.43	\$ 1,568.70	\$ 2,750.25	\$ 2,796.77	\$ 2,769.17	\$ 2,696.98	\$ 2,565.18	\$ 2,445.05	\$ 2,607.68
Net direct debt per capita	281.28	489.99	449.84	503.93	486.34	489.04	498.33	580.13	566.84	784.40
Net direct and overlapping debt per capita	886.30	1,152.90	1,152.38	1,121.92	1,180.67	1,118.58	1,064.65	1,111.31	1,369.08	1,656.64
Gross debt to appraised valuation	2.80%	3.12%	2.50%	4.30%	4.32%	4.15%	3.49%	3.51%	3.22%	3.35%
Net direct debt to appraised valuation	0.51%	0.92%	0.72%	0.79%	0.75%	0.73%	0.65%	0.79%	0.75%	1.01%
Net direct debt and overlapping debt to appraised valuation	1.62%	2.17%	1.84%	1.76%	1.82%	1.68%	1.38%	1.52%	1.80%	2.13%
Gross debt to assessed valuation	8.54%	9.47%	7.64%	13.13%	13.42%	12.92%	10.81%	10.88%	10.26%	10.69%
Net direct debt to assessed valuation	1.57%	2.79%	2.19%	2.40%	2.33%	2.28%	2.00%	2.46%	2.38%	3.22%
Net direct and overlapping debt to assessed valuation	4.93%	6.57%	5.61%	5.35%	5.66%	5.22%	4.27%	4.71%	5.74%	6.79%

(1) Population figures for all years are estimates.

(2) Gross indebtedness excludes revenue bonds payable by the Electric Power Board of Chattanooga and the Metropolitan Airport Authority.

(3) The self-supporting debt includes Sewer Bonds and municipal public improvement bonds supported by Hotel Motel taxes, CDCR capital lease, HUD Sec. 108 Notes, 800 MHz Equipment Capital Lease.

Debt Service Fund Revenues

Fiscal Years 2007-2010

Revenue Source	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY 09/10	% OF TOTAL
Debt Service (Fund 3100):							
General Fund	11,567,051	9,392,174	12,166,456	15,906,307	3,739,851	30.74	74.16
Trfrs-Cap Imp Bond Fd					0	0.00	0.00
Trfrs-Safety Cap Project Fd	2,832	2,553	5,639	5,639	0	0.00	0.03
Hamilton County	751,683	660,981	478,191	527,853	49,662	10.39	2.46
Miscellaneous Revenue					0	0.00	0.00
911 Communication	808,759	808,759	808,759	808,760	1	0.00	3.77
City Hotel/Motel Tax	3,195,403	3,216,150	3,265,313	3,338,655	73,342	2.25	15.57
CDBG (Fannie Mae Loan)	663,899	2,939,581	654,284	862,429	208,145	31.81	4.02
Homeland Security Grant					0	0.00	0.00
Use of Fund Balance					0	0.00	0.00
Total Debt Service Fund	\$16,989,627	\$17,020,198	\$17,378,642	\$21,449,643	4,071,001	23.43	100.00
Grand Total	\$16,989,627	\$17,020,198	\$17,378,642	\$21,449,643	# 4,071,001	23.43	100.00

Debt Service Fund Expenditures

Fiscal Years 2007-2010

Expenditures	Actual FY 06/07	Actual FY 07/08	Budget FY 08/09	Budget FY 09/10	BUDGET '10 INC/(DEC)	% CHANGE FY 09/10	% OF TOTAL
Debt Service (Fund 3100):							
Principal	9,442,942	10,839,021	9,756,306	12,482,331	(1,082,715)	(10.0)	45.48
Interest	7,421,418	6,873,641	7,552,336	8,867,312	678,695	9.9	35.21
Service Charges	70,000	100,087	70,000	100,000	(30,087)	(30.1)	0.33
Bond Sale Expenses	0	0	0		0	0.0	0.00
Total Debt Service Fund	\$16,934,360	\$17,812,749	\$17,378,642	\$21,449,643	4,071,001	23.4	100.00
Grand Total	\$16,934,360	\$17,812,749	\$17,378,642	\$21,449,643	4,071,001	23.4	100.00
Per Capita	100.62	104.85	102.30	125.52			

Capital Project Funds

Fund Structure

The Capital Projects Funds are used for the acquisition and construction of major capital facilities. The basis of budgeting is modified accrual. Included funds are Safety, Public Works, Parks & Recreation, General Government, Finance & Administration, Neighborhood Services and Education, Arts & Culture.

FY 2009 Approved Capital Budget was as follows:

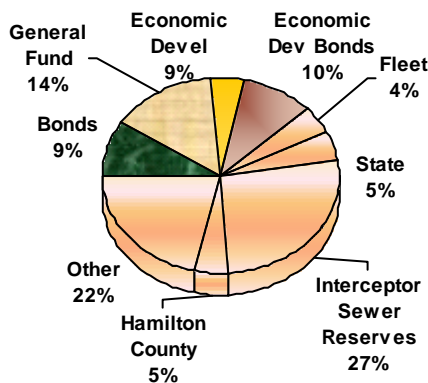
General Government	\$ 10,885,592
Parks & Recreation	6,993,821
Education, Arts & Culture	315,000
Public Works	11,263,428
Police	852,000
Fire	6,693,000
Chattanooga Development Resource Ctr	2,900,000
Public Works Solid Waste	300,000
Public Works Storm Water	775,000
Industrila Development Board	<u>4,989,473</u>
	\$ 45,967,314

The FY10 Proposed Capital budget request is as follows:

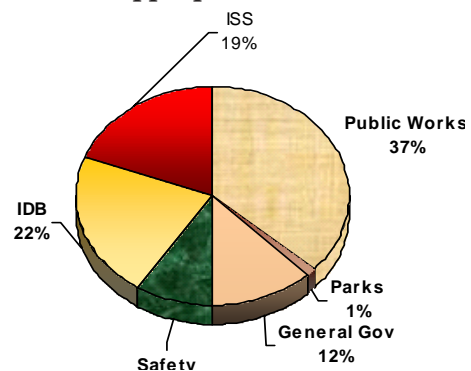
<u>Proposed Budget FY2010</u>	
Proposed Revenue FY10	
Bonds	\$ 6,713,945
General Fund	8,761,261
Economic Development	2,999,500
Fleet Lease Program	3,000,000
Economic Development Recovery Bonds	6,813,000
State of Tennessee	711,442
ARRA thru State of Tennessee	2,689,000
Stimulus Grant/EPB	1,500,000
Interceptor Sewer Reserves	10,804,000
Other	<u>14,477,373</u>
	<u>\$ 58,469,521</u>
Budget Request FY10	
General Government	\$ 8,846,850
Parks & Recreation	700,000
Public Works	20,628,603
Police (Safety)	252,000
Fire (Safety)	4,960,100
Industrial Development Board	12,277,968
Interceptor Sewer Fund	<u>10,804,000</u>
	<u>\$ 58,469,521</u>

Fiscal Year Proposed 2009/2010 \$58,469,521

Revenues



Appropriations



Capital Fund Revenues

Fiscal Years 2010 - 2014

Revenue Source	Actual	Actual	Budget	Proposed	%		OF TOTAL
	FY 06/07	FY 07/08	FY 08/09	FY 09/10	BUDGET '10 INC/(DEC)	CHANGE FY 09/10	
General Fund Fund Balance	7,982,285	12,058,840	8,949,717	8,761,261	(188,456)	-2.1%	14.98%
State/Federal Grants	1,565,983	146,722	5,206,874	5,400,442	193,568	3.7%	9.24%
Economic Development Fund	3,433,192	2,845,000	2,925,688	2,999,500	73,812	2.5%	5.13%
General Obligation Bonds	778,935	0	20,702,473	6,713,945	(13,988,528)	-67.6%	11.48%
Hamilton County	0	0	562,500	0	(562,500)	-100.0%	0.00%
Hotel/Motel Tax Collections	650,000	625,000	2,000,000	0	(2,000,000)	-100.0%	0.00%
Interest Income	10,309	33,901	550,000	300,000	(250,000)	-45.5%	0.51%
Economic Devel. Recovery Bonds	0	0	0	6,813,000	6,813,000	N/A	11.65%
Interceptor Sewer Reserves	0	0	0	10,804,000	10,804,000	N/A	18.48%
Solid Waste Fund	0	1,865,000	300,000	0	(300,000)	-100.0%	0.00%
Water Quality Fund	0	1,675,000	775,000	0	(775,000)	-100.0%	0.00%
Other	0	3,507,447	3,995,062	16,677,373	12,682,311	317.4%	28.52%
	\$14,420,704	\$22,756,910	\$45,967,314	\$58,469,521	12,502,207	27.2%	100.00%
Annual Budget	\$ 31,017,476	\$ 51,044,592	\$33,792,249				
Grand Total	\$14,420,704	\$22,756,910	\$45,967,314	\$58,469,521	12,502,207	27.2%	100.00%

Revenues

The City funds its capital program through a variety of sources including current operations and reserves.

Funding for the FY 2007 Capital Budget was provided by the General Fund appropriation for Capital Improvements in the amount of \$6,761,735, General Fund Fund Balance of 1,220,550, Economic Development Fund \$3,433,192, General Obligation Bond Fund \$14,517,097, State of Tennessee and Federal grants of \$1,414,110, Storm Water Fund Balance of \$1,565,559 and funds from Foundations and other sources in the amount of \$2,238,561.

Funding for the FY 2008 Capital Budget was provided by the General Fund Fund Balance of 12,058,840, Economic Development Fund \$2,845,000, General Obligation Bond Fund \$19,550,000, State of Tennessee and Federal grants of \$1,760,000, Storm Water Fund Balance of \$1,675,000, Solid Waste Fund balance \$1,865,000 and funds from Foundations and other sources in the amount of \$5,699,294.

Funding for the FY 2009 Capital Budget is provided by the General Fund Fund Balance of \$8,949,717,

General Obligation Bond Fund \$20,702,473, State of Tennessee and Federal grants of \$5,206,874, Economic Development Fund 2,925,688 and funds from Foundations and other sources in the amount of \$8,182,562.

Funding for the FY 2010 proposed Capital Budget is provided by the General Fund Fund Balance of \$8,761,261, General Obligation Bond Fund \$6,713,945 State of Tennessee and Federal grants of \$5,400,442, Economic Development Fund \$2,999,500, Economic Development Recovery Bonds \$6,813,000, Interceptor Sewer Fund Reserves \$10,804,000 and funds from Foundations and other sources in the amount of \$16,977,373.

Capital Fund Expenditures							
Fiscal Years 2010 - 2014							
Expenditures	Actual	Actual	Budget	Proposed	BUDGET '10	%	% OF TOTAL
	FY 06/07	FY 07/08	FY 08/09	Budget FY 09/10	INC/(DEC)	CHANGE FY 09/10	
Capital Projects:							
Police (Fund P411)	1,010,365	0	852,000	252,000	(600,000)	-70.4%	0.43%
Fire (Fund P411)	544,042	801,214	6,693,000	4,960,100	(1,732,900)	-25.9%	8.48%
Public Works (Fund P416)	11,050,777	5,743,605	11,263,428	20,628,603	9,365,175	83.1%	35.28%
Parks & Recreation (Fund P415)	2,181,215	9,557,865	6,993,821	700,000	(6,293,821)	-90.0%	1.20%
General Government (Fund P413)	14,986,198	6,787,275	10,885,592	8,846,850	(2,038,742)	-18.7%	15.13%
Chattanooga Development Resource Corp.	0	141,963	2,900,000	0	(2,900,000)	-100.0%	0.00%
Education, Arts & Culture	131,874	193,416	315,000	0	(315,000)	-100.0%	0.00%
Industrial Development Board	0	0	4,989,473	12,277,968	7,288,495	146.1%	21.00%
Interceptor Sewer Fund	0	0	0	10,804,000	10,804,000	N/A	18.48%
Solid Waste Fund	0	624,219	300,000	0	(300,000)	-100.0%	0.00%
Water Quality Fund	0	75,607	775,000	0	(775,000)	-100.0%	0.00%
Total Capital Projects	\$29,904,471	\$23,925,164	\$45,967,314	\$58,469,521	\$12,502,207	27.2%	100.00%
Annual Budget	\$ 31,017,476	\$ 51,044,592	\$33,792,240				
Grand Total	\$29,904,471	\$23,925,164	\$45,967,314	\$58,469,521	12,502,207	27.2%	100.00%

Expenses

The appropriations to the Capital Improvements Budget are analyzed on a year to year basis. As priorities shift, the Capital Improvements Budget will vary to reflect this. Presented here is a brief overview of each department's appropriation.

POLICE

FY 2010 Proposed Budget	\$ 252,000
% of Total Capital Budget	0.43%
Decline From FY 2009	\$ 600,000
% Change	-70.4%

The Police Department capital appropriation will be used for the digital radios.

FIRE

FY 2010 Proposed Budget	\$ 4,960,100
% of Total Capital Budget	7.33%
Decline From FY 2009	\$ 1,732,900
% Change	-25.9%

The FY 2010 appropriation for the Fire Department includes new fire apparatus, fire stations for newly annexed areas.

PUBLIC WORKS, SOLID WASTE, WATER QUALITY

FY 2010 Proposed Budget	\$20,628,603
% of Total Capital Budget	35.3%
Growth From FY 2009	\$ 9,365,175
% Change	83.1%

The FY 2010 Public Works capital appropriation reflects the City's street rehab program, replacement of city-wide services equipment and infrastructure improvements for the City's Enterprise South Industrial Park.

PARKS & RECREATION

FY 2010 Proposed Budget	\$ 700,000
% of Total Capital Budget	1.20%
Decline From FY 2009	\$ 6,293,821
% Change	-90.0%

The FY 2010 Parks & Recreation Department appropriation includes City Greenways improvements, purchase of Stringers Ridge property for future park and public art.

GENERAL GOVERNMENT

FY 2010 Proposed Budget	\$ 8,846,850
% of Total Capital Budget	15.1%
Decline From FY 2009	\$ 2,038,742
% Change	-18.7%

The FY 2010 General Government budget includes funding for Chattanooga Area Regional Transit Authority, city wide vehicle replacement, Information Services software upgrades, and new mesh network.

INDUSTRIAL DEVELOPMENT BOARD

FY 2010 Proposed Budget	\$ 12,277,968
% of Total Capital Budget	21.0%
Growth From FY 2009	\$ 7,288,495
% Change	146.1%

This appropriation is to fund infrastructure improvements to the City's Enterprise Industrial Park for the new Volkswagen Plant. The IDB is overseeing these improvements.

Capital Project Detail

General Government

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
CARTA	984,592	334,000	612,500	625,000	637,500	650,000
Information Services	3,551,000	3,600,000	850,000	850,000.00	600,000	600,000
General Services	1,790,000	4,600,350	6,321,246	-	-	-
Carter Street	-	262,500	102,500	247,500	162,500	155,000
Fortwood Center	50,000	50,000	50,000	50,000	50,000	-
Total General Government	6,375,592	8,846,850	7,936,246	1,772,500	1,450,000	1,405,000

	Prior Years Appropriations	2009/2010 Proposed	Total Project
1. CARTA			
Funding source: General Fund		\$ 334,000	
Prior Years	\$ 8,872,850		\$ 9,206,850

This appropriation is to help fund the Chattanooga Area Regional Transportation Authority's capital needs.

Impact on operating budget: None because these are one time funded projects for supported agencies.

2. Information Services			
Funding Source: General Fund		\$ 100,000	
General Obligation Bonds		1,500,000	
State Grant (ARRA)		1,500,000	
Narcotics Fund		500,000	
Prior Years	\$ 9,064,386		\$12,664,386

This appropriation funds the upgrade of computer equipment and purchase of new software. The FY2010 appropriation also includes funding for a new mesh network.

Impact on operating budget: None.

3. General Services			
Funding Source: General Fund		\$ 1,109,137	
Fleet Service Fund		3,000,000	
EPA Grant		400,000	
Other		91,213	
Prior Years	\$ 8,262,426		\$12,862,776

General Services is responsible for the City's buildings and vehicle lease program to buy vehicles for all the departments in the city except the fire department.

Impact on operating budget: The vehicle replacement program results in lower operating, maintenance, and fuel costs along with a safer fleet operations. Cost savings expected to exceed \$30,000.

Capital Project Detail

4. Carter Street

Funding Source:	General Fund	\$	157,444		
	Economic Development		105,056		
	Prior Years	\$	0	\$	262,500

This appropriation is to help fund capital ungrades for the Trade and Convention Center.

Impact on operating budget: None because these are one time funded projects for supported agencies.

5. Fortwood Center

Funding Source:	General Fund	\$	50,000		
	Prior Years	\$	50,000	\$	100,000

This appropriation is to help fund capital ungrades for the Fortwood Center.

Impact on operating budget: None

Capital Project Detail

Police

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2008/2009	FY2009/2010	FY 2010/2011	FY2011/2012	FY2012/2013	FY2013/2014
Motorola Portable Radios	252,000	252,000	252,000	252,000	252,000	252,000
In-Car Laptops	600,000	-	-	-	-	-
Target Range Control System	-	-	-	17,000,000	-	-
Police Building Rehabilitation	-	-	615,100	438,550	74,600	74,600
Total Police	852,000	252,000	867,100	17,690,550	326,600	326,600

	Prior Years Appropriations	2009/2010 Proposed	Total Project
1. Portable Digital Radios			
Funding Source: General Fund		\$ 252,000	
Prior Years	\$ 252,000		\$ 504,000
This project funds the Systematic replacement of all of the old analog radios with new digital radios. All communication towers are being converted from the old analog system to the new digital system.			

Impact on operating budget: None

Capital Project Detail

Fire

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
Fire Apparatus	800,000	1,075,000	58,300	926,500	2,016,000	3,335,000
Fire Station Major Improvements	50,000	-	50,000	50,000	50,000	50,000
Fire Station Replacement	-	-	1,633,500	1,796,850	-	-
Fire Station Generators	80,000	-	80,000	80,000	80,000	80,000
Fire Service Expansion	-	3,885,100	-	-	-	-
Total Fire	930,000	4,960,100	1,821,800	2,853,350	2,146,000	3,465,000

	Prior Years Appropriations	2009/2010 Proposed	Total Project
1. Fire Apparatus			
Funding Source: General Obligation Bonds			
Prior Years	\$ 7,865,000		\$ 8,940,000
		\$1,075,000	
This appropriation will fund the purchase of new fire apparatus for new stations. These vehicles include Line Fire Apparatus, Elevating Platform, Hazardous Materials Vehicle, Technical Rescue Vehicle, Tankers and Brush Trucks.			
Impact on operating budget: The additional equipment is projected to increase vehicle operations and maintenance by \$25,000.			
2. Fire Station for Annexed Areas			
Funding Source: General Obligation Bonds			
Economic Development		\$1,528,945	
General Government Capital P413		120,000	
		1,651,155	
Prior Years	\$ 0		\$3,300,100
This appropriation funds two new fire stations in newly annexed areas.			
Impact on operating budget: Estimated cost of Operations is around \$300,000.			
3. Fire Hydrants for Newly Annexed Areas			
Funding Source: General Obligation Bonds			
Prior Years	\$ 0		\$ 585,000
		\$ 585,000	
This appropriation funds two new fire hydrants in newly annexed areas.			
Impact on operating budget: None			

Capital Project Detail

Public Works

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
City Wide Services Equipment	550,000	250,000	425,000	625,000	500,000	500,000
Street Rehabilitation	5,460,274	6,822,603	25,962,500	23,593,750	24,430,000	22,750,000
Enterprise South Industrial Park	11,356,000	13,556,000	1,000,000	5,520,430	5,520,430	1,000,000
Interceptor Sewer	-	10,804,000	11,483,653	16,633,653	15,533,653	-
Total Public Works	17,366,274	31,432,603	38,871,153	46,372,833	45,984,083	24,250,000

	Prior Years Appropriations	2009/2010 Proposed	Total Project
1. City Wide Services Equipment Replacement			
Funding sources: General Fund		\$ 250,000	
Prior Years	\$ 9,264,777		\$ 9,514,777
This appropriation allows for the ongoing replacement of older Public Works equipment.			
Impact on operating budget: The vehicle replacement program results in lower operating and maintenance costs and safer fleet operations.			
2. Curbs, Gutters and Sidewalks			
Proposed Funding Source: Community Development Funds		\$ 355,000	
Prior Years	\$ 6,377,621		\$ 6,732,621
This appropriation provides for the continuing program of construction and repair of curbs, gutters, and sidewalks within the City.			
Impact on operating budget: None			
3. Street Improvements			
Funding sources: General Fund		\$1,909,154	
General Obligation Bonds		250,000	
Economic Development Funds		1,357,444	
Bond Fund Fund Balance		24,005	
State Grants (Including ARRA)		2,927,000	
Prior Years	\$40,419,866		\$47,887,469
This appropriation will fund a program of major street rehabilitation within the City.			
Impact on operating budget: This program of major street improvements results in lower street maintenance costs.			

Capital Project Detail

4. Enterprise South Industrial Park

Funding sources:	Economic Development Funds		1,000,000	
	General Obligation Bonds		1,500,000	
	General Government Capital P413		11,056,000	
	Prior Years	\$	0	\$13,556,000

This appropriation infrastructure improvements for the City's Enterprise South Industrial Park.

Impact on operating budget: None.

5. Interceptor Sewer Fund

Proposed Funding Source:	Interceptor Sewer Fund Reserves		\$10,804,000	
	Prior Years	\$		\$

This appropriation provides for the continuing program of upgrading the City's interceptor sewer system.

Impact on operating budget: None

Capital Project Detail

Industrial Development Board

Capital Budget <i>Five Year Plan</i>						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Appropriation to Industrial Development	4,989,473	12,277,968	-	-	-	-
Total Neighborhood Services	\$4,989,473	\$12,277,968	\$0	\$0	\$0	\$0

1. Appropriation to Industrial Development Board

Funding sources: General Fund	\$ 4,661,057	
Economic Development	417,000	
Economic Development Recovery Bonds	6,899,911	
Bonds Interest	300,000	
Prior Years	\$10,974,473	\$26,356,441

This appropriation funds improvements to the City's Enterprise Industrial Park being managed thru the Industrial Development Board. The Board is overseeing the development of the City's new Volkswagen plant

Impact on operating budget: None

Capital Project Detail

Parks & Recreation

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14
Parks Rehab	5,693,833	100,000	7,097,500	4,663,000	730,000	90,000
Greenways	-	500,000	-	-	-	-
Zoo Improvements	125,000	-	125,000	125,000	125,000	125,000
Recreation Center Rehab	-	-	7,930,000	250,000	150,000	-
HVAC Repair	131,000	-	203,000	-	-	-
Parks Equipment Replacement	50,000	-	-	-	-	-
Public Art	100,000	100,000	100,000	100,000	100,000	100,000
Total Parks & Recreation	6,099,833	700,000	15,455,500	5,138,000	1,105,000	315,000

	Prior Years Appropriations	2009/2010 Proposed	Total Project
1. Greenways			
Funding Source: State Grant (ARRA)		\$ 500,000	
Prior Years	\$ 3,837,367		\$ 4,337,367
The purpose of this project is to upgrade and expand the Greenway system in Chattanooga.			
Impact on operating budget: None			
2. Stringers Ridge Project			
Funding Source: General Fund		\$ 100,000	
Prior Years	\$ 0		\$ 100,000
This appropriation fund purchase of property on Stringers Ridge for development of a new City Park.			
Impact on operating budget: None			
3. Public Art			
Funding Source: Economic Development Fund		\$ 100,000	
Prior Years	\$ 300,000		\$ 400,000
This appropriation will fund city wide public art exhibits.			
Impact on operating budget: None			

PROPOSED CAPITAL BUDGET ORDINANCE

ORDINANCE NO. _____

AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 2009/2010 AND TO AMEND THE FISCAL YEAR 2009/2010 BUDGET ORDINANCE NO. 12288 AND TO AMEND THE 2008/2009 CAPITAL BUDGET NO. 12161.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. THAT THERE BE AND IS HEREBY APPROPRIATED, AUTHORIZED, OR ALLOCATED THE HEREINAFTER SET FUNDS FROM THE SOURCES SPECIFIED FOR THE PUBLIC PURPOSES INDICATED OF THE CAPITAL IMPROVEMENTS BUDGET PROGRAM FOR THE FISCAL YEAR 2009/2010:

FROM	GENERAL OBLIGATION BONDS	\$ 6,713,945
	ECONOMIC DEVELOPMENT RECOVERY BONDS	6,813,000
	GENERAL FUND	8,761,261
	ECONOMIC DEVELOPMENT	2,999,500
	BOND INTEREST (2001)	240,000
	BOND INTEREST (2003)	60,000
	NARCOTICS FUND	500,000
	REAPPROPRIATION OF GENERAL GOV CAPITAL (P413)	12,531,000
	REAPPROPRIATION OF GENERAL GOV CAPITAL (P414)	267,368
	FLEET LEASE PROGRAM	3,000,000
	COMMUNITY DEVELOPMENT BLOCK GRANT	355,000
	STATE OF TENNESSEE	711,442
	ARRA THRU STATE OF TENNESSEE	2,689,000
	STIMULUS GRANT/EPB (MESH NETWORK)	1,500,000
	U.S. PARK SERVICE	100,000
	EPA GRANT	400,000
	BOND FUND P410	24,005

PROPOSED CAPITAL BUDGET ORDINANCE

TO:	GENERAL GOVERNMENT & SUPPORTED AGENCIES	\$ 8,846,850
	DEPARTMENT OF POLICE	252,000
	DEPARTMENT OF FIRE	4,960,100
	DEPARTMENT OF PUBLIC WORKS	20,628,603
	DEPARTMENT OF PARKS & RECREATION	700,000
	APPROPRIATION TO IDB	<u>12,277,968</u>
	TOTALS	<u>\$ 47,665,521</u> <u>\$ 47,665,521</u>

PROPRIETARY FUND CAPITAL

FROM:	STATE REVOLVING LOAN	10,804,000
TO:	INTERCEPTOR SEWER CAPITAL FUND	<u>10,804,000</u>
	TOTAL PROPRIETARY FUNDS	\$ 10,804,000 \$ 10,804,000
	TOTAL CAPITAL BUDGET	<u>\$ 58,469,521</u> <u>\$ 58,469,521</u>

SECTION 2. THAT ORDINANCE NO. 12288, THE BUDGET ORDINANCE, BE AND IS HEREBY AMENDED AS PROVIDED HEREINAFTER.

SECTION 3. THAT THE GENERAL FUND ESTIMATED REVENUE OF SAID ORDINANCE BE AND IS HEREBY AMENDED AS HEREINAFTER SET OUT:

	<u>DELETE</u>	<u>SUBSTITUTE IN LIEU THEREOF</u>
REVENUE FROM FUND BALANCE	\$ <u>0</u>	\$ <u>3,761,261</u>
AMENDED GENERAL FUND ESTIMATED REVENUE	<u>\$ 167,535,000</u>	<u>\$ 171,296,261</u>

SECTION 4. THAT SECTION 5 OF SAID ORDINANCE BE AND IS HEREBY AMENDED AS HEREINAFTER SET OUT:

GENERAL FUND APPROPRIATIONS:

GENERAL GOVERNMENT & SUPPORTED AGENCIES	\$ <u>40,588,770</u>	\$ <u>44,350,031</u>
AMENDED TOTAL APPROPRIATION	<u>\$ 167,535,000</u>	<u>\$ 171,296,261</u>

Capital Project Detail

GENERAL GOVERNMENT & SUPPORTED AGENCIES

CAPITAL IMPROVEMENTS	\$ 0	\$ 8,761,261
DEBT SERVICE	<u>15,906,307</u>	<u>10,906,307</u>
AMENDED GEN. GOVT. & SUPPORTED AGENCIES	\$ <u>40,588,770</u>	\$ <u>44,350,031</u>
AMENDED TOTAL APPROPRIATION	\$ <u>167,535,000</u>	\$ <u>171,296,261</u>

SECTION 5. THAT SECTION 6 OF SAID ORDINANCE BE AND IS HEREBY AMENDED AS HEREIN-
AFTER SET OUT:

	<u>DELETE</u>	<u>SUBSTITUTE IN LIEU THEREOF</u>
1119 <u>ECONOMIC DEVELOPMENT EDUCATION FUND:</u>		
ESTIMATED REVENUE		
ECONOMIC DEVELOPMENT UNRESERVED FUND BALANCE	\$ <u>0</u>	\$ <u>1,362,056</u>
AMENDED TOTAL REVENUE	\$ <u>10,400,000</u>	\$ <u>11,762,056</u>
APPROPRIATIONS		
APPROPRIATION TO CAPITAL	\$ <u>1,637,444</u>	\$ <u>2,999,500</u>
AMENDED TOTAL APPROPRIATION	\$ <u>11,400,000</u>	\$ <u>11,762,056</u>
6102 <u>FLEET LEASE REPLACEMENT FUND</u>		
ESTIMATED REVENUE		
FUND BALANCE	\$ <u>0</u>	\$ 3,000,000
TOTAL REVENUE	\$ <u>0</u>	\$ <u>3,000,000</u>
APPROPRIATION		
APPROPRIATION TO CAPITAL	\$ <u>0</u>	\$ <u>3,000,000</u>
TOTAL APPROPRIATION	\$ <u>0</u>	\$ <u>3,000,000</u>

SECTION 6. THAT THE FISCAL YEAR 2009 CAPITAL BUDGET ORDINANCE NO. 12161 AS
AMENDED, BE AND THE SAME IS AMENDED AS PROVIDED HEREINAFTER.

Capital Project Detail

SECTION 7. THAT SECTION 1 OF SAID ORDINANCE BE AMENDED AS HEREINAFTER SET OUT:

	<u>DELETE</u>	SUBSTITUTE IN <u>LIEU THEREOF</u>
TO:		
GENERAL GOVERNMENT & SUPPORTED AGENCIES	\$ 9,413,000	\$ 8,782,000
POLICE DEPARTMENT	<u>852,000</u>	<u>1,483,000</u>
AMENDED GENERAL GOVERNMENT CAPITAL	<u>\$45,967,314</u>	<u>\$45,967,314</u>

BE IT FURTHER ORDAINED, THAT THIS ORDINANCE SHALL TAKE EFFECT TWO WEEKS FROM AND
AFTER ITS PASSAGE AS PROVIDED BY LAW.

PASSED ON THIRD AND FINAL READING

_____, 2009

CHAIRPERSON

APPROVED___ DISAPPROVED_____

DATE: _____, 2009

MAYOR

DM/RR/AD