

Policies & Procedures

Budget Procedures

The Charter of the City of Chattanooga designates the City Council as being the party responsible for the preparation and passage of the annual budget. This is found in Title 6, Finance & Taxation, Chapter III, Section. 6.80 and states:

Section. 6.80 Annual budget not to exceed estimated revenue except in cases of extraordinary emergencies. It shall be the duty of the City Council elected under this act to prepare and pass an annual budget each year. The budget for the ordinary and extraordinary expenses of said city for any one year shall not exceed the estimated amount of revenue to be collected for said year; and in no event shall there be appropriated by the Council any sum or sums in excess of the estimated revenues of said city, for the fiscal year in which said appropriation is made. Provided, however, said members of the Council may, in extraordinary emergencies such as floods, epidemics, or destructive fires, make appropriations in excess of the estimated revenue when the public health, safety, and welfare demand same.

The Management & Budget Analysis Section, a subsection of the Department of Finance, is the catalyst for the budget process for the City Council.

A brief description of the form of government the City of Chattanooga utilizes will be useful in more fully understanding the budget process. The City of Chattanooga operates under a Council/Mayor form of government, having changed from the Mayor/Commission form in 1990. The current organizational plan places legislative responsibility for municipal government in the City Council and gives administrative or executive authority to the Mayor. The Council levies taxes, enacts ordinances, adopts the annual budgets as well as performs other legislative functions. The Mayor, who is elected by the citizens of Chattanooga in an at-large vote, carries out the programs and policies approved by the City Council. In addition to advising the Council on policy and legislative matters, the Mayor also recommends the annual budgets and work programs.

The operating budget of the City is the single most important decision making document passed by the Council each year. This budget document passed each year must effectively accomplish several criteria as well as meet certain governmental budgeting standards. The Government Finance Officers Association has established four (4) criteria that governmental budgets should meet:

A governmental budget should:

- (1) Be a policy document*
- (2) Be an operating guide*
- (3) Be a financial plan, and*
- (4) Be a communications device*

To insure these criteria are met, the Management & Budget Analysis Section of the City Finance Department prepares a budget calendar and budget policies to facilitate the decision-making process by providing overall direction to City departments. The budget calendar and the budget policies form the nucleus of the budget-making process for the City of Chattanooga. Following these two tools City Departments and Agencies develop their budget requests as well as their performance data to reflect the goals and objectives for the upcoming fiscal year.

The first budget procedure to be put into place is planning of the budget calendar and the budget policies by the City Finance Officer. In early January, the Budget Section, working under the direction of the Finance Officer, compiles draft copies of the proposed budget calendar as well as the proposed budget policies. When the Finance Officer is satisfied the proposals meet the needs of the Departments/Agencies, they are presented to the Mayor for review. The Mayor can at this time add to or delete from either document. When his review is finished the Mayor then presents the finished products to the City Council for review and approval. The City Council can then change either document. This provides the guidelines needed by the Departments/Agencies to begin budget preparation for the upcoming fiscal year. After the City Council has adopted the budget calendar and the budget policies, the Mayor meets with his Department Administrators and Department Budget Personnel to distribute them. While the budget calendar and budget policies are being discussed, the Management & Budget Analysis Section is preparing the budget forms and supplementary data for distribution to the various Departments and Agencies. A budget request form is prepared for each activity within each department of city government. This budget request form, along with the supplementary data, provides the detailed expenditures of the prior fiscal year and the detailed expenditures for the current fiscal year-to-date. Each department/Agency is responsible for projecting its expenditures through the end of the fiscal year. Each increase requested in appropriations by a department or agency must be accompanied by a detailed justification. Once the departments receive these budget request forms, they are given a set time to return them to the City Finance Office, per the budget calendar. Detailed estimates are prepared of all anticipated revenues to the City

from all sources. The Management & Budget Analysis Section prepares these revenue estimates working in conjunction with the various departments and outside agencies or governmental units who contribute funds to the City. The Revenue Budget Form contains data on the prior fiscal year, current year-to-date, a projection through the end of the fiscal year, and the amount estimated to be collected in the next fiscal year. These estimates are monitored throughout the budget-making process and changed as required, using updated data. When the Revenue Budget Form is completed, it is discussed in detail with the Mayor by the Finance Officer.

The departments and agencies are given a deadline to turn in their budget requests to the City Finance Office. During this time, their budgets are finalized by their budget personnel working closely with the Management & Budget Analyst assigned to their department. The goals and objectives of each activity are formalized, and the financial means to accomplish them are incorporated into their budgets. When presented to the City Finance Office, a department's budget consists of Budget Forms for each activity within the department, overlaid with a departmental summary form. The department's overall goals and objectives are stated here on the summary forms.

Once all Budget Forms for all departments and agencies are collected by the City Finance Office, the Management & Budget Analysts begin a review process. Budget documentation turned in by the departments should include a statement of proposed departmental goals and objectives, performance measures, an estimate on the status of performance at the end of the current year as well as traditional account line item expenditure requests and justification for maintaining current and expanded expenditure requests. The Budget Section reviews each budget request to insure compliance with the budget policies.

Once the budget requests are received the budget staff prepares Total Request Packages for Council to review. Council then sets budget sessions with departments to review requests and discuss various issues to gain a thorough understanding of the budget requests.

After Council sessions are over, budget sessions are held with department Administrators and budget personnel to further discuss budget requests and changes. After meetings with the departments, the Budget Section is ready to balance the budget request to the estimated revenues. When this is accomplished, the balanced budget is presented to

the Mayor for review. At this point the Mayor can add or delete items to the budget. When the Mayor is satisfied that the budget presented represents the goals and objectives of the City and the financial means of reaching those goals and objectives, he will present the balanced budget to the City Council at a Budget and Finance Committee meeting.

The City Council then begins a second budget review once it receives the balanced budget proposal. This is done through the Budget Committee, where numerous work sessions are held to examine all aspects of the proposal. Department Administrators are called in to explain differences in their current year budget and the proposed budget. Changes are made by the Council at their discretion. Finally, when the budget is agreed upon, a Budget Ordinance is written up by the Budget Section for passage by the City Council at a regularly scheduled meeting. In this Budget Ordinance, the City Council sets the Tax Rate for the next year to support the budget being submitted. The City Council holds public hearings on the budget proposal during the time the budget is first presented and when it is finally passed. The Budget Ordinance, like all City Ordinances, must pass three readings of the Council to become law.

The City of Chattanooga's budget process has evolved into a comprehensive system. The process is being constantly upgraded to provide the best tool possible for the departments and agencies to work with and to produce a budget document that is easy to read and follow and at the same time complex enough to allow for the many changes confronted by the City each year.

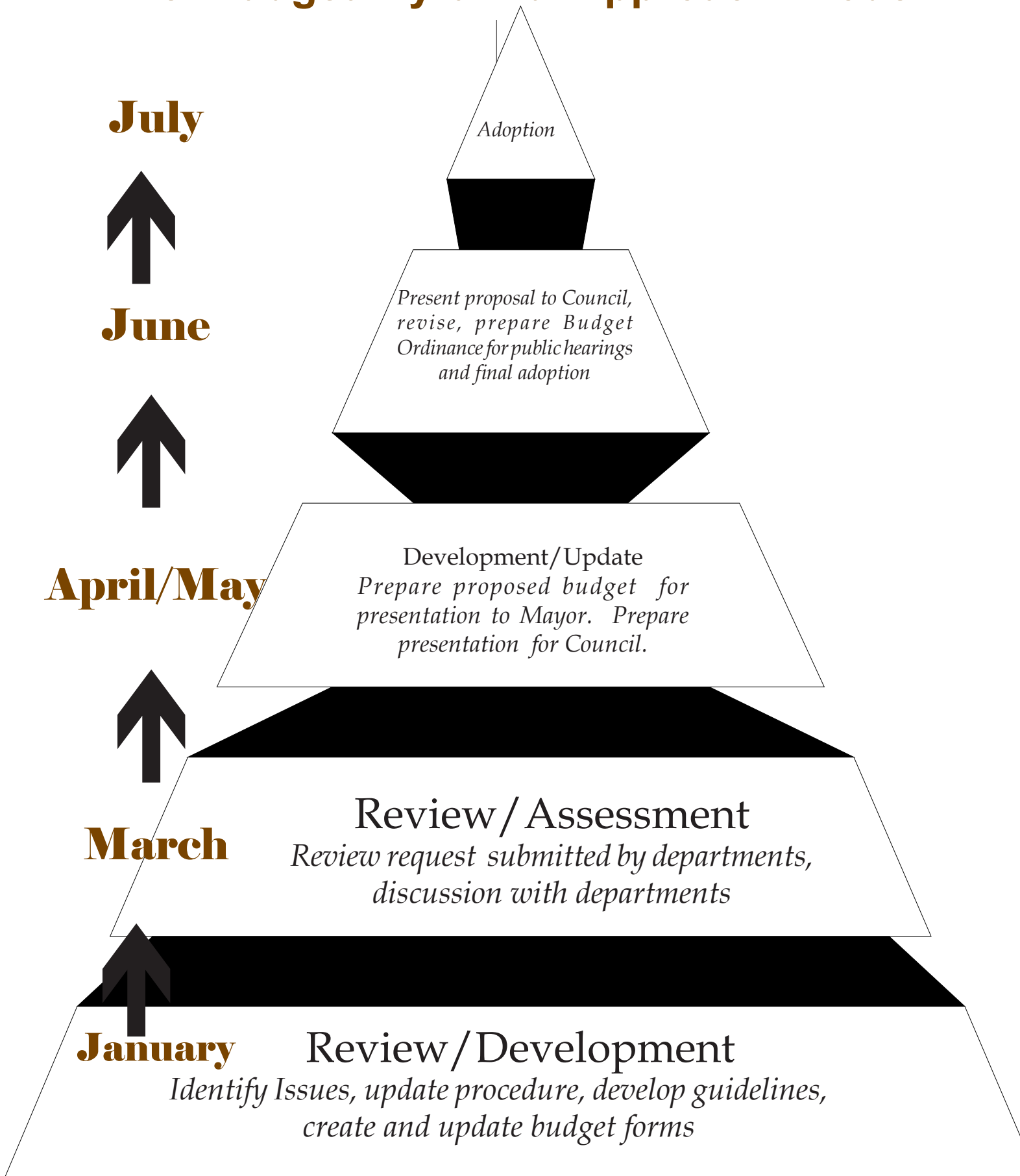
During May and June, the City Council hears budget requests from agencies and departments at its regularly scheduled meetings. Prior to July 1, the City adopts an interim budget appropriating funds for the usual and ordinary expenses of the City government in an amount not to exceed one-twelfth of the preceding fiscal year operating budget for each month that the interim budget is in effect. Subsequently, the budget is legally enacted through passage of an ordinance with an operative date of July 1. Upon adoption of the annual budget ordinance by the Council, it becomes the formal budget for City operations. After the budget ordinance is adopted, the council can increase the budget only if actual receipts exceed the estimated, or from accumulated surplus in the amount of an unexpended appropriation from the previous year. Budget control is maintained by recording encumbrances as purchase orders are written. Financial reports, which compare actual

performance with the budget, are prepared monthly and presented to the Mayor. Open encumbrances are reported as reservations of fund balance at June 30. All unencumbered and unexpended appropriations lapse at year-end.

The City Finance Officer is authorized to transfer budgeted amounts within divisions within the General Fund, but the authorization does not apply to funds other than the General Fund.

Formal budgets are adopted for the General Fund, Debt Service Fund, all enterprise funds and for a majority of the Special Revenue Funds, including the State Street Aid Fund. These formal budgets are adopted on a departmental basis. Line item amounts from the budget preparation phase are booked on the appropriation ledger.

The Budget Pyramid Approach Model



January 2010						
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31						

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June 2010						
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December

31 Target cut off for CY actuals on budget forms

January

6-15 Preliminary prep work for budget documents
14 Salary Project Review begins
22 Budget forms available on-line to all Depts

February

12 Prepare Initial Revenue Projections
26 Non-Profit & Agency request due to City Council

March

1 Deadline for Budget submissions along with goals and accomplishments
3-5 Staff prepares summary of total request
8-19 Budget review and discussions with departments and Council
22-31 Non-joint agency request presentation to council committee
22-31 Budget Review and follow up discussion with departments

April

5-19 Budget review and discussions with departments
12 Revenue projection target date
5-19 In-house budget sessions to balance budget
26 Proposed balance budget to Mayor
29 Discussions w/Mayor

May

3-14 Discussions w/Mayor and budget committee chair
10 City/County Joint Budget Hearing
18 Presentation of Budget to Council with PowerPoint
25 Council Finance Committee review/questions

June

8 Agency Budget Request
22 Presentation of alternate FY11 Budget
Finance Committee review/questions
29 Council approval 1st reading

July

6 Council Finance Committee review/questions
6 Council approval 2nd & 3rd reading
20 Presentation to Council of FY11 Capital Budget

August

10 Capital Budget 1st Reading
17 Council approval 2nd & 3rd reading Capital

October

Budget staff finalize CABR 2011
31 Deadline date for CABR submission to GFOA
Extended

November/December

Mid Year Review and preparation for Budget Projections

July 2010						
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Budget Policies

Providing basic public services and facilities necessary to meet the current and future needs of its citizens are the City's highest priorities. Current basic public services are those services that would not be provided without public action, and future basic public services could not be provided without the proper planning necessary to provide them. Within this framework, the City prepares its Operating Budget each year.

The overall goal of the City's financial plan is to establish and maintain effective top quality management of the City's financial resources. By effectively managing these financial resources through sound budget policies and the monitoring of the results of these policies throughout the fiscal year, the City builds a framework for subsequent years. Because the City involves each Department/Division so heavily in the budget process, the policies serve as an excellent training guide, even for the budget novice. And because the City involves each Department/Division Administrator so heavily in the budget process, the finished product, i.e. the Budget Ordinance, serves as an excellent management tool for use in day to day decision making in the operation of a department. The Budget Ordinance also provides the basis of financial control to ensure compliance and prevent any overspending. Monthly reports comparing budgeted amounts to actual amounts are furnished to each department for review. These reports are also used to search for funding sources, or unexpended appropriations, needed if a departmental mission is adjusted in midyear.

The City's budget policies are written up each year by the Management and Budget Analysis staff of the City Finance Administrator's Office. These proposed policies are reviewed by the Finance Officer and Deputy Officer to insure they contain all information known at that time to provide the desired results of the current year budget process. Working together, the Finance Officer, Deputy Finance Officer, Budget Officer and the MBA staff insure that the budget policies to be presented for consideration by the Mayor and City Council do contain the means to provide the basic public services. Basic public services can be defined as those services that are

- essential to the health and safety of the City's citizens,
 - necessary in order to avoid irreparable damage to City resources, and
- a service that the absence of which would make the City's quality of life generally unacceptable to its citizens.

After the budget policies have met the satisfaction of the Finance Officer and staff, the Finance Officer presents them

to the Mayor. They undergo further review, additions, deletions, and changes by the Mayor based upon his personal knowledge of the direction the City needs to be taking in conjunction with the Administrator's initiative. Once adopted, the budget policies are set in place to serve as the guide for the fiscal year.

The following section outlines the budget policies adopted by the City Council for use in preparation of the City's FY 10/11 Operating Budget:

Budget Requests for FY11 will be submitted on a line item (Account) basis. All departments should present 2 budget requests, one that provides full funding for deliverance of the level of services that will reasonably meet citizen expectations. This scenario should restore any cuts made to meet shortfall in revenues the past several years. The second budget scenario is one based on the City's current estimated revenues for FY11 or zero increase before any adjustment for salary and benefits - no increase over current year. The adopted FY2010 budget is the baseline. Flexibility is allowed in how this is achieved through a combination of salary and operating costs. Generally, any growth in funding for a particular line item must be fully justified and will be at the expense of some other line item, barring a specific revenue source generated to cover the additional expense.

Total Requests as shown on the budget spreadsheet is divided into two parts – the Maintain Requests and the Additional Requests. Any additional requests for a particular line item must be offset by a reduction in another line item to affect a zero base in total requests. Additional funding must be accompanied by narrative justification.

Maintain Requests will be based upon the Projected FY 09/10 expenditures less any one-time, non-recurring expenditures.

- a. Requests for one-time, unavoidable costs that are anticipated for FY 10/11 Budget will be included in the Additional Requests with justification.
- b. Requests for recurring unavoidable increases, including such items as street lighting, utilities, pension costs, health insurance, etc., will be included in the Maintain Budget Requests.

Personnel Issues:

- a. Maintain Requests for Salaries & Wages will

include all positions authorized at the current Pay Plan Amount. Any frozen or unfunded positions in current year should remain frozen unless swapped with another position to be frozen. The Finance Office will provide projections. Adjustments should be made for frozen positions.

- b. Maintain Requests will not include any requests for funding of additional personnel.
- c. Do not include funds for pay raises or pending reclassifications. All salary adjustments will be made by the Management & Budget Staff.
- d. Budget Requests for overtime must be from a zero base, consistent with overtime ordinances, and not justified by prior year experience only.
- e. If you plan to hire temporary workers, your budget estimate should include payroll taxes. Any hiring of contract employees must stand up to IRS scrutiny. Guidelines can be found in the Finance intranet site under the topic "Independent Contractors."
- f. Temporary staffing should be budgeted under "Salaries & Wages."
- g. No increase in positions or position reclassifications will be considered in the 2010-2011 budget without a corresponding reduction/reclassification in existing positions resulting in the same or reduced costs to the city.
- h. A completed Job Analysis Questionnaire (JAQ) and the Classification Action Request Form: FY2010-2011 Budget Process must be submitted to Personnel for review and approval for new and/or additional existing positions including reclassifications. The JAQ and Classification Action Request Form: FY2010-2011 Budget Process are available on the City's intranet website. The link is below. If you have questions, contact Jean Smith at 757-4862 <http://int.chattanooga.gov/forms.asp?Dir=Personnel>

Renewal & Replacement:

Budget Requests will include capital operating requirements to be funded from the amount appropriated for Renewal & Replacement of Equipment. Generally, a capital operating requirement has a useful life of less than 15 years and involves a cost less than \$25,000. Items with a longer useful life and greater

cost will be included in the Capital Budget. We anticipate that the FY10/11 budget will include funding for Renewal & Replacement in the amount of \$1,211,177.

All departments will include in each activity funds for vehicle repairs at City Garage. Parts will be billed by the Garage at a 25% mark-up. Vehicle maintenance cost expenses should take into consideration any additional leased vehicles. The current labor rate is \$65.00. We estimate the average price of fuel for FY11 at \$2.75 per gallon for unleaded gasoline and \$2.85 per gallon for diesel. The actual fuel prices will continue to fluctuate as the market rate changes.

Fringe Benefit costs are to be included in each Activity Request which has Personnel costs. These Fringe Benefit costs are:

General Pension: 9.08%
 Fire & Police Pension: 24.91%

Blue Cross: Current medical insurance rates are shown below. These estimates are subject to change:

	Gross Premium	Employee Cost	Net Employer Cost
Individual	4,517.04	903.36	3,613.68
Subscriber + Child	8,128.32	1,625.76	6,502.56
Subscriber + Spouse	9,475.20	1,895.04	7,580.16
Family	13,542.72	2,708.64	10,834.08
Onsite Medical Cost			984.00

The Health Savings Account (HSA) includes a premium cost to the City and City's contribution to the employee's savings account. All departments must make sure that they include these costs in their budget requests. The costs associated with HSA will be included in the salary projections.

Life Insurance Coverage: \$0.15 per \$1,000 coverage/month.
 Accidental Death and Dismemberment: \$.02 per \$1,000 coverage per month.

Total premium: \$0.17 per \$1,000

Salary rounded up to the nearest \$1,000.

Maximum Coverage: \$50,000.

Long-Term Disability:

\$0.45 per \$100 coverage per month. One-half of premium cost is paid by the General Pension Board. Cost to the City is \$.205 per \$100.

FICA 6.20%
 Medicare 1.45%

Anticipated increase in utility cost during FY11
 Electricity: 0% Natural Gas 0% Water: 0%

Budget Execution Guidance

1. Descriptions, Goals & Objectives, and Performance Measures for each activity for FY10 are available on the intranet. Please update, where necessary, for FY11 as they are included in the City's Comprehensive Annual Budget Report submitted to the Mayor and City Council as well as the Government Finance Officer's Association. Please return updated Descriptions and Goals & Objectives information with the budget submission on March 12, 2010. Performance Measures are due back July 31, 2010.

2. Use of the city's garage services is mandatory for applicable procedures/services unless specific approval of the Mayor is obtained in advance.

3. The budget submission will not be complete or considered if Descriptions, Goals & Objectives are not submitted timely as they will become part of the decision making process for budget approval in FY11.

4. Total Budget request information for FY11 is due back to the Budget Office by Monday, March 1, 2010.

Revenue Policies

The City of Chattanooga's revenue programs are administered by the Management & Budget Section of the Department of Finance & Administration. The Budget Section adheres to long-standing principles which insure stability and financial health. The cornerstone of these principles followed by the City is an air of conservatism. The City never has, and never will, intentionally overestimate a revenue source merely to fund a project or additional personnel. The revenue policies of the City remain fairly constant from year to year, changing to include new revenue sources and an extension of the tax base when appropriate. These revenue policies give a good insight into the reasoning being considered by the City at budget time. The policies themselves reflect the conservative approach used by the City.

Revenue policies of the City include, but are not limited to the following:

The City will maintain effective collection systems and implement aggressive enforcement strategies to maximize revenues from all sources.

The City will attempt to maintain a diversified revenue base, which will not emphasize any one revenue source.

The City will attempt to maintain a revenue system which will encourage development of alternative revenue sources.

The City will continually monitor the local tax effort, such as Property Tax and Sales Tax, and compare it with other cities of comparable size.

The City will maintain a broad revenue base; that is, a large number of widely diversified revenue sources will be established and maintained in order to distribute the revenue burden equitably and protect the City from short-term fluctuations in any one revenue source.

The City will follow a conservative approach in the projection of revenues so that actual revenues at year end will consistently equal or exceed budgeted amounts.

The City will actively seek Federal and State grants and insure a fair proportion is received.

The City will review all user fees and licenses annually, adjust these fees and licenses when appropriate, and establish new fees and licenses when necessary.

The City will establish all user charges and fees at a level related to the full cost of providing the operating, direct, indirect, and capital services.

The City will limit the designation of General Fund revenues for specified purposes in order to maximize flexibility and utilize revenues more efficiently.

The City will continue to maintain its low Debt Ratio in providing funding through general obligation bond sales.

Cash Management & Investment Policy

1.0 Policy. It is the policy of the City of Chattanooga to invest public funds in a manner which will maximize investment return with maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The City Treasurer is authorized to manage the investments described herein.

2.0 Scope. This investment policy applies to all financial resources of the City of Chattanooga, other than funds of The City of Chattanooga General Pension Plan and The City of Chattanooga Fire and Police Pension Plan, managed by a board of trustees or contractual managers; Deferred Compensation Plan funds managed externally; and such funds excluded by law, bond indenture or other Council-approved covenant.

These funds are accounted for by the City's Finance Division, as represented in the City of Chattanooga Comprehensive Annual Financial Report and include:

2.1 Funds

- (1) General Funds
- (2) Special Revenue Funds
- (3) Debt Service Fund (unless prohibited by bond indentures)
- (4) Capital Project Funds
- (5) Enterprise Funds
- (6) Any new fund created by the City Council, unless specifically exempted.

Funds held by the Hamilton County Finance Department during tax collection period shall be governed by the County's investment policies, and are not subject to the provisions of this policy.

3.0 Prudence. The standard of prudence to be used by investment personnel shall be the "Prudent Investor Rule" and will be in the context of managing an overall portfolio: "Investments shall be made with judgment and care-under circumstances then prevailing-which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." Investment officials meeting this standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 Investment Objectives. The primary objectives, in priority order, of the City of Chattanooga's investment activities shall be as follows:

4.1 Safety. Safety of principal is the foremost objective of the investment program. Investments of the City of Chattanooga shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective,

diversity is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

4.2 Liquidity. The City of Chattanooga's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

4.3 Return on Investment. The City of Chattanooga's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio.

4.4 Local Institutions. Local institutions shall be given preference when they are, in the judgment of the Treasurer, competitive with other institutions.

5.0 Delegation of Authority. Chattanooga City Charter 6.1 Empowers the Mayor, Finance Officer, and Treasurer with the investment responsibility for the City. There is created within the Department of Finance, a Treasury Division. The Treasurer is responsible for day-to-day investment decisions and activities and the development and maintenance of written procedures for the operation of the investment program, consistent with these policies.

Procedures should include reference to: safekeeping, sale and repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Officer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

The Treasurer shall report on investment activities to the Mayor and Finance Officer at agreed-upon intervals. The Treasurer will train other investment personnel to assist and provide relief in the day-to-day placement of investments.

6.0 Ethics and Conflicts of Interest.

Any person involved in the investment process shall refrain from personal business activities which could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Investment personnel shall disclose to the Mayor any material financial interests in financial institutions that

conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment position that could be related to the performance of the City of Chattanooga, particularly with regard to the time of purchases and sales.

Bonding of all staff involved in the investment process shall be required, and such bonding requirements shall apply to those individuals authorized to place orders to purchase or sell investment instruments.

7.0 Authorized Financial Dealers and Institutions.

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Tennessee. These may include "primary dealers" or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by the laws of the State of Tennessee.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Treasurer with the following:

- (1) Audited financial statements
- (2) Proof of National Association of Security Dealers certification.
- (3) Trading resolution
- (4) Proof of State of Tennessee registration
- (5) Completed broker/dealer questionnaire
- (6) Certification of having read the City of Chattanooga's investment policy and depository contracts.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the city of Chattanooga invests.

8.0 Authorized and Suitable Investments.

Except for pension trust funds, the City of Chattanooga shall limit its investments to those allowed by the Tennessee Code Annotated 6-56-106, which states:

"In order to provide a safe temporary medium for investment of idle funds, municipalities are authorized to invest in the following:

- (1) Bonds, Notes or Treasury Bills of the United States;
- (2) Non-convertible debt securities of the following issues:
 - (A) The Federal Home Loan Bank;
 - (B) The National Mortgage Association;
 - (C) The Federal Farm Credit Bank; and
 - (D) The Student Loan Marketing Association;
- (3) Any other obligations not listed above which are

guaranteed as to principal and interest by the United States or any of its agencies;

- (4) Certificates of deposit and other evidences of deposit at state and federal chartered banks and savings and loan associations.
- (5) Obligations of the United States or its agencies.
- (6) The Tennessee Local Government Investment Pool
- (7) Repurchase Agreements (provided a Master repurchase agreement has been executed and approved by the state director of local finance, such investments are made in accordance with procedures established by the state funding board)"

8.1 Securities Not Eligible As Investments For Public Funds In The State Of Tennessee:

- (1) Corporate Bonds
- (2) Corporate Stocks
- (3) Foreign Government Obligations
- (4) Futures Contracts
- (5) Investments in Commodities
- (6) Real Estate
- (7) Limited Partnerships
- (8) Negotiable Certificates of Deposit

8.2 Reverse Repurchase Agreements.

The City of Chattanooga will not engage in using Reverse Repurchase Agreements. "Leveraging" is not an acceptable strategy for the City.

8.3 Risk. The City's investing maxim is that public funds should never be put at market risk.

9.0 Investment Pool. A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following questions:

- (1) A description of eligible investment securities, and a written statement of investment policy.
- (2) A description of interest calculations and how it is distributed and how gains and losses are treated.
- (3) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- (4) A description of who may invest in the program, how often, what size deposit and withdrawal.
- (5) A schedule for receiving statements and portfolio listings.
- (6) Are reserves, retained earnings, etc. utilized by the pool/fund?
- (7) A fee schedule, and when and how it is assessed.
- (8) Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

10.0 Collateralization. All certificates of deposit and repurchase agreements will be collateralized. The collateral pledge level to be used by each Collateral Pool participant to arrive at their pledge target may be determined on a percentage basis using the following factors:

- (1) If the Total Collateral Pool participants hold an aggregate of less than thirty percent (30%) of the total sum of deposits held in the State of Tennessee by financial institutions, the collateral pledging level shall equal two hundred percent (200%).
- (2) If the Total Collateral Pool participants hold an aggregate of thirty percent (30%) or more of the total sum of deposits held in the State of Tennessee by financial institutions, the collateral pledging level shall equal one hundred fifteen percent (115%).
- (3) However, the collateral pledging level will be one hundred percent (100%) for any participant whose bank rating is equal to or greater than twenty-five (25) as determined from the most recent quarterly report published by Sheshunoff Information Services, Inc. (bank president's national peer group weighted rating). The collateral pledge level will be ninety percent (90%) if the participant meets the requirement in Rule 1700-4-1-.04(1)(b).

Each pool participant is required to maintain, at a minimum, pledged collateral with a minimum market value of one hundred thousand dollars (\$100,000).

Custodial Agreement: Collateral will always be held by an independent third party with whom the city has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. All financial institutions doing business with the City are required to sign a Bond and Deposit Agreement with the City and it will be updated annually. The right of collateral substitution is granted.

11.0 Safekeeping and Custody. All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a Delivery-Versus-Payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

12.0 Diversification. The City will diversify its investments by security type and institution. With the exception of U. S. Treasury securities and the Tennessee State Local Government Investment Pool, to the extent reasonably practical, given the City's policy (section 1.0) and investment objectives (sections 4.0 through 4.4), no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

13.0 Maximum Securities. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Under current City policy, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two (2) years from date of purchase. However, the City may collateralize its repurchase agreements using longer dated investments not to exceed five (5) years to maturity.

Reserve funds may be invested in securities exceeding two (2) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

14.0 Internal Control

The Treasurer shall establish an annual process of independent review by an external auditor. The review will provide internal controls by assuring compliance with policies and procedures.

15.0 Performance Standards. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

15.1 Market Yield (Benchmark): The City's investment strategy is passive. Basically, the passive approach to investing involves buying-and holding purchases until maturity. Given this strategy, the basis used by the Treasurer to determine how the portfolio's market average rate of return compares to market yields shall be the six-month U. S. Treasury Bill and the average Federal Funds Rate.

16.0 Reporting. The Treasurer is responsible for preparing a quarterly investment report to the Mayor and Finance Officer which will provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

Schedules in the quarterly report should include the following:

- (1) A listing of individual securities held at the end of the reporting period by authorized investment category, and financial institutions
- (2) Average life and final maturity of all investments listed
- (3) Coupon, discount or earnings rate
- (4) Par value, Amortized Book Value and Market Value
- (5) Percentage of the Portfolio represented by each investment category

17.0 Investment Policy Adoption: The City of Chattanooga's Investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed on an annual basis by the Finance Officer and Treasurer and any modifications made thereto must be approved by the City Council.

Debt Policies

The City will maintain a bond retirement fund reserve which is equivalent to the amount of debt service.

The City will not issue notes to finance operating deficits.

The City will issue bonds for capital improvements and moral obligations.

The City will publish and distribute an official statement for each bond and note issue.

The City has formally adopted a new policy effective October 31, 2006.

Reserve Policies

The City will maintain a minimum revenue reserve in the General Operating Fund which represents between 18-20% of the fund's expenditures.

Accounting, Auditing, and Financial Reporting Policies

An independent audit will be performed annually.

The City will produce annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) as outlined by the Governmental Accounting Standards Board.

The City will maintain a strong internal audit capability.

Capital Budget Policies

The City shall invest a percentage of its general operating funds to finance ongoing infrastructure maintenance, repair and replacement programs, and to implement approved plans that foster economic and neighborhood development each year.

The City will develop a multi-year plan for ongoing capital improvements, update it annually, and make all capital improvements in accordance with the plan. Funding of repair and replacement schedule projects will have funding priority before discretionary capital projects.

Capital improvement projects which violate the principles and concepts of an adopted City plan or which duplicate other public and/ or private services will not be considered.

The City Council will use the following criteria to evaluate the relative merit of each capital project:

Projects which will increase property values in a neighborhood, residential or business district; Projects identified by a priority board or a department as important; Projects which will directly benefit a community development area of the City; Projects which are part of a multi-year funding commitment; Projects which are an element of an approved master plan adopted by City Council; Projects which result in the creation of permanent jobs and/ or generate additional net revenue to the city; Projects specifically included in an approved replacement schedule.

Legal Requirements

In 1982 the Tennessee General Assembly passed what has become known as the "Municipal Budget Law of 1982." This law was incorporated into the Tennessee Code Annotated under Section 6-56. The following excerpts are from Tennessee Code Annotated 1992 Replacement and provide the state requirements for municipal budgets.

6-56-203. Annual Budget Ordinance. The governing body of each municipality shall adopt and operate under an annual budget ordinance. The budget ordinance shall present a financial plan for the ensuing

fiscal year, including at least the following information:

(1) Estimates of proposed expenditures for each department, board, office or other agency of the municipality, showing in addition, the expenditures for corresponding items for the last preceding fiscal year, projected expenditures for the current fiscal year and reasons for recommended departures from the current appropriation pattern in such detail as may be prescribed by the governing body. It is the intent of this subdivision that except for moneys expended pursuant to a project ordinance or accounted for in a proprietary type fund or a fiduciary type fund which are excluded from the budget ordinance, all moneys received and expended by a municipality shall be included in a budget ordinance. Therefore, notwithstanding any other provision of law, no municipality may expend any moneys regardless of their source (including moneys derived from bond and long-term note proceeds, federal, state or private grants or loans, or special assessments), except in accordance with a budget ordinance adopted under this section or through a proprietary type fund or a fiduciary type fund properly excluded from the budget ordinance;

(2) statements of the bonded and other indebtedness of the municipality, including the debt redemption and interest requirements, the debt authorized and unissued, and the condition of the sinking fund;

(3) estimates of anticipated revenues of the municipality from all sources including current and delinquent taxes, nontax revenues and proceeds from the sale of any bonds or long-term notes with a comparative statement of the amounts received by the municipality from each of such source for the last preceding fiscal year, the current fiscal year, and the coming fiscal year in such detail as may be prescribed by the governing body;

(4) a statement of the estimated fund balance or deficit, as of the end of the current fiscal year;

(5) a statement of pending capital projects and proposed new capital projects, relating to respective amounts proposed to be raised therefore by appropriations in the budget and the respective amounts, if any, proposed to be raised therefore by the issuance of bonds during the fiscal year; and

(6) such other supporting schedules as the governing body deems necessary, or otherwise required by law.

The City Code of the City of Chattanooga also provides requirements for a budget. Following is an excerpt from Chapter III, Chattanooga City Code:

Sect. 6.80. Annual Budget not to exceed estimated revenue except in cases of extraordinary emergencies. It shall be the duty of the City Council elected under this act to prepare and pass an annual budget each year. The budget for the ordinary and extraordinary expenses of

said city for any one year shall not exceed the estimated amount of revenue to be collected for said year; and in no event shall there be appropriated by the City Council any sum or sums in excess of the estimated revenues of said City, for the fiscal year in which said appropriation is made. Provided, however, said City Council may, in extraordinary emergencies such as floods, epidemics, or destructive fires, make appropriations in excess of the estimated revenue when the public health, safety, and welfare demand same.



ORDINANCE NO. 12410

AN ORDINANCE, HEREINAFTER ALSO KNOWN AS "THE FISCAL YEAR 2010-2011 BUDGET ORDINANCE", TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2010, AND ENDING JUNE 30, 2011; APPROPRIATING SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE CITY, AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES; AND TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 2, SECTION 2-267, RELATIVE TO PAID LEAVE FOR ACTIVE-DUTY TRAINING AND TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 31, SECTIONS 31-36, 31-37, 31- 41, 31- 43, 31-39 and 31-40.

WHEREAS, Pursuant to and in compliance with the provisions of the Charter of the City of Chattanooga, Tennessee, the revenue has been estimated for operating the Municipal Government for the fiscal year 2010-2011 from all sources to be as follows:

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
PROPERTY TAXES			
Current Taxes on Real & Personal Property	\$ 87,144,122	\$87,873,620	\$107,932,400
Taxes on Real & Personal Property - Prior Years	3,716,741	3,500,000	3,500,000
PAYMENTS IN LIEU OF TAXES			
Chattanooga Housing Authority	\$ 50,509	\$ 331,398	\$ 143,400
Tennessee Valley Authority	1,534,726	1,754,192	1,780,500
Burner Systems	1,789	395	400
Kenco Group, Inc	57,857	57,857	57,900
Regis Corporation	10,265	10,265	10,265
Chatt Labeling System	7,745	7,745	7,700
Chattem, Inc	15,840	15,288	15,300
Signal Mountain Cement	91,878	76,733	76,700
Covenant Transport	22,673	21,449	21,400
LJT of Tennessee	26,098	36,705	36,700
Unum	9,764	9,809	9,800
American Plastic Ind. Inc.	50,784	48,426	48,400
Custom Baking Co.	19,374	14,713	14,700
Dupont-Sabancı Intl.	22,594	17,049	17,000
Invista	24,966	31,267	31,300
Aerisyn, Inc	31,502	31,275	32,200

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
Wm Wrigley Jr Co	39,792	53,192	53,200
Astec Incustries	19,897	31,275	31,300
BlueCrossBlueShield	454,454	1,011,332	1,011,300
Roadtec	11,733	22,195	22,200
US Express	47,640	43,738	43,700
United Packers of Cha	17,757	34,050	34,100
Total Other	<u>64,262</u>	<u>352,073</u>	<u>360,835</u>
 TOTAL IN LIEU OF TAXES	 \$ 2,633,899	 \$4,012,421	 \$3,860,300
 Interest & Penalty on Current Year Taxes	 116,718	 100,000	 100,000
Interest & Penalty on Delinquent Taxes	724,611	725,000	725,000
Delinquent Taxes Collection Fees	<u>174,968</u>	<u>200,000</u>	<u>200,000</u>
 TOTAL PROPERTY TAXES	 \$94,511,059	 \$ 96,411,041	 \$116,317,700
 OTHER LOCAL TAXES			
Liquor Taxes	\$ 1,957,073	\$1,976,457	\$1,976,457
Beer Taxes	5,437,519	4,911,751	4,911,751
Local Litigation Taxes - City Court	3,889	3,258	3,300
Gross Receipts Taxes	3,818,398	3,326,759	3,326,800
Gross Receipts - Interest & Penalty	87,515	76,426	76,400
Corp Excise Taxes – State	275,637	224,020	224,000
Franchise Taxes – ComCast Cable	1,883,462	1,941,254	1,980,100
Franchise Taxes - Century Tel	26,164	26,156	26,400
Franchise Taxes – Chattanooga Gas	<u>301,071</u>	<u>289,232</u>	<u>315,000</u>
 TOTAL OTHER LOCAL TAXES	 \$13,790,728	 \$ 12,775,314	 \$12,860,000
 LICENSES, PERMITS, ETC.			
Business Licenses (excluding Liquor)	\$ 147,820	\$147,751	\$147,800
Business Licenses – Suspense	6,402	6,400	6,400
Wrecker Permits	5,800	5,800	5,800
Annual Electrical Contractor License	71,950	71,969	72,000
Penalty-electrical fees & licenses	888	887	900
Liquor By the Drink Licenses	142,330	142,287	142,300
Liquor By the Drink – Interest & Penalty	1,562	1,561	1,600
Motor Vehicle Licenses	425,620	425,523	380,000
Building Permits	823,983	1,021,799	1,210,400
Electrical Permits	126,503	132,902	250,600
Plumbing Permits	126,693	149,774	182,800
Street Cut-In Permits	376,612	244,558	244,600
Mechanical Code Permits	68,743	57,573	102,600
Hotel Permits	2,825	2,107	4,100
Gas Permits	3,895	4,138	8,100

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
Sign Permits	135,665	117,418	123,400
Taxi Permits	7,765	4,382	4,400
Temporary Use Permits	3,990	2,162	2,200
Fees for Issuing Business Licenses & Permits	57,760	53,500	57,000
Electrical Examiner Fees & Licenses	33,675	42,622	35,000
Gas Examination Fees & Licenses	37,970	21,700	35,000
Beer Application Fees	88,350	87,039	87,000
Mechanical Exam Fees & Licenses	57,092	57,994	58,000
Permit Issuance Fees	45,257	44,173	45,000
Exhibitor's Fees	1,133	1,399	1,400
Subdivision Review/Inspection Fees	16,625	9,652	15,000
Zoning Letter	6,425	6,343	6,300
Variance Request Fees	5,376	6,658	6,700
Certificates of Occupancy	17,510	14,299	15,000
Sewer Verification Letter	300	700	500
Code Compliance Letter Fees	700	968	1,000
Modular Home Site Investigation	75	150	200
Plan Checking Fees	171,940	196,976	198,900
Phased Construction Plans Review	8,025	44,694	10,000
Construction Board of Appeals	1,800	1,999	2,000
Sign Board of Appeals	3,450	2,785	2,800
Dead Animal Pick Up Fees	7,280	3,249	900
Fire Department Permits	-	-	31,300
Miscellaneous	<u>15,751</u>	<u>30,509</u>	<u>24,600</u>
 TOTAL LICENSES, PERMITS, ETC.	 \$ 3,095,375	 \$3,202,197	 \$3,558,600
 REVENUES FROM OTHER AGENCIES			
State – Specialized Training Funds	\$ 474,600	\$469,800	\$469,800
State Maintenance of Streets	303,031	318,253	318,300
State Sales Taxes	10,252,124	9,695,218	9,695,200
Hall Income Taxes	3,561,959	1,000,000	1,500,000
State Beer Taxes	81,138	77,086	77,100
State Mixed Drink Taxes	1,763,451	1,891,892	1,910,800
State – Telecommunication Sales Taxes	18,901	12,379	12,600
State Alcoholic Beverage Taxes	96,760	99,988	96,000
State Gas Inspection Fees	334,218	287,348	288,800
Commission from State of TN/Gross Receipts	-	78,280	100,000
Hamilton County Ross' Landing/Plaza	942,561	913,930	936,900
Local Option Sales Taxes-General Fund	25,710,248	24,642,826	24,642,800
Hamilton County – Radio & Electronics	151,108	151,089	-
Miscellaneous	<u>270,219</u>	<u>199,164</u>	<u>27,800</u>
 TOTAL REVENUES FROM OTHER AGENCIES	 \$43,960,318	 \$ 39,837,253	 \$ 40,176,100

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
	<u>Actual</u>	<u>Projected</u>	<u>Proposed</u>
SERVICE CHARGES FOR CURRENT SERVICES			
Current City Court Costs	\$ 279,944	\$238,455	\$ 240,800
Court Commissions	10,066	10,523	10,500
Clerk's Fees	1,132,099	1,001,547	1,011,600
Service of Process	285	1,145	300
Processing of Release Forms	11,936	11,440	11,600
Court Administrative Costs	19,015	13,697	20,000
Current State Court Costs	2,764	2,677	2,700
Memorial Auditorium Rents	134,210	107,747	121,000
Tivoli Rents	136,395	143,972	130,000
Land & Building Rents	223,119	94,554	95,500
Ballfield Income	2,425	3,938	3,900
Skateboard Park	63,896	50,002	50,500
Carousel Ridership	110,791	100,105	101,100
Walker Pavilion Rents	17,519	20,930	18,200
Walker Pavilion Table Rental	2,350	1,904	1,900
Heritage Park House Rent	-	34,524	34,500
Greenway Facilities Rent	12,250	13,516	12,000
Fitness Center	55,778	52,093	52,100
Dock Rental	96,475	56,236	56,200
Ross' Landing Rent	-	1,250	1,300
Champion's Club	50,113	41,207	42,000
Recreation Center Rental	81,610	66,847	67,500
Preservation Fees	128,697	142,843	105,000
Auditorium Box Office	118,724	118,696	97,000
Tivoli Box Office	62,127	109,256	67,000
Memorial Auditorium OT Reimbursement	6,306	3,086	2,000
Tivoli Theatre OT Reimbursement	5,671	5,698	3,700
Park Event Fee	8,950	10,714	10,700
Kidz Kamp	73,092	69,678	70,400
Sports Program Fees	2,307	28,630	28,600
Non-Traditional Program Fees	6,733	11,608	11,600
OutVenture Fees	28,876	17,679	17,700
Therapeutic Kamp Fees	2,025	2,354	2,400
Swimming Pools	68,039	66,022	70,700
Arts & Culture	14,749	19,341	10,100
Police Reports: Accidents, etc. Fees	81,351	40,511	40,500
Photo/ID Card Fees	2,313	963	1,000
Memorial Auditorium Credit Card Fees	17,976	23,101	24,000
Tivoli Credit Card Fees	9,829	18,445	14,000
Credit Card Processing Fees	33,088	40,000	40,000
Memorial Auditorium Concessions	41,779	52,056	30,000
Tivoli Concessions	30,024	25,008	20,000
Park Concessions	25,070	24,316	15,200
Recreation Center Concessions	-	6,749	-

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
Charges for Services - Electric Power Board	7,200	7,200	7,200
Fire & Ambulance Service Fees	208	200	200
General Pension Admin. Costs & Other Misc.	40,000	40,000	40,000
Outside Sales – Radio Shop	74,701	279,991	-
Outside Sales – Radio Shop	<u>38,942</u>	<u>108,228</u>	<u>82,200</u>
TOTAL SERVICE CHARGES	\$ 3,371,817	\$3,340,682	\$2,896,400
FINES, FORFEITURES, AND PENALTIES			
City Court Fines	\$ 17,155	\$ 12,246	\$ 12,300
City Fines-Speeding	279,057	212,378	216,600
City Fines-Other Driving Offenses	372,723	348,233	355,200
City Fines-Non Driving Offenses	28,113	24,496	25,000
Criminal Court Fines	135,632	153,511	153,500
Parking Ticket Fines	532,987	439,871	594,000
Delinquent Parking Tickets	58,065	54,406	54,900
Delinquent Tickets – Court Cost	59,935	51,517	51,500
Air Pollution Penalties	6,077	70,814	1,500
Miscellaneous	<u>2,559</u>	<u>5,367</u>	<u>3,300</u>
TOTAL FINES, FORFEITURES AND PENALTIES	\$ 1,492,303	\$1,372,839	\$1,467,800
REVENUES FROM USE OF MONEY OR PROPERTY			
Interest on Investments	\$ 1,498,259	\$493,815	\$493,800
Sale of City Owned Property	-	9,855	9,900
Sale of Back Tax Lots	4,278	30,000	17,000
Sale of Equipment	25	-	-
Sale of Scrap	<u>2,637</u>	<u>4,765</u>	<u>4,800</u>
TOTAL FROM USE OF MONEY OR PROPERTY	\$ 1,505,199	\$ 538,435	\$ 525,500
MISCELLANEOUS REVENUE			
Loss & Damage	\$ 106,794	\$107,435	\$ 80,000
Indirect Cost	2,585,866	2,585,866	2,815,900
Payroll Deduction Charges	3,956	3,362	3,400
Plans and Specification Deposits	9,990	9,660	9,700
Condemnation	18,317	12,407	12,400
Purchase Card Rebate	11,899	11,029	11,000
Miscellaneous Revenue	<u>35,893</u>	<u>175,077</u>	<u>15,000</u>
TOTAL MISCELLANEOUS REVENUE	\$ 2,772,715	\$ 2,904,836	\$ 2,947,400

	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
TRANSFERS IN			
Transfers In-EPB Electric	\$ 3,131,950	\$3,379,812	\$3,877,200
Transfers In-EPB Telecom	334,653	377,070	369,200
Transfers In-EPB Internet	2,193	3,011	121,000
Transfers In-EPB Fiber Optic	-	34,862	71,100
Transfers In-Any Other	<u>-</u>	<u>414,800</u>	<u>-</u>
TOTAL TRANSFERS IN	\$ 3,468,796	\$ 4,209,555	\$ 4,438,500
TOTAL GENERAL FUND REVENUE	<u>\$ 167,968,310</u>	<u>\$ 164,592,152</u>	<u>\$ 185,188,000</u>

and,

WHEREAS, it is necessary to base the appropriations to the various departments of the Municipal Government on the above estimated revenues;

NOW, THEREFORE,

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

SECTION 1. That for the purpose of raising revenue to operate the various departments, agencies, boards, commissions, offices, divisions or branches of the Municipal Government, and to pay the interest on and retire bonds of said City as they mature, there be and is hereby levied upon all taxable property within the City of Chattanooga, Tennessee, a tax for the year 2010 at a rate of \$2.309 upon every \$100.00 in assessed value of such taxable property; and to the extent applicable there is also levied a tax at the same rate upon every \$100.00 of Merchant and other Ad Valorem within the corporate limits of the City of Chattanooga, Tennessee.

SECTION 2. That the assessment made by the Assessor of Property of Hamilton County, Tennessee, and by the Tennessee Regulatory Agency for 2010 on all property located within the corporate limits of the City of Chattanooga, Tennessee, be and is hereby adopted as the assessments of the City of Chattanooga.

SECTION 3. That the taxes herein levied on all taxable property within the corporate limits of the City of Chattanooga shall be due and payable at the office of the City Treasurer and Tax Collector OCTOBER 1, 2010, and shall become delinquent MARCH 1, 2011, after which date unpaid taxes 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; provided, that except for taxpayers receiving tax relief under T.C.A. Sections 67-5-702 through 67-5-705.

SECTION 4. That the provisions of the Business Tax Act, Tennessee Code Annotated section 67-4-701, et seq., relative to the authorization of local taxes upon the privilege of engaging in certain types of business activities be and are hereby adopted by reference, and there is hereby levied a Business Tax on all businesses taxable by municipalities under Chapter 387, Public Acts of 1971, as amended, at the maximum rates specified therein. The Tennessee Department of Revenue shall

collect the Business Tax on behalf of the City as authorized in T.C.A. § 67-4-703(a). The City Treasurer is authorized and directed to collect such fees and taxes as are authorized by said Act to be collected by the City of Chattanooga, a municipality, together with such interest and penalties as may become due thereon, at the maximum rate provided by law. The City Treasurer is hereby authorized and directed, in accordance with the Business Tax Act, to register new businesses located within the City and collect a fee of Fifteen Dollars (\$15.00) for issuance of an initial business license upon the City Treasurer's receipt of the application, together with any other information reasonably required, and to issue such license at the time of registration. The City Treasurer is designated as the City official responsible for the registration of businesses located within the City of Chattanooga.

SECTION 5. That the budgets of the various departments, agencies, boards, commissions, offices, divisions, or branches of Municipal Government for the fiscal year beginning July 1, 2010, are fixed as hereafter set out; and the amount so fixed for each is hereby appropriated out of the estimated revenue for said year for the use of that department, agency, board, commission, office, division, branch of government, to-wit:

GENERAL FUND APPROPRIATIONS

	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
General Government & Supported Agencies	\$42,505,800	\$42,405,524	\$44,151,952
Executive Department	1,412,858	1,580,112	1,285,583
Department of Finance & Administration	3,776,028	3,520,277	4,278,500
Department of General Services	2,490,660	2,027,087	2,591,292
Department of Personnel	6,612,456	7,153,195	7,258,383
Department of Neighborhood Services	1,990,026	1,967,724	1,904,982
Department of Police	43,384,194	40,840,136	47,060,000
Department of Fire	28,089,123	27,910,374	30,985,500
Department of Public Works	33,269,578	28,403,701	30,183,526
Department of Parks & Recreation	11,781,527	11,408,906	13,204,400
Department of Education, Arts, & Culture	<u>2,086,089</u>	<u>2,208,590</u>	<u>2,283,882</u>
 TOTAL	 <u>\$177,398,339</u>	 <u>\$169,425,625</u>	 <u>\$185,188,000</u>
 DEPARTMENT OF EXECUTIVE BRANCH			
Mayor's Office	\$ 822,445	\$ 871,586	\$891,984
Multicultural Affairs	301,591	384,284	393,599
Office of Faith Based Initiatives	282,806	324,242	-
Great Ideas Competition	<u>6,016</u>	<u>-</u>	<u>-</u>
 TOTAL	 \$ 1,412,858	 \$ 1,580,112	 \$ 1,285,583

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
DEPARTMENT OF FINANCE & ADMINISTRATION			
Finance Office	\$2,005,312	\$1,922,913	\$ 2,383,924
City Treasurer	725,645	698,331	803,400
City Court Clerk – Operations	<u>1,045,071</u>	<u>899,033</u>	<u>1,091,176</u>
TOTAL	\$ 3,776,028	\$ 3,520,277	\$ 4,278,500
DEPARTMENT OF GENERAL SERVICES			
Administration	\$345,318	\$ 317,434	\$451,787
Purchasing	730,383	691,874	770,279
Building Maintenance	919,046	940,618	1,126,366
Chatt Mobile Communication Services	416,213	-	173,270
Real Estate	33,899	28,274	21,525
Property Maintenance	31,807	32,122	32,000
CCRC Operations	<u>13,994</u>	<u>16,765</u>	<u>16,065</u>
TOTAL	\$ 2,490,660	\$ 2,027,087	\$ 2,591,292
DEPARTMENT OF PERSONNEL			
Personnel Admin	\$1,103,537	\$1,114,150	\$ 1,245,832
Employees Insurance Office	306,173	207,745	280,790
Employees Insurance Program	5,118,057	5,755,048	5,644,761
OJI Admin	69,384	73,852	74,000
Physical Exam - Police	<u>15,305</u>	<u>2,400</u>	<u>13,000</u>
TOTAL	\$6,612,456	\$7,153,195	\$ 7,258,383
DEPARTMENT OF NEIGHBORHOOD SERVICES & COMMUNITY DEVELOPMENT			
Neighborhood Serv - Admin	\$ 532,183	\$ 547,571	\$523,707
Neighborhood Serv - Grants Admin	67,985	42,812	44,028
Neighborhood Serv - Partners Projects	55,000	55,000	55,000
Codes, Community Svcs & Neighborhood Rel.	<u>1,334,858</u>	<u>1,322,341</u>	<u>1,282,247</u>
TOTAL	\$1,990,026	\$1,967,724	\$ 1,904,982
DEPARTMENT OF POLICE			
Chief of Police	\$1,653,910	\$1,915,021	\$ 2,879,000
Internal Affairs	542,248	457,013	380,536
Uniform Services Command Office	333,425	321,569	361,685
Community Services	209,147	232,755	230,208
Special Operations Division	2,393,272	2,124,505	2,482,587
Police Patrol Alpha	2,487,736	2,373,832	2,819,373
Police Patrol Bravo	2,036,706	2,008,994	2,285,345
Police Patrol Charlie	1,936,583	1,842,389	2,230,904
Park Security	246,972	236,620	240,775
Parking	459,976	475,745	532,672

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
Bike Patrol	592,656	512,075	537,368
Police Patrol Echo	2,135,810	2,147,541	2,492,855
Police Patrol Fox	2,320,184	2,209,388	2,508,702
Police Patrol Delta	2,099,981	2,095,159	2,346,895
Police Patrol George	2,574,823	2,369,496	2,391,645
Investigative Services	531,663	592,183	686,951
Property Crimes	1,526,518	1,585,935	1,544,774
Major Crimes	2,132,431	2,209,932	2,186,729
Special Investigations	1,968,539	2,083,839	2,319,320
Admin & Support Service Command	594,087	216,520	237,428
Administrative Support & Technical Services	1,328,088	1,647,459	1,938,346
Training Recruiting	2,904,322	1,767,594	2,529,176
Budget & Finance	358,154	426,412	455,660
Facilities, Securities	4,566,082	3,343,447	4,695,115
Records Management & Services	915,566	957,127	1,025,689
Polygraph	81,907	83,035	81,453
Police Communications Center	3,281,491	3,113,292	3,120,000
Animal Services	<u>1,171,917</u>	<u>1,491,259</u>	<u>1,518,809</u>
TOTAL	\$43,384,194	\$40,840,136	\$47,060,000
DEPARTMENT OF FIRE			
Fire Admin Staff	\$ 323,587	\$ 243,336	\$304,510
Fire Inventory Purchases	-	332,350	304,485
Fire Operations	2,833,180	2,471,851	2,954,255
Fire Station # 1	3,429,807	3,204,985	3,587,650
Fire Station # 4	900,913	856,608	944,076
Fire Station # 5	1,918,321	1,909,901	1,975,469
Fire Station # 6	876,459	942,433	972,609
Fire Station # 8	912,747	924,783	939,332
Fire Station # 9	886,548	813,274	953,645
Fire Station # 10	907,198	749,972	1,013,379
Fire Station # 12	929,294	886,427	974,411
Fire Station # 13	1,815,411	1,661,074	1,708,457
Fire Station # 14	1,860,984	1,796,414	1,757,689
Fire Station # 15	897,633	757,855	948,775
Fire Station # 16	893,136	881,616	962,382
Fire Station # 17	859,797	859,013	945,391
Fire Station # 19	1,813,118	1,820,643	1,718,755
Fire Station # 20	865,819	994,406	1,018,009
Fire Station # 21	985,095	913,724	999,226
Fire Station # 22	875,951	855,591	993,890
Hamilton County Rescue	10,134	8,618	8,800
Fire Station # 7	-	-	1,847,127
Fire Station # 3	-	-	3,395

	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
Fire Deputy Chief Admin	154,647	139,883	157,738
Fire Safety	71,714	82,512	85,367
Fire Research and Planning	72,885	530	70,848
Fire Tactical Services	168,484	169,171	175,067
Fire Training Division	935,046	1,804,750	771,829
Fire Resource Division	673,597	621,037	634,029
Fire Marshall Staff	145,398	138,511	145,886
Fire Prevention	336,994	439,088	383,344
Fire Public Education	147,760	73,929	146,662
Fire Investigation	306,424	291,580	300,833
Fire Water Supply	73,148	62,266	64,465
Fire Information Technology	132,237	129,406	135,552
Fire Records Division	<u>75,657</u>	<u>72,837</u>	<u>78,163</u>
TOTAL	\$28,089,123	\$27,910,374	\$30,985,500
DEPARTMENT OF PUBLIC WORKS			
Public Works Admin	\$1,187,946	\$ 853,830	\$923,214
City Engineer	2,267,864	2,049,615	2,059,651
Street Paving	-	-	1,000,000
Public Works Utilities	163,155	163,591	164,000
Solid Waste Subsidy	6,275,560	5,740,775	5,907,775
Water Quality Mgmt Subsidy	683,952	683,952	-
Public Works Summer Work Program	45,206	413	-
CWS Admin	1,014,369	1,014,558	974,752
CWS Emergency	779,286	868,845	824,337
CWS Solid Waste Refuse Collection Center	-	-	48,075
CWS Sewer Construction & Maintenance	2,159,014	-	-
CWS Street Cleaning	2,491,233	2,522,913	2,319,475
CWS Office of Sustainability	-	50,197	-
Brush Pick-up	2,093,320	1,954,669	1,626,577
Garbage Pick-up	4,213,253	3,609,923	4,240,198
Trash Flash Pick-up	428,808	394,518	469,781
Recycle Pick-up	381,618	395,501	529,459
Municipal Forestry	597,280	564,348	579,469
Refuse Inspection	-	-	295,458
Land Development Office	2,635,829	2,324,166	2,523,921
Board of Plumbing Examiners	3,596	3,140	3,750
Board of Electrical Examiners	27,404	22,980	21,850
Board of Mechanical Examiners	1,066	3,082	4,000
Board of Gas Fitters	1,328	1,440	2,980
Board of Appeals & Variances	8,766	9,339	13,200
Traffic Engineering Admin	832,800	759,708	786,247
Street Lighting	3,062,517	2,585,338	2,940,000
Traffic Operations	1,846,734	1,730,559	1,829,057

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
Brainerd Levee 1, 2, 3	32,071	46,601	46,600
Orchard Knob Storm Station	33,558	38,250	38,250
Minor Storm Station	<u>2,045</u>	<u>11,450</u>	<u>11,450</u>
TOTAL	\$33,269,578	\$28,403,701	\$30,183,526
DEPARTMENT OF PARKS & RECREATION			
Parks & Rec Admin	\$ 500,234	\$ 430,372	\$465,985
Parks & Rec Public Information	87,390	88,212	99,481
Trust For Public Land	100,000	100,000	100,000
Greater Chatt Sports Committee. . . . A.O.	75,000	75,000	75,000
Recreation Admin	1,101,495	973,434	1,264,196
Rec Prog - Kidz Kamp	187,542	201,695	216,313
Rec Prog - Sports	193,755	167,591	185,616
Aquatics Programs	168,700	154,837	182,801
Therapeutic Programs	112,517	107,218	116,586
Fitness Center	209,196	209,513	225,181
Rec Facility - Skatepark	99,081	73,627	90,085
Rec Facility - Champion's Club	261,434	274,716	275,754
Rec Facility - Heritage House	1,564	2,445	-
Rec Facility - Summit of Softball	1,473	183,783	587,138
Rec Ctr - Avondale	135,833	136,140	142,516
Rec Ctr - Brainerd	312,609	323,032	347,040
Rec Ctr - Carver	162,994	169,464	177,061
Rec Ctr - East Chattanooga	176,623	182,748	186,729
Rec Ctr - East Lake	123,410	126,245	132,959
Rec Ctr - Eastdale	185,972	190,279	193,199
Rec Ctr - First Centenary	46,546	46,794	48,523
Rec Ctr - Frances B. Wyatt	74,407	56,572	104,717
Rec Ctr - Glenwood	188,272	189,247	195,991
Rec Ctr - John A. Patten	129,813	131,908	141,157
Rec Ctr - North Chattanooga	113,012	95,167	142,560
Rec Ctr - Shepherd	174,633	180,993	179,879
Rec Ctr - South Chattanooga	222,364	249,874	262,317
Rec Ctr - Tyner	156,800	132,738	170,522
Rec Ctr - Washington Hills	127,514	85,269	190,226
Rec Ctr - Westside Community Ctr	51,131	34,195	53,604
Outdoor Chattanooga	318,519	317,458	367,188
Parks Admin	783,624	801,211	876,110
Parks Maint - Parks & Athletic Fields	783,198	816,518	868,528
Parks Maint - Buildings & Structures	941,584	876,686	905,687
Parks Maint - Landscape	509,406	452,400	485,482
Parks Maint - City-Wide Security	125,091	117,635	148,967
Parks Maint - Athletic Facilities	321,339	337,456	459,943
Shared Maint - TN Riverpark Downtown	1,273,766	1,218,067	1,327,134

	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
Shared Maint - Carousel Operations	126,009	95,122	106,204
Shared Maint - TN Riverpark Security	182,739	193,029	192,151
Shared Maint - Coolidge Park	113,472	61,936	61,411
Shared Maint - Renaissance Park	24,639	17,372	18,931
Shared Maint - Ross' Landing	142,974	97,437	125,716
Shared Maint - Walker Pavilion	1,951	1,003	2,905
Shared Maint - Walnut Street Bridge	22,033	16,409	6,330
Shared Maint - Waterfront Management	40,000	40,000	40,000
Chattanooga Zoo at Warner Park	<u>589,869</u>	<u>576,059</u>	<u>658,577</u>
 TOTAL	 \$11,781,527	 \$11,408,906	 \$13,204,400
 DEPARTMENT OF EDUCATION, ARTS, & CULTURE			
EAC Administration	\$ 325,260	\$ 333,859	\$344,415
Memorial Auditorium	453,978	446,836	473,441
Tivoli Theatre	296,292	318,145	330, 982
Civic Facilities Concessions	50,950	39,617	47,494
Civic Facilities Administration	642,394	768,740	795,927
Arts & Culture North River	90,172	87,816	93,906
Arts & Culture Eastgate Center	111,689	120,361	124,907
Arts & Culture Heritage House	53,674	59,373	69,618
Cultural Arts Programs	<u>61,680</u>	<u>33,843</u>	<u>3,192</u>
 TOTAL	 \$2,086,089	 \$2,208,590	 \$ 2,283,882

SECTION 5(a). GENERAL GOVERNMENT & SUPPORTED AGENCIES. The initials "A.O." as they appear in this Section, or elsewhere in the Ordinance, shall mean "Appropriation Only" which is hereby defined to mean that the amount as is shown being appropriated is only the appropriation of the City toward the total budget of such department, agency, board, commission, office or division or branch of government and is not to be construed to mean that such amount is its total budget or appropriation. The initials "A.S.F." as they appear in this Section, or elsewhere in this Ordinance, shall mean "Appropriation to Special Fund" which is hereby defined to mean that the amount as is shown being appropriated is to a Special Fund that will not revert to the General Fund at the end of the fiscal year. The amounts shown as appropriations to the Chattanooga Hamilton County Bicentennial Library and the Regional Planning Agency shall be contingent upon an equal amount being appropriated by Hamilton County.

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
GENERAL GOVERNMENT & SUPPORTED AGENCIES			
City Council	\$ 664,205	\$ 677,214	\$ 708,594
City Judges Division 1	341,615	357,691	372,464
City Judges Division 2	329,477	346,913	355,897
City Attorney Operations	1,010,754	852,781	1,237,222
Internal Audit	467,159	475,455	485,037
Information Services	2,756,870	2,990,892	3,268,184
Telephone Systems	174,108	156,223	177,720
Telecommunication Operations	151,847	177,498	170,512
311 Call Center	466,927	466,318	549,985
CARCOG & Economic Dev District A.O.	31,038	31,111	36,038
Allied Arts Council. A.O.	255,000	191,250	161,200
Carter Street Corporation A.O.	200,000	185,000	161,257
Chattanooga Neighborhood Enterprises A.O.	1,000,000	900,000	1,000,000
WTCL-TV-Channel 45 A.O.	60,000	45,000	50,650
Tennessee RiverPark A.O.	1,146,481	1,219,775	1,191,180
Homeless Health Care Center A.O.	17,500	15,750	13,300
Children's Advocacy Center A.O.	30,000	22,500	19,000
Community Foundation Scholarships. A.O.	160,000	120,000	101,300
Chattanooga Area Urban League A.O.	50,000	50,000	42,200
Downtown Partnership A.O.	100,000	80,000	-
Bessie Smith Cultural Center A.O.	70,000	64,000	54,000
Chattanooga History Center. A.O.	24,000	18,000	15,200
Community Impact Fund. A.O.	300,000	208,511	175,600
Railroad Authority. A.O.	55,794	67,822	12,281
Enterprise Center. A.O.	100,000	237,500	160,500
Enterprise South Nature Park. A.O.	121,513	283,861	564,697
Go Fest. A.S.F.	25,000	15,000	8,440
Front Porch Alliance. A.O.	30,000	27,000	22,800
Choose Chattanooga A.O.	25,000	20,000	16,900
Finley Stadium. A.O.	60,000	60,000	60,000
Friends of Moccasin Bend Nat'l Park. A.O.	-	30,000	25,300
Enterprise South Industrial Park Security. . . . A.O.	19,180	53,021	53,827
Chattanooga Area Food Bank. A.O.	-	15,000	12,700
Senior Neighbors/Alexian Brothers A.O.	-	22,094	17,700
RiverCity A.O.	-	-	67,500
CARTA Subsidy A.O.	3,851,000	3,851,000	4,231,000
C-HC Bicentennial Public Library A.S.F.	2,640,000	2,640,000	2,792,400
Debt Service Fund A.S.F.	10,956,089	10,906,307	15,494,469
Capital Improvements	8,949,717	9,461,261	-
Human Services A.S.F.	1,333,477	1,233,477	733,477
Air Pollution Control Bureau A.S.F.	270,820	270,820	270,820
Regional Planning Agency A.S.F.	990,007	1,115,712	1,378,500
Scenic Cities Beautiful A.S.F.	22,888	5,000	4,220
Heritage Hall Fund. A.S.F.	57,019	62,653	62,653

	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
Election Expense	174,098	10,000	25,000
City Code Revision	6,428	-	-
Unemployment Insurance	62,541	116,480	133,000
Contingency Fund Appropriation	114,553	235,634	4,103,051
Chatt Comm Resource Ctr Homeless	2,250	-	-
Renewal & Replacement	533,909	500,000	1,211,177
Audits, Dues & Surveys	143,789	206,000	306,000
Intergovernmental Relations	350,395	357,000	357,000
City Water Quality Mgmt FeesA.S.F.	81,165	135,000	300,000
Liability Insurance PremiumsA.S.F.	1,700,000	800,000	1,360,000
Tuition Assistance Program	<u>22,187</u>	<u>16,000</u>	<u>20,000</u>
Total	\$ 42,505,800	\$ 42,405,524	\$ 44,151,952

SECTION 6. That there be and is hereby established a budget for each of the following special funds for Fiscal Year 2010-2011:

1108 <u>MUNICIPAL GOLF COURSE FUND</u>	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
ESTIMATED REVENUE			
Shop	\$163,074	\$149,367	148,129
Green Fees	821,482	758,132	764,814
Memberships	153,549	145,329	150,885
Cart Rentals	579,243	557,212	538,907
Food	85,027	76,334	74,667
Beverage	<u>161,563</u>	<u>141,278</u>	<u>139,958</u>
Total	\$1,963,938	\$1,827,652	\$1,817,360

APPROPRIATIONS			
Brainerd	\$1,143,305	\$816,857	\$855,119
Brown Acres	<u>991,702</u>	<u>1,010,795</u>	<u>962,241</u>
Total	\$2,135,007	\$1,827,652	\$1,817,360

1111 <u>ECONOMIC DEVELOPMENT FUND</u>			
ESTIMATED REVENUE			
City – Only Sales Tax	\$9,586,930	\$10,011,275	\$10,011,275
TDZ – State Sales Tax	-	1,809,793	-
TDZ – County Sales Tax	<u>-</u>	<u>549,755</u>	<u>-</u>
Total	\$9,586,930	\$12,370,823	\$10,011,275

	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
APPROPRIATIONS			
Economic Development Capital Projects	\$1,419,467	\$2,999,500	\$582,131
Appropriation to Capital from Fund Balance	1,506,221	-	-
TN Multicultural Chamber of Commerce	150,000	75,000	150,000
Chattanooga Chamber of Commerce	450,000	450,000	450,000
Chamber of Commerce Marketing-Enterprise South	75,000	75,000	75,000
Lease Payments	6,863,320	6,100,000	9,354,144
Less: Chattanooga Lease Payment offset	(1,985,857)	(422,618)	(600,000)
Tourist Development Zone	<u>-</u>	<u>2,359,548</u>	<u>-</u>
Total	\$8,478,151	\$11,636,430	\$10,011,275

2030 HUMAN SERVICES DEPARTMENT

ESTIMATED REVENUE

Federal – State Grants	\$12,296,621	\$17,373,356	\$17,373,356
City of Chattanooga	1,333,477	1,233,477	733,477
Interest Income	4,264	40,613	40,613
Donations & Other	84,744	70,100	70,100
Day Care Fees	46,483	46,641	46,641
Fund Balance	<u>362,111</u>	<u>(1,433,288)</u>	<u>(1,433,288)</u>
Total	\$14,127,700	\$17,330,899	\$16,830,899

APPROPRIATIONS

Administration	\$954,984	\$944,260	\$444,260
Headstart	7,531,703	8,043,413	8,043,413
Day Care	858,801	690,641	690,641
Weatherization	474,682	218,154	218,154
Foster Grandparents	524,489	418,906	418,906
LIEAP	2,620,237	1,080,019	1,080,019
CSBG	757,506	784,334	784,334
Human Services Program	348,376	174,909	174,909
City General Relief	71,490	-	-
ARRA	-	4,959,690	4,959,690
Other	<u>(14,568)</u>	<u>16,573</u>	<u>16,573</u>
Total	\$14,127,700	\$17,330,899	\$16,830,899

9250 NARCOTICS FUND

ESTIMATED REVENUE

Federal	\$65,474	\$18,725	\$50,000
State	17,560	1,000	12,000
Confiscated Narcotics Funds	265,244	191,217	200,000
Other	<u>98,997</u>	<u>99,969</u>	<u>50,000</u>
Total	\$ 447,275	\$ 310,911	\$ 312,000

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
APPROPRIATIONS			
Operations	<u>\$597,000</u>	<u>\$219,409</u>	<u>\$312,000</u>
Total	\$597,000	\$219,409	\$312,000
2050 STATE STREET AID			
ESTIMATED REVENUE			
State of Tennessee	\$4,089,271	\$4,058,433	\$4,029,360
Fund Balance	385,605	-	-
State Maintenance of Streets	25,312	2,560	35,000
Investment Income	<u>23,715</u>	<u>1,850</u>	<u>15,000</u>
Total	\$4,523,903	\$4,062,843	\$4,079,360
APPROPRIATIONS			
Operations	<u>\$4,523,903</u>	<u>\$3,846,833</u>	<u>\$4,079,360</u>
Total	\$4,523,903	\$3,846,833	\$4,079,360
2060 <u>COMMUNITY DEVELOPMENT FUND</u>			
ESTIMATED REVENUE			
Federal	\$3,490,890	\$3,751,000	\$5,500,000
Miscellaneous	643,355	800,000	600,000
Total	\$4,134,245	\$4,551,000	\$6,100,000
APPROPRIATIONS			
Administration	\$451,119	\$451,000	\$394,000
Chattanooga Neighborhood Enterprise	580,501	1,400,000	1,000,000
Other Community Development Projects	2,708,742	2,200,000	4,306,000
Transfers	<u>398,165</u>	<u>500,000</u>	<u>400,000</u>
Total	\$4,138,526	\$4,551,000	\$6,100,000
2070 <u>HOTEL/MOTEL TAX FUND</u>			
ESTIMATED REVENUE			
Occupancy Tax	\$3,893,990	\$3,850,875	\$3,889,384
SRC Parking Garage Revenue	240,244	277,083	277,000
Interest Revenue	27,220	16,647	-
Fund Balance	<u>1,443,592</u>	-	-
Total	\$5,605,046	\$4,144,605	\$4,166,384
APPROPRIATIONS			
21st Century Waterfront Capital Fund	\$2,000,000	\$ -	\$737,708
Other Waterfront Capital Fund	-	-	-
Appropriation from Fund Balance	-	-	-
Appropriation to Capital	-	-	-
Hotel/Motel Collection Fee	69,489	77,018	79,680
Debt Service	3,265,313	2,688,500	3,318,996
Hamilton County	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Total	\$5,364,802	\$2,795,518	\$4,166,384

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
3100 <u>DEBT SERVICE FUND</u>			
ESTIMATED REVENUE			
General Fund	\$12,166,456	\$10,906,307	\$15,494,470
911 Emergency Communications	200,000	200,000	200,000
Homeland Security Grant (911)	608,759	608,759	-
Hamilton County	478,191	527,853	474,423
CDBG (Fannie Mae Loan)	654,284	501,232	469,740
Safety Capital (Fire Loan)	2,247	5,639	5,639
Hotel/Motel Tax	3,265,313	2,683,530	3,318,996
Other Sources	425,542	361,197	433,905
Use of Fund Balance	<u>-1,876,068</u>	<u>3,196,977</u>	<u>-</u>
Total	\$15,924,724	\$18,991,494	\$20,397,173
APPROPRIATIONS			
Principal	\$9,591,680	\$12,430,007	\$13,054,075
Interest	6,236,742	6,461,487	7,243,098
Bank Service Charges	<u>96,302</u>	<u>100,000</u>	<u>100,000</u>
Total	\$15,924,724	\$18,991,494	\$20,397,173
6010 <u>INTERCEPTOR SEWER SYSTEM</u>			
Estimated Revenues:			
Sewer Service Charges	\$34,293,838	\$34,950,000	\$35,649,467
Industrial Surcharges	3,585,652	2,850,000	2,500,000
Septic Tank Charges	420,517	415,500	324,238
Wheelage and Treatment:			
Lookout Mountain, TN	176,294	207,500	214,303
Dade County	12,344	23,200	12,793
Walker County, GA	445,780	407,700	412,683
Collegedale, TN	300,380	310,300	306,225
Soddy-Daisy, TN	149,099	184,650	192,194
East Ridge, TN	1,047,337	1,362,500	1,462,403
Windstone	35,955	33,800	31,674
Hamilton County, TN	729,768	731,950	715,198
Northwest Georgia	706,652	680,150	728,097
Lookout Mountain, GA	66,369	63,250	61,480
Rossville, GA	430,749	471,700	471,917
Ringgold, GA	305,335	338,150	349,255
Red Bank, TN	489,023	564,600	595,584
Debt Service Northwest Georgia	372,794	447,353	447,353
Industrial User Permits	39,000	39,000	41,000
Industrial User Fines	700	-	-
Miscellaneous	46,775	-	-
Garbage Grinder Fees	<u>47,581</u>	<u>47,580</u>	<u>50,700</u>
Operating Revenue:	\$43,701,942	\$44,128,883	\$44,566,564

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
Fund Balance (P540)	7,500,000	10,804,000	-
Interest Earnings	<u>971,072</u>	<u>314,146</u>	<u>300,000</u>
	<u>\$52,173,014</u>	<u>\$55,247,029</u>	<u>\$44,866,564</u>
Appropriations:			
Operations & Maintenance:			
Administration	\$ 2,828,438	\$ 2,140,829	\$ 3,007,083
Laboratory	590,630	612,175	659,130
Engineering	365,999	384,720	482,381
Plant Maintenance	1,333,338	1,442,074	1,546,923
Sewer Maintenance	3,050,364	1,666,923	3,572,007
Moccasin Bend - Liquid Handling Inflow & Infiltration	9,714,198	9,100,546	9,152,927
Safety & Training	1,028,589	1,658,349	1,213,637
Pretreatment/Monitoring	128,056	134,828	136,361
Moccasin Bend - Solid Handling	462,245	446,810	504,979
Landfill Handling	3,080,591	3,527,515	3,637,243
Combined Sewer Overflow	1,506,615	1,482,000	1,600,000
Total Operations & Maintenance	<u>177,840</u>	<u>296,387</u>	<u>436,600</u>
	\$24,266,903	\$22,893,156	\$25,949,271
Pumping Stations:			
Mountain Creek Pump Station	\$ 19,123	\$ 22,185	\$ 42,285
Citico Pump Station	348,933	278,235	314,135
Friar Branch Pump Station	205,082	170,340	203,490
Hixson 1, 2, 3, & 4 Pump Stations	116,678	111,573	176,861
19th Street Pump Station	36,459	59,637	63,925
Orchard Knob Pump Station	57,410	39,310	72,460
South Chickamauga Pump Station	311,501	314,800	367,450
Tiftonia 1 & 2 Pump Stations	60,344	96,725	173,675
23rd Street Pump Station	150,523	133,780	146,330
Latta Street Pumping Stations	9,085	16,110	16,360
Residential Pump Stations	23,408	25,000	39,500
Murray Hills Pump Station	13,705	15,310	22,310
Highland Park Pump Station	9,806	11,710	14,210
Big Ridge 1-5 Pump Stations	63,144	69,373	104,481
Dupont Parkway Pump Station	30,287	28,175	35,175
VAAP Pump Station	4,310	6,260	10,260
Northwest Georgia Pump Station	41,292	49,475	59,875
Brainerd Pump Station	16,731	17,100	70,850
East Brainerd Pump Station	42,630	49,002	69,515
North Chattanooga Pump Station	20,874	22,370	29,260
South Chattanooga Pump Station	3,506	9,355	7,905
Ooltewah-Collegedale Pump Station	92,815	78,000	92,645

	FY09 <u>Actual</u>	FY10 <u>Projected</u>	FY11 <u>Proposed</u>
Odor Control Pump Stations	800,074	775,000	815,000
Enterprise South Pump Station	1,161	1,120	9,345
River Park Pump Station	-	1,500	4,250
Ringgold Pump Station	77,818	80,050	56,850
West Chickamauga	-	8,000	49,000
Total Pumping Stations	\$2,566,699	\$2,248,945	\$3,067,402
Total Operations & Maintenance	\$26,823,602	\$25,382,651	\$29,016,673
Capital Improvement	197,456	1,242,285	1,149,782
Debt Service Reserve	935,697	1,059,825	1,575,012
Construction Trust Fund (P540)	7,500,000	10,804,000	0
Debt Service			
Principal	10,988,409	9,492,618	9,137,500
Interest	<u>4,015,808</u>	<u>3,755,185</u>	<u>3,987,597</u>
	<u>\$15,988,409</u>	<u>\$13,247,803</u>	<u>\$13,125,097</u>
Total Appropriations:	<u>\$50,460,972</u>	<u>\$51,736,564</u>	<u>\$44,866,564</u>
6020 SOLID WASTE & SANITATION FUND			
ESTIMATED REVENUE			
Landfill Tipping Fees	\$558,019	\$678,670	\$415,024
Permits	2,658	2,200	-
State of Tennessee Household Hazardous Waste Grant	81,171	65,000	85,000
State of Tennessee Recycle Rebate	24,044	25,000	60,000
City Tipping Fees	6,275,560	5,740,775	5,907,775
Investment Income	286,642	36,520	320,930
Sale of Mulch	37,252	335,813	280,000
Miscellaneous	<u>42,161</u>	<u>13,250</u>	<u>27,650</u>
Total	<u>\$7,307,507</u>	<u>\$6,897,228</u>	<u>\$7,096,379</u>
APPROPRIATIONS			
Recycle	\$684,207	\$766,284	\$923,918
Waste Disposal – Summit Monitoring	219,871	194,500	320,930
Waste Disposal – City Landfill	1,436,548	1,109,468	1,262,969
Wood Recycle	376,203	549,532	594,358
Montague Park Monitoring	5,827	35,150	-
Solid Waste Reserve	-	-	150,000
Debt Service			
Principal	2,534,945	2,653,045	2,782,577
Interest	1,228,184	1,120,652	961,627
Capital Improvement	300,000	-	-
Household Hazardous Waste	<u>87,464</u>	<u>99,660</u>	<u>100,000</u>
Total	<u>\$6,873,249</u>	<u>\$6,528,291</u>	<u>\$7,096,379</u>

	<u>FY09</u> <u>Actual</u>	<u>FY10</u> <u>Projected</u>	<u>FY11</u> <u>Proposed</u>
6030 <u>WATER QUALITY FUND</u>			
ESTIMATED REVENUE			
Water Quality Fee	\$ 5,727,780	\$11,769,829	\$13,694,524
Land Disturbing Fee	30,125	30,525	-
Other	97,717	86,500	-
General Fund Subsidy	683,952	683,952	-
Fund Balance	<u>775,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,314,574</u>	<u>\$12,570,806</u>	<u>\$13,694,524</u>

APPROPRIATIONS			
Water Quality Administration	\$ 2,060,592	\$ 2,100,556	\$ 1,850,293
Water Quality Operations	1,384,397	1,616,910	5,254,480
Water Quality Site Development	-	-	348,649
Water Quality Engineering	-	-	699,110
Water Quality Public Education	-	-	65,158
Renewal & Replacement	36,621	29,828	779,690
Debt Service			
Principal	1,645,268	1,730,510	1,824,500
Interest	653,587	568,952	1,530,603
Debt Service Reserve	-	-	1,342,041
Appropriation to Capital Project Fund	<u>775,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$6,555,465</u>	<u>\$6,046,756</u>	<u>\$13,694,524</u>

9091 <u>AUTOMATED TRAFFIC ENFORCEMENT</u>			
ESTIMATED REVENUE			
Automated Traffic & Speeding Fines	\$1,343,065	\$1,436,406	\$1,300,000
Use of Fund Balance	<u>-</u>	<u>543,879</u>	<u>-</u>
Total	<u>\$1,343,065</u>	<u>\$1,980,285</u>	<u>\$1,300,000</u>

APPROPRIATIONS			
Traffic Enforcement Operations	\$648,819	\$1,565,485	\$1,300,000
Transfer to General Fund	<u>-</u>	<u>414,800</u>	<u>-</u>
Total	<u>\$648,819</u>	<u>\$1,980,285</u>	<u>\$1,300,000</u>

2110 <u>TENNESSEE VALLEY REGIONAL COMMUNICATIONS</u>			
ESTIMATED REVENUE			
Telecommunications Program Revenue	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$856,954</u>
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$856,954</u>

APPROPRIATIONS			
Telecommunications Operations	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$856,954</u>
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$856,954</u>

SECTION 6(b). That there be and is hereby authorized the appropriation of all collections and fund balances to the respective funds, other than the General Fund, to be expended for the general public purposes as indicated.

SECTION 6(c). That the Chattanooga City Council adopted Resolution 25862 on March 24, 2009, authorizing the City to enter into an Airport Operations Service Contract (“Contract”) with the Chattanooga Metropolitan Airport Authority (“Airport Authority”). In accordance with Section 5.1 of the Contract, the City hereby appropriates the sum of \$644,889.00 from the Debt Service Fund (which represents the total debt service requirements for the Airport Authority’s fiscal year 2011), to be used only in the event that the Airport Authority is unable to meet its debt service requirement for fiscal year 2011.

SECTION 6(d). The City, or its designee, shall have the authority to impose and collect reasonable fees related to the administration of the Chattanooga Renewal Community Initiative including, but not limited to, a fee for applications for the Commercial Revitalization Deduction program as established under the Community Renewal Tax Relief Act of 2000 and the Tennessee Department of Economic and Community Development Qualified Allocation Plan.

SECTION 7(a). That all persons under the “City of Chattanooga Classification and Pay System” and covered by the “Pay Plans” on the effective date of this Ordinance shall receive pay within the appropriate range as designed in the City’s Pay Plan. The Mayor shall authorize pay for all persons not within the “City of Chattanooga Classification System” and not covered by the “Pay Plan”.

SECTION 7(a)(1). In addition to the minimum rate of pay established in the Classification Plan, a rate of pay less than the minimum of the designated pay range may be assigned to the newly employed or promoted incumbent for a specified period of time. This pay shall be identified as “probation pay”. Provided, however, that no full time City employee shall be paid less than the prevailing poverty rate, except for those employees whose pay is governed by federal formula.

SECTION 7(a)(2). Any person employed on a temporary basis in positions authorized within the Classification Plan shall be paid at a rate not more than the minimum of the position's pay range. As provided in the Chattanooga City Code, Part II, temporary employment shall not exceed a period of six (6) months on any occasion.

SECTION 7(a)(3). In addition to positions provided for hereinafter, known as positions within the “City of Chattanooga Classification System”, which includes only permanent full time positions, the City recognizes and authorizes the following types of designation of positions as exempt from the Classification System: Permanent Part-Time, Temporary Part-Time, Permanent Daily, Permanent Full-Time Elected Officials, and Temporary Full-Time.

SECTION 7(b). That except as otherwise provided, the positions specified hereinafter are hereby authorized at the pay ranges or maximum amounts and upon the terms hereinafter specified.

POSITIONS ARE LISTED IN THE PERSONNEL ADMINISTRATION SECTION

SECTION 7(b)(1). In order to achieve the efficiencies in personnel assignments, the Mayor is hereby authorized to realign, reclassify or otherwise change positions within the total number of funded positions provided for.

SECTION 7(c). This ordinance further provides longevity bonus pay for permanent, full time classified service employees who have five (5) or more years of continuous service as of October 31, 2010. The longevity pay shall be fifty dollars (\$50.00) for each full year of continuous service up to a maximum of thirty (30) years or one thousand five hundred dollars (\$1,500). Employees terminated prior to October 31, 2010 shall not qualify for the longevity bonus pay.

SECTION 8. That all salaries and wages and other expenditures shall be paid only upon the authorization of the official who has the responsibility of expending the appropriation against which the salaries or wages or other expenditures are charged, pursuant to Private Acts of 1953, Chapter 105, Section 2 (4). That all funds appropriated in this Ordinance for payment of salaries and/or wages shall be spent for salaries and wages only unless proper authorization is given to do otherwise.

SECTION 9. That the City Finance Officer is authorized to pay the payroll and/or costs of personal services, whether on the payroll, voucher or otherwise, of the Air Pollution Control Bureau, Chattanooga-Hamilton County Bicentennial Library, Chattanooga-Hamilton County Regional Planning Agency, Human Services Department, Scenic Cities Beautiful, Golf Courses, and any other department, agency, board, commission, office, division, or branch of Municipal Government heretofore or hereafter established, notwithstanding that same is not specified hereinbefore, as certified to him by the respective administrative official.

SECTION 9(a). That the City Finance Officer is authorized to pay a uniform and equipment maintenance allowance of five hundred dollars (\$500.00) for all sworn police officers and firefighters as of July 1, 2010, except for those new employees who have received from the city a new uniform since July 1, 2009. Further, the City Finance Officer is authorized to pay a supplemental tool allowance of two hundred dollars (\$200.00) for certain employees as set forth in Resolution No. 18381, dated December 5, 1989, as amended; and is authorized to pay a supplemental uniform allowance of two hundred fifty dollars (\$250.00) for City Court Officers. It shall be the duty of employees receiving these supplements to use the funds for the specified purpose and retain receipts to that effect.

SECTION 9(b). That the City Finance Officer is authorized to match the total salaries of all participants in the Fire and Police Pension Fund with a contribution from the General Fund not to exceed twenty four and ninety-one hundredth percent (24.91%).

SECTION 9(c). That the City Finance Officer is authorized to contribute to the General Pension Plan an amount equal to nine and eight one hundredth percent (9.08%) of all participants' salaries as specified in the most recent actuarial study.

SECTION 9(d). That the City Finance Officer is authorized to pay the following Union Pension Plan the specified amounts per participation agreements

Central Pension Fund	\$1.38 per hour
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SECTION 10. That the City Finance Officer is authorized to reimburse officials and employees for use of personal vehicles on official business at the current rate per mile recognized and established by the Internal Revenue Service.

SECTION 11. That for employees currently receiving a monthly allowance of four hundred dollars (\$400.00) per person in-lieu of a take-home government vehicle shall continue to receive same for as long as such employee holds his or her current position. Additional employees may receive this allowance only with approval of the Mayor and passage of an ordinance by the City Council.

SECTION 12. That employees called to active duty and deployed outside the continental United States ("OCONUS") to a combat zone or a qualified hazardous duty area, as those terms are defined by federal law, shall be paid the difference that their City pay exceeds their total military base pay, up to \$850.00 per month, from the time called to active duty until relieved from active duty status or until June 30, 2011, whichever occurs first. Payments beyond the current fiscal year shall be subject to future appropriations by City Council. The City Finance Officer be and is authorized to appropriate the necessary money from other available funds. The difference in pay shall be calculated without regard to any payment of combat pay.

Further, with the concurrence of the General Pension Fund and the Fire and Police Pension Fund, or any union fund participation agreement, the City shall pay such contributions necessary, both the employee's and the employer's share, based on their pension-eligible salary at the time of call-up (not counting over-time pay) to ensure the continued enrollment and pension-eligibility of employees while called-up for deployment OCONUS for the same period as referenced above. In this manner, the affected employees shall not be penalized nor incur financial hardship as relates to their pension eligibility.

If the City's medical insurance provider will extend medical coverage to families affected by the call-up of reservists for deployment OCONUS beyond the customary six (6) month period, the City shall pay the employers share of the premium for any employee called-up to active duty. The employee's share of the coverage shall remain the responsibility of the employee and may be paid in the most convenient method by the employee. During the time of active duty, the employee may request the City to make such payments on his/her behalf and reconcile the amounts paid upon his/her return to City employment.

SECTION 13. That Chattanooga City Code, Part II, Chapter 2, Section 2-167(b), be and is hereby amended by deleting same in its entirety and substituting in lieu thereof the following:

(b) Unless his/her military organization requires a specified time for the training period, the employee shall arrange with his/her department head for a mutually suitable time period. Employees shall be granted twenty (20) days of paid leave for each calendar year for active-duty training.

SECTION 14. Copying Fees. Whenever a request is made by a member of the public for copies of City records, the following fees are hereby levied and shall be paid by the requesting party in order to defray the City's costs:

- (1) A fee of fifteen cents (\$0.15) per page per each standard 8 ½ by 11 or 8 ½ x 14 black and white copy produced.
- (2) A fee of fifty cents (\$0.50) per page per each 8 ½ x 11 or 8 ½ x 14 color copy produced.

(3) If the time reasonably necessary to produce the requested records, including time spent locating, retrieving, reviewing, redacting, and reproducing the records, exceeds more than one (1) hour, the City is permitted to charge the hourly wage of the employee(s) producing such requested records. The hourly wage is based upon the base salary of the employee(s) and does not include benefits. If an employee is not paid on an hourly basis, the hourly wage shall be determined by dividing the employee's annual salary by the required hours to be worked per year.

(4) Any records request not subject to the provisions of the Tennessee Open Records Act may be provided at the discretion of the department head at a reasonable rate considering the employees' time and expenses to provide the records.

SECTION 15. That, pursuant to the Charter, it shall be unlawful for any department, agency, or branch of the Government to expend any money other than the purpose for which it was appropriated, nor shall the expenditures for a purpose exceed the appropriation for said purpose.

SECTION 16. If at any time the actual receipt of revenues is projected to be less than the estimated revenues, it shall be the duty of the Mayor to forthwith initiate an ordinance amending this budget ordinance so as to appropriately reduce or otherwise change the various appropriations made herein which, in the judgment of the City Council, should be made.

SECTION 17. That the City Finance Officer be and is hereby authorized to transfer credits from one account to another account within or between the accounts of the various agencies and divisions of government and the various departments of the City as may be necessary to meet expenditures for the fiscal year 2010-2011, but this authorization shall not apply to Special Funds.

SECTION 18. In addition to FY11 appropriations for current year expenditures, funds shall be appropriated to meet obligations carried forward from prior year open purchase order balances in each fund. Such appropriation shall be from the fund balance of each respective fund.

SECTION 19. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36(a), be and the same is hereby deleted and the following substituted in lieu thereof:

(a) Enumeration of charges; quantity of water used. Sewer service charges shall be based upon the quantity of water used as shown by water meter readings and shall be the dollar amount derived by applying the total charge in dollars per one thousand (1,000) gallons for the quantities of water shown in the following table:

User Class (gallons)	Fiscal Year 2010/2011 - 1 10/1/2010 Total Charges (\$/1,000 gallons)		Fiscal Year 2010/2011 - 2 4/1/2011 Total Charges (\$/1,000 gallons)	
	First 100,000	\$	5.43	\$
Next 650,000		4.03		4.14
Next 1,250,000		3.27		3.68

Next 30,000,000	2.75	2.83
Over 32,000,000	2.68	2.75

In addition, the total charges derived from the above chart for residential users will be multiplied by ninety (90) percent to compensate for water use not going to the sewer such as lawn and garden watering. Any residential location where a separate water meter has been installed for the purpose of lawn and garden watering shall not be entitled to have the multiplier applied to any water consumed through the primary water meter. Each residence or apartment unit shall have a maximum monthly sewer service charge for a volume of no more than 12,000 gallons water used; unless the minimum charge due to water meter size exceeds the 12,000 gallon limit, then the monthly sewer service charge shall be at least the minimum for that particular size water meter.

SECTION 20. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36(c) as relates to sewer service charges and fees be and the same is hereby deleted and the following substituted in lieu thereof:

(c) 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.

	Regional Operation & Maintenance Charge (\$/1,000 gallons)	Regional Debt Charge (\$/1,000 gallons)	Total Regional Charge (Wheelage and Treatment) (\$/1,000 gallons)
Wheelage and Treatment	\$ 1.6768	\$ 0.5248	\$ 2.2016

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

SECTION 21. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36 (d), be and the same hereby deleted and the following substituted in lieu thereof:

(d) 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 water 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.

	Regional Operation & Maintenance Charge (\$/1,000 gallons)	Regional Debt Charge (\$/1,000 gallons)	Total Regional Charge (Wheelage and Treatment) (\$/1,000 gallons)
Wheelage and Treatment	\$ 0.8584	\$ 0.2577	\$ 1.1161

SECTION 22. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-37, be and the same is hereby deleted and the following substituted in lieu thereof:

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

Monthly Minimum Sewer Service Charges

<u>Meter Size</u> (inches)	Fiscal Year 2010/2011 -1 <u>Charge per Month</u>	Fiscal Year 2010/2011 - 2 <u>Charge per Month</u>
5/8	\$ 11.20	\$ 11.50
3/4	39.96	41.03
1	69.83	71.70
1-1/2	156.28	160.46
2	276.71	284.12
3	648.63	666.00
4	1,198.67	1,230.78
6	2,855.04	2,931.51
8	5,050.05	5,185.32

The minimum sewer service charge for residential users with various meter size shall be multiplied by ninety (90) percent to compensate for water use not going to the sewer such as lawn and garden watering. Any residential location where a separate water meter has been installed for the purpose of lawn and garden watering shall not be entitled to have the multiplier applied to any water consumed through the primary water meter.

SECTION 23. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-41(c), be and the same is hereby deleted and the following substituted in lieu thereof:

(c) Rates. Based upon the current cost of treating wastewater containing constituents with concentrations in excess of “normal wastewater,” numerical rates are hereby established for Bc and Sc as follows:

Bc = \$0.102 per pound of BOD for concentrations in excess of three hundred (300) milligrams per liter.

Sc = \$0.0695 per pound of total suspended solids for concentrations in excess of four hundred (400) milligrams per liter.

SECTION 24. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-43 (b), (f) and (g) be and the same are hereby deleted and the following substituted in lieu thereof:

(b) *Fees for garbage grinders.* Any user of a garbage grinder, except users in a premise used exclusively for an individual residence, shall be charged at a rate of one hundred sixty nine dollars (\$169.00) per month. The superintendent shall bill users on a bi-monthly basis and the bills shall be due and payable within fifteen (15) days following the last day of the billing period.

(f) *Fees for septic tank discharge.* All persons discharging concentrated, domestic septic tank sewage waste from a truck under the provisions of Article III of this Chapter shall be charged at the rate of sixty three dollars (\$63.00) per one thousand (1,000) gallons of such waste. The minimum charge for septic tank discharges shall be one half (1/2) of the rate for one thousand (1,000) gallons of the rate in effect at the time of such discharge. All persons discharging grease trap or grease interceptor waste or loads where septic tank waste has been mixed or blended with grease trap or grease interceptor waste shall be charged at the rate two and one half (2 1/2) times the rate for septic tank wastes.

Fees holding tank wastes. All persons discharging any holding tank waste authorized pursuant to division 6 of this article shall be charged at the rate of five dollars and fifty-eight cents (\$5.58) per one thousand (1,000) gallons of such discharge, plus any surcharge rate authorized by Article III of this chapter for concentrations of pollutants in excess of normal waste water without regard to the definition of the industrial user or other limitations set forth in such section. The superintendent may also require a chemical analysis of such waste and charge therefore.

SECTION 25. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-39 (a),(b), be and the same hereby deleted and the following substituted in lieu thereof:

(a) *Generally.* The owners or occupants of property obtaining water from a source or sources other than through a meter of the city water company which is discharged into the city's sewers shall install, without cost to the city, a meter to measure the quantity of water received from such source, and shall pay the same rates as provided in sections 31-36 and 31-37 of this Code. No meter shall be installed or used for such purpose without the approval of the Director of Waste Resources or his designee. If the owner of such property fails to install an approved meter or meters, the Director of Waste Resources his designee or shall make an estimate of the quantity of such water used by such property owner and discharged into the city's sewers from the property, and the owner or occupant of the property shall be liable to the city for the sewer service charges due, which may be collected by suit in any court of competent jurisdiction.

(b) *Multi-unit complexes.* To provide more equality between single-family and multi-unit dwellings (with just one (1) or less number of water meters than the total number dwelling units in complex), sewer service charges to multi-unit apartment complexes served by master meters or any combination of meters totaling less than the number of units served shall be charged as follows:

(1) By multiplying the total water consumption by the residential rate for either an account with a separate lawn and garden meter or an account without a separate meter for lawn and garden meter.

(2) The total sewer service charge shall not exceed the per unit usage of 12,000 (twelve thousand) gallons per unit per month multiplied by the appropriate residential rate unless the meter size volumetric allowance is larger then this allowance shall be multiplied by the appropriate residential rate.
(3) The minimum sewer service charge for different meter sizes shall be calculated by multiplying the particular meter size volumetric allowance by the applicable residential rate.

SECTION 26. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-40 (b)

(3), (4) be and the same hereby deleted and the following substituted in lieu thereof:

(3) Where secondary meters are installed for lawn or garden watering, sprinkling systems, and other processes where water is used but not returned to the sewer;

SECTION 27. That this Ordinance shall be operative, as distinguished from its effective date, on and after July 1, 2010.

SECTION 28. Notwithstanding any other provision of this Ordinance to the contrary, water providers within the City of Chattanooga shall bill according to the new Chattanooga sewer service charges effective on the following dates:

For the Fiscal Year 2010/2011 -1 for service rendered beginning on the 1st day of October 2010 and ;

For the Fiscal Year 2010/2011 -2 for service rendered beginning on the 1st day of April 2011 and until further notice

SECTION 29. That this Ordinance shall be operative, as distinguished from its effective date, on and after July 1, 2010.

SECTION 30. That if any section, sentence, word or figures contained in this Ordinance should be declared invalid by a final decree of a Court of competent jurisdiction, such holding shall not affect the remaining sentences, sections, words or figures contained in this Ordinance, but the same shall remain in full force and effect.

SECTION 31. That this Ordinance shall take effect two (2) weeks from and after its passage.

PASSED on Second and Final Reading
July 6, 2010.

/s/ Manuel Rico /S/
CHAIRPERSON

APPROVED: X DISAPPROVED: _____

DATE: July 7, 2010

/s/ Ron Littlefield /S/

MAYOR

VLM/DWM/add