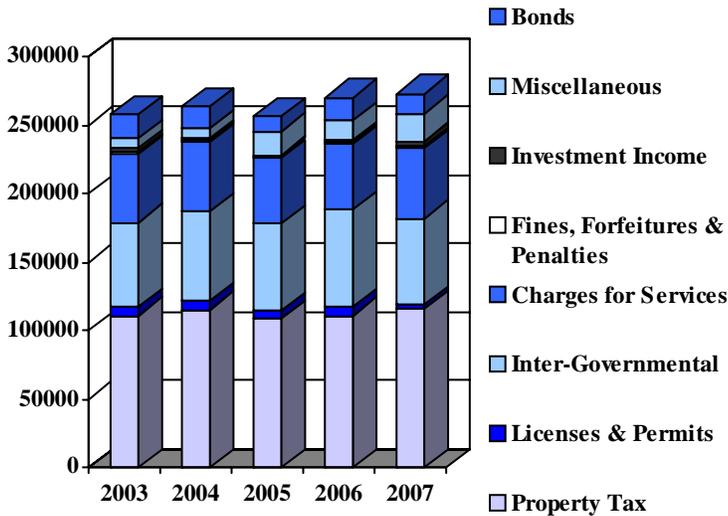


# Financial Overview

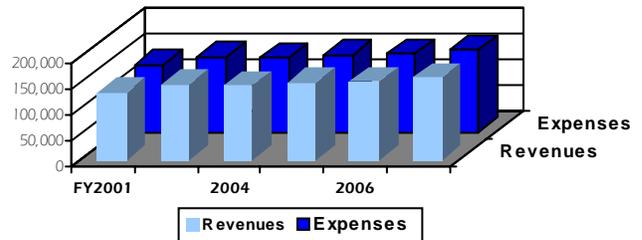
## Revenue and Expenditure History

**Budgeted Revenues**  
(in 1,000)

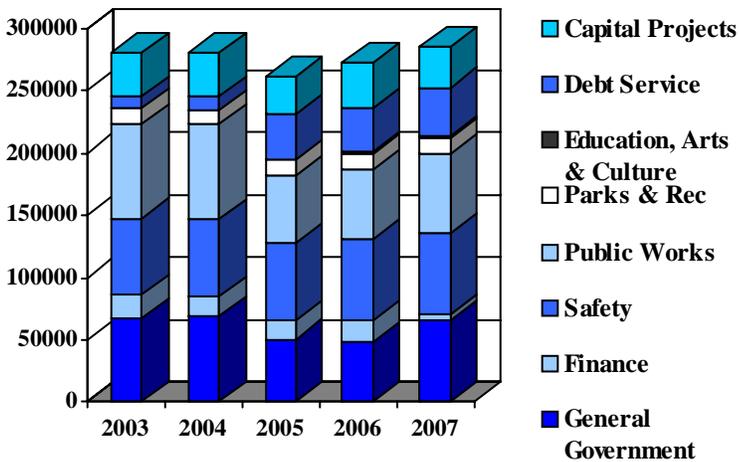


Total City revenues and operating transfers in for the fiscal year ended June 30, 2003 was \$277,962,837. Total projected City revenue for the fiscal year ended June 30, 2007 is \$308,851,461 which includes \$10.5 million from fund balance. This difference of \$30,888,624 represents a 11.1% increase over this four year period. The major reasons for the increase over this time frame includes a property tax increase in FY2002 from 2.31 to 2.516 per 100.00 and increases in debt service. During this period the Undesignated General Fund Budget increased from \$146,170,526 in FY03 to \$160,556,000 in FY07. The chart below shows the Undesignated General Fund revenues and expenditures during this time period. To the left are five year comparisons of total revenues and expenditures.

**Undesignated General Fund**



**Budgeted Expenditures**  
(in 1,000)



**BUDGETED REVENUES & APPROPRIATIONS  
BY FUND TYPE  
FY2007**

Revenues	Governmental Fund Types				Internal Service Funds	Proprietary Fund Types	Budget Total Revenue FY2007	Budget Total Revenue FY2006
	Undesignated General	Special Revenue	Debt Service	Capital Projects				
Taxes	100,842,170	14,645,000					115,487,170	110,898,441
Licenses & Permits	3,601,200						3,601,200	6,349,990
Intergovernmental	42,958,230	16,484,839	1,560,442	1,364,110			62,959,998	70,748,035
Charges for services	1,981,300	1,731,170				592,377	51,181,331	48,158,578
Fines, forfeitures and penalties	1,432,500	-				47,468,861	1,432,500	1,172,500
Interest earnings	2,225,000	100,000		1,061,143	11,682,253	1,621,141	3,946,141	1,673,750
Miscellaneous	3,926,600	3,482,461		14,446,994		108,581	20,261,038	14,752,780
Bonds	-			9,472,844			14,446,994	16,845,181
Fund Balance	330,000	727,304					10,530,148	8,598,309
Transfers In	3,259,000	1,333,477	15,373,918	4,421,150		683,952	25,071,497	21,447,004
<b>Total Revenues</b>	<b>160,556,000</b>	<b>38,504,251</b>	<b>16,934,360</b>	<b>30,766,241</b>	<b>11,682,253</b>	<b>50,474,912</b>	<b>308,918,017</b>	<b>300,644,568</b>
<b>Appropriations</b>	<b>20,834,890</b>	<b>25,768,743</b>					<b>58,285,886</b>	<b>40,342,283</b>
General Government	3,788,094	105,000			11,682,253		3,893,094	16,702,419
Finance & Administration	66,010,762	270,250					66,281,012	64,691,465
Safety Department	29,536,445	4,781,733				28,281,327	62,599,505	56,909,497
Public Works Department	10,782,698	1,648,250					12,430,948	11,713,369
Parks & Recreation	6,138,675						6,138,675	6,684,279
Personnel	1,841,372						1,841,372	1,827,966
Neighborhood Services	1,981,098						1,981,098	1,432,397
Executive Branch	2,204,617						2,204,617	1,520,941
Education, Arts, & Culture		495,000						
Debt Service		1,626,778	16,934,360	30,766,241		21,530,167	38,959,527	35,450,895
Capital Projects		3,808,497				663,418	33,056,437	36,281,646
Transfers Out	17,437,349						21,245,846	27,087,411
<b>Total Appropriations</b>	<b>160,556,000</b>	<b>38,504,251</b>	<b>16,934,360</b>	<b>30,766,241</b>	<b>11,682,253</b>	<b>50,474,912</b>	<b>308,918,017</b>	<b>300,644,568</b>

## Fund Balance/Net Asset Summary

During the past five years the City of Chattanooga has seen a total net increase in its Governmental Fund Balances of \$4.7 million. This is primarily due to the net changes in the fund balances for General Fund and Capital. Fund Balances for the General, Debt Service and Enterprise Funds have increased while the Fund Balances for Special Revenue, Capital, and Internal Service Funds have decreased during this period.

The General Fund Balance was \$49,359,361 in 2004. This has grown steadily to a current unaudited balance of \$56,042,710 for FY06. This has been accomplished through sound fiscal management. A large part of the Fund Balance build-up can be attributed to increasing sales and property tax revenues.

The Special Revenues Fund Balance decreased from a balance of \$10,460,134 in 2004 to a 2006 projected beginning balance of \$10,130,789. Fund balance decreased in fiscal year 2004 due to increased spending in the Economic Development Fund. When Hamilton County residents voted for the half-cent sales tax, no City portion is collected and remitted to the County School System. The remaining funds are dedicated to economic development.

Debt Service Fund Balance was \$5,222,704 in FY04 and \$7,139,208 in FY06. During FY06, debt service fund balance is predicted to increase due to Budgeting for the anticipated new debt to cover the FY06 and FY07 Capital Budgets. This bond

transaction has been delayed until November 2006.

The Capital Funds Fund Balances have fluctuated most during the past few years. This is primarily due to the City's 21st Century Waterfront capital plan, which for the most part should be completed in 2007. FY 05 experienced a decrease in Fund Balance of \$24,609,021 and FY06 is projected to be flat.

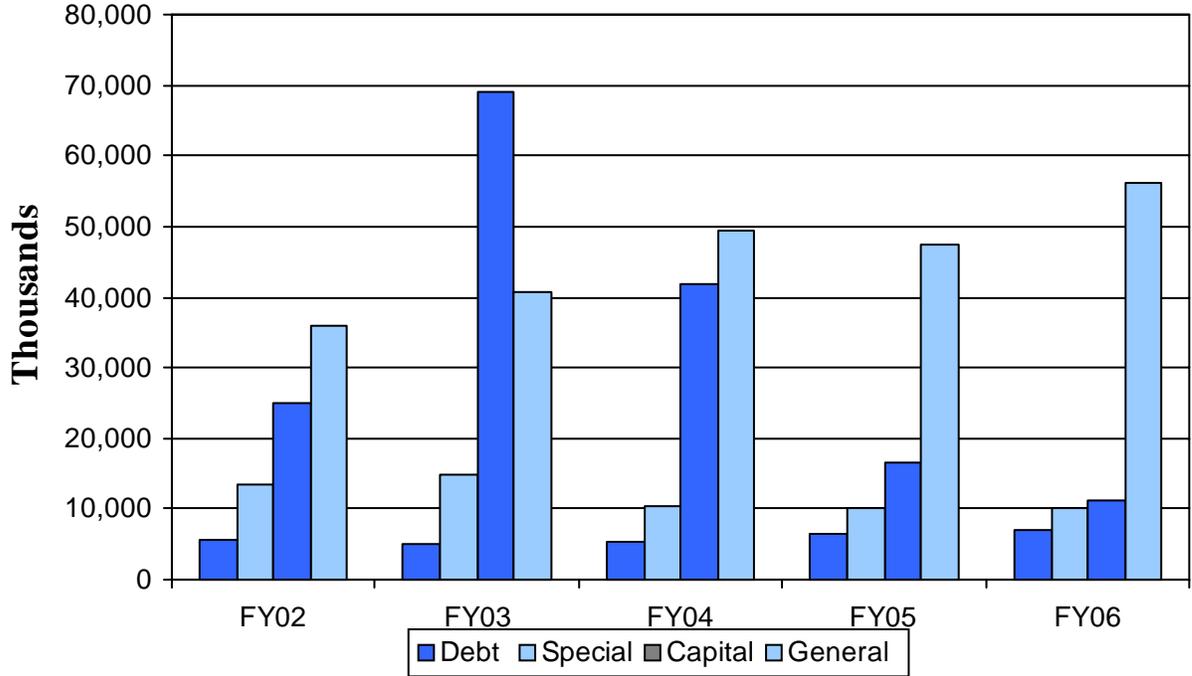
The growth of the Net Assets within the Enterprise Funds have been most dramatic. Net Assets of \$239,163,446 in 2004 have increased to a 2006 unaudited balance of \$251,388,925. Over the past ten year period, the City was subject to federal mandates relative to stormwater and landfill operations which necessitated the imposition of a stormwater fee and increased landfill rates to fund such mandates. There has also been an increase in sewer rates during FY03, FY04 and FY05 of 7.29%, 7.07%, and 2.54% respectively. There was no change for FY06, but it has been determined that an increase of approximately 15.5% will be necessary in FY07.

The Internal Service Fund Balance was \$1,697,334 in 2004. At the beginning of 2007, this Fund Balance is projected to be \$921,407. This change reflects the increased cost of maintaining the City's fleet of vehicles, which has grown considerably. This fund is not intended to generate profits.

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

## Changes in Fund Balance Governmental Funds

Includes Designated Funds



### Governmental Fund Balances

	FY02	FY03	FY04	FY05	FY06
<b>Debt Service Fund</b>	\$ 5,497,083	\$ 4,988,142	\$ 5,222,704	\$ 6,471,929	\$ 7,139,208
<b>Special Revenue Funds</b>	\$ 13,587,108	\$ 14,882,558	\$ 10,460,135	\$ 10,123,928	\$ 10,130,789
<b>Capital Funds</b>	\$ 24,879,406	\$ 69,000,220	\$ 41,780,985	\$ 16,559,134	\$ 11,332,676
<b>General Fund</b>	\$ 35,967,697	\$ 40,677,979	\$ 49,359,361	\$ 47,450,200	\$ 56,042,709
<b>Totals</b>	<b>\$ 79,931,294</b>	<b>\$ 129,548,899</b>	<b>\$ 106,823,185</b>	<b>\$ 80,605,191</b>	<b>\$ 84,645,382</b>

# City of Chattanooga, Tennessee

## General Fund

Includes Designated General Funds  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget and Actual on Budgetary Basis  
 Years Ended June 30, 2004 - 2007

	FY 03/04	FY04/05	Unaudited FY05/06	Budget FY06/07
FUND BALANCE at beginning of year	<u>40,677,980</u>	<u>49,359,361</u>	<u>47,450,200</u>	<u>56,042,709</u>
<b>Revenues</b>				
Taxes	113,383,882	101,295,560 (2)	99,517,097	100,842,170
Licenses and permits	7,168,267 (1)	4,092,969	4,272,090	4,275,520
Intergovernmental Revenues	40,985,665	52,354,359	56,359,719	56,702,844
Charges for Services	3,166,443	3,774,828	3,936,967	3,724,659
Fines, forfeitures and penalties	1,112,159	1,410,642	1,472,403	1,432,500
Interest Income	676,088	1,191,283	2,892,000	2,231,650
Sale of Property	72,888	31,670	1,335,432	25,000
Prior Year Surplus	0	0	0	330,000
Miscellaneous Revenues	<u>5,383,053</u>	<u>4,687,331</u>	<u>4,388,380</u>	<u>4,238,592</u>
<b>Total Revenues</b>	<u>\$171,948,445</u>	<u>\$168,838,642</u>	<u>\$174,174,088</u>	<u>\$173,802,935</u>
<b>Expenditures</b>				
General Government	38,164,011	34,951,436	32,587,703 (3)	42,888,232
Finance & Administration	8,209,869	8,463,320	8,371,662 (3)	4,162,983
Safety	61,216,949	62,075,048	62,846,035	66,649,953
Public Works	25,772,165	26,937,744	28,025,831	30,220,397
Parks & Recreation	12,157,458	12,707,873	11,342,871	12,453,649
Education, Arts, & Culture	<u>0</u>	<u>0</u>	<u>1,663,345</u>	<u>2,204,617</u>
<b>Total Expenditures</b>	<u>\$145,520,452</u>	<u>\$145,135,421</u>	<u>\$144,837,447</u>	<u>\$158,579,831</u>
Excess (deficiency) of revenues over expenditures	26,427,993	23,703,221	29,336,641	15,223,104
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	0	0 (2)	3,141,564	5,195,593
Operating transfers out	(14,587,962)	(22,327,382)	(20,470,396)	(16,753,397)
Operating transfers to component units	<u>(3,158,650)</u>	<u>(3,285,000)</u>	<u>(3,415,300)</u>	<u>(3,665,300)</u>
<b>Total other financing sources (uses)</b>	<u>(17,746,612)</u>	<u>(25,612,382)</u>	<u>(20,744,132)</u>	<u>(15,223,104)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>8,681,381</u>	<u>(1,909,161)</u>	<u>8,592,509</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$49,359,361</u>	<u>\$47,450,200</u>	<u>\$56,042,709</u>	<u>\$56,042,709</u>

Note: Fund balance includes designated (largest of which is Economic Development) and undesignated general fund activity.

Note 1: Gross Receipt collections reclassified from Licenses and Permits to Taxes beginning in FY05.

Note 2: EPB payments in lieu of taxes reclassified from Taxes to Transfers In beginning in FY06.

Note 3: General Services segment of Finance & Administration moved to General Government for FY07.

# City of Chattanooga, Tennessee

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Years Ended June 30, 2004 - 2007

	FY 03/04	FY04/05	Unaudited FY05/06	Budget FY06/07
FUND BALANCE at beginning of year	<u>14,882,557</u>	<u>10,460,135</u>	<u>10,123,928</u>	<u>10,130,789</u>
Revenues				
Taxes	2,040,244	2,583,318	3,640,518	3,750,000
Intergovernmental Revenues	23,660,064	20,789,349	21,954,892	19,028,399
Charges for Services	123,317	141,512	355,738	82,920
Interest Income	256,603	125,507	333,606	158,030
Fines, Forfeitures, Penalties	16,153	0	0	0
Prior Year Surplus	0	0	0	875,680
Miscellaneous Revenues	1,360,318	3,413,783	2,146,075	3,763,923
Total Revenues	<u>\$27,456,699</u>	<u>\$27,053,469</u>	<u>\$28,430,829</u>	<u>\$27,658,952</u>
Expenditures				
General Government	27,222,677	22,475,236	22,010,047	22,678,106
Finance and Administration	687,902	63,799	16,149	105,000
Safety	132,865	162,295	216,829	270,250
Public Works	4,051,621	4,685,412	4,772,020	4,781,733
General Services	0	0	0	0
Capital Outlay/Fixed Assets	919,278	281,867	1,139,177	461,503
Total Expenditures	<u>\$33,014,343</u>	<u>\$27,668,609</u>	<u>\$28,154,222</u>	<u>\$28,296,592</u>
Excess (deficiency) of revenues over expenditures	(5,557,644)	(615,140)	276,607	(637,640)
Other Financing Sources (Uses)				
Operating transfers in	3,739,202	3,823,537	3,822,108	3,821,137
Operating transfers out	(2,603,980)	(3,544,604)	(4,091,854)	(3,183,497)
Change in Accounting Principle				
Total other financing sources (uses)	<u>1,135,222</u>	<u>278,933</u>	<u>(269,746)</u>	<u>637,640</u>
Net change in Fund Balance	<u>(4,422,422)</u>	<u>(336,207)</u>	<u>6,861</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$10,460,135</u>	<u>\$10,123,928</u>	<u>\$10,130,789</u>	<u>\$10,130,789</u>

Due to GASB 34 reporting, Community Development funds previously reported in the Fiduciary Funds are now reported in the Special Revenue Funds beginning fiscal year ending June 30, 2002.

# City of Chattanooga, Tennessee

## Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Years Ended June 30, 2004 - 2007

	FY03/04	FY04/05	Unaudited FY05/06	Budget FY06/07
FUND BALANCE at beginning of year	<u>4,988,142</u>	<u>5,222,704</u>	<u>6,471,929</u>	<u>7,139,208</u>
Revenues				
Other intergovernmental funds	794,983	1,705,851	1,371,442	1,978,173
Other	213,678	221,916	281,137	200,000
Total Revenues	<u>1,008,661</u>	<u>1,927,767</u>	<u>1,652,579</u>	<u>2,178,173</u>
Expenditures				
Principal retirement	4,725,541	5,777,360	7,735,136	9,442,942
Interest	6,141,098	6,118,239	6,329,621	7,421,418
Fiscal agent fees	27,184	53,198	72,917	70,000
Total Expenditures	<u>10,893,823</u>	<u>11,948,797</u>	<u>14,137,674</u>	<u>16,934,360</u>
Excess (deficiency) of revenues over expenditures	<u>(9,885,162)</u>	<u>(10,021,030)</u>	<u>(12,485,095)</u>	<u>(14,756,187)</u>
Other Financing Sources (Uses)				
Operating transfers in	10,119,724	11,270,255	13,152,374	14,756,187
Operating transfers out	0	0	0	0
CDBG (Fannie Mae)	0	0	0	0
Hamilton County 911	0	0	0	0
Proceeds of refunding bonds	0	0	0	0
Payment of refunding bonds	0	0	0	0
Total other financing sources (uses)	<u>10,119,724</u>	<u>11,270,255</u>	<u>13,152,374</u>	<u>14,756,187</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>234,562</u>	<u>1,249,225</u>	<u>667,279</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$5,222,704</u>	<u>\$6,471,929</u>	<u>\$7,139,208</u>	<u>\$7,139,208</u>

# City of Chattanooga, Tennessee

## Capital Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Years Ended June 30, 2004 - 2007

	FY 03/04	FY04/05	Unaudited FY05/06	Budget FY06/07
FUND BALANCE at beginning of year	<u>69,000,220</u>	<u>41,780,985</u>	<u>16,559,134</u>	<u>11,332,676</u>
Revenues				
Intergovernmental Revenues	6,163,609	9,971,567	3,431,378	1,331,965
Charges for services	0	32,606	0	0
Interest Income	590,850	661,256	494,693	0
Donations	0	0	0	1,037,378
Sale of Property	1,367,821	25,650	953,964	0
Miscellaneous Revenues	2,065,808	3,774,082	188,345	300,000
Total Revenues	<u>\$10,188,088</u>	<u>\$14,465,161</u>	<u>\$5,068,380</u>	<u>\$2,669,343</u>
Expenditures				
General Government	4,140,370	6,141,012	1,635,685	3,615,000
Finance & Administration	233,830	669,592	2,586,561	0
Safety	3,029,856	3,473,463	4,099,733	2,002,500
Public Works	8,465,212	12,665,890	10,445,303	8,572,173
Parks & Recreation	3,358,355	3,972,346	2,087,186	4,112,862
Education, Arts, & Culture	0	0	80,193	500,000
General Services	38,840	40,240	0	3,524,735
Capital outlay/fixed assets	23,191,459	30,546,325	6,220,798	0
Total Expenditures	<u>\$42,457,922</u>	<u>\$57,508,868</u>	<u>\$27,155,459</u>	<u>\$22,327,270</u>
Excess (deficiency) of revenues over expenditures	<u>(32,269,834)</u>	<u>(43,043,707)</u>	<u>(22,087,079)</u>	<u>(19,657,927)</u>
Other Financing Sources (Uses)				
Operating transfers in	5,130,128	12,695,410	8,836,312	10,844,927
Operating transfers out	(2,481,063)	(2,480,853)	(2,082,495)	0
Bond/Note Proceeds	2,401,534	31,565,630	10,106,804	8,813,000
Refund Bond Escrow Agent	0	(23,958,331)	0	0
Total other financing sources (uses)	<u>5,050,599</u>	<u>17,821,856</u>	<u>16,860,621</u>	<u>19,657,927</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(27,219,235)</u>	<u>(25,221,851)</u>	<u>(5,226,458)</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$41,780,985</u>	<u>\$16,559,134</u>	<u>\$11,332,676</u>	<u>\$11,332,676</u>

# City of Chattanooga, Tennessee

## Fiduciary Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Years Ended June 30, 2004 - 2007

	<u>FY 03/04</u>	<u>FY04/05</u>	<u>Unaudited FY05/06</u>	<u>Budget FY06/07</u>
<b>ADDITIONS</b>				
Interest Income	3,668	210,159	204,967	299,400
Total Revenues	<u>3,668</u>	<u>210,159</u>	<u>204,967</u>	<u>299,400</u>
<b>DEDUCTIONS</b>				
Finance & Administration	261	25	427	0
General Government	0	74,518	115,342	61,506
Total Expenditures	<u>261</u>	<u>74,543</u>	<u>115,769</u>	<u>61,506</u>
Excess (deficiency) of Revenues over (under) Expenditures	3,407	135,616	89,198	237,894
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	3,407	135,616	89,198	237,894
FUND BALANCE at Beginning of Year	<u>76,057</u>	<u>3,064,000</u>	<u>3,199,616</u>	<u>3,288,814</u>
FUND BALANCE at End of Year	<u><u>\$79,464</u></u>	<u><u>\$3,199,616</u></u>	<u><u>\$3,288,814</u></u>	<u><u>\$3,526,708</u></u>

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

# City of Chattanooga, Tennessee

## Enterprise Fund

Combining Statement of Revenues, Expenses and  
Changes in Net Assets  
Years Ended June 30, 2004 - 2007

	FY 03/04	FY04/05	Unaudited FY05/06	Budget FY06/07
<b>REVENUES</b>				
Customer Charges	47,882,673 (2)	48,717,309	49,438,048	47,468,861
Other	0	83,652	98,346	85,000
Total Revenues	<u>47,882,673</u>	<u>48,800,961</u>	<u>49,536,394</u>	<u>47,553,861</u>
<b>OPERATING EXPENSES</b>				
Sewer Plant Operation	17,951,304	18,648,491	20,487,979	22,171,353
Solid Waste Operation	2,247,325	1,870,879	2,352,549	2,687,157
Storm Water Operation	2,561,350	2,963,730	2,764,346	3,422,817
Depreciation and Amortization	11,483,482	11,579,171	11,733,965	14,721,621
Closure/Postclosure Costs	430,624	517,996	563,734	0
Other/Housing	1,215,595	1,096,766	918,288	663,418
Total Operating Expenses	<u>35,889,680</u>	<u>36,677,033</u>	<u>38,820,861</u>	<u>43,666,366</u>
<b>OPERATING INCOME (LOSS)</b>	<u>11,992,993</u>	<u>12,123,928</u>	<u>10,715,533</u>	<u>3,887,495</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	496,971	837,076	1,542,708	1,621,141
Interest Expense	(8,304,780)	(7,681,014)	(7,284,657)	(6,808,546)
Intergovernmental	720,213	83,652	0	592,377
Other Income (expense)	10,960	184,682	283,735	23,581
Total Nonoperating Rev. (Exp.)	<u>(7,076,636)</u>	<u>(6,575,604)</u>	<u>(5,458,214)</u>	<u>(4,571,447)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND SPECIAL ITEM</b>	<u>4,916,357</u>	<u>5,548,324</u>	<u>5,257,319</u>	<u>(683,952)</u>
Capital Contributions	521,640	170,247	2,000	0
Operating Transfers In	683,952	686,898	683,952	683,952
Operating Transfers Out		(123,261)	0	0
Special Item, Transfer of capital assets to governmental activities	0	0	0	0
<b>NET INCOME (LOSS) BEFORE EXTRAORDINARY LOSS</b>	<u>6,121,949</u>	<u>6,282,208</u>	<u>5,943,271</u>	<u>0</u>
Extraordinary loss on disposal of treatment plant	0	0	0	0
<b>NET INCOME (LOSS)</b>	<u>6,121,949</u>	<u>6,282,208</u>	<u>5,943,271</u>	<u>0</u>
<b>TOTAL NET ASSETS - Beginning</b>	(1) <u>233,041,497</u>	<u>239,163,446</u>	<u>245,445,654</u>	<u>251,388,925</u>
<b>TOTAL NET ASSETS - Ending</b>	<u>\$239,163,446</u>	<u>\$245,445,654</u>	<u>\$251,388,925</u>	<u>\$251,388,925</u>

Note 1: GASB change, Prior to FY02 contributed capital was reported as a separate component of retained earnings. Beginning with FY02, it was all consolidated.

Note 2: Beginning in FY04 the General Fund is paying tipping fees to the Solid Waste Fund

# City of Chattanooga, Tennessee

## Internal Service Funds

Schedule of Revenues, Expenditures, and Changes in Net Assets  
Years Ended June 30, 2004 - 2007

	FY 03/04	FY04/05	Unaudited FY05/06	Budget FY06/07
Net Assets, beginning of year	901,738	1,697,334	35,076	921,407
Revenues				
Billings to Departments	9,464,024	9,227,286	10,705,348	10,600,949
Other	607,358	534,206	811,481	1,081,304
Total Revenues	\$10,071,382	\$9,761,492	\$11,516,829	\$11,682,253
Expenditures				
Repairs & Maintenance - Amnicola	2,951,243	3,195,234	3,259,509	2,983,985
Repairs & Maintenance - 12th St	3,158,074	3,315,426	3,132,933	3,117,151
Operations - Amnicola	505,233	698,210	999,210	915,288
Operations - 12th St	1,106,258	1,543,571	2,099,578	1,974,679
Fleet Leasing Program	0	0	4,336	1,791,150
Judgments & Costs	1,151,146	2,414,202	848,830	659,100
Water System	4,242	301	0	0
Claims & Tort Liabilities	261,674	219,973	265,934	219,750
Special Counsel	137,916	36,833	20,168	21,150
Total Expenditures	\$9,275,786	\$11,423,750	\$10,630,498	\$11,682,253
Excess (deficiency) of revenues over expenditures	795,596	(1,662,258)	886,331	0
Net Assets, ending of year	\$1,697,334	\$35,076	\$921,407	\$921,407

Note 1: Beginning in FY05 , costs associated with claims and tort liabilities and special counsel was transferred to the general fund



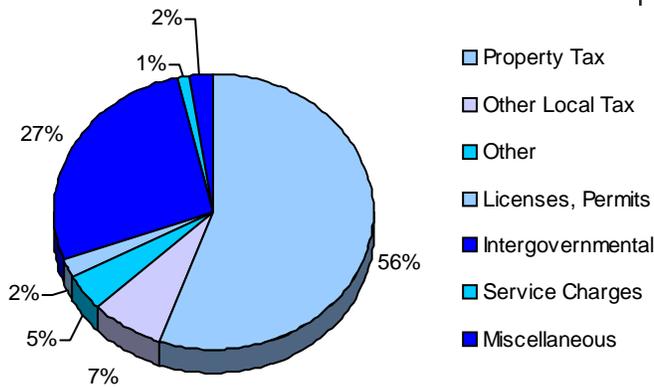
# Undesignated General Fund

## Fund Structure

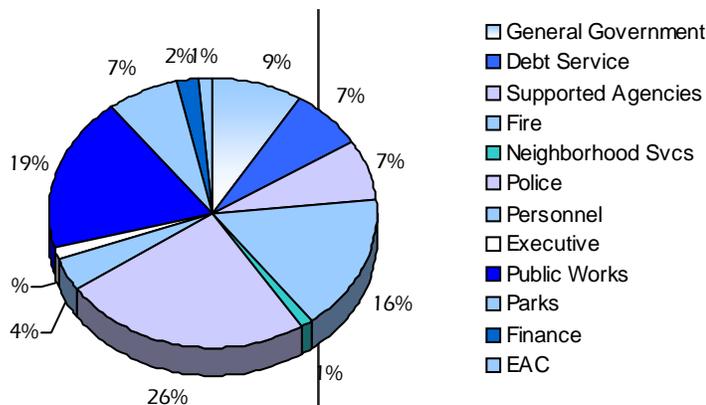
The Undesignated General Fund accounts for all financial resources applicable to the general operations of city government which are not properly accounted for in another fund. This fund is the only unrestricted fund of a government unit. The basis of budgeting is the modified accrual. In FY 2007, the budgeted revenue and expenses are \$173,802,935. Included are designated general government operations totaling \$13,246,935, the largest of which is the Economic Development Fund with a budget of \$10,895,000. Undesignated general fund operations budget is \$160,556,000. The following charts relate to the undesignated general fund operations.

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

**Revenues 2007**  
\$160,556,000



**Appropriations 2007**  
\$160,556,000



**Fund Revenue Summary**  
 Fiscal Years ending June 30, 2004 thru 2007  
 (expressed in \$1,000)

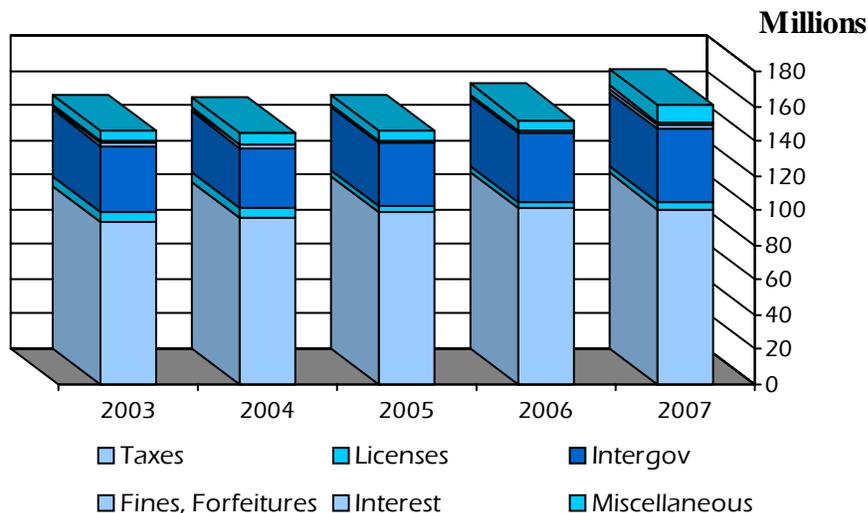
Fund Type	Actual FY03/04	Actual FY04/05	Budget FY05/06	Budget FY06/07	Budget 07 Increase (Decrease)	% Change FY 06/07
<b>Undesignated General Fund:</b>						
Property Taxes	87,196	89,685	90,118	88,994	(1,124)	-1.25%
Other Local Taxes	7,743	11,611	10,920	11,848	928	8.50%
Licenses, Permits, Etc.	6,759	3,661	3,410	3,601	191	5.60%
Fines, Forfeitures & Penalties	1,112	1,411	1,173	1,433	260	22.17%
Investment Income	694	1,133	825	2,225	1,400	169.70%
Revenue from Other Agencies	36,314	38,178	39,844	42,958	3,114	7.82%
Service Charges	1,486	1,905	1,832	1,981	149	8.13%
Miscellaneous Revenues	4,931	4,203	4,092	3,927	(165)	-4.03%
Transfers In	-	-	-	3,259	3,259	N/A
Prior Year Surplus	-	-	3,500	330	(3,170)	N/A
<i>Total General Fund</i>	<b>146,235</b>	<b>151,787</b>	<b>155,714</b>	<b>160,556</b>	<b>4,842</b>	<b>3.11%</b>

## Revenues

The proposed Budget for FY 2007 shows an increase in Estimated Revenues of \$4,841,762 or 3.11% when compared to FY 06. This increase in Estimated Revenues for FY 2007 can be attributed to increased tax revenues and governmental transfers. County-Wide sales tax is estimated to increase \$1,625,794, Gross Receipts is expected to increase by \$797,352, and the State Sales Tax is expected to increase \$1,173,640 or 11.7% for the City in FY 2007. Property Tax is anticipated to continue a strong, healthy growth.

The chart shows the General Fund Revenues by Source for the fiscal years 2003 thru 2007.

**General Fund Revenues by Source**



## Property Taxes

**FY 2007 Estimate :** **\$88,993,798**  
**% of General Fund:** **55.4%**  
**Growth From FY 06:** **(1,124,389)**  
**% Change:** **(1.2)%**

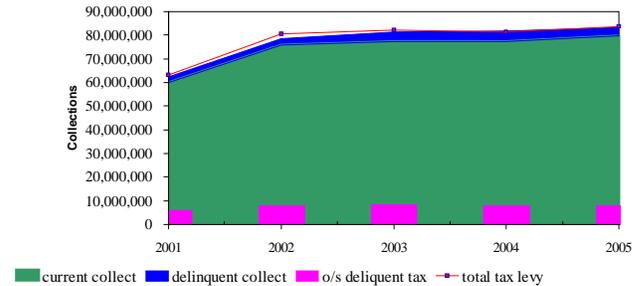
Current Real Property Taxes remain the primary source of funds for the City of Chattanooga, with the FY 2007 estimate of \$82,678,000 representing 51.49% of the total General Fund Budget. All property tax estimates inclusive of delinquencies and in lieu of tax payments total \$88,993,798 or 55.43% of the total General Fund budget. The current tax rate is \$2.202 per \$100.00 of the assessed valuation. This is considerably less than the 1995 rate of \$2.98. This is the lowest tax rate in nearly 50 years. Revenues generated in 1996 with a \$2.98 tax rate amounted to \$65,915,783 while the estimate for FY 2007 is \$82,678,000, an increase of \$16,762,217, or 25.43%. Assessments for 1995 were \$2,198,869,948. This figure has risen to \$3,237,183,936 in 2005, an increase of \$836,835,946 or 27.56%. Based on the City's economic climate, this trend is expected to continue.

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

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

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

**Property Tax Levies & Collections**



Pursuant to Tennessee Code Annotated 5-52-301 to 7-52-310, known as the Municipal Electric System Tax Equivalent Law of 1987, the minimum levy for the EPB is \$2,296,692 based on a new formula specified in the 1987 Law based on a revenue floor of \$5,635,434. This revenue floor was exceeded in fiscal year 1994, resulting in a calculation which generated less PILOT collection for the City. The estimate to be received from Electric Power Board for FY 2007 is \$2,935,000 or 1.17% over FY06. The Telecommunication in lieu of tax due from the EPB is \$324,000, 34.92% over FY06. The EPB PILOT was reclassified in FY06 to a transfer in to properly reflect EPB's status as a city owned entity.

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

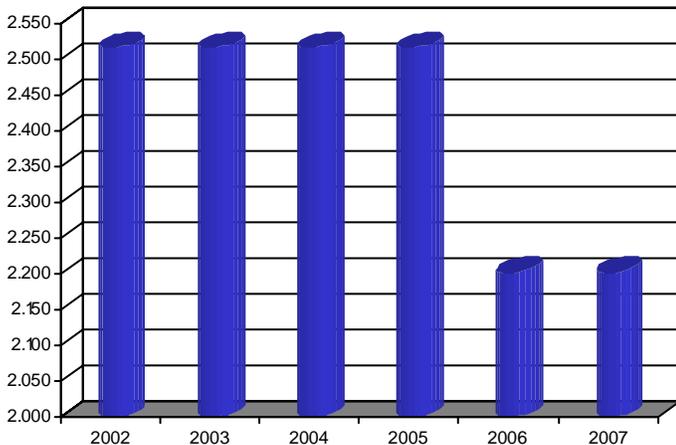
Fiscal Year	Tax Rate	Event
94/1995	2.98	City Tax Increase
95/1996	2.98	
96/1997	2.70	Property Reappraisal
97/1998	2.31	City Tax Decrease
98/1999	2.31	
99/2000	2.31	
00/2001	2.31	
01/2002	2.516	City Tax Increase
02/2003	2.516	
03/2004	2.516	
04/2005	2.516	
05/2006	2.202	Property Reappraisal
06/2007	2.202	

The 1995 increase in tax rates from \$2.62 to \$2.98 was the first tax increase imposed by the City since 1987 and was imposed primarily to provide funds for

capital purposes. In FY02, a reappraisal year, the new certified tax rate was \$2.036. A property tax increase of \$0.48 was approved increasing the rate to \$2.516. A one penny increase produces additional income of \$375,468. Current City policy for budgeting is to estimate collections of 95% of the property tax levy.

**Payments In Lieu of Taxes.** Through a series of tax incentives and agreements the City receives sizeable In Lieu of Tax payments each year. Major In-Lieu of payments received include: Tennessee Valley Authority, Burner Systems, Kenco Group, Invista, and Signal Mountain Cement. The collection of In Lieu of Taxes accounts for better than one percent (1.18%) of the operating budget each year.

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



## Other Local Taxes:

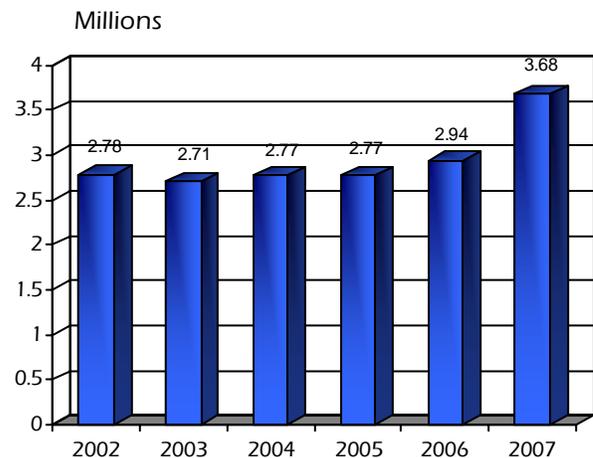
<b>FY 2007 Estimate :</b>	<b>\$11,848,372</b>
<b>% of General Fund:</b>	<b>7.38%</b>
<b>Growth From FY 06:</b>	<b>927,118</b>
<b>% Change:</b>	<b>8.5%</b>

## Gross Receipts Taxes

<b>FY 2007 Estimate:</b>	<b>\$3,677,352</b>
<b>% of General Fund:</b>	<b>2.29%</b>
<b>Growth From FY 06:</b>	<b>737,352</b>
<b>% Change:</b>	<b>25.1%</b>

Even though Gross Receipts Taxes are a steady source in the General Fund, they represent only 2% of total collections each year. The trend over the past six years shows the growth of this collection has varied between 4% and 8% annually, as shown in the chart. However, the economic impact on retail sales in FY02 required a downward adjustment in the FY03 estimate, which has resulted in relatively stagnant growth in FY04 and FY05, but in FY 06 collections were on the rise, a trend expected to continue in FY07.

## Gross Receipt Taxes



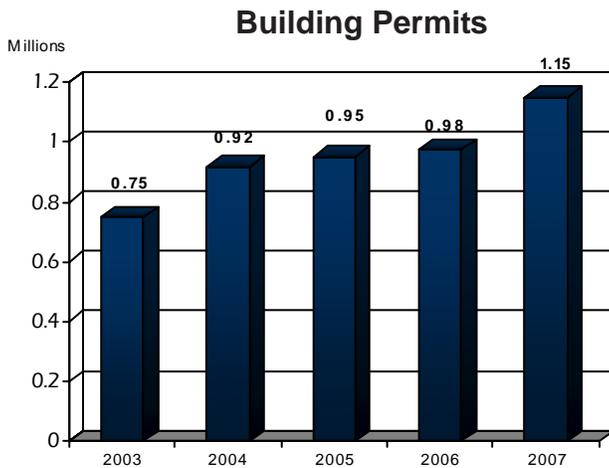
## Licenses & Permits:

FY 2007 Estimate :	\$3,601,200
% of General Fund:	2.24%
Growth From FY 06:	191,210
% Change:	5.6%

### Building Permits

FY 2007 Estimate :	\$1,150,000
% of General Fund:	0.72%
Growth from FY 06:	175,000
% Change:	18.0%

Building Permits are the single greatest revenue generator in the category of Licenses & Permits. As shown in the chart below, revenue budgets for Building Permits have increased over 53% since 2003, reflecting the strength of the housing market over that period of time.



## Revenue from Other Agencies:

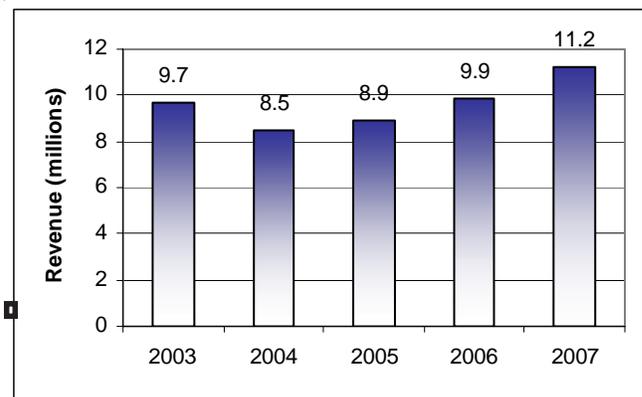
FY 2007 Estimate :	\$42,958,230
% of General Fund:	26.76%
Growth From FY 06:	3,114,455
% Change:	7.8%

### City Allocation State Sales Tax

FY 2007 Estimate:	\$11,163,162
% of General Fund :	6.95%
Growth From FY 06:	1,173,640
% Change:	11.7%

The State of Tennessee imposes a 7% tax on sales. Under TCA 67-6-103(3)(A), 5.5% to 5.75% is returned to all municipalities. This distribution is based on a population figure from the latest certified census. The City of Chattanooga has a certified population of 154,762 and its per capita allocation from state sales tax for Fiscal Year 2007 is \$71.39. The State Sales Tax is expected to increase by 11.7% or \$1,173,640 in FY 2007. This suggests that the economy should remain strong and that fewer consumers are traveling across state lines to purchase goods and services.

## State Sales Tax



## Revenues from Other Agencies

### County-Wide Sales Taxes

FY 2007 Estimate :	\$26,155,000
% of General Fund:	16.29%
Growth From FY 06:	1,625,794
% Change:	6.6%

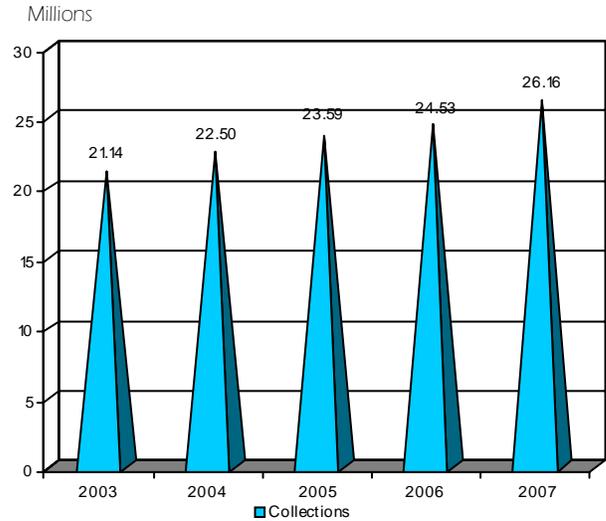
The County Wide Sales Tax, or Local Option Sales Tax, is another principal source of revenue for the City. In accordance with the 1993 Local Option Revenue Act Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended, the City and County have adopted a Local Option Sales Tax. The citizens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

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

Since FY04 growth in County-Wide sales tax revenues has increased by more than 16%. This is a reflection of the economic growth that has taken place in Hamilton County in the last few years.

The County-wide sales tax represents 16.29% of the total General Fund revenues for FY 2007.

### County-Wide Sales Tax



## Undesignated General Fund Expenditure Summary

Fiscal Years ending June 30, 2004 thru 2007

(expressed in \$1,000)

Fund Type	Actual FY03/04	Actual FY04/05	Budget FY05/06	Budget FY06/07	Budget 07 Increase (Decrease)	% Change FY 06/07
<b>General Fund</b>						
General Government	28,975	32,677	33,119	37,517	4,398	13.28%
Department of Finance & Administration	7,948	8,063	8,805	3,788	(5,017)	-56.98%
Department of Police	36,362	36,461	38,883	40,009	1,126	2.90%
Department of Fire	24,044	24,633	25,723	26,074	351	1.36%
Department of Public Works	26,494	27,608	27,663	30,220	2,557	9.24%
Department of Parks & Recreation	10,498	10,924	10,056	10,783	727	7.23%
Department of Personnel	5,153	5,553	6,684	6,139	(545)	-8.15%
Department of Neighborhood Services	1,510	2,637	1,828	1,841	13	0.71%
Executive Branch	1,234	1,359	1,432	1,981	549	38.34%
Department of Education, Arts, & Culture	0	0	1,521	2,205	684	N/A
<i>Total General Fund</i>	<b>142,218</b>	<b>149,915</b>	<b>155,714</b>	<b>160,557</b>	<b>4,843</b>	<b>3.11%</b>

## Expenses

### General Government

<b>FY 2007 Appropriation:</b>	<b>\$37,516,622</b>
<b>% of General Fund:</b>	<b>23.37%</b>
<b>Growth From FY 06:</b>	<b>4,397,545</b>
<b>% Change:</b>	<b>13.28%</b>

General Government is the area where all appropriations to other funds, joint-funded and outside agencies are accounted for. These appropriations can vary from year to year based on outside agency requests or decisions reached during the joint budget hearings with the County Commission. Major appropriations in the General Government area year-to-year are:

### CARTA Subsidy

<b>FY 2007 Appropriation:</b>	<b>\$3,665,300</b>
<b>% of General Fund:</b>	<b>2.28%</b>
<b>Growth From FY 06:</b>	<b>250,000</b>
<b>% Change:</b>	<b>7.32%</b>

The City finances part of the Chattanooga Area Regional Transportation Authority's operating cost. The CARTA appropriation of \$3,665,300 enables CARTA to provide additional services to those citizens using bus service as their only means of transportation to work, school, shopping and other activities.

### Chattanooga-Hamilton County Bicentennial Library

<b>FY 2007 Appropriation:</b>	<b>\$2,487,660</b>
<b>% of General Fund:</b>	<b>1.55%</b>
<b>Growth From FY 06:</b>	<b>-0-</b>
<b>% Change:</b>	<b>0.00%</b>

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

### Chattanooga Neighborhood Enterprises

<b>FY 2007 Appropriation:</b>	<b>\$1,500,000</b>
<b>% of General Fund:</b>	<b>0.93%</b>
<b>Growth From FY 06:</b>	<b>-0-</b>
<b>% Change:</b>	<b>0.00%</b>

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

### Debt Service Fund

<b>FY 2007 Appropriation</b>	<b>\$11,567,051</b>
<b>% of General Fund:</b>	<b>7.20%</b>
<b>Growth From FY 06:</b>	<b>1,765,744</b>
<b>% Change:</b>	<b>18.02%</b>

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

### Renewal & Replacement

<b>FY 2007 Appropriation:</b>	<b>\$2,017,897</b>
<b>% of General Fund:</b>	<b>1.26%</b>
<b>Growth From FY 06:</b>	<b>517,897</b>
<b>% Change:</b>	<b>34.53%</b>

Funds are provided here to be distributed to various departments for use in replacing equipment and to provide contributed capital for the fleet leasing program.

### Tennessee Riverpark

<b>FY 2007 Appropriation:</b>	<b>\$1,191,326</b>
<b>% of General Fund:</b>	<b>0.74%</b>
<b>Growth From FY 06:</b>	<b>196,570</b>
<b>% Change:</b>	<b>19.76%</b>

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

### Department of Finance & Administration

<b>FY 2007 Appropriation :</b>	<b>\$3,788,094</b>
<b>% of General Fund:</b>	<b>2.36%</b>
<b>Decline From FY 06:</b>	<b>(\$5,016,851)</b>
<b>% Change:</b>	<b>-56.98%</b>

This department oversees all aspects of the City's financial program. The major expenses for this department are personnel costs. Decreased FY07 expenditures are related to reorganization of information services, telecommunication, purchasing, building maintenance, radio & electronics, property maintenance, and real estate to General Government.

### Department of Police

<b>FY 2007 Appropriation :</b>	<b>\$40,008,735</b>
<b>% of General Fund:</b>	<b>24.92%</b>
<b>Growth From FY 06:</b>	<b>1,125,514</b>
<b>% Change:</b>	<b>2.89%</b>

The majority of the increase in expenditures is attributed to increase in personnel costs for additional communication positions and salary increase.

### Department of Fire

<b>FY 2007 Appropriation:</b>	<b>\$26,073,692</b>
<b>% of General Fund:</b>	<b>16.24%</b>
<b>Growth From FY 06:</b>	<b>350,917</b>
<b>% Change:</b>	<b>1.36%</b>

The FY07 growth is attributed to increase in personnel costs.

### Department of Public Works

<b>FY 2007 Appropriation:</b>	<b>\$30,220,397</b>
<b>% of General Fund:</b>	<b>18.82%</b>
<b>Growth from FY 06:</b>	<b>2,557,646</b>
<b>% Change:</b>	<b>9.25%</b>

The Department of Public Works General Fund increased appropriations represent personnel pay increases and increased motor vehicle maintenance.

### Department of Parks & Recreation

<b>FY 2007 Appropriation :</b>	<b>\$10,782,698</b>
<b>% of General Fund:</b>	<b>6.72%</b>
<b>Growth From FY 06:</b>	<b>726,812</b>
<b>% Change:</b>	<b>7.23%</b>

In FY06, part of Parks & Recreation was reorganized into the new Department of Education, Arts & Culture. The overall increase in the budget from FY07 reflects an addition of nine positions, increase in purchase services/supplies, and the addition of the Skate Park.

### Department of Personnel

<b>FY 2007 Appropriation:</b>	<b>\$6,138,675</b>
<b>% of General Fund :</b>	<b>3.82%</b>
<b>Decline From FY 06:</b>	<b>(545,604)</b>
<b>% Change:</b>	<b>-8.2%</b>

The decrease in expenditures in FY07 is primarily attributable to the decrease in Retiree Health Insurance.

### Department of Neighborhood Services

<b>FY 2007 Appropriation :</b>	<b>\$1,841,372</b>
<b>% of General Fund:</b>	<b>1.15%</b>
<b>Growth From FY 06:</b>	<b>13,406</b>
<b>% Change:</b>	<b>0.73%</b>

Since its establishment in FY98, many changes have occurred that significantly increased the functions and visibility of this department. During the previous administration, Better Housing functions were transferred from Public Works, leading to the creation of the Department of Neighborhood Services. In FY06, Animal Services was removed and more neighborhood related divisions moved from the Executive Branch like Grants Administration, Human Rights, and Community Development. This year, in an effort to better service the Chattanooga area, the department has combined the divisions of Codes & Community Services with Neighborhood Relations to create a new division of Codes, Community Services, & Neighborhood Relations.

### Executive Branch

<b>FY 2007 Appropriation:</b>	<b>\$1,981,098</b>
<b>% of General Fund:</b>	<b>1.23%</b>
<b>Growth From FY 06:</b>	<b>548,701</b>
<b>% Change:</b>	<b>38.31%</b>

The Executive Branch consists of functions under direct control of the Mayor. This branch includes the Mayor's Office, Multicultural Affairs, and new initiatives of the Mayor Great Ideas Competition and the Office of Faith Based Initiatives.

### Education, Arts, & Culture

<b>FY 2007 Appropriation:</b>	<b>\$2,204,617</b>
<b>% of General Fund:</b>	<b>1.37%</b>
<b>Growth From FY 06</b>	<b>683,676</b>
<b>% Change:</b>	<b>44.95%</b>

The FY07 growth is attributed to (1) Heritage House and Eastgate Center operations being moved over from Parks & Recreation (2) three personnel positions transferred from Parks & Recreation (3) additional funding for more outreach programs.

## Undesignated General Fund Revenues

Fiscal Years 2004-2007

Revenue Source	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY06/07	BUDGET '07 INC/(DEC)	% CHANGE FY 06/07	% OF TOTAL
<b>Property Taxes:</b>							
Current Property Taxes Real	77,199,656	80,035,765	80,650,402	82,678,000	2,027,598	2.5%	51.49%
Interest & Penalty - Current Year	111,770	131,963	67,000	130,000	63,000	94.0%	0.08%
Interest & Penalty - Prior Year	359,074	482,438	450,000	450,000	0	0.0%	0.28%
Prior Year Real & Personal Taxes	3,830,420	3,421,104	3,200,000	3,400,000	200,000	6.3%	2.12%
City Fee- Collection of Delinquent Taxes	163,202	172,724	188,000	188,000	0	0.0%	0.12%
Corporate Excise Tax-State	103,564	182,611	141,443	250,000	108,557	76.7%	0.16%
Collections - In Lieu of Taxes (1)	5,428,757	5,257,964	5,421,342	1,897,798	(3,523,544)	-65.0%	1.18%
<b>Total Property Tax</b>	<b>\$87,196,443</b>	<b>\$89,684,569</b>	<b>\$90,118,187</b>	<b>\$88,993,798</b>	<b>(1,124,389)</b>	<b>-1.2%</b>	<b>55.43%</b>
<b>Other Local Taxes:</b>							
Franchise Taxes-Chatt Gas	254,805	252,955	254,000	254,000	0	0.0%	0.16%
Franchise Taxes-Century Tel	0	0	0	43,810	43,810	N/A	0.03%
Franchise Taxes - CCTV	1,399,783	1,411,908	1,426,000	1,435,000	9,000	0.6%	0.89%
Liquor Taxes	1,528,939	1,606,265	1,662,014	1,711,454	49,440	3.0%	1.07%
Beer Taxes	4,553,269	4,638,904	4,633,840	4,661,756	27,916	0.6%	2.90%
Gross Receipts Tax (2)	0	3,695,781	2,940,000	3,737,352	797,352	27.1%	2.33%
Local Litigation Taxes	5,799	5,176	5,400	5,000	(400)	-7.4%	0.00%
<b>Total Other Local Taxes</b>	<b>\$7,742,595</b>	<b>\$11,610,989</b>	<b>\$10,921,254</b>	<b>\$11,848,372</b>	<b>927,118</b>	<b>8.5%</b>	<b>7.38%</b>
<b>Licenses &amp; Permits:</b>							
Motor Vehicle License	411,090	394,810	425,000	330,000	(95,000)	-22.4%	0.21%
Parking Meters	446,796	449,486	450,000	450,000	0	0.0%	0.28%
Business License excluding Liquor	130,285	144,000	120,000	130,000	10,000	8.3%	0.08%
Gross Receipts Tax (2)	2,891,899	0	0	0	0	N/A	0.00%
Building Permits	1,195,554	1,143,668	975,000	1,150,000	175,000	17.9%	0.72%
Other Licenses, Permits, Fees	1,683,692	1,528,981	1,439,990	1,541,200	101,210	7.0%	0.96%
<b>Total Licenses &amp; Permits</b>	<b>\$6,759,316</b>	<b>\$3,660,945</b>	<b>\$3,409,990</b>	<b>\$3,601,200</b>	<b>191,210</b>	<b>5.6%</b>	<b>2.24%</b>
<b>Fines, Forfeitures, &amp; Penalties:</b>							
City Court Fines	392,234	605,193	473,500	585,000	111,500	23.5%	0.36%
Criminal Court Fines	205,238	220,799	192,000	220,000	28,000	14.6%	0.14%
Parking Ticket Fines	504,165	563,703	507,000	620,000	113,000	22.3%	0.39%
Other Fines Forfeitures, & Penalties	10,522	20,949	0	7,500	7,500	N/A	0.00%
<b>Total Fines, Forfeitures, &amp; Penalties</b>	<b>\$1,112,159</b>	<b>\$1,410,643</b>	<b>\$1,172,500</b>	<b>\$1,432,500</b>	<b>260,000</b>	<b>22.2%</b>	<b>0.89%</b>
<b>Investment Income:</b>							
Interest on Investments	620,978	1,101,516	800,000	2,200,000	1,400,000	175.0%	1.37%
Sale of Property	72,888	31,670	25,000	25,000	0	0.0%	0.02%
<b>Total Investment Income</b>	<b>\$693,866</b>	<b>\$1,133,186</b>	<b>\$825,000</b>	<b>\$2,225,000</b>	<b>1,400,000</b>	<b>169.7%</b>	<b>1.39%</b>

(1) EPB Payments In Lieu Of Taxes reclassified to Transfers In in FY06.

(2) Gross Receipts Tax reclassified from Licenses, Permits, Etc. to Other Local Taxes in FY05.

## Undesignated General Fund Revenues

Fiscal Years 2004-2007

Revenue Source	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY06/07	BUDGET '07 INC/(DEC)	% CHANGE FY 06/07	% OF TOTAL
<b>Revenue From Other Agencies:</b>							
County wide Sales Tax - General Fund	22,495,211	23,585,866	24,529,206	26,155,000	1,625,794	6.6%	16.29%
State Beer Tax	77,194	76,270	81,108	82,000	892	1.1%	0.05%
Hall Income Tax	1,960,082	2,149,036	1,990,672	2,200,000	209,328	10.5%	1.37%
State Sales Tax	9,144,562	9,398,986	9,989,522	11,163,162	1,173,640	11.7%	6.95%
State Mixed Drink Tax	1,210,027	1,347,872	1,409,234	1,507,361	98,127	7.0%	0.94%
State Gas Inspection Fees	352,187	350,173	368,798	350,000	(18,798)	-5.1%	0.22%
State Maintenance of Streets	78,912	141,982	100,000	105,000	5,000	5.0%	0.07%
State Alcohol Beverage Tax	73,261	72,530	78,579	75,000	(3,579)	-4.6%	0.05%
State DOT - TVRM	0	34,493	0	0	0	N/A	0.00%
State - Special Training Funds	369,020	347,032	381,750	392,700	10,950	2.9%	0.24%
State - Telecom Sales Tax	26,248	25,974	27,271	27,150	(121)	-0.4%	0.02%
HUD-Harriet Tubman	0	0	0	0	0	N/A	0.00%
Ham. County-Ross Landing Plaza	397,496	476,079	730,663	730,663	0	0.0%	0.46%
Ham. County-Radio & Electronics	130,000	147,541	156,972	170,194	13,222	8.4%	0.11%
DOJ-Bulletproof Vest Program	0	24,371	0	0	0	N/A	0.00%
Ham. County DOE SRO's	0	0	0	0	0	N/A	0.00%
COPS - MORE Grant	0	0	0	0	0	N/A	0.00%
COPS Universal Hiring Grant	0	0	0	0	0	N/A	0.00%
<b>Total Revenue from Other Agencies</b>	<b>\$36,314,200</b>	<b>\$38,178,205</b>	<b>\$39,843,775</b>	<b>\$42,958,230</b>	<b>3,114,455</b>	<b>7.8%</b>	<b>26.76%</b>
<b>Service Charges:</b>							
City Court Cost	167,670	267,819	253,200	246,500	(6,700)	-2.6%	0.15%
Clerk's Fee	625,273	899,002	870,000	912,000	42,000	4.8%	0.57%
State Court Cost	3,857	3,473	2,600	2,600	0	0.0%	0.00%
Public Works - Services Charge	206,637	226,607	205,500	212,500	7,000	3.4%	0.13%
PRAC - Services Charge	276,225	320,809	289,250	383,000	93,750	32.4%	0.24%
Police - Service Charge	167,287	144,315	155,200	159,000	3,800	2.4%	0.10%
Other Charges for Services	39,106	43,045	55,950	65,700	9,750	17.4%	0.04%
<b>Total Service Charges</b>	<b>\$1,486,055</b>	<b>\$1,905,070</b>	<b>\$1,831,700</b>	<b>\$1,981,300</b>	<b>149,600</b>	<b>8.2%</b>	<b>1.23%</b>
<b>Miscellaneous Revenues:</b>							
Indirect Cost	2,579,214	2,685,866	2,685,866	2,485,866	(200,000)	-7.4%	1.55%
Land & Bldg. Rents	94,752	71,681	65,000	65,000	0	0.0%	0.04%
Dock Rental	19,443	13,685	20,000	15,000	(5,000)	-25.0%	0.01%
Retiree Reimbursements (Regular)	0	0	0	0	0	N/A	0.00%
Mem. Aud.- Rents, Conc., OT, BO	349,920	336,451	303,000	325,000	22,000	7.3%	0.20%
Tivoli - Rents, Conc., OT, BO	162,419	186,346	184,000	197,000	13,000	7.1%	0.12%
Coolidge Park Revenue	128,002	129,617	114,300	125,000	10,700	9.4%	0.08%
Other General Government Misc.	1,597,403	779,439	719,666	713,734	(5,932)	-0.8%	0.44%
<b>Total Miscellaneous Revenues</b>	<b>\$4,931,153</b>	<b>\$4,203,085</b>	<b>\$4,091,832</b>	<b>\$3,926,600</b>	<b>(165,232)</b>	<b>-4.0%</b>	<b>2.45%</b>
<b>Transfers In</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,259,000</b>	<b>3,259,000</b>	<b>N/A</b>	<b>2.03%</b>
<b>Revenue from Prior Year Surplus</b>	<b>0</b>	<b>0</b>	<b>3,500,000</b>	<b>330,000</b>	<b>(3,170,000)</b>	<b>-90.6%</b>	<b>0.21%</b>
<b>Grand Totals</b>	<b>\$146,235,787</b>	<b>\$151,786,692</b>	<b>\$155,714,238</b>	<b>\$160,556,000</b>	<b>\$4,841,762</b>	<b>3.1%</b>	<b>100.00%</b>

## Undesignated General Fund Expenditures

Fiscal Years 2004-2007

Expenditure	Actual	Actual	Budget	Budget	BUDGET '07	%	%
	FY 03/04	FY 04/05	FY 05/06	FY06/07	INC/(DEC)	CHANGE FY 06/07	OF TOTAL
<b>General Government</b>							
<b>Agencies:</b>							
Air Pollution	270,820	270,820	270,820	270,820	0	0.00%	0.17%
Allied Arts:							
Operations	250,000	250,000	250,000	155,000	(95,000)	-38.00%	0.10%
African American Museum	70,000	70,000	70,000	70,000	0	0.00%	0.04%
Chattanooga Regional History	24,000	24,000	24,000	24,000	0	0.00%	0.01%
Assoc of Visual Artists	15,000	15,000	15,000	0	(15,000)	-100.00%	0.00%
CARCOG & SETDD	30,493	31,111	31,111	31,111	0	0.00%	0.02%
CARTA	3,158,650	3,285,000	3,415,300	3,665,300	250,000	7.32%	2.28%
Carter Street Corporation	176,324	0	0	150,000	150,000	N/A	0.09%
Carter Street Lease	1,420,159	1,419,097	1,415,389	0	(1,415,389)	-100.00%	0.00%
Chattanooga Urban League	50,000	50,000	50,000	50,000	0	0.00%	0.03%
C-HC Bicentennial Public Library	2,405,725	2,487,660	2,487,660	2,487,660	0	0.00%	1.55%
Chattanooga Neighborhood Enterprises	2,000,000	2,000,000	1,500,000	1,500,000	0	0.00%	0.93%
Children's Advocacy Center	30,000	30,000	30,000	30,000	0	0.00%	0.02%
Community Foundation Scholarships	160,000	160,000	160,000	160,000	0	0.00%	0.10%
Community Impact Fund	0	450,000	0	250,000	250,000	N/A	0.16%
Downtown Partnership	140,000	140,000	140,000	100,000	(40,000)	-28.57%	0.06%
Enterprise South Nature Park	0	0	0	104,282	104,282	N/A	0.06%
Finley Stadium	0	25,000	25,000	25,000	0	0.00%	0.02%
GOFest	0	0	0	25,000	25,000	N/A	0.02%
Heritage Hall Board	35,000	42,123	55,825	57,019	1,194	2.14%	0.04%
Homeless Health Center	17,500	17,500	17,500	17,500	0	0.00%	0.01%
Community Research Council	10,000	10,000	0	0	0	N/A	0.00%
Railroad Authority	0	0	20,000	20,000	0	0.00%	0.01%
Regional Planning Agency	974,817	988,817	942,817	942,817	0	0.00%	0.59%
Scenic Cities	30,294	30,294	22,888	22,888	0	0.00%	0.01%
Stop the Madness	0	0	0	100,000	100,000	N/A	0.06%
Storm Water Fund	67,540	72,720	70,000	73,000	3,000	4.29%	0.05%
Tennessee Riverpark	852,637	855,741	994,756	1,191,326	196,570	19.76%	0.74%
Tenn Valley Railroad Museum	0	34,493	0	0	0	N/A	0.00%
Waterfront Management Agreement	0	0	0	40,000	40,000	N/A	0.02%
West Side Development Corp	75,000	75,000	0	0	0	N/A	0.00%
WTCI - TV 45	60,000	60,000	60,000	60,000	0	0.00%	0.04%
<b>General Government:</b>							
Audits, Dues & Surveys	159,985	176,853	206,757	206,757	0	0.00%	0.13%
Capital Improvements	0	3,500,000	3,500,000	0	(3,500,000)	-100.00%	0.00%
ChattanoogaInvests	0	169,363	0	0	0	N/A	0.00%
City Attorney/Operations	744,352	936,018	1,027,496	1,056,484	28,988	2.82%	0.66%
City Attorney Liability Insurance Fund	1,916,000	1,050,000	650,000	900,000	250,000	38.46%	0.56%
City Code Revision	0	9,600	0	0	0	N/A	0.00%
City Council	618,079	627,105	693,723	693,898	175	0.03%	0.43%
City Court Judicial	571,969	556,513	610,682	687,818	77,136	12.63%	0.43%
Contingency Fund	7,000	39,766	615,742	500,000	(115,742)	-18.80%	0.31%
Debt Service Fund	7,636,840	8,772,293	9,801,307	11,567,051	1,765,744	18.02%	7.20%
Election Expense	0	207,121	0	0	0	N/A	0.00%
Human Services	1,333,477	1,333,477	1,333,477	1,333,477	0	0.00%	0.83%
Internal Audit	0	0	271,109	423,835	152,726	56.33%	0.26%
Intergovernmental Relations	325,991	287,390	228,850	327,000	98,150	42.89%	0.20%
Pensions, FICA & UIC	48,072	61,686	50,000	50,000	0	0.00%	0.03%
T.A.P. (tuition & books)	15,301	15,985	20,000	20,000	0	0.00%	0.01%
Downtown Design Center	226,732	202,743	0	0	0	N/A	0.00%
Renewal & Replacement	2,712,109	1,463,442	1,500,000	2,017,897	517,897	34.53%	1.26%
Enterprise Center	0	0	100,000	100,000	0	0.00%	0.06%
General Services Administration	0	0	0	392,778	392,778	N/A	0.24%
Information Services	0	0	0	2,666,635	2,666,635	N/A	1.66%
Telecommunications	0	0	0	328,023	328,023	N/A	0.20%
Purchasing	0	0	0	849,421	849,421	N/A	0.53%
Building Maintenance	0	0	0	624,939	624,939	N/A	0.39%
Radio & Electronics	0	0	0	442,578	442,578	N/A	0.28%
Property Maintenance	0	0	0	104,400	104,400	N/A	0.07%
Real Estate	0	0	0	125,558	125,558	N/A	0.08%
311 Call Center	334,837	373,059	441,868	475,350	33,482	7.58%	0.30%
<b>total</b>	<b>\$28,974,703</b>	<b>\$32,676,790</b>	<b>\$33,119,077</b>	<b>\$37,516,622</b>	<b>\$4,397,545</b>	<b>13.28%</b>	<b>23.37%</b>

**Undesignated General Fund Expenditures**

Fiscal Years 2004-2007

Expenditure	Actual	Actual	Budget	Budget	BUDGET '07	%	%
	FY 03/04	FY 04/05	FY 05/06	FY06/07	INC/(DEC)	FY 06/07	OF TOTAL
<b>Department of Finance &amp; Administration:</b>							
Finance Office	1,686,290	1,692,769	1,982,210	1,997,681	15,471	0.78%	1.24%
Information Services	2,483,693	2,707,131	2,636,621	0	(2,636,621)	-100.00%	0.00%
City Treasurer	504,495	507,318	584,131	740,631	156,500	26.79%	0.46%
Telecommunications	357,687	307,981	329,344	0	(329,344)	-100.00%	0.00%
City Court Clerk's Office	1,025,646	931,534	1,032,611	1,049,782	17,171	1.66%	0.65%
Purchasing	782,117	818,023	838,193	0	(838,193)	-100.00%	0.00%
Building Maintenance	575,930	585,179	693,561	0	(693,561)	-100.00%	0.00%
Radio & Electronics	362,971	372,747	426,676	0	(426,676)	-100.00%	0.00%
Property Maintenance	51,474	43,942	108,500	0	(108,500)	-100.00%	0.00%
Real Estate	117,634	96,783	173,098	0	(173,098)	-100.00%	0.00%
<b>total</b>	<b>\$7,947,937</b>	<b>\$8,063,407</b>	<b>\$8,804,945</b>	<b>\$3,788,094</b>	<b>(\$5,016,851)</b>	<b>-56.98%</b>	<b>2.36%</b>
<b>Department of Police:</b>							
	<b>\$36,361,569</b>	<b>\$36,461,093</b>	<b>\$38,883,221</b>	<b>\$40,008,735</b>	<b>\$1,125,514</b>	<b>2.89%</b>	<b>24.92%</b>
<b>Department of Fire:</b>							
Fire Operations	23,157,592	23,868,962	25,465,475	25,780,192	314,717	1.24%	16.06%
Utilities	886,870	763,981	257,300	293,500	36,200	14.07%	0.18%
Fire Hydrants	0	0	0	0	0	N/A	0.00%
Combat Challenge	0	0	0	0	0	N/A	0.00%
<b>total</b>	<b>\$24,044,462</b>	<b>\$24,632,943</b>	<b>\$25,722,775</b>	<b>\$26,073,692</b>	<b>\$350,917</b>	<b>1.36%</b>	<b>16.24%</b>
<b>Department of Public Works:</b>							
Administration	892,794	1,024,510	1,024,997	981,465	(43,532)	-4.25%	0.61%
City Engineer	1,736,237	1,863,900	1,701,773	1,931,329	229,556	13.49%	1.20%
Downtown Design Center	0	0	0	0	0	N/A	0.00%
City Wide Services	3,540,316	3,807,043	3,755,551	4,118,299	362,748	9.66%	2.57%
Sewer Construction & Maintenance	1,870,621	2,093,301	2,041,157	2,152,005	110,848	5.43%	1.34%
Land Development Office	1,700,516	1,899,850	2,495,411	2,688,389	192,978	7.73%	1.67%
Utilities	142,624	141,889	136,312	191,586	55,274	40.55%	0.12%
Pump Stations	92,880	138,595	106,530	112,240	5,710	5.36%	0.07%
Traffic Management	2,360,747	2,220,776	2,441,465	2,498,517	57,052	2.34%	1.56%
Street Lighting	2,486,592	2,597,269	2,336,408	2,778,375	441,967	18.92%	1.73%
Subsidies to Other Funds	5,515,968	5,565,707	5,530,367	5,712,694	182,327	3.30%	3.56%
Municipal Forestry	461,515	497,776	521,115	530,517	9,402	1.80%	0.33%
Waste Pickup - Brush	2,704,319	2,619,143	2,475,591	2,921,193	445,602	18.00%	1.82%
Waste Pickup - Garbage	2,988,970	3,137,819	3,096,074	3,603,788	507,714	16.40%	2.24%
<b>total</b>	<b>\$26,494,099</b>	<b>\$27,607,578</b>	<b>\$27,662,751</b>	<b>\$30,220,397</b>	<b>\$2,557,646</b>	<b>9.25%</b>	<b>18.82%</b>
<b>Department of Parks &amp; Recreation:</b>							
Administration	999,770	1,088,557	1,106,655	1,183,998	77,343	6.99%	0.74%
Recreation	4,018,664	4,296,043	4,232,587	4,547,119	314,532	7.43%	2.83%
Parks	4,306,159	4,354,692	4,716,644	5,051,581	334,937	7.10%	3.15%
Civic Facilities	1,173,661	1,184,562	0	0	0	N/A	0.00%
<b>total</b>	<b>\$10,498,254</b>	<b>\$10,923,854</b>	<b>\$10,055,886</b>	<b>\$10,782,698</b>	<b>\$726,812</b>	<b>7.23%</b>	<b>6.72%</b>
<b>Department of Personnel:</b>							
Administration	883,250	926,164	989,974	1,027,917	37,943	3.83%	0.64%
Physicals	98,614	107,129	116,200	10,000	(106,200)	-91.39%	0.01%
Employee's Insurance Office	333,289	267,662	332,205	419,188	86,983	26.18%	0.26%
Employee's Insurance Program	3,477,183	3,820,405	4,853,500	4,494,044	(359,456)	-7.41%	2.80%
Wellness Initiative	285,468	356,941	313,800	108,926	(204,874)	-65.29%	0.07%
Job Injury Administration	74,880	74,880	78,600	78,600	0	0.0%	0.05%
<b>total</b>	<b>\$5,152,684</b>	<b>\$5,553,181</b>	<b>\$6,684,279</b>	<b>\$6,138,675</b>	<b>(\$545,604)</b>	<b>-8.2%</b>	<b>3.82%</b>
<b>Department of Neighborhood Services:</b>							
Administration	241,647	362,786	372,369	460,021	87,652	23.54%	0.29%
Animal Services	0	1,008,861	0	0	0	N/A	0.00%
Codes & Community Services	766,342	802,502	812,437	1,175,169	362,732	44.65%	0.73%
Grants Administration	0	0	140,804	119,382	(21,422)	-15.21%	0.07%
Human Rights	0	0	34,818	0	(34,818)	-100.00%	0.00%
Neighborhood Relations	387,205	362,754	367,538	0	(367,538)	-100.00%	0.00%
Neighborhood Grants	115,000	100,000	100,000	86,800	(13,200)	-13.20%	0.05%
<b>total</b>	<b>\$1,510,194</b>	<b>\$2,636,903</b>	<b>\$1,827,966</b>	<b>\$1,841,372</b>	<b>\$13,406</b>	<b>0.73%</b>	<b>1.15%</b>

**Undesignated General Fund Expenditures**

Fiscal Years 2004-2007

Expenditure	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY06/07	BUDGET '07 INC/(DEC)	% CHANGE		% OF TOTAL
						FY 06/07		
<b>Executive Branch:</b>								
Mayor's Office	770,988	792,765	897,290	887,417	(9,873)	-1.10%		0.55%
Office of Performance Review	145,736	121,244	0	0	0	N/A		0.00%
Human Rights	38,281	18,180	0	0	0	N/A		0.00%
Office of Capital Planning	0	137,812	0	0	0	N/A		0.00%
Great Ideas Competition	0	0	0	60,000	60,000	N/A		0.04%
Community Development	165,917	141,930	0	0	0	N/A		0.00%
Grants Administration	113,573	146,747	0	0	0	N/A		0.00%
Multicultural Affairs	0	0	400,000	750,676	350,676	87.67%		0.47%
Office of Faith Based Initiatives	0	0	0	283,005	283,005	N/A		0.18%
Asset Management	0	0	135,107	0	(135,107)	-100.00%		0.00%
<b>total</b>	<b>\$1,234,495</b>	<b>\$1,358,678</b>	<b>\$1,432,397</b>	<b>\$1,981,098</b>	<b>\$548,701</b>	<b>38.31%</b>		<b>1.23%</b>
<b>Department of Education, Arts, &amp; Culture:</b>								
Administration	0	0	203,352	327,461	124,109	61.03%		0.20%
Civic Facilities	0	0	1,191,478	1,695,465	503,987	42.30%		1.06%
Arts & Culture	0	0	126,111	181,691	55,580	44.07%		0.11%
<b>total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,520,941</b>	<b>\$2,204,617</b>	<b>\$683,676</b>	<b>44.95%</b>		<b>1.37%</b>
<b>Expenditure Total</b>	<b>\$142,218,397</b>	<b>\$149,914,427</b>	<b>\$155,714,238</b>	<b>\$160,556,000</b>	<b>\$4,841,762</b>	<b>3.11%</b>		<b>100.00%</b>



# Special Revenue Funds

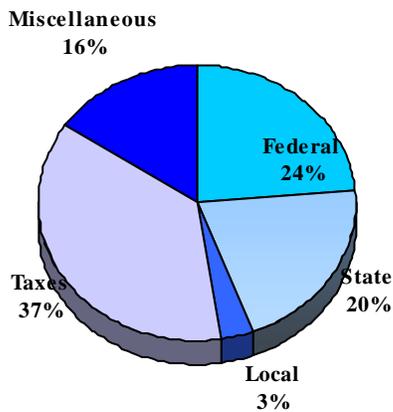
## Fund Structure

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government. The basis of budgeting for these funds is modified accrual. Included funds are State Street Aid, Human Services, Economic Development, Narcotics, Community Development, Hotel/Motel Occupancy Tax Fund, and Municipal Golf Course Fund. For fiscal year ended June 30, 2006 the budgeted revenue and expenses were as follows:

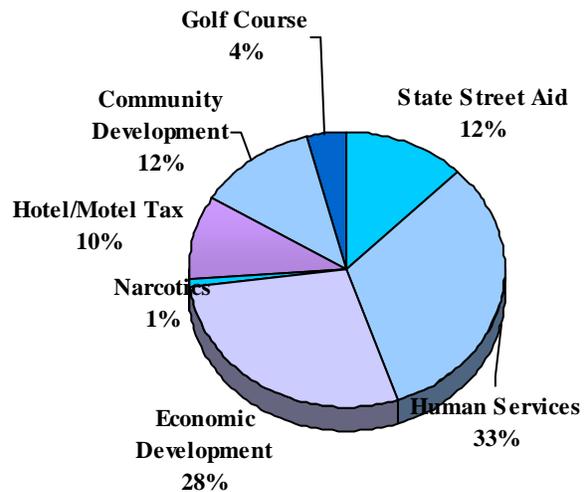
Fund	FY06 Budgeted Revenue & Expenses	(unaudited) FY06 Actual Revenues	(unaudited) FY06 Actual Expenses
State Street Aid Fund	\$4,781,733	\$4,423,940	\$4,772,111
Human Services Fund	\$13,190,153	\$13,401,727	\$13,622,965
Economic Development Fund	\$10,488,000	\$10,796,695	\$9,326,362
Narcotics Fund	\$157,134	\$845,576	\$264,690
Community Development Fund	\$5,172,847	\$5,523,164	\$5,003,906
Hotel/Motel Tax	\$ 3,000,000	\$ 3,960,033	\$3,225,897
Municipal Golf Course Fund	\$ 1,657,483	\$ 1,592,592	\$ 1,863,731

## Fiscal Year 2006/2007

**Revenue by Source**  
\$38,504,251



**Appropriation by Fund**  
\$38,504,251



### Fund Revenue Summary

Fiscal Year Ending June 30, 2004-2007

(expressed in \$1,000)

Fund Type:	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	Budget 07 Increase (Decrease)	% CHANGE FY 06/07
<b>Special Revenue Fund</b>						
State Street Aid	4,720	4,768	4,754	4,782	28	0.6%
Human Services	13,583	13,372	13,190	12,487	(703)	-5.3%
Economic Development Fund	19,691	10,410	10,488	10,895	407	3.9%
Narcotics	283	235	157	270	113	72.0%
Hotel/Motel Tax Fund	2,058	2,583	3,000	3,750	750	25.0%
Community Development Fund	6,030	5,588	5,173	4,672	(501)	-9.7%
Municipal Golf Course	1,609	1,543	1,658	1,648	(10)	-0.6%
<b>Total Special Revenue Fund</b>	<b>47,974</b>	<b>38,499</b>	<b>38,420</b>	<b>38,504</b>	<b>84</b>	<b>0.2%</b>

## Revenues

### State Street Aid

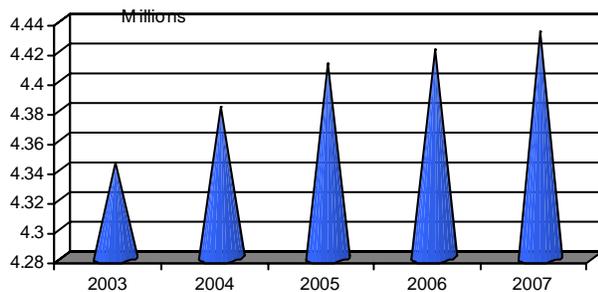
This fund was established to receive and account for the State's distribution of the gasoline tax. Funds received in this fund are restricted to road related projects. To qualify for a portion of this distribution, the City must meet State guidelines which require that a municipality appropriate an amount equal to at least the average appropriations for road work for the previous five years. Collections in this fund have slightly increased over the past few years due to the gradual increase in gasoline prices.

### Human Services Fund

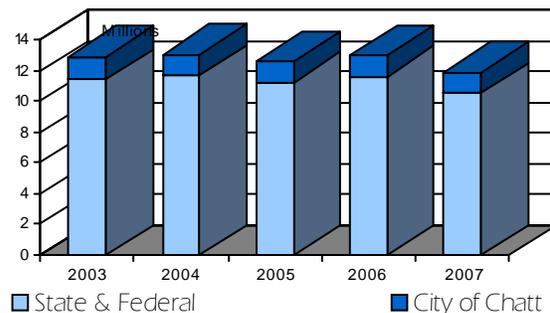
Human Services receives Federal, State, and City appropriations. This fund for FY07 is estimated to decreased by 5% from FY06. The State accounts for most of this decrease in addition to a smaller decrease by Federal.

During the year estimates for Federal and State could increase. The chart below shows how revenue for this fund has varied during a five year period.

State Gas Tax Collections



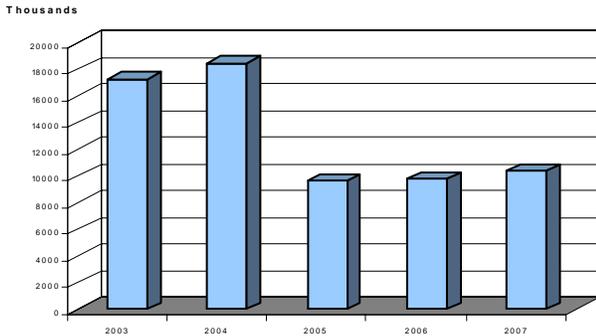
Human Services Collections



## Economic Development Fund

In August 1997, the citizens of Chattanooga approved a half-cent tax on retail sales in the city. Revenues from this tax were shared on a 50/50 basis for education and economic development. In a county-wide election in February 2004, the residents of Hamilton County voted to increase the county-wide local option tax rate from 1.75% to 2.25% thereby repealing the city-only 1/2% tax. The additional taxes generated by the 1/2% increase in the county-wide tax will be distributed to the county, city and education in accordance with TCA 67-6-712 which requires that 50% is used for education and the remainder on a situs basis. The City should continue to receive a comparable amount for economic development from the county-wide tax as it has in prior years. The education component is distributed directly to the Hamilton County Department of Education as demonstrated by the 50% reduction in the FY2005 budget below.

### *Economic Development*

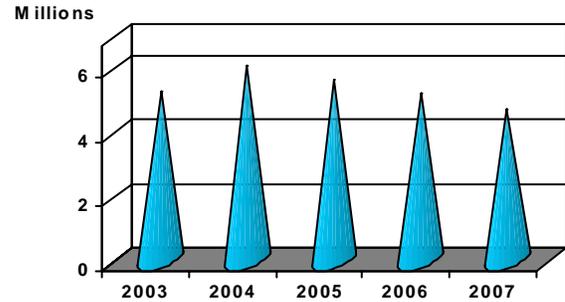


## Community Development

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

The total FY07 decrease for this fund is \$500,695 compared to FY06. This decrease in the fund is due to the changes in grant funding during the City's fiscal year. As with most federal funds, these sources are allocated to the City based on the Federal Government's budget year which is different from the City's fiscal reporting year.

## Community Development Collections



## Hotel-Motel Occupancy Privilege Tax Fund

Recently enacted legislation grants the City of Chattanooga the authority to levy a privilege tax on the occupancy of hotel/motel rooms by transients. Pursuant to T.C.A 67-4-1401, et seq. and City Ordinance No 11303, the City has levied such a tax that will be phased in over a 30-month period and began on October 1, 2002 at the following rates:

October 1, 2002 thru September 30, 2003	2%
October 1, 2003 thru April 30, 2005	3%
May 1, 2005 and thereafter	4%

The FY06 revenue totaled \$3,960,033. The FY07 estimate is \$3,750,000.

## Municipal Golf Course Fund

Revenues comes mainly from green fees and golf cart rentals. Overall estimated revenues are expected to decrease by 0.6% from FY06 budget.

## Narcotics Fund

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

### Fund Expenditure Summary

Fiscal Year Ending June 30, 2004-2007

(expressed in \$1,000)

Fund Type:	Actual	Actual	Budget	Budget	Budget 07	%
	FY 03/04	FY 04/05	FY 05/06	FY 06/07	Increase (Decrease)	CHANGE FY 06/07
<b>Special Revenue Fund</b>						
State Street Aid	4,096	4,689	4,754	4,782	28	0.6%
Human Services	13,583	13,394	13,190	12,487	(703)	-5.3%
Economic Development Fund	17,402	12,827	10,488	10,895	407	3.9%
Narcotics	172	171	157	270	113	72.0%
Hotel/Motel Tax Fund	2,058	2,376	3,000	3,750	750	25.0%
Community Development Fund	9,109	5,078	5,173	4,672	(501)	-9.7%
Municipal Golf Course	1,701	1,754	1,658	1,648	(10)	-0.6%
<b>Total Special Revenue Fund</b>	<b>48,121</b>	<b>40,289</b>	<b>38,420</b>	<b>38,504</b>	<b>84</b>	<b>0.2%</b>

## Expenses

### State Street Aid

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

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

### Human Services

Human Services' expenditures have been flat to declining in the past four years. The primary reason for the decline in FY07 is the reduction of food programs and a decrease in anticipated State funds.

### Hotel-Motel Occupancy Privilege Tax Fund

This tax is used to fund improvements in the downtown and riverfront area to encourage tourism and enhance community quality of life. This tax was dedicated to the 21st Century Waterfront Plan which involved redevelopment of the city waterfront. The Waterfront Plan, with an estimated cost of \$120 million, was funded jointly by the public and the private sectors. Current funds will be used to pay down the project balance.

### Economic Development Fund

During FY2007, \$9,104,725 will be spent on debt service for the Southside Development. Since Hamilton County residents voted for the half-a-cent sales tax, no City portion is collected and remitted to the County School System. The remaining funds are dedicated to economic development.

### Municipal Golf Course Fund

Funds are used to cover the operational cost of the City's two golf courses. The primary cost are personnel and purchase services. In keeping in line with estimated revenues, expenses have also been reduced from FY06.

### Community Development

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

### Narcotics Fund

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

## Special Fund Revenues

Fiscal Years 2004 - 2007

Revenue Source	Actual	Actual	Budget	Budget	BUDGET '07 INC/(DEC)	%	
	FY 03/04	FY 04/05	FY 05/06	FY 06/07		CHANGE FY 06/07	% OF TOTAL
<b>State Street Aid (Fund 2104)</b>							
State of Tennessee	4,381,334	4,410,939	4,419,289	4,431,733	12,444	0.3%	11.5%
Fund Balance	320,000	320,000	300,000	300,000	0	0.0%	0.8%
Interest Earnings	18,397	37,437	35,000	50,000	15,000	42.9%	0.1%
<b>Total State Street Aid</b>	<b>\$4,719,731</b>	<b>\$4,768,376</b>	<b>\$4,754,289</b>	<b>\$4,781,733</b>	<b>\$27,444</b>	<b>0.6%</b>	<b>12.4%</b>
<b>Human Services (Fund 2102)</b>							
Federal - State Grants	11,738,793	11,273,879	11,620,367	10,565,165	(1,055,202)	-9.1%	27.4%
City of Chattanooga	1,333,477	1,333,477	1,333,477	1,333,477	0	0.0%	3.5%
Day Care Fees	123,317	141,511	53,000	82,920	29,920	56.5%	0.2%
Miscellaneous	32,258	73,613	28,000	28,000	0	0.0%	0.1%
Interest Income	11,676	36,054	10,000	50,000	40,000	400.0%	0.1%
Fund Balance	343,799	513,015	145,309	427,304	281,995	194.1%	1.1%
<b>Total Human Services</b>	<b>\$13,583,320</b>	<b>\$13,371,549</b>	<b>\$13,190,153</b>	<b>\$12,486,866</b>	<b>(\$703,287)</b>	<b>-5.3%</b>	<b>32.4%</b>
<b>Economic Development (Fund 1119)</b>							
Local Option Sales Tax	18,444,846	9,615,776	9,799,000	10,400,000	601,000	6.1%	27.0%
Intergovernmental	1,198,182	793,910	689,000	495,000	(194,000)	-28.2%	1.3%
Interest Income	48,297	0	0	0	0	N/A	0.0%
<b>Total Economic Development</b>	<b>\$19,691,325</b>	<b>\$10,409,686</b>	<b>\$10,488,000</b>	<b>\$10,895,000</b>	<b>\$407,000</b>	<b>3.9%</b>	<b>28.3%</b>
<b>Narcotics (Fund 2103)</b>							
Federal	32,121	16,318	0	0	0	N/A	0.0%
State	44,714	0	0	0	0	N/A	0.0%
Confiscated Narcotics Funds	119,406	142,765	77,134	170,250	93,116	120.7%	0.4%
Other	86,887	76,113	80,000	100,000	20,000	25.0%	0.3%
<b>Total Narcotics</b>	<b>\$ 283,128</b>	<b>\$235,196</b>	<b>\$ 157,134</b>	<b>\$ 270,250</b>	<b>\$ 113,116</b>	<b>72.0%</b>	<b>0.7%</b>
<b>Hotel/Motel Tax (Fund 2106)</b>							
21st Century Waterfront	2,040,244	2,583,318	3,000,000	3,750,000	750,000	25.0%	9.7%
Interest Income	17,916	0	0	0	0	N/A	0.0%
<b>Total Hotel/Motel Tax</b>	<b>\$2,058,160</b>	<b>\$2,583,318</b>	<b>\$3,000,000</b>	<b>\$3,750,000</b>	<b>\$750,000</b>	<b>25.0%</b>	<b>9.7%</b>
<b>Community Development (Fund 2105) (includes HOME program)</b>							
Federal	4,937,515	2,752,971	3,472,847	1,487,941	(1,984,906)	-57.2%	3.9%
Investment Income	127,522	0	0	0	0	N/A	0.0%
Miscellaneous/Program	964,570	2,835,516	1,700,000	3,184,211	1,484,211	87.3%	8.3%
<b>Total Community Development</b>	<b>\$6,029,607</b>	<b>\$5,588,487</b>	<b>\$5,172,847</b>	<b>\$4,672,152</b>	<b>(\$500,695)</b>	<b>-9.7%</b>	<b>12.1%</b>
<b>Total Municipal Golf Course (1106)</b>	<b>\$1,609,092</b>	<b>\$1,542,996</b>	<b>\$1,657,483</b>	<b>\$1,648,250</b>	<b>(\$9,233)</b>	<b>-0.6%</b>	<b>4.3%</b>
<b>Grand Total</b>	<b>\$47,974,363</b>	<b>\$38,499,608</b>	<b>\$38,419,906</b>	<b>\$38,504,251</b>	<b>\$84,345</b>	<b>0.2%</b>	<b>100.0%</b>

## Special Fund Expenditures

Fiscal Years 2004 - 2007

Expenditures	Actual	Actual	Budget	Budget	BUDGET '07 INC/(DEC)	%	% OF TOTAL
	FY 03/04	FY 04/05	FY 05/06	FY 06/07		CHANGE FY 06/07	
<b>State Street Aid (Fund 2104)</b>							
Street Maintenance	4,095,691	4,688,518	4,754,289	4,781,733	27,444	0.6%	12.42%
<b>Total State Street Aid</b>	<b>\$4,095,691</b>	<b>\$4,688,518</b>	<b>\$4,754,289</b>	<b>\$4,781,733</b>	<b>27,444</b>	<b>0.6%</b>	<b>12.42%</b>
<b>Human Services (Fund 2102)</b>							
Administration	878,545	1,045,726	826,124	896,505	70,381	8.5%	2.33%
Headstart	7,787,841	7,809,684	7,716,499	7,825,309	108,810	1.4%	20.32%
Daycare	826,346	708,589	892,900	843,448	(49,452)	-5.5%	2.19%
Weatherization	435,285	235,318	349,550	340,840	(8,710)	-2.5%	0.89%
Foster Grandparents	477,163	474,327	494,379	504,780	10,401	2.1%	1.31%
LIHEAP	1,097,071	1,198,890	1,057,716	1,058,770	1,054	0.1%	2.75%
Community Service Block Grant	709,198	774,438	730,795	729,411	(1,384)	-0.2%	1.89%
Neighborhood Family Services	91,309	94,463	99,000	89,500	(9,500)	-9.6%	0.23%
Occupancy	122,373	180,875	0	0	0	N/A	0.00%
Title II Commodities	103,985	102,785	35,435	40,435	5,000	14.1%	0.11%
Emergency Food & Shelter	32,949	24,691	32,120	37,000	4,880	15.2%	0.10%
Human Services Programs	237,745	130,974	28,000	28,000	0	0.0%	0.07%
Food Programs	690,553	518,787	834,767	0	(834,767)	-100.0%	0.00%
Chambliss Home	20,000	20,000	20,000	20,000	0	0.0%	0.05%
City General Relief -	72,957	74,402	72,868	72,868	0	0.0%	0.19%
<b>Total Human Services</b>	<b>\$13,583,320</b>	<b>\$13,393,949</b>	<b>\$13,190,153</b>	<b>\$12,486,866</b>	<b>(703,287)</b>	<b>-5.3%</b>	<b>32.43%</b>
<b>Economic Development (Fund 1119 &amp; P419)</b>							
Hamilton County Schools	8,459,059	0	0	0	0	N/A	0.00%
Other	815,941	625,000	625,000	625,000	0	0.0%	1.62%
Debt Service	5,646,181	6,651,609	7,199,000	9,104,725	1,905,725	26.5%	23.65%
Capital Outlay/Projects	2,480,903	5,550,000	2,664,000	1,165,275	(1,498,725)	-56.3%	3.03%
<b>Total Economic Development</b>	<b>\$17,402,084</b>	<b>\$12,826,609</b>	<b>\$10,488,000</b>	<b>\$10,895,000</b>	<b>407,000</b>	<b>3.9%</b>	<b>28.30%</b>
<b>Narcotics (Fund 2103)</b>							
Operations	172,212	171,122	157,134	270,250	113,116	72.0%	0.70%
<b>Total Narcotics</b>	<b>\$172,212</b>	<b>\$171,122</b>	<b>\$157,134</b>	<b>\$270,250</b>	<b>\$113,116</b>	<b>72.0%</b>	<b>0.70%</b>
<b>Hotel/Motel Tax (Fund 2106)</b>							
21st Century Waterfront	1,988,139	2,295,005	2,910,000	461,503	(2,448,497)	-84.1%	1.20%
Hamilton County	30,000	30,000	30,000	30,000	0	0.0%	0.08%
Debt Service	0	0	0	3,183,497	3,183,497	N/A	8.27%
Hotel/Motel Collection Fee	40,021	51,236	60,000	75,000	15,000	25.0%	0.19%
<b>Total Hotel/Motel Tax</b>	<b>\$2,058,160</b>	<b>\$2,376,241</b>	<b>\$3,000,000</b>	<b>\$3,750,000</b>	<b>750,000</b>	<b>25.0%</b>	<b>9.74%</b>
<b>Community Development (Fund 2105)</b> <i>(includes HOME program)</i>							
Community Development Project	8,679,158	4,680,028	4,533,847	4,096,487	(437,360)	-9.6%	10.64%
Administration	430,147	398,148	639,000	575,665	(63,335)	-9.9%	1.50%
<b>Total Community Development</b>	<b>\$9,109,305</b>	<b>\$5,078,176</b>	<b>\$5,172,847</b>	<b>\$4,672,152</b>	<b>(500,695)</b>	<b>-9.7%</b>	<b>12.13%</b>
<b>Total Municipal Golf Course (1106)</b>	<b>\$1,701,183</b>	<b>\$1,754,151</b>	<b>\$1,657,483</b>	<b>\$1,648,250</b>	<b>(9,233)</b>	<b>-0.6%</b>	<b>4.28%</b>
<b>Grand Totals</b>	<b>\$48,121,955</b>	<b>\$40,288,766</b>	<b>\$38,419,906</b>	<b>\$38,504,251</b>	<b>84,345</b>	<b>0.2%</b>	<b>100.00%</b>

# Enterprise Funds

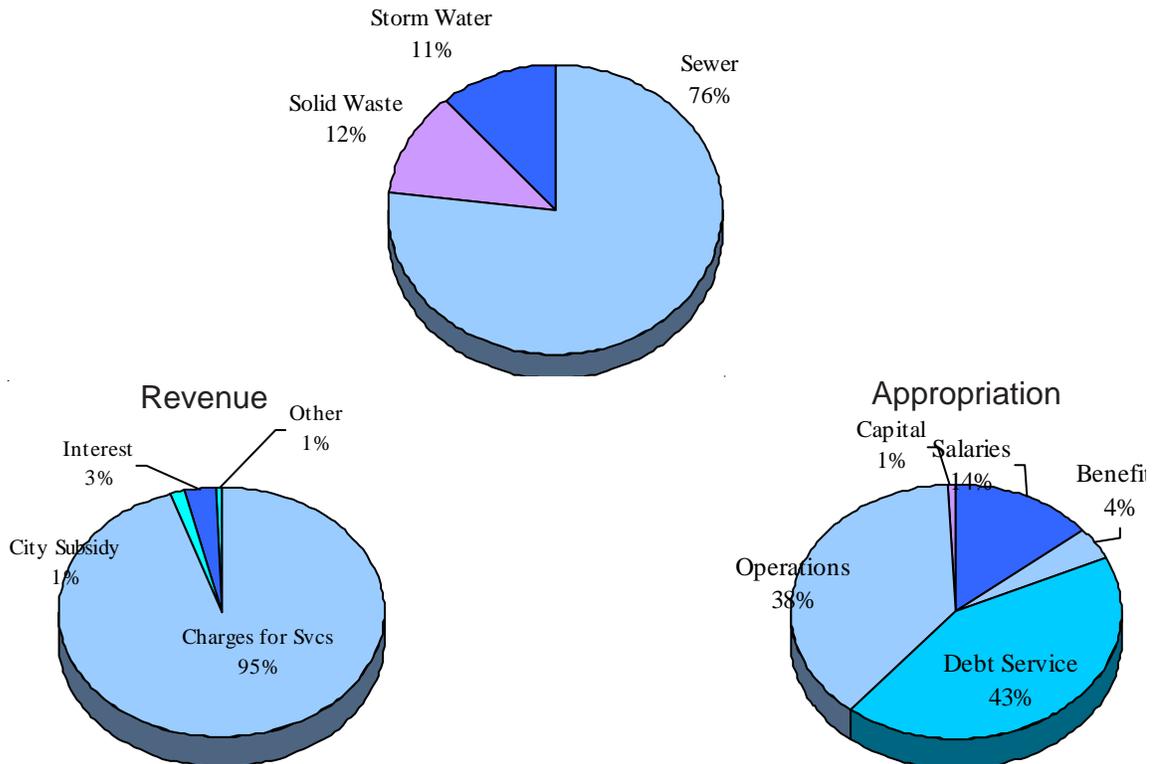
## Fund Structure

Enterprise Funds are established for operations that the City chooses to account for as though they were private enterprises. An Enterprise Fund might be established because an operation is expected to cover its costs (including depreciation expense) through user charges or because the City believes it is necessary to account for income and capital maintenance. The budgetary basis of accounting for these funds is the accrual method where measurement focus is their economic resources, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. The CAFR shows the status of the funds finances on the basis of GAAP. The City of Chattanooga has three (3) budgeted Enterprise Funds: Interceptor Sewer Fund, Storm Water Management Fund and Solid Waste and Sanitation Fund. As of June 30, 2006 the budgeted revenue and expenses were as follows:

FUND	FY 06 Budgeted Revenue & Expenditures	FY 06 Actual Revenues	FY 06 Actual Expenses
Interceptor Sewer Fund	41,167,652	39,970,238	41,477,979
Solid Waste & Sanitation Fund	5,758,005	5,867,239	5,484,892
Storm Water Management Fund	7,674,780	8,086,516	7,123,600

## Fiscal Year 2006/2007

Appropriation by Fund \$50,474,912



**Fund Revenue Summary**  
Fiscal Year Ending June 30, 2007  
(expressed in \$1,000)

Fund Type:	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 Increase (Decrease)	% CHANGE FY 06/07
<b>Enterprise Funds</b>						
Interceptor Sewer System	35,407	36,309	41,168	38,837	(2,331)	-5.7%
Solid Waste & Sanitation	6,156	6,333	5,758	5,950	192	3.3%
Storm Water Fund	6,765	7,628	7,675	5,687	(1,988)	-25.9%
<b>Total Enterprise Funds</b>	<b>48,328</b>	<b>50,271</b>	<b>54,600</b>	<b>50,475</b>	<b>(4,125)</b>	<b>-7.6%</b>

## Revenues

### Interceptor Sewer Fund

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

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

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

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

The City operates the System on a self-supporting basis from sewer service charges and fees. The July 1, 2006 proposed rate schedule, is as follows:

### Enumeration Of Charges - Quantity of Water Used

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

User Class	FY07-1 Total Charges (\$/1,000 gal)	FY07-2 Total Charges (\$/1,000 gal)
First 100,000	\$ 4.30	\$ 4.55
Next 650,000	3.18	3.37
Next 1,250,000	2.58	2.73
Next 30,000,000	1.93	2.06
Over 32,000,000	1.76	1.95

### Regional Service Charge Rate (Wheelage and Treatment)

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

#### Billable Flow

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

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 1.2768	\$ 0.6234	\$ 1.9002

If regional customers are billed directly through the water company, the rate shall be one dollar and forty-nine cents (\$1.91) per one thousand (1,000) gallons.

#### Total Flow

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

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 0.6834	\$ 0.3337	\$1.0171

### Monthly Minimum Sewer Service Charges

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

Meter Size	FY07-1 Charge per Month	FY07-2 Charge per Month
5/8"	\$ 8.88	\$ 9.41
3/4"	31.71	33.59
1"	55.40	58.68
1 1/2"	124.00	131.35
2"	219.55	232.56
3"	514.65	545.15
4"	951.09	1,007.45
6"	2,265.34	2,399.60
8"	4,006.98	4,244.45

### Industrial User Sewer Surcharge

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

- \$0.092 per pound of 5-day biochemical oxygen demand (BOD<sub>5</sub>) for concentrations in excess of 300 milligrams per liter, and,
- \$0.066 per pound of total suspended solids for concentrations in excess of 400 milligrams per liter.

The City has also established the following fees and charges:

- A Sewer Service Line Connection Fee of \$800;
- A Truck Discharge Operation Permit Fee of \$100 per truck per year;
- A Septic Tank Discharge Fee of \$50.00 per 1,000 gallons of waste;
- Holding Tank Waste Fee of \$4.30 per 1,000 gallons of waste increasing to \$4.55 per 1,000 gallons on April 1, 2007; and
- Garbage Grinders Fee of \$137.00 per month per unit.

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

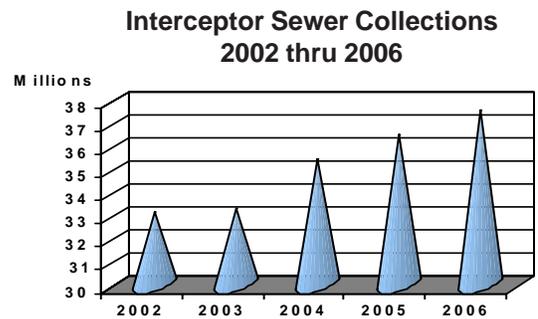
per year funding program. The 6.14% rate increase schedule through fiscal year ending June 30, 1990 was formulated by the consulting engineers pursuant to the five year financial analysis. Enactment of the rate increases requires adoption of the city ordinance by the City Council each year. The five year program and the related future rate increases were announced publicly in the City proceedings in 1985 and they received widespread community support.

The City has followed through with its commitment to raise rates to support the program since 1985. As of April 1990, the City had adopted five consecutive annual sewer rate increases of 6.14%. The first 6.14% rate increase took place July 1985, followed by four more 6.14% rate increases in July 1986, July 1987, July 1988, and July 1989, respectively. Annually, the consulting engineers review the financial operations of the System and its revenue requirements for the upcoming fiscal year to determine the size of the rate increase needed for the next fiscal year, and this year it was decided that a rate increase of roughly 15.5% was necessary.

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

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

Below is the sewer systems historical trend of collections. Revenue increases can be attributed to the completion of several construction projects bringing more taps on line and an increase of \$365,000 in Industrial surcharges.



### Solid Waste and Sanitation Fund

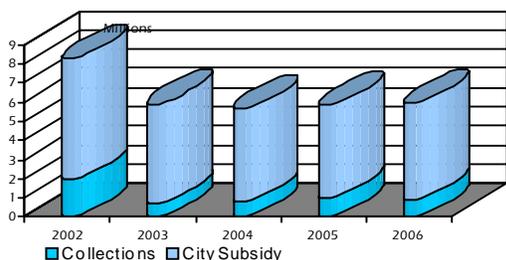
This fund accounts for the costs associated with the disposal of solid waste and recyclable materials. Prior to FY2002, the fund accounted for both collection and disposal of these materials. Due to reorganization, the collection portion of garbage and brush and trash were transferred to Public Works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

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

**Solid Waste Disposal Fee.** Since the revenue from the landfill tipping fees does not totally fund the expenditures of the fund, it is necessary for the General Fund to support the Solid Waste & Disposal Fund through a General Fund Waste Disposal Fee. This FY07 fee of \$5,028,742 accounts for 84.5% of the total budget. The FY06 fee increase of \$182,327 or 3.8% is due to an increase in debt service requirements.

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

**Solid Waste Revenue**

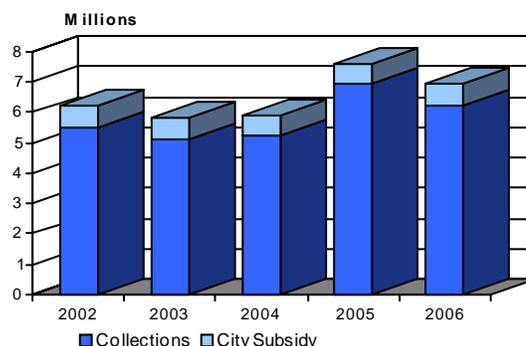


appurtenant, incident or necessary thereto for the construction, extension, enlargement or acquisition of necessary storm water facilities or flood control improvement, including replacement thereof, and for the operation and maintenance thereof, there is imposed a storm water user's fee upon the owner of property served directly or indirectly by the City's storm water system.

The revenue for this fund is derived from Stormwater fees, \$4,863,358 (70.1%), and a City of Chattanooga General Fund subsidy of \$683,952 (9.8%).

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

**Storm Collections**



### Storm Water Management Fund

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

For the purpose of operating the storm water program of the City and the payment of the cost and expenses

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

Fund Type:	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 Increase (Decrease)	% CHANGE FY 06/07
Enterprise Funds						
Interceptor Sewer System	41,497	42,640	41,168	38,837	(2,331)	-5.7%
Solid Waste & Sanitation	5,978	5,892	5,758	5,950	192	3.3%
Storm Water Fund	6,072	5,086	7,675	5,687	(1,988)	-25.9%
<b>Total Enterprise Funds</b>	<b>53,547</b>	<b>56,122</b>	<b>54,600</b>	<b>50,475</b>	<b>(4,125)</b>	<b>-7.6%</b>

## Expenses

### Interceptor Sewer Fund

Expenses for the Interceptor Sewer System reflect major cost areas: personnel costs; chemical costs for liquid and solid handling; maintenance costs; electricity costs and depreciation. Major capital expenses needed for the Moccasin Bend Wastewater Treatment Plant, such as vehicle replacement, pump replacement and major system repairs occur here. In FY 06/07, the operations and maintenance budget increased \$2,945,182, or 15.3%. The largest single change in the ISS budget for FY06/07 is the absence of appropriation from fund balance for various capital projects, where prior year appropriation was \$6,153,000.

The debt service portion of the proposed budget for FY 06/07 increased \$631,224 from FY 05/06. This change is due to the varying interest and principal payments on bonded debt and/or capital outlay notes required from one fiscal year to the next.

### Solid Waste and Sanitation Fund

Expenses in the Solidwaste & Sanitation Fund include:

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

Major expenditures of this fund are personnel costs and vehicle related costs. The Solid Waste Fund budget for FY 06/07 increased \$192,160. This is

due to increase in salaries and benefits along with increased vehicle expenses.

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

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

New bonds will be issued in FY07 to fund expansion of the City Landfill.

### Storm Water Management Fund

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

- Personnel
- Operations
- Capital Projects
- Debt Service

In FY 06/07, proposed in the Capital Budget, Storm Water will again appropriate from fund balance in the amount of \$1.5M. The City has maintained the same level of General Fund support for storm water maintenance and repairs as prior to the implementation of the storm water fee.

## Enterprise Fund Revenues

Fiscal Years 2004 - 2007

Revenue Source	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 INC/(DEC)	% CHANGE FY 06/07	% OF TOTAL
<b>Interceptor Sewer System (Fund 5100):</b>							
Sewer Service Charges	28,249,983	28,418,333	27,331,023	30,396,279	3,065,256	11.2%	60.22%
Industrial Surcharges	2,723,501	3,220,096	2,600,000	2,600,000	0	0.0%	5.15%
Septic Tank Charges	151,558	157,784	65,723	130,000	64,277	97.8%	0.26%
<b>Wheelage &amp; Treatment</b>							
<i>Lookout Mountain, TN</i>	210,334	202,385	226,090	196,691	(29,399)	-13.0%	0.39%
<i>Dade County, GA</i>	0	1,856	2,125	3,916	1,791	84.3%	0.01%
<i>Walker County, GA</i>	233,546	259,568	309,276	325,930	16,654	5.4%	0.65%
<i>Collegedale, TN</i>	237,187	215,716	232,825	210,062	(22,763)	-9.8%	0.42%
<i>Soddy-Daisy, TN</i>	104,948	109,041	123,589	122,104	(1,485)	-1.2%	0.24%
<i>East Ridge, TN</i>	1,167,428	1,139,012	1,294,065	1,080,825	(213,240)	-16.5%	2.14%
<i>Windstone</i>	21,398	22,188	23,947	25,598	1,651	6.9%	0.05%
<i>Hamilton County, TN</i>	289,012	600,912	392,339	458,976	66,637	17.0%	0.91%
<i>Northwest Georgia</i>	435,413	549,670	565,954	598,175	32,221	5.7%	1.19%
<i>Lookout Mountain, GA</i>	43,513	50,446	55,936	57,602	1,666	3.0%	0.11%
<i>RInggold, GA</i>	20,060	45,731	53,187	73,845	20,658	38.8%	0.15%
<i>Rossville, GA</i>	326,092	321,637	362,038	349,142	(12,896)	-3.6%	0.69%
<i>Red Bank, TN</i>	308,840	97,266	411,467	422,915	11,448	2.8%	0.84%
Refund to Regional Users	0	(177,173)	0	0	0	N/A	0.00%
Debt Service Northwest Georgia	441,838	372,335	447,353	447,377	24	0.0%	0.89%
Industrial User Permits	41,500	40,500	43,000	41,000	(2,000)	-4.7%	0.08%
Industrial Violation Fines	3,900	11,817	0	0	0	N/A	0.00%
Garbage Grinder Fees	28,433	23,936	24,715	22,000	(2,715)	-11.0%	0.04%
Capital Contributions	0	0	0	0	0	N/A	0.00%
Miscellaneous Revenue	11,929	23,976	0	0	0	N/A	0.00%
Sale of Property	0	1,067	0	0	0	N/A	0.00%
Fund Balance for Capital	0	0	6,153,000	0	(6,153,000)	-100.0%	0.00%
Interest Earnings	356,615	600,780	450,000	1,275,000	825,000	183.3%	2.53%
<b>Total Interceptor Sewer</b>	<b>\$35,407,028</b>	<b>\$36,308,879</b>	<b>\$41,167,652</b>	<b>\$38,837,437</b>	<b>(\$2,330,215)</b>	<b>-5.7%</b>	<b>76.94%</b>
<b>Solid Waste &amp; Sanitation(Fund 5200):</b>							
Landfill Tipping Fees	800,292	997,285	350,000	404,201	54,201	15.5%	0.80%
Landfill Permit Fees	3,194	2,445	2,500	2,500	0	0.0%	0.00%
City of Chattanooga Tipping Fees	4,832,016	4,881,755	4,846,415	5,028,742	182,327	3.8%	9.96%
State Sub Recyclable Material	30,649	0	60,000	60,000	0	0.0%	0.12%
S/W Surcharge - State	168,399	85,000	85,000	85,000	0	0.0%	0.17%
Interest	97,018	163,016	353,750	346,141	(7,609)	-2.2%	0.69%
Public Works Capital	217,923	202,627	0	0	0	N/A	0.00%
Misc Revenues	6,751	1,193	60,340	23,581	(36,759)	-60.9%	0.05%
<b>Total Solid Waste &amp; Sanitation</b>	<b>\$6,156,242</b>	<b>\$6,333,321</b>	<b>\$5,758,005</b>	<b>\$5,950,165</b>	<b>\$192,160</b>	<b>3.3%</b>	<b>11.79%</b>
<b>Storm Water (Fund 5300):</b>							
Stormwater Fee	5,303,306	5,397,099	4,905,828	4,918,358	12,530	0.3%	9.74%
Public Works Capital	692,374	1,448,981	0	0	0	N/A	0.00%
Fund Balance for Capital	0	0	2,000,000	0	(2,000,000)	-100.0%	0.00%
Misc Revenue	85,271	98,388	85,000	85,000	0	0.0%	0.17%
General Fund Subsidy	683,952	683,952	683,952	683,952	0	0.0%	1.36%
<b>Total Stormwater</b>	<b>\$6,764,903</b>	<b>\$7,628,420</b>	<b>\$7,674,780</b>	<b>\$5,687,310</b>	<b>(\$1,987,470)</b>	<b>-25.9%</b>	<b>11.27%</b>
<b>Grand Totals:</b>	<b>\$48,328,173</b>	<b>\$50,270,619</b>	<b>\$54,600,437</b>	<b>\$50,474,912</b>	<b>(\$4,125,525)</b>	<b>-7.6%</b>	<b>100.00%</b>

## Enterprise Fund Expenditures Fiscal Years 2004 - 2007

Expenditures	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	Budget '07 INC/(DEC)	% CHANGE FY 05/06	% OF TOTAL
<b>Interceptor Sewer System (Fund 5100):</b>							
<b>Operations &amp; Maintenance:</b>							
Administration	2,179,882	2,083,657	1,960,359	2,240,322	279,963	14.3%	4.44%
Safety & Training	95,799	108,836	109,504	106,226	(3,278)	-3.0%	0.21%
Laboratory	426,569	485,433	526,377	555,329	28,952	5.5%	1.10%
Pretreatment/Monitoring	263,214	300,718	316,094	363,542	47,448	15.0%	0.72%
Engineering	172,090	181,656	231,754	264,899	33,145	14.3%	0.52%
Plant Maintenance	1,236,382	1,269,090	1,487,805	1,437,139	(50,666)	-3.4%	2.85%
Sewer Maintenance	1,146,938	1,343,994	1,267,095	1,834,714	567,619	44.8%	3.63%
Moccasin Bend - Liquid Handling	5,296,415	5,346,364	5,592,128	6,738,577	1,146,449	20.5%	13.35%
Moccasin Bend - Solid Handling	1,870,326	2,481,526	3,377,614	4,036,920	659,306	19.5%	8.00%
Inflow & Infiltration	635,964	780,310	771,601	1,145,487	373,886	48.5%	2.27%
Combined Sewer Overflow	264,312	243,268	398,180	393,805	(4,375)	-1.1%	0.78%
Landfill Handling	2,134,045	1,877,966	1,490,000	1,408,890	(81,110)	-5.4%	2.79%
	<u>15,721,936</u>	<u>16,502,818</u>	<u>17,528,511</u>	<u>20,525,850</u>	<u>2,997,339</u>	<u>17.1%</u>	
<b>Pumping Stations</b>							
Mountain Creek	11,545	12,423	16,865	6,900	(9,965)	-59.1%	0.01%
Citico	230,086	281,188	273,981	242,045	(31,936)	-11.7%	0.48%
Friar Branch	112,892	150,654	146,631	119,520	(27,111)	-18.5%	0.24%
Hixson 1,2,3,&4	68,201	69,449	80,212	78,842	(1,370)	-1.7%	0.16%
19th Street	38,842	30,463	48,543	44,178	(4,365)	-9.0%	0.09%
Orchard Knob	66,899	56,697	72,239	52,950	(19,289)	-26.7%	0.10%
South Chickamauga Creek	299,172	281,779	303,047	302,675	(372)	-0.1%	0.60%
Tiftonia 1&2	39,063	96,185	44,218	50,820	6,602	14.9%	0.10%
23rd Street	109,873	103,610	110,303	115,740	5,437	4.9%	0.23%
Latta Street	19,513	8,993	18,136	17,775	(361)	-2.0%	0.04%
Residential Pump Stations	12,187	21,979	14,300	18,750	4,450	31.1%	0.04%
Murray Hills	8,284	9,526	15,355	16,275	920	6.0%	0.03%
Big Ridge 1 - 5	55,475	40,607	75,354	73,063	(2,291)	-3.0%	0.14%
Highland Park	13,025	13,122	12,346	13,625	1,279	10.4%	0.03%
Dupont Parkway	29,669	19,657	26,120	25,385	(735)	-2.8%	0.05%
VAAP	1,644	11,012	5,452	5,465	13	0.2%	0.01%
Northwest Georgia	30,798	42,684	39,600	52,620	13,020	32.9%	0.10%
Brainerd	10,863	11,630	12,456	14,090	1,634	13.1%	0.03%
East Brainerd	40,569	40,951	34,830	33,835	(995)	-2.9%	0.07%
North Chattanooga	28,946	35,717	19,789	20,895	1,106	5.6%	0.04%
South Chattanooga	32,901	16,233	6,088	6,095	7	0.1%	0.01%
Ooltewah-Collegedale	48,771	123,859	61,725	74,375	12,650	20.5%	0.15%
Enterprise South	202	455	5,820	5,335	(485)	-8.3%	0.01%
River Park	0	0	4,250	4,250	0	0.0%	0.01%
Odor Control Pump Stations	462,030	159,367	250,000	250,000	0	0.0%	0.50%
	<u>1,771,450</u>	<u>1,638,240</u>	<u>1,697,660</u>	<u>1,645,503</u>	<u>(52,157)</u>	<u>-3.1%</u>	
Depreciation	9,608,433	9,699,724	0	0	0	N/A	0.00%
<b>Capital Improvements Program</b>							
	353,846	166,483	417,039	342,418	(74,621)	-17.9%	0.68%
<b>Debt Service &amp; Reserve</b>							
Principal	9,046,514	9,373,701	10,445,134	11,196,580	751,446	7.2%	22.18%
Interest	4,994,518	5,258,654	4,926,308	4,806,086	(120,222)	-2.4%	9.52%
Service Charges	0	0	0	0	0	N/A	0.00%
Trfrs to ISS Const Trust	0	0	6,153,000	0	(6,153,000)	-100.0%	0.00%
Reserve Coverage	0	0	0	321,000	321,000	N/A	0.64%
	<u>14,041,032</u>	<u>14,632,355</u>	<u>21,524,442</u>	<u>16,323,666</u>	<u>(5,200,776)</u>	<u>-24.2%</u>	
<b>Reserve for Contingencies</b>							
	0	0	0	0	0	N/A	0.00%
<b>Total Interceptor Sewer</b>	<b>\$41,496,697</b>	<b>\$42,639,620</b>	<b>\$41,167,652</b>	<b>\$38,837,437</b>	<b>(\$2,330,215)</b>	<b>-5.7%</b>	<b>76.94%</b>
<b>Solid Waste &amp; Sanitation(Fund 5200):</b>							
Garbage Collection	0	0	0	0	0	N/A	0.00%
Recycle	556,799	465,276	481,570	594,435	112,865	23.4%	1.18%
Capital Improvements	0	2,605	0	0	0	N/A	0.00%
Sanitary Landfill (Summitt)	200,479	236,630	353,750	346,141	(7,609)	-2.2%	0.69%
Waste Disposal - City Landfill	887,208	873,046	945,614	894,127	(51,487)	-5.4%	1.77%
Compost Waste Recycle	431,874	395,733	413,942	482,810	68,868	16.6%	0.96%
Household Hazardous Waste	114,748	116,111	125,060	125,000	(60)	0.0%	0.25%
Solid Waste Reserve	0	0	244,644	244,644	0	0.0%	0.48%
Depreciation and Bad Debt	611,108	575,284	0	0	0	N/A	0.00%
Debt Service	3,176,185	3,226,911	3,193,425	3,263,008	69,583	2.2%	6.46%
<b>Total Solid Waste &amp; Sanitation</b>	<b>\$5,978,402</b>	<b>\$5,891,596</b>	<b>\$5,758,005</b>	<b>\$5,950,165</b>	<b>\$192,160</b>	<b>3.3%</b>	<b>11.79%</b>
<b>Storm Water (Fund 5300):</b>							
Stormwater Management	1,514,079	1,566,518	1,972,993	1,969,864	(3,129)	-0.2%	3.90%
Stormwater Operations	1,027,672	1,240,766	1,285,265	1,383,310	98,045	7.6%	2.74%
Renewal & Replacement	13,629	65,093	127,400	69,643	(57,757)	-45.3%	0.14%
Capital Improvement	350,000	1,500,000	2,000,000	0	(2,000,000)	-100.0%	0.00%
Depreciation and Bad Debt	889,434	912,084	0	0	0	N/A	0.00%
Debt Service	2,277,148	2,306,676	2,289,122	2,264,493	(24,629)	-1.1%	4.49%
<b>Total Stormwater</b>	<b>\$6,071,962</b>	<b>\$7,591,137</b>	<b>\$7,674,780</b>	<b>\$5,687,310</b>	<b>(\$1,987,470)</b>	<b>-25.9%</b>	<b>11.27%</b>
<b>Grand Totals:</b>	<b>\$53,547,061</b>	<b>\$56,122,353</b>	<b>\$54,600,437</b>	<b>\$50,474,912</b>	<b>(\$4,125,525)</b>	<b>-7.6%</b>	<b>100.00%</b>

# Internal Service Funds

## Fund Structure

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

**Municipal Fleet Services Fund** accounts for revenues and expenditures associated with the operation of the City's garage and gasoline

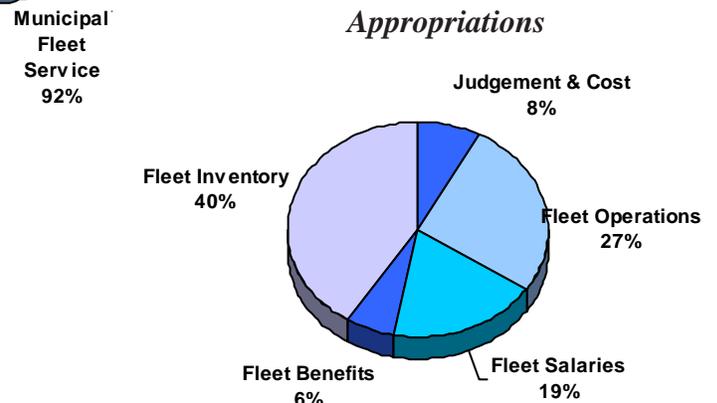
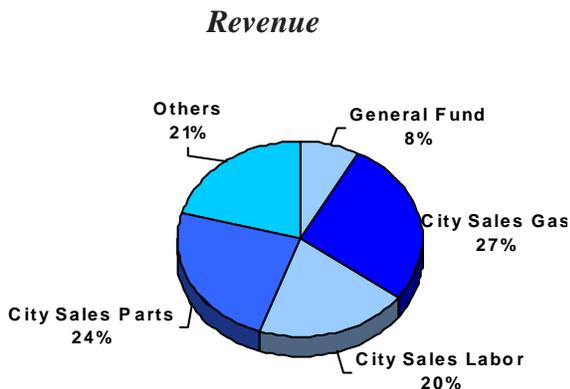
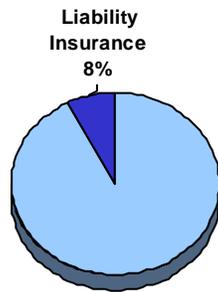
services. The cost for these services are paid by the departments and agencies of City government.

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

Fund	FY06 Budgeted Revenue & Expenses	FY06 Actual Revenues	FY06 Actual Expenses
Municipal Fleet Service Fund	\$7,897,474	\$9,866,829	\$9,495,566
Liability Insurance Fund	\$650,000	\$1,650,000	\$1,134,932

## Fiscal Year 2006/2007

Budgeted Amount by Fund  
\$11,682,253



**Fund Revenue Summary**  
Fiscal Years 2004 - 2007  
(expressed in \$1,000)

Fund Type:	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 Increase (Decrease)	% CHANGE FY 06/07
Internal Service Fund						
Municipal Services	8,155	8,711	7,897	10,782	2,885	36.5%
Liability Insurance Fund	1,916	1,050	650	900	250	38.5%
<b>Total Internal Service Fund</b>	<b>10,071</b>	<b>9,761</b>	<b>8,547</b>	<b>11,682</b>	<b>3,135</b>	<b>36.7%</b>

## Revenues

### Municipal Fleet Services Fund

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

The garages collections and rates have remained constant over the past years. Users pay a \$55.00 per hour charge for garage services. For budgeting or planning purposes during FY07, a 25% premium is applied to parts billed to departments. Gasoline and diesel fuel will be billed to departments at \$0.30/gallon over the average monthly cost.

New for FY07 is the Fleet Leasing Program, in which new vehicles will be purchased, owned and maintained by Fleet Services and leased back to the various departments and agencies at a fixed rate. Designed to replace the entire fleet over a period of six years, the program is expected to both provide the capital for vehicle replacement going forward and reduce maintenance costs with the progressive replacement of the oldest vehicles in the city fleet with new vehicles.

### Liability Insurance Fund

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

### Fund Expenditure Summary

Fiscal Years 2004 - 2007  
(expressed in \$1,000)

Fund Type:	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 Increase (Decrease)	% CHANGE FY 06/07
Internal Service Fund						
Municipal Services	7,721	8,752	7,897	10,782	2,885	36.5%
Liability Insurance Fund	1,555	2,671	650	900	250	38.5%
<b>Total Internal Service Fund</b>	<b>9,276</b>	<b>11,423</b>	<b>8,547</b>	<b>11,682</b>	<b>3,135</b>	<b>36.7%</b>

## Expenses

### Municipal Fleet Services Fund

Expenditures for these funds are primarily for personnel, and inventory supplies.

The number of positions within the Division of Fleet Services decreased from 77 to 61 from FY 02 to FY 07. As equipment replacements are made with more up to date equipment, it was decided the positions would not be filled. However, the cost for salaries has not decreased at the same rate during this time period due to yearly 3% cost of living adjustments. Also, numerous positions have been upgraded to accommodate additional demands.

### Liability Insurance Fund

Expenditures fluctuate over the years depending on advice of Counsel as a result of claims made against the City.

## Internal Service Fund Revenues

Fiscal Years 2004 - 2007

Revenue Source	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 INC/(DEC)	% CHANGE FY 06/07	% OF TOTAL
<b>Municipal Service Station (Fund 6100):</b>							
Amnicola Service Station:							
Fleet Fuel- City Sales	626,348	787,337	905,368	1,052,448	147,080	16.2%	9.01%
Fleet Fuel- Outside Sales	2,841	3,952	7,500	4,564	(2,936)	-39.1%	0.04%
<b>Total Amnicola Station</b>	<b>629,189</b>	<b>791,289</b>	<b>912,868</b>	<b>1,057,012</b>	<b>144,144</b>	<b>15.8%</b>	<b>9.05%</b>
12th & Park Service Station:							
Fleet Fuel- City Sales	1,200,850	1,596,914	1,923,907	2,178,144	254,237	13.2%	18.64%
Fleet Fuel- Outside Sales	83,404	103,608	107,000	133,992	26,992	25.2%	1.15%
<b>Total 12th &amp; Park Station</b>	<b>1,284,254</b>	<b>1,700,522</b>	<b>2,030,907</b>	<b>2,312,136</b>	<b>281,229</b>	<b>13.8%</b>	<b>19.79%</b>
<b>Total Municipal Service Station</b>	<b>\$1,913,443</b>	<b>\$2,491,811</b>	<b>\$2,943,775</b>	<b>\$3,369,148</b>	<b>425,373</b>	<b>14.4%</b>	<b>28.84%</b>
<b>Municipal Garage (Fund 6101)</b>							
Amnicola Garage:							
Sale of Surplus Equip/Scrap	867	58	300	0	(300)	-100.0%	0.00%
Misc Revenue	9,899	(230)	1,000	9,322	8,322	832.2%	0.08%
Fleet - Sale of Parts	998,171	1,233,661	1,000,000	1,200,590	200,590	20.1%	10.28%
Outside Sale of Parts	275,010	228,697	200,000	246,192	46,192	23.1%	2.11%
Sales - Labor	897,710	1,017,320	1,159,216	1,101,359	(57,857)	-5.0%	9.43%
Outside Sales - Labor	235,183	197,068	200,000	212,256	12,256	6.1%	1.82%
Fleet adjusted City sales	878,040	303,920	0	0	0	N/A	0.00%
<b>Total Amnicola Garage</b>	<b>3,294,880</b>	<b>2,980,494</b>	<b>2,560,516</b>	<b>2,769,719</b>	<b>209,203</b>	<b>8.2%</b>	<b>23.71%</b>
12th & Park Garage:							
Sale of Surplus Equip/Scrap	109	0	100	0	(100)	-100.0%	0.00%
Misc Revenue	0	0	200	0	(200)	-100.0%	0.00%
Fleet - Sale of Parts	1,808,373	1,801,715	1,287,469	1,635,744	348,275	27.1%	14.00%
Outside Sale of Parts	(49)	527	9,459	212	(9,247)	-97.8%	0.00%
Sales - Labor	1,138,531	1,158,339	1,089,431	1,215,736	126,305	11.6%	10.41%
Outside Sales - Labor	95	526	6,524	544	(5,980)	-91.7%	0.00%
Fleet adjusted City sales	0	278,080	0	0	0	N/A	0.00%
<b>Total 12th &amp; Park Garage</b>	<b>2,947,059</b>	<b>3,239,187</b>	<b>2,393,183</b>	<b>2,852,236</b>	<b>459,053</b>	<b>19.2%</b>	<b>24.42%</b>
<b>Total Municipal Garage</b>	<b>\$6,241,939</b>	<b>\$6,219,681</b>	<b>\$4,953,699</b>	<b>\$5,621,955</b>	<b>668,256</b>	<b>13.5%</b>	<b>48.12%</b>
<b>Fleet Leasing Program (Fund 6102)</b>							
Sale of Surplus Equip/Scrap	0	0	0	474,222	474,222	N/A	4.06%
Misc Revenue	0	0	0	565,608	565,608	N/A	4.84%
Fleet - Sale of Parts	0	0	0	751,320	751,320	N/A	6.43%
<b>Total Fleet Leasing Program</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,791,150</b>	<b>1,791,150</b>	<b>N/A</b>	<b>15.33%</b>
<b>Total Fleet Services</b>	<b>\$8,155,382</b>	<b>\$8,711,492</b>	<b>\$7,897,474</b>	<b>\$10,782,253</b>	<b>\$2,884,779</b>	<b>36.5%</b>	<b>92.30%</b>
<b>Liability Insurance Fund (6200)</b>							
General Fund Transfer -1100	1,916,000	1,050,000	650,000	900,000	250,000	38.5%	7.70%
<b>Total Liability Insurance</b>	<b>1,916,000</b>	<b>1,050,000</b>	<b>650,000</b>	<b>900,000</b>	<b>250,000</b>	<b>38.5%</b>	<b>7.70%</b>
<b>Grand Total:</b>	<b>\$10,071,382</b>	<b>\$9,761,492</b>	<b>\$8,547,474</b>	<b>\$11,682,253</b>	<b>\$3,134,779</b>	<b>36.7%</b>	<b>100.00%</b>

## Internal Service Fund Expenditures

Fiscal Years 2004 - 2007

Expenditures	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 INC/(DEC)	% CHANGE FY 06/07	% OF TOTAL
<b>Municipal Service Station (Fund 6100):</b>							
<i>Amnicola Service Station</i>							
Salaries & Wages	0	0	0	32,138	32,138	N/A	0.28%
Fringes	0	0	0	7,249	7,249	N/A	0.06%
Purchase Services	6,201	6,547	11,218	3,000	(8,218)	-73.3%	0.03%
Materials & Supplies	0	140	239	870	631	264.0%	0.01%
Vehicle Operation Expenses	3,969	11,586	1,423	0	(1,423)	-100.0%	0.00%
Inventory Supplies	473,751	659,506	622,026	850,000	227,974	36.7%	7.28%
Gov'tl Charges, Taxes, Fees, Misc.	21,312	20,431	0	22,031	22,031	N/A	0.19%
<b>Total Amnicola Station</b>	<b>505,233</b>	<b>698,210</b>	<b>634,906</b>	<b>915,288</b>	<b>280,382</b>	<b>44.2%</b>	<b>7.83%</b>
<i>12th &amp; Park Service Station</i>							
Salaries & Wages	34,541	72,661	44,731	66,301	21,570	48.2%	0.57%
Fringes	7,217	12,169	15,266	21,704	6,438	42.2%	0.19%
Purchase Services	3,708	22,950	8,935	7,100	(1,835)	-20.5%	0.06%
Materials & Supplies	0	0	0	1,870	1,870	N/A	0.02%
Travel	0	0	0	0	0	N/A	0.00%
Vehicle Operation Expenses	2,089	9,764	7,127	27,000	19,873	278.8%	0.23%
Insurance, Claims, Damages	54	54	0	0	0	N/A	0.00%
Inventory Supplies	1,058,149	1,420,963	1,448,932	1,846,904	397,972	27.5%	15.81%
Capital Outlay	0	0	0	1,400	1,400	N/A	0.01%
Gov'tl Charges, Taxes, Fees, Misc.	500	5,010	8,589	2,400	(6,189)	-72.1%	0.02%
<b>Total 12th &amp; Park Station</b>	<b>1,106,258</b>	<b>1,543,571</b>	<b>1,533,580</b>	<b>1,974,679</b>	<b>441,099</b>	<b>28.8%</b>	<b>16.90%</b>
<b>Total Municipal Service Station</b>	<b>\$1,611,491</b>	<b>\$2,241,781</b>	<b>\$2,168,486</b>	<b>\$2,889,967</b>	<b>721,481</b>	<b>33.3%</b>	<b>24.74%</b>
<b>Municipal Garage (Fund 6101)</b>							
<i>Amnicola Garage - Repair &amp; Maint.</i>							
Salaries & Wages	1,025,324	1,058,168	1,085,054	1,028,325	(56,729)	-5.2%	8.80%
Fringes	263,067	282,716	309,146	328,519	19,373	6.3%	2.81%
Purchase Services	89,406	125,120	103,879	202,170	98,291	94.6%	1.73%
Materials & Supplies	34,046	45,808	24,428	27,900	3,472	14.2%	0.24%
Travel	0	1,427	3,947	2,900	(1,047)	-26.5%	0.02%
Vehicle Operation Expenses	92,669	81,071	70,917	22,900	(48,017)	-67.7%	0.20%
Insurance, Claims, Damages	79,845	6,810	88,344	8,000	(80,344)	-90.9%	0.07%
Inventory Supplies	987,305	1,177,002	879,000	942,000	63,000	7.2%	8.06%
Capital Outlay	10,514	4,665	15,957	15,000	(957)	-6.0%	0.13%
Gov'tl Charges, Taxes, Fees, Misc.	369,067	412,447	289,658	406,271	116,613	40.3%	3.48%
	2,951,243	3,195,234	2,870,330	2,983,985	113,655	4.0%	25.54%
<i>12th &amp; Park Garage - Repair &amp; Maint.</i>							
Salaries & Wages	1,106,047	1,040,086	1,008,262	1,050,855	42,593	4.2%	9.00%
Fringes	292,614	287,383	321,758	351,993	30,235	9.4%	3.01%
Purchase Services	65,796	68,695	57,245	99,450	42,205	73.7%	0.85%
Materials & Supplies	45,108	50,088	33,305	29,700	(3,605)	-10.8%	0.25%
Travel	125	0	0	3,000	3,000	N/A	0.03%
Vehicle Operation Expenses	88,599	94,077	73,800	29,250	(44,550)	-60.4%	0.25%
Insurance, Claims, Damages	1,008	86,049	0	86,000	86,000	N/A	0.74%
Inventory Supplies	1,272,399	1,359,805	1,057,608	1,121,000	63,392	6.0%	9.60%
Capital Outlay	0	3,944	20,452	29,445	8,993	44.0%	0.25%
Gov'tl Charges, Taxes, Fees, Misc.	286,378	325,299	286,228	316,458	30,230	10.6%	2.71%
	3,158,074	3,315,426	2,858,658	3,117,151	258,493	9.0%	26.68%
<b>Total Municipal Garage</b>	<b>\$6,109,317</b>	<b>\$6,510,660</b>	<b>\$5,728,988</b>	<b>\$6,101,136</b>	<b>372,148</b>	<b>6.5%</b>	<b>52.23%</b>
<b>Fleet Leasing Program (Fund 6102)</b>							
Vehicle Operation Expenses	0	0	0	137,512	137,512	N/A	0.00%
Capital Outlay	0	0	0	1,225,542	1,225,542	N/A	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	0	0	0	428,096	428,096	N/A	0.00%
<b>Total Fleet Leasing Program</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,791,150</b>	<b>1,791,150</b>	<b>N/A</b>	<b>15.33%</b>
<b>Total Fleet Services</b>	<b>\$7,720,808</b>	<b>\$8,752,441</b>	<b>\$7,897,474</b>	<b>\$10,782,253</b>	<b>\$2,884,779</b>	<b>36.5%</b>	<b>92.30%</b>
<b>Liability Insurance Fund (6200)</b>							
Special Council & Claims	1,554,978	2,671,309	650,000	900,000	250,000	38.5%	7.70%
<b>Total Liability Insurance</b>	<b>1,554,978</b>	<b>2,671,309</b>	<b>650,000</b>	<b>900,000</b>	<b>250,000</b>	<b>38.5%</b>	<b>7.70%</b>
<b>Grand Totals</b>	<b>\$9,275,786</b>	<b>\$11,423,750</b>	<b>\$8,547,474</b>	<b>\$11,682,253</b>	<b>\$3,134,779</b>	<b>36.7%</b>	<b>100.00%</b>





# General Government

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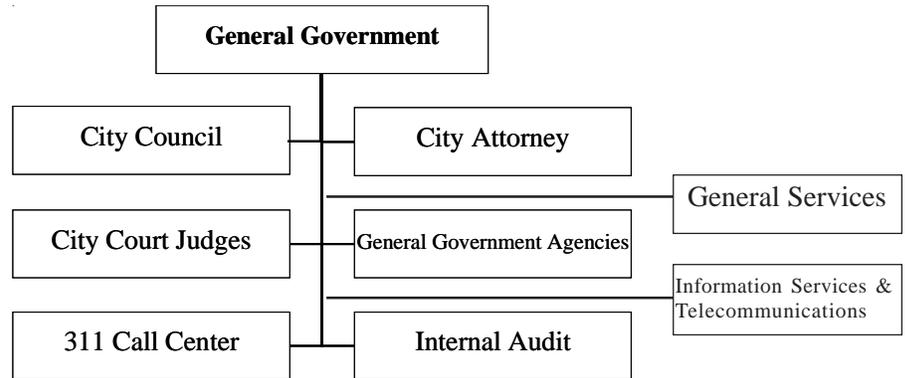
## Mission:

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

## Description:

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

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



## Goals and Objectives

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

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

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

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

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

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

**Deliver a quality customer experience to 311 customers**

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

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

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

**Performance Measures**

	Actual FY05	Goal FY06	Actual FY06	Goal FY07
311 service requests created	192,165	200,000	259,860	300,000
311 service requests closed	99%	100%	99%	100%
Customer satisfaction rating	90%	90%	*N/A	90%
Total City Fleet	1,618	1,600	1,657	1,600
Total City Fleet Repairs and Maintenance	\$0	\$0	\$0	\$8,137,830
Days from Council Meeting to minutes	2	2	2	2
Paid in full prior to judgement	40.9%	50.0%	49.4%	50.0%
Percent with final judgement	70.0%	80.0%	83.2%	80.0%

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

**Department Summary**

	Actual FY03/04	Actual FY04/05	Budget FY 05/06	Budget FY 06/07
City Council Office	618,079	627,105	693,723	693,898
Office of City Court Judges	571,969	556,513	610,682	687,818
Office of City Attorney	744,352	936,018	1,027,496	1,056,484
Supported Agencies	13,589,895	14,155,133	13,501,543	12,983,200
Debt Service	7,636,840	8,772,293	9,801,307	11,567,051
311 Call Center	334,837	373,059	441,868	475,350
Internal Audit	-	-	271,109	423,835
Information Services	-	-	-	2,994,658
General Services	-	-	-	2,539,674
Other General Government Activities	5,478,730	7,256,670	3,271,349	4,094,654
<b>Total Expenditures</b>	<b>28,974,702</b>	<b>32,676,791</b>	<b>29,619,077</b>	<b>37,516,622</b>
Per Capita	\$ 186.23	\$ 210.43	\$ 191.27	\$ 242.41
<b>Positions Authorized</b>	<b>32</b>	<b>34</b>	<b>37</b>	<b>175</b>

**Resources**

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	1,670,693	1,548,780	2,012,518	6,309,964
Overtime	-	-	-	-
Operating	27,304,009	31,128,011	27,606,559	31,206,658
Revenue	-	-	-	-

# Supported Agencies

Supported agencies are a portion of General Government and are primarily in two different categories. The first category is appropriations to special funds that are either jointly supported with Hamilton County and / or some other agency which are accounted for in another fund on the City's books. These include CARTA, Library, Regional Planning Agency and the Air Pollution Control Bureau. The second category is appropriations to other organizations which the City Government determines meet the definition of serving a public purpose that are not accounted for on the City books. These include agencies such as Urban League, Allied Arts, and Chattanooga Neighborhood Enterprise (CNE). The following descriptions give a short explanation of each general government agency. Some of the appropriations are for closed-ended programs, but most are for ongoing programs or agencies which the City Government supports on a continual basis. In addition, the Liability Insurance Fund accounts for liability claims and losses. Amounts are provided for Fiscal Year 2006/2007.

## **Air Pollution Control Bureau**

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

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

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

## **Allied Arts of Greater Chattanooga**

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

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

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

City's Contribution.....\$155,000

## **Bessie Smith Hall, Inc.**

The mission of the Bessie Smith Hall (BSH) is to celebrate the performance of blues, jazz, its antecedents and derivatives, by embracing the style and charisma of Bessie Smith in a setting reminiscent of her career surroundings, with emphasis on the multicultural and educational aspects of her contributions. Over the past three years, the BSH organization has focused its efforts on developing and implementing a successful assembly of programs and services designed to provide instruction, interpretation, exposure to and advocacy of African-American music traditions and practices. The activities sponsored by the organization have attracted some of the largest culturally diverse audiences and participants of any other organization or venture. The annual Bessie Smith Strut is part of a community-wide festival which takes place each year and includes participants from all walks of life.

City's Contribution.....\$70,000

## **Chattanooga Area Regional Transportation Authority (CARTA)**

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

City's Contribution.....\$3,665,300

## **Chattanooga African-American Museum/ Building Maintenance**

The museum's mission is to develop, coordinate, and provide a facility to house research materials and

artifacts of the African-American culture, as well as documenting the contributions of African-Americans to the development of Chattanooga and this nation.

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

City's Contribution.....\$57,019

### **Chattanooga Area Urban League**

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

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

### **Chattanooga Downtown Partnership**

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

selected to establish a benchmark of leading indicators to be used to measure downtown progress for the International Downtown Association.

City's Contribution.....\$100,000

### **Chattanooga - Hamilton County Bicentennial Library**

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

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

City's Contribution.....\$2,487,660

### **Chattanooga Neighborhood Enterprise**

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

City's Contribution.....\$1,500,000

### **Chattanooga Regional History Museum**

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

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

historical periods in our area.  
City's Contribution.....\$24,000

**Chattanooga Area Regional Council of Governments / Southeast Tennessee Development District**

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

This agency's program represents local governments in their relationships to State and Federal programs and seeks to maximize the amount of external funding that can be brought to bear on the area's development needs. Examples of funding secured in past years include funding for CARTA, the regional sewage treatment facility, industrial parks, water and sewer projects and a number of social service agencies for the elderly.  
City's Contribution.....\$31,111

**Children's Advocacy Center**

Mission is to provide a safe environment where a child's voice is heard and respected. This includes the coordination and facilities for the state-mandated team responsible for the investigation, intervention and treatment for the child and family, and prosecution of the abuser. Extended assessments, crisis counseling, therapeutic groups and support groups for children and their families are also provided.  
City's Contribution.....\$30,000

**Community Foundation Scholarships**

This is a partnership of public and private funds to provide for scholarships to qualified and deserving students who would not otherwise be able to further their education beyond the public school system. The Foundation is committed to raising, on a two-to-one basis, funds from the community to match the City's contribution. Scholarships are awarded annually to students who meet the established criteria.  
City's Contribution.....\$160,000

**Homeless Healthcare Center**

The Chattanooga - Hamilton County Homeless Healthcare Center provides outreach, primary care, substance abuse, and mental health services to Chattanooga's homeless population. Clients are

provided assistance with locating housing, applying for entitlement programs and with obtaining jobs.  
City's Contribution.....\$17,500

**Chattanooga/Hamilton County Regional Planning Agency**

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

The planning program facilitates government and various public and private decision-making by providing research, data, plans, studies and suggested strategies related to community land use, transportation, and social issues.  
City's Contribution.....\$942,817

**Scenic Cities Beautiful**

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

Scenic Cities serves as the coordinating body for county-wide cleanups and beautification programs, and provides support, information and materials to those involved in promoting a cleaner community. It also provides speakers and environmental exhibits for community affairs, garden clubs, civic groups, neighborhood organizations.  
City's Contribution.....\$22,888

**Tennessee Riverpark**

This is a jointly funded activity in partnership with the Hamilton County Government. The local leaders have committed to a redevelopment of the riverfront area which includes a park connecting the downtown area with the Chickamauga Dam. This park is overseen by the County government, with the City contributing half of the cost of operations.  
City's Contribution.....\$1,191,326

**WTCI TV 45**

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

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

**Liability Insurance Fund**

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

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

**The Enterprise Center**

The Enterprise Center is a public benefit corporation that is organized exclusively for charitable purposes including relief of the poor and distressed, lessening the burdens of government, promoting social welfare, and combating community deterioration. In furtherance of such purposes, the corporation will operate to further the economic development of the City of Chattanooga and its surrounding region.

City's Contribution .....\$100,000

**Carter Street Corporation**

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

City's Contribution.....\$150,000

**Community Impact of Chattanooga, Inc.**

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

organizations."

City Contribution.....\$250,000

**Railroad Authority**

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

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

**Enterprise South Nature Park**

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

City Contribution.....\$104,282

**Finley Stadium**

Finley Stadium/Davenport Field is a 20,000-seat facility encompassing 35 acres of property in the South Central Business District of Chattanooga. The Stadium helps to revitalize a desolate section of abandoned industrial buildings by creating a clean new gateway into the city. This is the third year of a three year commitment to install quality turf.

City Contribution.....\$25,000

**Stop the Madness**

The mission of the organization is to educate the youth of the community about violence and drug awareness; to provide academic activities, summer job training, mentoring and field trips to museums and historical sites for the youth of the community. Stop the Madness touches the lives of the young that would typically fall through the cracks. Alternatives are provided to gang activities and violent behavior. Also provide are tools necessary to become better students, which will lead to becoming productive adults.

City Contribution.....\$100,000

<b>Resources</b>				
	Actual FY03/04	Actual FY04/05	Budget FY05/06	Budget FY06/07
Air Pollution Control Bureau	270,820	270,820	270,820	270,820
Allied Arts of Greater Chattanooga	250,000	250,000	250,000	155,000
Bessie Smith Hall, Inc.	70,000	70,000	70,000	70,000
CARTA	3,158,650	3,285,000	3,415,300	3,665,300
Chattanooga African-Museum				
Building Maintenance	35,000	42,123	55,825	57,019
Chattanooga Area Urban League	50,000	50,000	50,000	50,000
Chattanooga Downtown Partnership	140,000	140,000	140,000	100,000
Chattanooga - Hamilton County				
Bicentennial Library	2,045,725	2,487,660	2,487,660	2,487,660
Chattanooga Neighborhood Enterprises	2,000,000	2,000,000	1,500,000	1,500,000
Chattanooga Regional History Museum	24,000	24,000	24,000	24,000
Chatt. Area Regional Council of Gov.				
Southeast Tennessee Dev. District	30,493	31,111	31,111	31,111
Children's Advocacy Center	30,000	30,000	30,000	30,000
Community Foundation Scholarships	160,000	160,000	160,000	160,000
Homeless Healthcare Center	17,500	17,500	17,500	17,500
Chattanooga/ Hamilton County				
Regional Planning Agency	974,817	988,817	942,817	942,817
Scenic Cities Beautiful	30,294	30,294	22,888	22,888
Tennessee Riverpark	798,471	855,741	994,756	1,191,326
WTCI TV 45	60,000	60,000	60,000	60,000
Liability Insurance Fund	1,100,000	1,050,000	650,000	900,000
Finley Stadium	N/A	25,000	25,000	25,000
Railroad Authority	N/A	N/A	20,000	20,000
Enterprise Center	N/A	N/A	100,000	100,000
Carter Street Corp	N/A	N/A	N/A	150,000
Community Impact of Chattanooga, Inc.	N/A	450,000	N/A	250,000
Enterprise South Nature Park	N/A	N/A	N/A	104,282
Stop the Madness	N/A	N/A	N/A	100,000
<b>TOTAL</b>	<b>11,245,770</b>	<b>12,318,066</b>	<b>11,317,677</b>	<b>12,484,723</b>





# Economic Development

Ron Littlefield, Mayor

[www.chattanooga.gov](http://www.chattanooga.gov)

## Description:

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

## Department Summary

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Education - Hamilton county	\$ 8,459,059	\$ -	\$ -	\$ -
Capital fund	2,480,903	5,550,000	2,664,000	1,165,275
African American Chamber	150,000	150,000	150,000	150,000
Chamber for Economic Devel	400,000	400,000	400,000	400,000
Community Education Alliance	190,941	0	0	0
Business Development Initiative	75,000	75,000	75,000	75,000
Tourist Development Debt Service	1,198,182	793,910	689,000	495,000
Net Debt Service	4,447,999	5,857,699	6,510,000	8,609,725
<b>Total Expenditures</b>	<b>\$ 17,402,084</b>	<b>\$ 12,826,609</b>	<b>\$ 10,488,000</b>	<b>\$ 10,895,000</b>
City Only Sales Tax	\$ 18,444,846	\$ 9,615,776	\$ 9,799,000	\$ 10,400,000
TDZ State Sales Tax	1,009,059	602,883	500,000	425,000
TDZ County Sales tax	189,123	191,027	189,000	70,000
Interest Income	48,297	76,419	0	0
<b>Total Revenues</b>	<b>\$ 19,691,325</b>	<b>\$ 10,486,105</b>	<b>\$ 10,488,000</b>	<b>\$ 10,895,000</b>
Per Capita	\$ 111.85	\$ 82.60	\$ 67.73	\$ 70.40





# Community Development

Beverly P. Johnson, Administrator

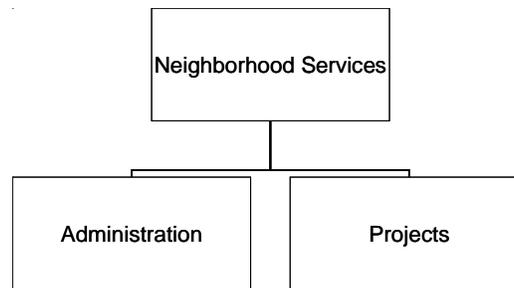
[www.chattanooga.gov/communitydev](http://www.chattanooga.gov/communitydev)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

- ① Increase neighborhood understanding of fair housing regulations to make sure good quality housing is accessible for lower income residents.
- ② Increase the stock of available, quality housing by the creation of new homes and rental units or providing financing to enable residents to build a new home.
- ③ Help homeowners preserve existing housing and restore structures that have become uninhabitable.
- ④ Encourage home ownership as a means of further stabilizing the community.

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

- ① Strengthen the foundation of neighborhoods through infrastructure repairs and streetscape improvements.
- ② Create or renew public facilities to be used as community centers in targeted neighborhoods.

### To increase employment in lower income areas.

- ① Use available resources and training to make sure that lower income residents have needed skills to get and retain good jobs.
- ② Bolster the existing business base and encourage the creation of new enterprises through access to capital funds.

Performance Measures	Actual FY05	Goal FY06	Actual FY06	Goal FY07
Increase the stock of safe, affordable rental units	5	90	233	90
Rehabilitate substandard housing # of units	192	100	177	100
Assist first time LMI(low/moderate income) purchase with mortgages	49	120	101	120
# of Participants in Homebuyer Education Programs	174	200	226	200
Improved multipurpose centers	2	N/A	1	0

\*N/A=Not Available

# Community Development

Beverly P. Johnson, Administrator

[www.chattanooga.gov/communitydev](http://www.chattanooga.gov/communitydev)

## Department Summary

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Administration - Gen Fund	\$ 165,917	\$ 141,930	\$ -	\$ -
Administration	430,147	398,147	639,000	575,665
Community Dev Projects	8,679,158	4,680,028	4,533,847	4,096,487
<b>Total Expenditures</b>	<b>\$ 9,275,222</b>	<b>\$ 5,220,105</b>	<b>\$ 5,172,847</b>	<b>\$ 4,672,152</b>
Per Capita	\$ 59.62	\$ 33.62	\$ 33.40	\$ 30.19
<b>Positions Authorized</b>	<b>9</b>	<b>10</b>	<b>7</b>	<b>7</b>

## Resources

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ 506,143	\$ 427,769	\$ 552,174	\$ 489,315
Overtime	0	0	0	0
Operating	8,769,079	4,792,336	4,620,673	4,182,837
Revenue	6,029,607	5,588,487	5,172,847	4,672,152



# Department of Finance & Administration

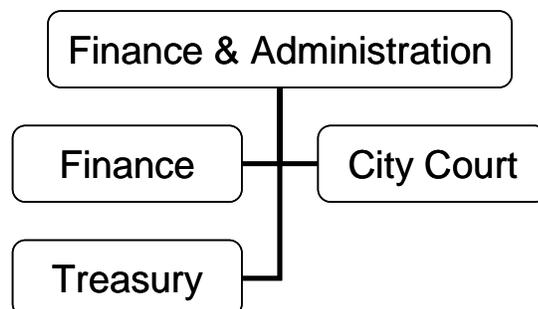
Daisy W. Madison, Administrator  
 Vickie Haley, Assistant Finance Officer  
[www.chattanooga.gov/finance](http://www.chattanooga.gov/finance)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

- ① Propose and maintain a balanced budget that accounts for recurring revenue and cost.
- ② Develop an accurate and prudent economic revenue forecast.
- ③ Provide for the efficient and effective use of budgeted funds to eliminate wasteful spending, and maximizing the service and program results from each tax dollar spent.

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

- ① Maximize revenue collection.
- ② Increase collection efficiency.
- ③ Maintain best use and investment of assets.
- ④ Ensure 100% GAAP compliance.
- ⑤ Compliance with law.

Performance Measures	Actual	Goal	Actual	Goal
	FY05	FY06	FY06	FY07
Cash Management Yield on investment portfolio	2.1%	3.8%	4.5%	5.0%
% of Current Levy Collected	95.7%	96.0%	95.5%	97.0%
Annual Debt Service Requirement as % of General Fund	5.7%	5.0%	7.4%	8.6%
Bond Rating by Standard & Poor's	AA	AA	AA	AA
Bond Rating by Fitch Ratings Ltd.	AA	AA	AA	AA

# Department of Finance & Administration

Daisy W. Madison, Administrator

Vickie Haley, Assistant Finance Officer

[www.chattanooga.gov/finance](http://www.chattanooga.gov/finance)

## Department Summary

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Finance	\$ 1,686,290	\$ 1,692,769	\$ 1,982,210	\$ 1,997,681
Treasurer	504,495	507,318	584,131	740,631
City Court Clerk	1,025,646	931,534	1,032,611	1,049,782
Information Services	2,841,380	3,015,112	2,965,965	0
Purchasing	782,117	818,023	838,193	0
Building Maintenance	575,930	585,179	693,561	0
Radio & Electronics	362,971	372,747	426,676	0
Real Estate	169,109	140,725	281,598	0
Fleet Services	7,791,202	8,752,441	7,897,474	0
<b>Total Expenditures</b>	<b>\$ 15,739,140</b>	<b>\$ 16,815,848</b>	<b>\$ 16,702,419</b>	<b>\$ 3,788,094</b>
Per Capita	\$ 101.16	\$ 108.29	\$ 107.86	\$ 24.48
<b>Positions Authorized</b>	<b>212</b>	<b>200</b>	<b>199</b>	<b>66</b>

## Resources

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ 8,737,490	\$ 6,044,996	\$ 9,474,371	\$ 3,171,901
Overtime	47,608	58,450	55,132	7,700
Operating	6,954,042	1,959,961	7,172,916	608,493
Revenue	8,155,382	8,711,493	7,897,474	-



# Department of Police

Steve Parks, Chief of Police

Freeman Cooper, Executive Police Chief

[www.chattanooga.gov/police/](http://www.chattanooga.gov/police/)

## Mission:

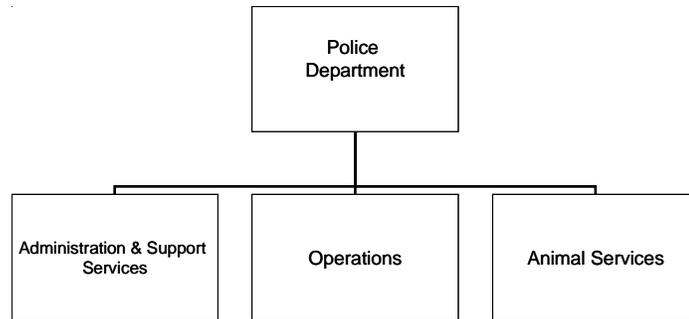
To work cooperatively with the public and within the framework of the constitutions of the United States and the State of Tennessee to enforce the laws, preserve the peace, maintain order, and provide for a safe community.

## Description:

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

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

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



## Goals & Objectives:

### Reduce Index Offenses Crime

- ❶ Reduce all Crime 3% in 2006 (Calendar Year)
- ❷ Reduce all Property Crime 5% in 2006 (Calendar Year)
- ❸ Meet or surpass national Uniform Crime Report crime reduction trends each year.

### Prevent Crime and Make Citizens Safe

- ❶ Increase traffic safety
- ❷ Reduce "broken window" crimes & violations
- ❸ Maximize the visibility and effectiveness of police officers.

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

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

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

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

Performance Measures	Actual 2004	Goal 2005	Actual 2005	Goal 2006
Reduction in Crimes Committed	-7.5%	-3%	-3.3%	-3%
Reduction in Moving Violations	-5.7%	-3%	2.4%	-5%
Reduction in Parking Violations	-1.4%	-3%	-1.6%	-3%
Traffic fatalities	25	20	26	20
Weapons Seized	542	600	596	600
Citizen Complaints	109	102	95	100

# Department of Police

Steven Parks, Chief of Police

Freeman Cooper, Executive Police Chief

*[www.chattanooga.gov/police/](http://www.chattanooga.gov/police/)*

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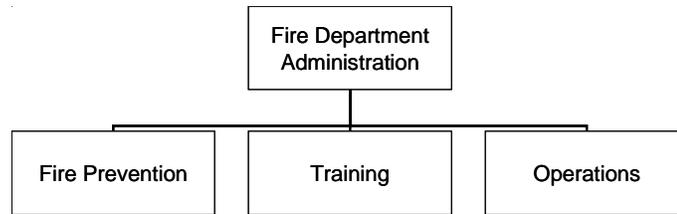
# Department of Fire

Wendell Rowe, Fire Chief  
 Randall Parker, Deputy Fire Chief

[www.chattanooga.gov/fire](http://www.chattanooga.gov/fire)

## Mission:

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



## Description:

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

## Goals & Objectives:

### Reduce fire fatalities and injuries for civilians and firefighters.

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

### Reduce property loss resulting from fire.

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

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

### Provide a Homeland Security regional response

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

Performance Measures	Actual FY05	Goal FY06	Actual FY06	Goal FY07
Average response time (Department)	5:55	5:00	5:35	5:00
Inspections	2,586	3,190	2,492	3,116
Civilian Deaths	10	0	6	0
Civilian injuries	10	0	7	0
Firefighter Injuries	38	0	47	0
Property Damage (\$million)	\$7.9	\$ 5.45	\$6.6	\$ 5.45
Fire Calls	1%	0%	2.2%	0%
Non-Fire Calls	N/A	3%	7.5%	5%

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

# Department of Fire

Wendell Rowe, Fire Chief

Randall Parker, Deputy Fire Chief

[www.chattanooga.gov/fire/fire](http://www.chattanooga.gov/fire/fire)

<b>Department Summary</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Fire Operations	\$ 23,157,592	\$ 23,868,962	\$ 25,465,475	\$ 25,780,192
Fire Utilities	886,870	763,981	257,300	293,500
<b>Total Expenditures</b>	<b>\$ 24,044,462</b>	<b>\$ 24,632,943</b>	<b>\$ 25,722,775</b>	<b>\$ 26,073,692</b>
Per Capita	\$ 154.84	\$ 158.63	\$ 166.11	\$ 168.38
<b>Positions Authorized</b>	<b>417</b>	<b>417</b>	<b>418</b>	<b>417</b>

<b>Resources</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ 20,903,771	\$ 21,279,985	\$ 22,902,614	\$ 23,362,605
Overtime	20,230	21,652	23,500	20,000
Operating	3,120,461	2,567,325	2,796,661	2,397,587
Revenue	735	747	750	750



# Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

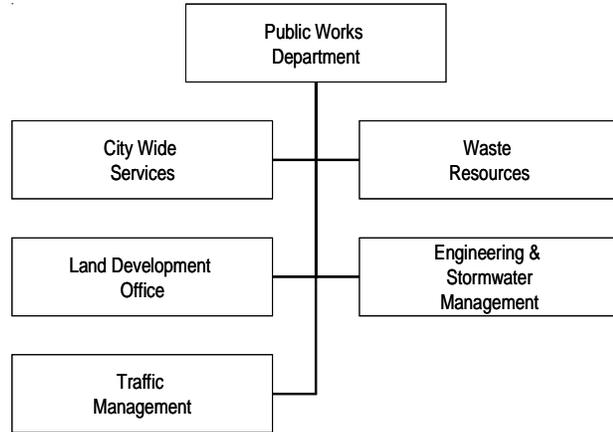
[www.chattanooga.gov/pubworks/](http://www.chattanooga.gov/pubworks/)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

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

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

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

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

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

# Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

[www.chattanooga.gov/pubworks/](http://www.chattanooga.gov/pubworks/)

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

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

Performance Measures	Actual FY05	Goal FY06	Actual FY06	Goal FY07
City Wide Service CSRs closed on time	94.5%	95.0%	94.9%	95.0%
Trash Flash CSRs closed on time	96.4%	95.0%	97.1%	96.0%
Engineering CSRs closed on time	93.0%	95.0%	92.9%	95.0%
Missed Garbage CSRs closed on time	96.5%	95.0%	97.2%	96.0%
Traffic Engineering CSRs closed on time	90.7%	95.0%	90.6%	95.0%
Waste Resources CSRs closed on time	96.8%	95.0%	98.7%	96.0%

\*CSR Customer Service Request

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
General Fund	\$ 26,494,100	\$ 27,607,580	\$ 27,662,751	\$ 30,220,397
Interceptor Sewer Fund	32,782,547	39,839,490	41,167,652	38,837,437
Solid Waste Fund	5,395,592	4,114,878	5,758,005	5,950,165
Storm Water Fund	4,567,601	6,198,064	7,774,780	5,687,310
State Street Aid Fund	4,095,691	4,688,518	4,754,289	4,781,733
<b>Total Expenditures</b>	<b>\$ 73,335,531</b>	<b>\$ 82,448,530</b>	<b>\$ 87,117,477</b>	<b>\$ 85,477,042</b>
Per Capita	\$ 472.25	\$ 530.94	\$ 562.58	\$ 551.99
<b>Positions Authorized</b>	<b>635</b>	<b>624</b>	<b>624</b>	<b>602</b>

Resources	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ 22,878,381	\$ 23,788,122	\$ 26,358,324	\$ 26,119,761
Overtime	828,994	874,710	790,800	840,721
Operating	49,628,156	57,785,698	59,968,353	58,516,560
Revenue	55,139,978	44,850,022	53,167,564	55,664,407



# Parks & Recreation

Larry Zehnder, Administrator

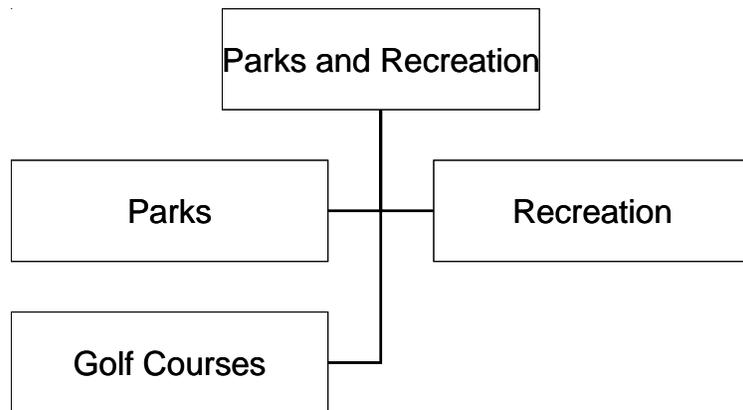
[www.chattanooga.gov/cpr](http://www.chattanooga.gov/cpr)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

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

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

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

**To work in concert with existing preservation groups.**

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

Performance Measures	Actual	Goal	Actual	Goal
	FY05	FY06	FY06	FY07
Park Permit CSRs closed on time	90%	100.0%	89.4%	90%
Park reservation CSRs closed on time	90%	98.1%	84.3%	90%
Park work requests closed on time	90%	82.1%	68.7%	90%

# Parks & Recreation

Larry Zehnder, Administrator

[www.chattanooga.gov/cpr](http://www.chattanooga.gov/cpr)

## Department Summary

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Administration	\$ 999,770	\$ 1,088,557	\$ 1,106,655	\$ 1,183,998
Program Services	4,018,664	4,313,355	4,232,587	4,547,119
Parks & Facilities	3,916,959	3,928,506	4,246,594	4,542,127
Civic Facilities	1,173,661	1,167,250	0	0
Chattanooga Zoo	389,200	426,185	470,050	509,454
Municipal Golf	1,701,183	1,754,152	1,657,483	1,648,250
<b>Total Expenditures</b>	<b>\$ 12,199,437</b>	<b>\$ 12,678,005</b>	<b>\$ 11,713,369</b>	<b>\$ 12,430,948</b>
Per Capita	\$ 78.41	\$ 81.64	\$ 75.64	\$ 80.32
<b>Positions Authorized</b>	<b>246</b>	<b>238</b>	<b>217</b>	<b>226</b>

## Resources

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ 7,863,005	\$ 8,172,639	\$ 8,097,223	\$ 8,611,360
Overtime	74,767	72,639	61,923	77,496
Operating	4,261,665	4,432,727	3,554,223	3,742,092
Revenue	3,179,229	3,231,153	2,832,045	2,962,913

Note: In FY06 the department was reorganized. Civic facilities was moved to the Department of Education, Arts, and Culture which caused a decrease in Parks & Recreation's budget.



# Department of Human Services

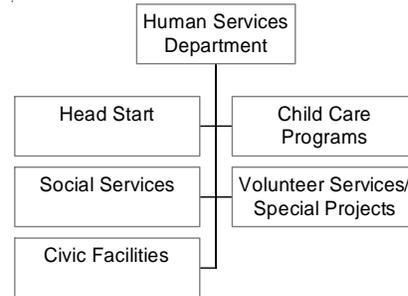
Bernadine Turner, Administrator  
 Tommie L. Pruitt, Deputy Administrator  
[www.chattanooga.gov](http://www.chattanooga.gov)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

- ① *Maintain the Foster Grandparents program to enable eligible older adults to help special needs children within their community, while strengthening their bond to the neighborhood.*
- ② *Offer emergency assistance including food vouchers, clothing, and rent or utility funds to prevent eviction or service interruption.*
- ③ *Within the reach of Hamilton County, make certain that no one perishes because they lacked the resources to provide for the most basic human needs.*
- ④ *Increase the availability of decent and affordable shelter through the Low Income Home Energy Assistance Program (LIHEAP), Weatherization, Mortgage Assistance, Rental Assistance and Reverse Mortgage counseling.*
- ⑤ *Reduce foreclosures, evictions and utility cutoffs within the very low income population.*
- ⑥ *Offer numerous channels to reduce hunger and improve nutrition.*

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

- ① *Seek constant improvement in each child's skill attainment level, tracked in a Child Portfolio, as a gauge of school readiness.*
- ② *Increase the numbers of children in Early Head Start.*
- ③ *Increase childhood immunizations.*

### Performance Measures

	Actual FY 04/05	Goal FY 05/06	Actual FY 05/06	Goal FY 06/07
Number of foster grandparents	110	95	115	95
Gas, electric, water shutoffs prevented	1,366	2,000	2,241	2,250
Homeless preventions	789	1,200	1,442	1,200
Participants in food distribution program	2,221	5,000	2,433	3,500
Dwelling units weatherized	68	135	92	72
Headstart funded enrollment	625	622	627	622
Early Headstart funded enrollment	147	146	147	146
Children immunized	867	880	877	880
Parents in adult ed/GED training	176	326	168	250

# Department of Human Services

Bernadine Turner, Administrator

Tommie L. Pruitt, Deputy Administrator

[www.chattanooga.gov](http://www.chattanooga.gov)

<b>Department Summary</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Head Start	8,706,472	8,855,410	8,562,623	8,721,814
Day Care	826,346	708,589	892,900	843,448
Weatherization	435,285	235,318	349,550	340,840
Foster Grandparents	477,163	474,327	494,379	504,780
LIEAP	1,097,071	1,198,890	1,057,716	1,058,770
CSBG	709,198	774,438	730,795	729,411
Occupancy Grant	185,396	180,875	226,221	-
Human Services Programs	1,073,432	891,700	803,101	214,935
City General Relief	72,957	74,402	72,868	72,868
<b>Total Expenditures</b>	<b>13,583,320</b>	<b>13,393,949</b>	<b>13,190,153</b>	<b>12,486,866</b>
Per Capita	\$ 87.31	\$ 86.25	\$ 85.18	\$ 80.68
Authorized Positions	295	303	294	294

<b>Resources</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	7,470,826	7,364,737	7,254,584	6,867,776
Overtime	43,467	80,328	42,208	39,958
Operating	6,069,027	5,948,884	5,893,361	5,579,132
Revenue	13,583,320	13,371,549	13,190,153	12,486,866

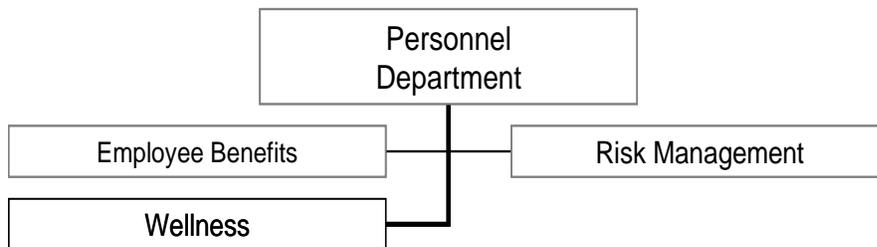


# Department of Personnel

Donna Kelley, Administrator  
 Susan Dubose, Deputy Administrator  
[www.chattanooga.gov](http://www.chattanooga.gov)

## Mission:

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



## Description:

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

## Goals & Objectives:

### Recruit a highly qualified workforce

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

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

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

### Retain a well-qualified and experienced workforce.

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

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

#### Performance Measures

	Actual FY 04/05	Goal FY 05/06	Actual FY 05/06	Goal FY 06/07
% Applicants qualified/well qualified	69%	50%	56%	50%
Positions where qualified candidate found	100%	100%	100%	100%
Declined job offers	51	<20	30	<30
Turnover rate	8.6%	<10%	7.7%	<10%
Number of promotions	139	100	75	100
Compliance with law	100%	100%	100%	100%
Applicant Diversity-Overall (+/-3%)	85.94%	85%	88.40%	85%
Applicant Diversity-Minorities (+/-3%)	92.97%	85%	96.88%	90%

# Department of Personnel

Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

[www.chattanooga.gov](http://www.chattanooga.gov)

## Departmental Summary

	Actual FY03/04	Actual FY 04/05	Budget FY05/06	Budget FY06/07
Administration	\$ 883,250	\$ 926,164	\$ 989,974	\$ 1,027,917
Physical Exams	98,614	107,129	116,200	10,000
Wellness	285,468	356,941	313,800	108,926
Employee Insurance Office	333,289	267,662	332,205	419,188
Employee Insurance Program	3,477,183	3,820,405	4,853,500	4,494,044
Job Injury Administration	74,880	74,880	78,600	78,600
<b>Total Expenditures</b>	<b>\$ 5,152,684</b>	<b>\$ 5,553,181</b>	<b>\$ 6,684,279</b>	<b>\$ 6,138,675</b>
Per Capita	\$ 33.12	\$ 35.76	\$ 43.17	\$ 39.67
<b>Positions Authorized</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>20</b>

## Resources

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ 1,003,152	\$ 1,018,181	\$ 1,080,634	\$ 1,148,776
Overtime	-	-	-	-
Operating	4,149,532	4,535,001	5,603,645	4,989,899
Revenue	-	-	-	-



## Mission:

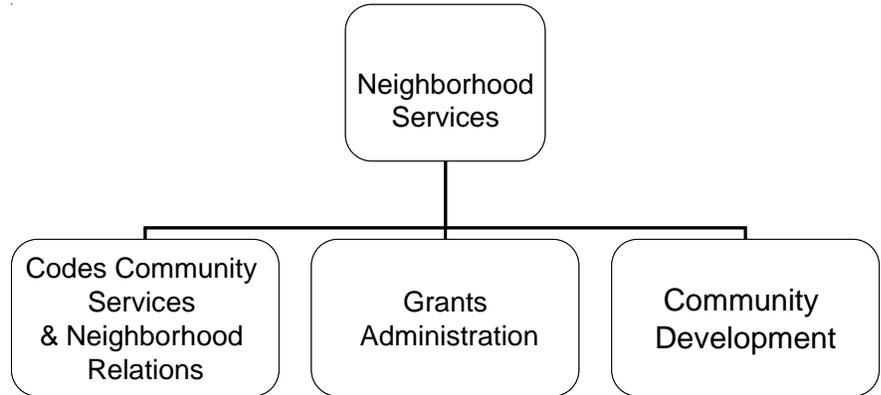
Make all Chattanooga neighborhoods a choice for people to live and invest in through the elimination of blight, code enforcement and individual participation and expended civic engagement.

## Description:

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

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

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



## Goals and Objectives:

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

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

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

**Elimination of blight in Chattanooga**

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

Performance Measures	Actual FY05	Goal FY06	Actual FY06	Goal FY07
Abandoned vehicle CSRs dosed on time	88.1%	95%	97.7%	95%
Housing CSRs dosed on time	85.8%	95%	96.3%	95%
Illegal dumping CSRs dosed on time	91.0%	95%	94.4%	95%
Litter CSRs dosed on time	89.6%	95%	98.4%	95%
Vacant lot overgrowth CSRs dosed on time	87.4%	95%	97.5%	95%
Non-vac overgrowth CSRs dosed on time	87.5%	95%	96.5%	95%

# Department of Neighborhood Services

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

[www.chattanooga.gov/neighserv/](http://www.chattanooga.gov/neighserv/)

## Department Summary

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Administration	\$ 227,328	\$ 362,786	\$ 372,369	\$ 460,021
Grants Administration	-	-	140,804	119,382
Codes & Community Svc	686,343	802,502	812,437	1,175,169
Human Rights	0	0	34,818	0
Neighbor Relations & Grants	352,841	462,755	467,538	86,800
Animal Services	0	1,008,861	0	0
Community Development	0	0	5,172,847	4,672,152
<b>Total</b>	<b>\$ 1,266,512</b>	<b>\$ 2,636,904</b>	<b>\$ 7,000,813</b>	<b>\$ 6,513,524</b>
Per Capita	\$ 8.14	\$ 16.98	\$ 45.21	\$ 42.09
<b>Positions Authorized</b>	<b>27</b>	<b>37</b>	<b>36</b>	<b>36</b>

## Resources

	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ 1,107,066	\$ 1,472,430	\$ 1,878,147	\$ 1,880,083
Overtime	5,781	9,720	9,000	8,500
Operating	153,665	1,154,754	5,113,666	4,624,941
Revenue	-	-	5,172,847	4,672,152



# Department of Executive Branch

Ron Littlefield, Mayor  
L. Dan Johnson, Chief of Staff  
[www.chattanooga.gov](http://www.chattanooga.gov)

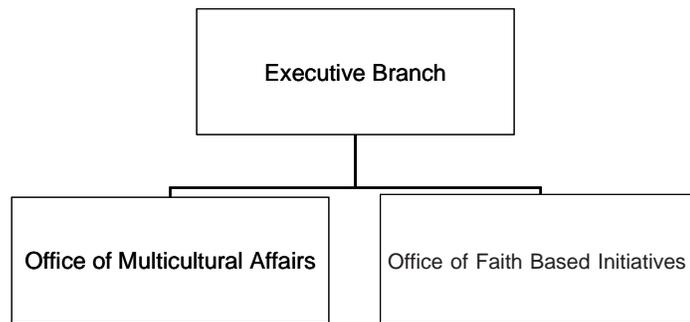
## Mission:

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

## Description:

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

The Office of Multicultural Affairs (OMA) is responsible for reviewing, implementing, and monitoring public policy that affects the disadvantaged cultural communities in Chattanooga. The Office of Faith Based Initiatives is designed to foster partnerships between the faith-based community, city government, and other public and private entities that meet the needs of city neighborhoods. The Great Ideas Competition is a scholarship based program initiated by Mayor Littlefield to reward high school juniors and seniors for their innovative ideas. OFBI and GIC are new additions to the Executive Branch this year.



## Goals & Objectives:

OMA and OFBI are new additions to the Executive Branch, therefore, goals & objectives and performance measures are not available this year.

# Department of Executive Branch

Ron Littlefield, Mayor

L. Dan Johnson, Chief of Staff

[www.chattanooga.gov](http://www.chattanooga.gov)

<b>Departmental Summary</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Mayor's Office	770,988	792,764	897,290	887,417
Office of Performance Review	145,736	121,244	-	-
Office of Capital Planning	-	137,812	-	-
Community & Economic Development	165,917	141,930	-	-
Grants Administration	113,573	146,747	-	-
Human Rights & Relations	38,281	18,180	-	-
Office of Faith Based Initiatives	-	-	-	283,005
Great Ideas Competition	-	-	-	60,000
Office of Multicultural Affairs	-	-	400,000	750,676
Office of Asset Management	-	-	135,107	-
<b>Total Expenditures</b>	<b>1,234,495</b>	<b>1,358,677</b>	<b>1,432,397</b>	<b>1,981,098</b>
Per Capita	\$ 7.95	\$ 8.77	\$ 9.26	\$ 12.80
<b>Positions Authorized</b>	<b>16</b>	<b>16</b>	<b>11</b>	<b>14</b>

<b>Resources</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	1,131,070	1,145,273	944,324	1,145,513
Overtime	-	-	-	-
Operating	103,425	213,404	488,073	835,585
Revenue	-	-	-	-

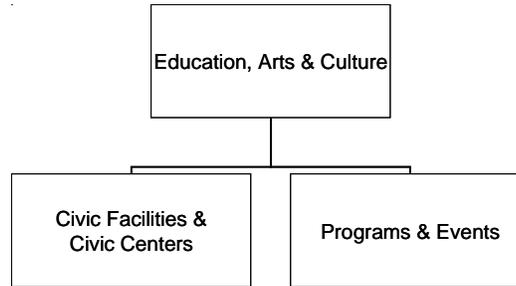


# Education, Arts & Culture

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

## Mission:

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



## Goals & Objectives:

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

- ❶ Increase usage days and attendance by 10% in the coming year.
- ❷ Identify opportunities for new education, arts and cultural programs by actively seeking sponsorships, partnerships and grants.
- ❸ Promote film production through the newly created Chattanooga Film Commission.
- ❹ Cultivate new partnerships with all public and private educational institutions and organizations.
- ❺ Strengthen and develop effective community programming through collaboration with the Department of Parks & Recreation.

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

- ❶ Increase and develop networking and programming opportunities between education, arts and cultural groups and area churches.
- ❷ Expand programming that addresses diversity issues, social issues and community concerns.
- ❸ Launch a capital campaign for renovation of the Community Theatre at Memorial Auditorium and establish it as an arts incubator for youth at risk, offering education, arts and cultural programs, workshops, performances and mentoring.
- ❹ Continue to work with area social service agencies to expand access to education, arts and cultural programs for their clients.

**To enhance the visibility of the arts in Chattanooga.**

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

## Description:

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

Performance Measures	Actual FY05	Goal FY06	Actual FY06	Goal FY07
Civic Facilities - Attendance	285,451	314,000	235,000	260,000
Civic Facilities - # of Events	450	495	451	495
North River Civic Center - Attendance	12,774	15,000	14,000	15,000

# Education, Arts & Culture

Missy Crutchfield, Administrator

David Johnson, Deputy Administrator

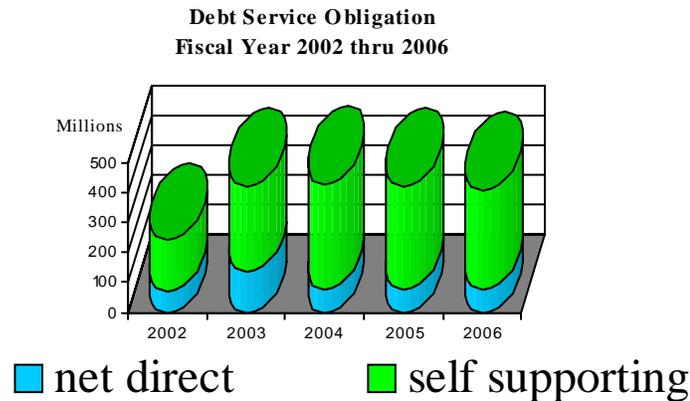
<b>Department Summary</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Administration	\$ -	\$ -	\$ 203,352	\$ 327,461
Civic Facilities	0	0	1,191,478	1,509,831
Arts & Culture	0	0	126,111	367,325
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,520,941</b>	<b>\$ 2,204,617</b>
Per Capita	\$ -	\$ -	\$ 9.82	\$ 14.25
<b>Positions Authorized</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>26</b>

<b>Resources</b>				
	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07
Personnel	\$ -	\$ -	\$ 965,929	\$ 1,246,985
Overtime	0	0	32,427	34,225
Operating	0	0	522,585	923,407
Revenue	0	0	625,250	637,000

Note: Due to reorganization in FY06, this department was created. The majority of the budget is the transfer of civic facilities from the department of Parks & Recreation.

# Debt Service Fund

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

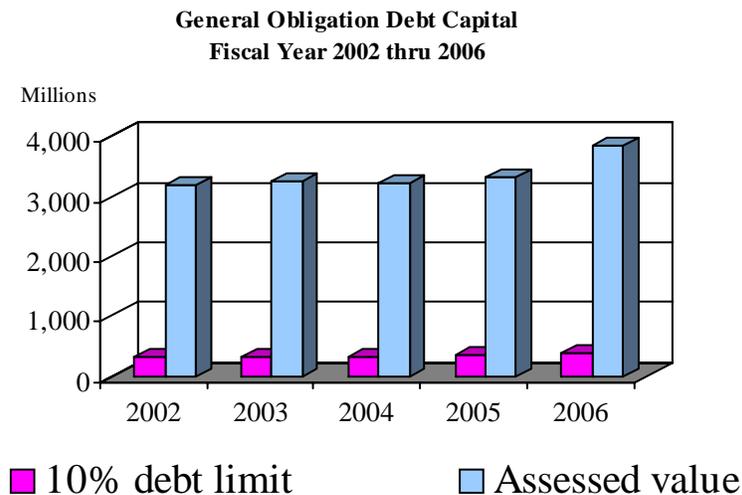


Gross outstanding indebtedness as of June 30, 2006 is \$ 417,389,712. This amount includes a 30-year capital lease of \$115,925,472 with final payment due on October 1, 2030 and 5-year capital lease of \$3,800,000 (balance on June 30, 2006 is \$2,350,237) with final payment due on July 1, 2009. Total authorized unissued debt at June 30, 2006 consist of 2003 TMBF Loan of \$3,336,302 and 2004 TMBF Loan of \$10,927,536.

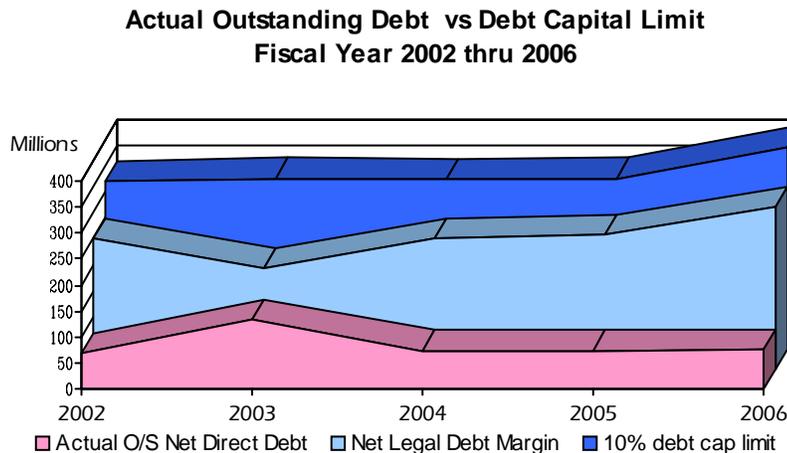
The City government is authorized by the City Charter to issue bonds. Title 6, Chapter V, Article I, Section 6.107 of the Charter creates this authority and at the same time creates a debt limit.

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

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



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



In October 2000, the City entered into a 30-year noncancelable capital lease agreement with the Chattanooga Downtown Redevelopment Corporation (CDRC), formerly the Southside Redevelopment Corporation, for the purpose of financing the cost of designing, acquiring, constructing and equipping four (4) facilities in the Tourist Development Zone comprising of more than 631,210 sq. ft. at a cost of over \$120M. The lease provides for semi-annual payments in amounts sufficient to meet the annual debt service requirements on \$129M in revenue bonds issued by the Industrial Development Board (IDB) of the City of Chattanooga on behalf of the CDRC, a non-profit corporation. IDB bonds are secured by payments to be made by the CDRC. The lease payments will be funded by the city's share from the 1/2% increase in the county-wide sales tax passed by the county-wide referendum (see page 151 for more details), income from The Chattanooga, state incremental sales tax generated in the Tourist Development Zone and interest income from a debt service fund in excess of \$9M included as part of the bond issue. The City's obligation under the capital lease is estimated at \$115,925,472 at June 30, 2006. The debt service reserve fund held by the fiscal agent at June 30, 2006 amounts to \$9,782,594. The fiscal agent is required by the agreement to apply any interest on the debt service reserve fund toward the lease payments. The debt service reserve fund will be used to retire debt near the end of the lease. Beginning in FY2003, this long-term lease agreement is reported as an obligation from the City resulting in a high increase in the gross outstanding debt.

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

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

In FY04, the City entered into an agreement with the Tennessee Municipal Bond Fund for a variable rate loan not to exceed \$6M. This debt is to partially fund certain projects in the FY02 Capital Budget. The City also

increased the State Revolving Loan Fund debt by \$3.4M increasing the total loan amount from \$37,321,000 up to \$40,721,000. Pursuant to a loan agreement with Fannie Mae American Communities Fund, the City is authorized to incur indebtedness up to \$5,000,000 to finance the cost of infrastructure relative to the Alton Park Hope VI grant as part of the City's match. The source of funds for repaying the loan shall be program income generated by Chattanooga Neighborhood Enterprise (CNE) from the use of funds obtained through Community Development Block Grant (CDBG) activities. In the event program income is insufficient to pay the loan, the City pledges to pay the same from available appropriations or reserves. The loan is structured on a ten-year amortization schedule with the possibility of an earlier lump-sum payment. Funds will be drawn as needed and as of June 30, 2006 the City had drawn down \$2,473,620. A five year Capital Lease Agreement for \$3.8M was entered into by the city for the 800 MHz Communication System. Lease payments will be funded by the Hamilton County Emergency Communication District (911) subject to availability of funds, pursuant to an interlocal agreement between the city, Hamilton County and 911.

In 2004 the CDRC entered into a swaption contract to provide an upfront payment of \$3,088,000 based on a notional amount of \$59,655,000. As a synthetic refunding of its 2000 bonds, this payment represents the risk-adjusted, present-value savings of a refunding in October 2010 without issuing refunding bonds currently. The counterparty has the option to exercise the agreement on October 1, 2010. The fixed rate swap (5.45%) was set at a rate that, when added to an assumption for remarketing and liquidity costs, will approximate the coupons of the "refunded" bonds. The swap's variable payment would be based on the Bond Market Association Municipal Swap Index. At June 30, 2006, the swap had a negative fair value of \$3,743,275.

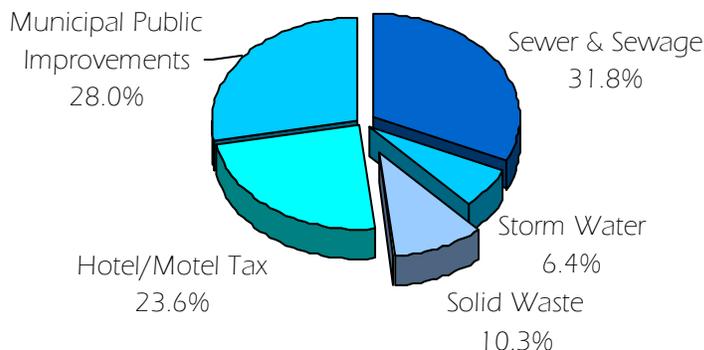
In FY05, the City issued \$51,375,000 General Obligation Refunding Bonds Series 2005A. These bonds refunded portions of outstanding issues of 2001 General Obligation, 2002 Hotel-Motel Tax, 1998 Sewer, Storm Water and Solid Waste General Obligation and 2001 Storm Water and Solid Waste General Obligation bonds. In December 2004, the City received approval to enter into an agreement with the Public Building Authority of Clarksville, Tennessee (PBACC) from the Tennessee Municipal Bond Fund Series 2004 for an amount not to exceed \$25,000,000 including originating cost of the loan used to fund the Fiscal Year 2004 and 2005 Capital Projects. As of June 30, 2006, \$13,045,464 had been issued out of the total \$23,117,171 estimated projects cost.

The \$417,389,712 Gross Outstanding Indebtedness of the City of Chattanooga as of June 30, 2006 reflects the financing decisions being made by the City to meet its long-term goals.

As these charts point out, the City is concentrating on Sewers and Municipal Public Improvements Bonds to satisfy the needs generated by these goals. All of the Sewer portion of the debt and 75.4% of the debt for Municipal Public Improvements is self supported debt.

## General Obligation Bonds by Purpose

Fiscal Year 2006



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

In FY 2003, the General Fund appropriated \$6,193,086. The decrease from prior year was due to increased refunding and debt retirements.

In FY 2004, the General Fund appropriated \$7,636,840. This increase from FY03 reflected the new \$12.2 million G.O. Bonds issued that same year.

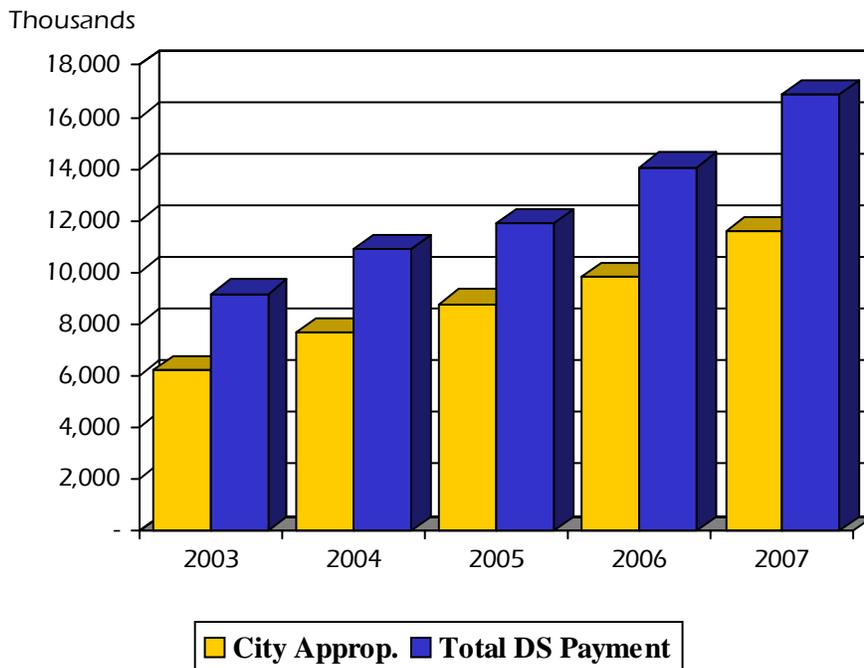
In FY 2005, the General Fund appropriated \$8,772,293. This increase from FY04 covered additional debt from FY04 that will be paid in FY05.

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

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

## General Fund Debt Service Appropriation

Fiscal Years 2003 thru 2007



# Overlapping Debt

In addition to the City, the County has the power to issue debt and to levy taxes or cause taxes to be levied on taxable property in the City. As of June 30, 2006, the County had gross outstanding general obligation bonded debt of \$125,510,000 and net indebtedness of \$125,224,164. The percentage of County net indebtedness applicable to the City is 61.49% or \$87,645,429. Also included in this section on Debt Service are schedules on Debt Ratios as of June 30, 2006, Historical Debt Ratios, and an analysis of General Obligation Debt as of June 30, 2006.

## Outstanding General Obligation Debt

The following table sets forth all outstanding general obligation bond and note indebtedness of the City less applicable exclusions as of June 30, 2006; amounts are not adjusted for the City's share of County debt.

<b>General Obligation Bonds by Purpose</b>		
Municipal Public Improvement <sup>(1)</sup>	159,728,898	
Sewer and Sewage Facilities	<u>74,361,102</u>	
Total Bonded Indebtedness		234,090,000
<b>Other Long-Term Indebtedness</b>		
Chatt. Downtown Redev. Capital Lease	115,925,472	
Fannie Mae American Communities Fund (Hope VI)	2,473,620	
800 MHz Equipment Capital Lease	2,350,237	
General Obligation Capital Outlay Notes	<u>62,550,382</u>	
Total Long-Term Indebtedness		<u>183,299,712</u>
<b>Gross Direct Indebtedness</b>		417,389,712
Less: Self-Supporting Indebtedness		
Sewer and Sewage Facilities Bonds <sup>(2)</sup>	74,361,102	
State Revolving Loan-CSO (ISS portion) <sup>(3)</sup>	36,965,687	
State of GA Revolving Loan (ISS portion) <sup>(4)</sup>	5,336,988	
Cap Lease City of Collegedale (ISS)	214,562	
Chatt. Downtown Redev. Capital Lease <sup>(5)</sup>	115,925,472	
State Revolving Loan-CSO (StormWater portion) <sup>(3)</sup>	1,150,183	
Municipal Public Improvement Bonds(StWa&SoWa) <sup>(6)</sup>	39,048,503	
800 MHz Equipment Capital Lease	2,350,237	
Hotel/Motel Tax Revenue Pledge	55,174,987	
Fannie Mae Loan (CDBG)	2,473,620	
2005 Republic Parking Equipment Loan	<u>126,923</u>	
Total Self Supporting Indebtedness		333,128,264
Debt Service Fund <sup>(7)</sup>		<u>7,139,208</u>
<b>Net Direct Indebtedness</b>		77,122,240
Plus: Estimated Net Overlapping Indebtedness		<u>87,645,429</u>
<b>Net Direct and Net Overlapping Indebtedness</b>		<u>164,767,668</u>

- Note:**
- (1) \$340,000 is payable from the hotel-motel tax collected by Hamilton County for such purpose,
  - (2) Sewer and Sewage Facilities Bonds have the pledge of unlimited ad valorem taxes on all taxable property in the City for their repayment. However, such bonds have been paid by the City from revenues derived from the operation of the City's Interceptor Sewer System.
  - (3) This amount represents 100 percent of the outstanding balance on a State revolving loan, which will be paid by the City from revenues derived from the operations of the City's Interceptor Sewer System and from the operations of the Storm Water fund.
  - (4) The City of Chattanooga is the lead agent on the State of Georgia Revolving Loan; however, the debt is to be repaid by participating North Georgia municipalities.
  - (5) Funding will be paid by revenues from incremental State sales tax, profits from the Chattanooga center, and the city's Share of the 1/2% increase in the county-wide sales tax passed by county-wide referendum held in February 2004. This increase replaced the 1/2% city-only sales tax effective July 1, 2004.
  - (6) \$39,048,503 represents the outstanding balance of 1998 through 2005 Municipal Public Improvement Bonds of which \$14,995,854 is related to Storm Water and \$24,052,651 is related to Solid Waste, which will be paid by the city from the revenue derived from the operations of these funds.
  - (7) This represents unaudited Fund Balance at June 30, 2006.

# Debt Ratios

The following table sets forth certain ratios relating to the City's general obligation indebtedness as of June 30, 2006.

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> <sup>1</sup>	<u>Percentage of Assessed Valuation</u> <sup>2</sup>	<u>Percentage of Full Valuation</u> <sup>3</sup>
Gross Direct Indebtedness <sup>4</sup>	\$ 417,389,712	\$ 2,697	10.81%	3.49%
Net Direct Indebtedness <sup>4</sup>	77,122,240	498	2.00%	0.65%
Gross Direct and Net Overlapping Indebtedness <sup>5</sup>	505,035,140	3,263	13.08%	4.22%
Net Direct and Net Overlapping Indebtedness <sup>5</sup>	164,767,668	1,065	4.27%	1.38%
Per Capita Assessed Valuation <sup>1</sup>	\$24,944 *			
Per Capita Full Valuation <sup>1</sup>	\$77,251 *			

\*Based on 2006 population estimate.

- Notes:
- (1) The City's population in 2006 was estimated at 154,762.
  - (2) The City's preliminary assessed valuation of taxable property as of June 30, 2006 was \$3,860,452,959.
  - (3) The City's estimated full valuation of taxable property as of June 30, 2006 was \$11,955,447,979.
  - (4) See "Historical Debt Ratios" under this section.
  - (5) The County's net overlapping indebtedness is \$142,546,173. The City's share is \$87,645,429. (61.4856%).

# Other Long-Term Indebtedness

As of June 30, 2006, the City had the following other outstanding long-term indebtedness.

	Outstanding Amount	Issue Dated Date	Maturity
State of Tennessee Revolving Loan	2,300,367	03/01/1993	02/28/2013
Capital Outlay Notes (1)	60,781	09/01/1992	09/01/2006
State of Tennessee Revolving Loan 2003	35,815,503	02/03/2003	10/20/2024
Tennessee Municipal League Bond Pool (1997)	3,935,023	02/01/1997	05/25/2012
State of Georgia Revolving Loan (2)	5,336,989	07/01/2000	10/01/2019
Fire Hall Land Note (3)	31,073	04/01/1999	04/01/2014
Capital Lease City of Collegedale (4)	214,562	10/01/2000	08/01/2014
Chatt. Downtown Redev. Corp. Capital Lease (5)	115,925,472	07/01/2002	10/01/2030
800 MHz Equipment Capital Lease	2,350,237	10/01/2003	07/01/2009
Fannie Mae Notes	2,473,620	03/15/2004	01/01/2015
Tennessee Municipal League Bond Pool (2003)	1,683,698	09/07/2003	05/25/2018
Tennessee Municipal League Bond Pool (2004)	13,045,464	05/20/2005	04/20/2025
Republic Parking Equipment Loan ( 2005)	126,923	05/01/2005	05/01/2008
Total	<u>\$183,299,712</u>		

Notes:

- (1) *City's share of Parking Garage at the Joint Courts Building.*
- (2) *Loan agreement with the State of Georgia.*
- (3) *Land purchased for \$45,000 to build a Fire Super Station. Term of Loan - 15 years at 9.5%.*
- (4) *To lease and purchase an interceptor gravity sewer line, force main, pump station, easements and fee for property associated with purchase.*
- (5) *Construction and purchase of the Conference Center (Chattanooga), Trade Center expansion, Development Resource Center, Parking Garage and associated infrastructure improvements.*

## Future Capital Financing

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

City of Chattanooga, Tennessee  
 General Obligation Self Supporting Bonded Debt Service Requirements  
 As of June 30, 2006

**Sewer & Sewage Facilities Bonds  
 Municipal Public Improvement Bonds  
 (Storm Water and Solidwaste)  
and State Revolving Loan (CSO)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total P &amp; I Requirements</b>
2007	14,289,220.73	6,356,516.73	20,645,737.46
2008	12,688,434.28	5,837,334.04	18,525,768.32
2009	14,679,860.91	5,341,447.08	20,021,307.99
2010	12,826,627.98	4,726,357.48	17,552,985.46
2011	12,121,707.13	4,163,494.60	16,285,201.73
2012	10,261,094.36	3,648,054.53	13,909,148.89
2013	10,495,283.13	3,172,857.58	13,668,140.71
2014	9,530,544.91	2,729,867.98	12,260,412.89
2015	9,772,122.66	2,301,499.61	12,073,622.27
2016	8,113,554.71	1,899,742.50	10,013,297.21
2017	8,494,902.72	1,524,297.11	10,019,199.83
2018	8,891,125.97	1,130,555.86	10,021,681.83
2019	7,724,387.56	759,245.02	8,483,632.58
2020	2,795,910.41	540,305.90	3,336,216.31
2021	2,648,715.00	463,743.62	3,112,458.62
2022	2,739,685.00	374,546.82	3,114,231.82
2023	2,832,649.00	282,035.20	3,114,684.20
2024	2,932,667.00	186,160.80	3,118,827.80
2025	2,619,731.00	87,305.22	2,707,036.22
2026	618,800.00	30,419.62	649,219.62
<b>Total</b>	<b>\$ 157,077,024.46</b>	<b>\$ 45,555,787.30</b>	<b>\$ 202,632,811.76</b>

Does not include CDRC (Southside) Capital Lease of \$115,925,472 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2006 consist of 2003 TMBF Loan of \$3,336,302 and 2004 TMBF Loan of \$10,927,536.

City of Chattanooga, Tennessee  
 General Obligation Debt Service Requirements  
 As of June 30, 2006

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	8,507,043.91	6,249,283.88	14,756,327.79
2008	7,414,825.12	5,949,439.75	13,364,264.87
2009	8,785,212.33	5,646,881.37	14,432,093.70
2010	9,066,736.29	5,274,035.76	14,340,772.05
2011	8,402,276.05	4,921,777.72	13,324,053.77
2012	6,657,790.95	4,604,514.28	11,262,305.23
2013	6,155,836.90	4,324,319.90	10,480,156.80
2014	6,204,407.35	4,070,260.17	10,274,667.52
2015	6,560,651.20	3,802,602.50	10,363,253.70
2016	6,710,835.00	3,512,146.62	10,222,981.62
2017	5,914,491.00	3,231,579.43	9,146,070.43
2018	5,142,775.00	2,965,083.86	8,107,858.86
2019	3,924,002.00	2,728,601.91	6,652,603.91
2020	4,024,132.00	2,547,504.12	6,571,636.12
2021	4,384,000.00	2,407,506.40	6,791,506.40
2022	4,690,000.00	2,183,614.20	6,873,614.20
2023	5,000,000.00	1,944,407.80	6,944,407.80
2024	5,320,000.00	1,696,762.20	7,016,762.20
2025	5,660,000.00	1,440,630.30	7,100,630.30
2026	6,002,200.00	1,168,217.90	7,170,417.90
2027	3,470,000.00	879,075.00	4,349,075.00
2028	3,700,000.00	717,750.00	4,417,750.00
2029	3,950,000.00	535,750.00	4,485,750.00
2030	4,225,000.00	331,375.00	4,556,375.00
2031	4,515,000.00	112,875.00	4,627,875.00
<b>Total</b>	<b>\$ 144,387,215.10</b>	<b>\$ 73,245,995.08</b>	<b>\$ 217,633,210.18</b>

Does not include CDRC (Southside) Capital Lease of \$115,925,472 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2006 consist of 2003 TMBF Loan of \$3,336,302 and 2004 TMBF Loan of \$10,927,536.

GOVERNMENTAL ACTIVITIES

Serial Bonds:

	Outstanding July 1, 2005	Interest Pd FY 2006	Issued FY 2006	Retired FY 2006	Outstanding 06/30/06	Maturing FY 2007	Interest Payable FY 2007
1998 Public Improvement Refunding	7,222,400	388,967	0	13,200	7,209,200	208,800	383,463
2001 Municipal Public Improvement	18,821,200	936,038	0	1,005,000	17,816,200	1,055,000	890,880
2002 Municipal Public Refunding	10,712,000	464,891	0	1,963,100	8,748,900	1,868,900	377,004
2002 Series A Refunding	4,590,356	171,557	0	652,048	3,938,308	641,010	139,230
2002 Hotel-Motel Tax Pledge	49,705,000	2,477,538	0	0	49,705,000	720,000	2,202,488
2003 Series A General Obligation	11,360,000	404,376	0	790,000	10,570,000	790,000	380,676
2005A Municipal Public Improvement Refunding	17,436,521	646,745	0	213,720	17,222,801	24,409	763,336
2005A Hotel-Motel Tax Pledge Refunding	5,469,987	203,642	0	0	5,469,987	20,157	240,853
<b>Total Serial Bonds</b>	<b>125,317,464</b>	<b>5,693,754</b>	<b>0</b>	<b>4,637,068</b>	<b>120,680,396</b>	<b>5,328,276</b>	<b>5,377,930</b>

Notes Payable:

Hamilton Count Parking Garage	121,562	5,911	0	60,781	60,781	60,781	1,975
1997 TML Bond Fund	4,477,023	132,164	0	542,000	3,935,023	571,000	157,401
1999 Fire Hall Land Note	33,627	3,085	0	2,554	31,073	2,807	2,832
2003 Fannie Mae	1,534,829	88,516	1,438,791	500,000	2,473,620	500,000	64,716
2003 TML Bond Fund	1,901,771	58,262	120,927	339,000	1,683,698	350,000	69,032
2004 TML Bond Fund	5,525,378	283,240	8,547,086	1,027,000	13,045,464	1,055,000	534,864
2005 Republic Parking Equipment Loan	0	11,175	186,703	59,780	126,923	64,101	6,854
<b>Total Notes Payable</b>	<b>13,594,190</b>	<b>582,353</b>	<b>10,293,507</b>	<b>2,531,115</b>	<b>21,356,582</b>	<b>2,603,689</b>	<b>837,674</b>

Capital leases payable:

Southside Capital Lease	115,925,472	7,198,975	0	0	115,925,472	2,186,735	7,517,990
800 MHz Equipment Capital Lease	2,917,191	41,805	0	566,954	2,350,237	575,079	33,680
<b>Total Capital Leases Payable</b>	<b>118,842,663</b>	<b>7,240,780</b>	<b>0</b>	<b>566,954</b>	<b>118,275,709</b>	<b>2,761,814</b>	<b>7,551,670</b>
<b>Total governmental activities</b>	<b>257,754,317</b>	<b>13,516,887</b>	<b>10,293,507</b>	<b>7,735,137</b>	<b>260,312,687</b>	<b>10,693,779</b>	<b>13,767,274</b>

City of Chattanooga, TN  
 Analysis of General Obligation Debt  
 June 30, 2006

**BUSINESS TYPE ACTIVITIES:**

Interceptor Sewer System:	Outstanding July 1, 2005	Interest Pd FY 2006	Issued FY 2006	Retired FY 2006	Outstanding 06/30/06	Maturing FY 2007	Interest Payable FY 2007
Serial Bonds:							
1998 Sewer & Sewage Facilities	2,690,000	100,022	0	1,315,000	1,375,000	1,375,000	34,398
1998 Sewer & Sewage Facilities Refunding	13,337,900	701,272	0	51,800	13,286,100	816,200	679,754
2002 Municipal Public Refunding	20,879,343	918,721	0	1,550,191	19,329,152	855,191	878,399
2002 Series A Refunding	24,519,644	916,381	0	3,482,952	21,036,692	3,423,990	743,707
2003 B Sewer & Sewage Facilities Refunding	9,050,000	276,925	0	2,185,000	6,865,000	2,375,000	211,375
2005A Municipal Public Improvement Refunding	12,545,129	502,335	0	75,971	12,469,158	22	594,096
Total serial bonds	83,022,016	3,415,656	0	8,660,914	74,361,102	8,845,403	3,141,729
Notes payable:							
CSO State Revolving Loan	1,297,921	48,973	0	147,737	1,150,184	153,720	42,996
State of Georgia Revolving Loan	5,629,576	220,831	0	292,587	5,336,989	304,468	208,950
2003 State Revolving Loan	37,212,858	1,089,957	0	1,397,355	35,815,503	1,439,570	1,047,744
Total notes payable	44,140,355	1,359,761	0	1,837,679	42,302,676	1,897,758	1,299,690
Capital leases payable:							
2001 Capital Lease City of Collegedale	234,453	13,762	0	19,891	214,562	21,019	12,633
Total capital leases payable	234,453	13,762	0	19,891	214,562	21,019	12,633
Total Interceptor Sewer System	127,396,824	4,789,179	0	10,518,484	116,878,340	10,764,180	4,454,053
Solid Waste & Sanitation Fund:							
Serial Bonds:							
1998 Municipal Public Improvement	1,485,000	55,075	0	725,000	760,000	760,000	18,941
1998 Municipal Public Improvement Refunding	3,686,100	202,736	0	0	3,686,100	0	202,736
2001 Municipal Public Improvement	3,202,600	159,282	0	170,000	3,032,600	180,000	151,598
2002 Municipal Public Improvement-Refunding	7,790,113	365,790	0	1,015,225	6,774,888	1,074,073	314,363
2005A Municipal Public Improvement Refunding	9,877,293	386,746	0	78,230	9,799,063	4,169	457,129
Total Solid Waste & Sanitation Fund	26,041,106	1,169,629	0	1,988,455	24,052,651	2,018,242	1,144,765

City of Chattanooga, TN  
 Analysis of General Obligation Debt  
 June 30, 2006

	Outstanding July 1, 2005	Interest Pd FY 2006	Issued FY 2006	Retired FY 2006	Outstanding 06/30/06	Maturing FY 2007	Interest Payable FY 2007
<b>Stormwater fund</b>							
<b>Serial Bonds:</b>							
1998 Municipal Public Improvement	1,105,000	41,179	0	540,000	565,000	565,000	14,162
1998 Municipal Public Improvement Refunding	2,528,600	139,073	0	0	2,528,600	0	139,073
2001 Municipal Public Improvement	951,200	47,305	0	50,000	901,200	50,000	45,023
2002 Municipal Public Improvement-Refunding	5,693,546	268,559	0	696,484	4,997,062	736,836	233,278
2005A Municipal Public Improvement Refunding	6,046,071	239,498	0	42,079	6,003,992	1,243	283,168
<b>Total serial bonds</b>	<b>16,324,417</b>	<b>735,614</b>	<b>0</b>	<b>1,328,563</b>	<b>14,995,854</b>	<b>1,353,079</b>	<b>714,703</b>
<b>Notes payable:</b>							
State Revolving Loan	1,297,921	48,984	0	147,738	1,150,183	153,720	42,996
	1,297,921	48,984	0	147,738	1,150,183	153,720	42,996
<b>Total Stormwater Fund</b>	<b>17,622,338</b>	<b>784,598</b>	<b>0</b>	<b>1,476,301</b>	<b>16,146,037</b>	<b>1,506,799</b>	<b>757,699</b>
<b>TOTAL GENERAL OBLIGATION DEBT</b>	<b>428,814,585</b>	<b>20,260,293</b>	<b>10,293,507</b>	<b>21,718,377</b>	<b>417,389,715</b>	<b>24,983,000</b>	<b>20,123,791</b>
<b>PRIMARY GOVERNMENT REVENUE BONDS AND OTHER DEBTS</b>							
<b>Electric Power Board</b>							
<b>Revenue Bonds:</b>							
2001 Electric System Revenue Bonds	33,600,000	1,664,800	0	1,600,000	32,000,000	1,600,000	1,588,800
<b>Total Primary Government Revenue Bonds</b>	<b>33,600,000</b>	<b>1,664,800</b>	<b>0</b>	<b>1,600,000</b>	<b>32,000,000</b>	<b>1,600,000</b>	<b>1,588,800</b>
<b>Notes And Loans:</b>							
Feb 05 Equipment Note	756,637	30,304	0	149,344	607,293	155,750	23,599
May 05 Equipment Note	548,510	23,113	0	103,701	444,809	108,583	18,230
Jun 05 Equipment Note	468,313	19,993	0	88,433	379,880	92,652	15,774
Oct 05 Equipment Note	0	16,319	506,648	75,759	430,889	105,157	17,614
Dec 05 Equipment Note	0	19,941	842,278	88,240	754,038	183,156	33,207
<b>Total Electric Power Board</b>	<b>1,773,460</b>	<b>109,670</b>	<b>1,348,926</b>	<b>505,477</b>	<b>2,616,909</b>	<b>645,298</b>	<b>108,424</b>
<b>Total Primary Government</b>	<b>35,373,460</b>	<b>1,774,470</b>	<b>1,348,926</b>	<b>2,105,477</b>	<b>34,616,909</b>	<b>2,245,298</b>	<b>1,697,224</b>

City of Chattanooga, TN  
 Analysis of General Obligation Debt  
 June 30, 2006

COMPONENT UNITS

Revenue Bonds:

Metropolitan Airport Authority:

2002 Airport Revenue Series A Refunding  
 2002 Airport Revenue Series B  
 Total Metropolitan Airport Authority

Outstanding July 1, 2005	Interest Pd FY 2006	Issued FY 2006	Retired FY 2006	Outstanding 06/30/06	Maturing FY 2007	Interest Payable FY 2007
12,625,000	411,731	0	0	12,625,000	0	669,125
1,895,000	78,788	0	585,000	1,310,000	630,000	39,440
14,520,000	490,519	0	585,000	13,935,000	630,000	708,565

Chatt Downtown Redevelopment Corporation:

2000 Chatt Lease Rental Revenue Bonds

129,200,000	7,198,975	0	0	129,200,000	2,570,000	7,134,725
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Total Chatt. Downtown Redev. Corp.

129,200,000	7,198,975	0	0	129,200,000	2,570,000	7,134,725
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Total Revenue Bonds

143,720,000	7,689,494	0	585,000	143,135,000	3,200,000	7,843,290
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Other Debts:

Chatt Downtown Redevelopment Corporation:

Notes And Loans:

2005 Republic Parking Equipment Loan  
 Total Chatt. Downtown Redev. Corp.

186,703	0	0	186,703	0	0	0
186,703	0	0	186,703	0	0	0

Total Other Debts

186,703	0	0	186,703	0	0	0
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Total Component Units

143,906,703	7,689,494	0	771,703	143,135,000	3,200,000	7,843,290
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# History of General Obligation Debt

The following table sets forth all outstanding general obligation bond and note indebtedness of the city at the end of the fiscal years 1999/00 through 2005/06, less applicable exclusions, adjusted to reflect the City's applicable share of County debt.

	2000	2001	2002	2003	2004	2005	2006
<b>General Obligation Bonds by Purpose</b>							
Public Buildings Improvement	\$ 530,000	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and Sewage Facilities	124,002,403	115,758,219	107,942,691	100,678,646	92,029,992	83,022,016	74,361,102
Municipal Public Improvement	81,887,597	125,716,782	120,057,309	181,276,354	174,535,008	167,682,984	159,728,898
Total Bonded Indebtedness	\$ 206,420,000	\$ 241,740,001	\$ 228,000,000	\$ 281,955,000	\$ 266,565,000	\$ 250,705,000	\$ 234,090,000
<b>Other Long-Term Indebtedness</b>							
General Obligation Capital Outlay Notes	8,804,735	8,434,926	9,866,532	24,399,322	41,145,146	39,608,208	46,145,255 <sup>(1)</sup>
Tennessee Municipal Bond Fund	8,296,833	7,819,523	6,550,098	5,339,097	6,619,343	19,424,258	18,664,185
Capital Leases	-	448,399	288,204	116,196,668	119,978,775	119,077,117	118,490,272 <sup>(2)</sup>
Gross Direct Indebtedness	\$ 223,521,568	\$ 258,442,849	\$ 244,704,834	\$ 427,890,087	\$ 434,308,264	\$ 428,814,583	\$ 417,389,713
Less: Self-Supporting Indebtedness	179,866,955	179,059,226	169,016,890	289,509,352	353,562,825	346,612,744	333,128,264
Debt Service Fund	2,671,606	3,971,606	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208
Net Direct Indebtedness	\$ 40,983,007	\$ 75,412,017	\$ 70,190,861	\$ 133,392,593	\$ 75,522,735	\$ 75,729,910	\$ 77,122,241
Plus: Estimated Net Overlapping Indebtedness:	88,150,799	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429
Net Direct and Overlapping Indebtedness	\$ 129,133,806	\$ 178,529,979	\$ 179,782,718	\$ 229,540,469	\$ 183,344,484	\$ 173,216,226	\$ 164,767,669

## Notes:

(1) As of June 30, 2006 Capital Outlay Notes consist of \$60,781 payable to Hamilton County for City's share of City/County Parking Garage; \$38,115,870 State of Tennessee Revolving Loan for combined sewer overflow facilities; \$5,336,989 State of Georgia Revolving Loan for the Northwest Georgia Sewer Expansion; \$2,473,620 Fannie Mae American Communities Fund for Alton Park Hope VI; \$126,922 Parking Equipment Loan and \$31,073 Fire Hall Loan.

(2) Capital leases as of June 30, 2006 includes the \$214,562 City of Collegedale for Sewer Easement, \$115,925,472 CDRC (Southside) Capital Lease and \$2,350,237 for the 800MHz Communication Equipment.

CITY OF CHATTANOOGA  
HISTORICAL DEBT RATIOS  
June 30, 2006 (unaudited)

Year ended June 30	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Estimated population(1)	150,300	148,800	147,500	145,700	155,554	155,992	155,582	155,289	154,853	154,762
Appraised property valuation	\$ 6,952,125,326	\$ 7,710,994,825	\$ 7,944,005,472	\$ 7,984,908,874	\$ 8,281,644,305	\$ 9,789,654,070	\$ 9,944,568,067	\$ 10,057,472,717	\$ 10,323,946,674	\$ 11,955,447,979
Assessed property valuation	2,295,859,675	2,530,009,871	2,604,109,845	2,617,535,875	2,729,199,377	3,201,743,737	3,260,023,356	3,237,183,936	3,319,249,168	3,860,452,959
Gross indebtedness (2)	191,283,521	245,731,165	237,505,962	223,521,569	258,442,849	244,704,834	427,890,087	434,308,264	428,814,582	417,389,712
Less: Self-supporting indebtedness(3)	138,922,708	194,393,764	190,087,672	179,866,956	178,059,226	169,036,886	344,499,352	353,562,825	346,612,744	333,128,264
Debt Service Fund	8,802,830	7,126,274	2,566,687	2,671,606	4,163,307	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208
Net direct indebtedness	43,557,983	44,211,127	44,851,603	40,983,007	76,220,316	70,170,865	78,402,593	75,522,735	75,729,909	77,122,240
Plus: Estimated net overlapping indebtedness	100,669,117	99,208,181	98,505,368	88,150,782	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429
Net direct and overlapping indebtedness	\$ 144,227,100	\$ 143,419,308	\$ 143,356,971	\$ 129,133,789	\$ 179,338,278	\$ 179,762,722	\$ 174,550,469	\$ 183,344,485	\$ 173,216,225	\$ 164,767,668
Gross debt per capita	\$ 1,272.68	\$ 1,651.42	\$ 1,610.21	\$ 1,534.12	\$ 1,661.43	\$ 1,568.70	\$ 2,750.25	\$ 2,796.77	\$ 2,769.17	\$ 2,696.98
Net direct debt per capita	289.81	297.12	304.08	281.28	489.99	449.84	503.93	486.34	489.04	498.33
Net direct and overlapping debt per capita	959.59	963.84	971.91	886.30	1,152.90	1,152.38	1,121.92	1,180.67	1,118.58	1,064.65
Gross debt to appraised valuation	2.75%	3.19%	2.99%	2.80%	3.12%	2.50%	4.30%	4.32%	4.15%	3.49%
Net direct debt to appraised valuation	0.63%	0.57%	0.56%	0.51%	0.92%	0.72%	0.79%	0.75%	0.73%	0.65%
Net direct and overlapping debt to appraised valuation	2.07%	1.86%	1.80%	1.62%	2.17%	1.84%	1.76%	1.82%	1.68%	1.38%
Gross debt to assessed valuation	8.33%	9.71%	9.12%	8.54%	9.47%	7.64%	13.13%	13.42%	12.92%	10.81%
Net direct debt to assessed valuation	1.90%	1.75%	1.72%	1.57%	2.79%	2.19%	2.40%	2.33%	2.28%	2.00%
Net direct and overlapping debt to assessed valuation	6.28%	5.67%	5.51%	4.93%	6.57%	5.61%	5.35%	5.66%	5.22%	4.27%

(1) Population figures for all years are

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

(3) The self-supporting debt includes Sewer Bonds and municipal public improvement bonds supported by Hotel Motel taxes, CDRC capital lease, Fannie Mae American Communities fund, 800 MHz Equipment Capital Lease.

## Debt Service Fund Revenues

Fiscal Years 2004-2007

Revenue Source	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 INC/(DEC)	% CHANGE FY 06/07	% OF TOTAL
Debt Service (Fund 3100):							
General Fund	7,636,840	8,772,293	9,801,307	11,567,051	1,765,744	18.02	68.31
Trfrs-Cap Imp Bond Fd	0	0	0		0	0.00	0.00
Trfrs-Safety Cap Project Fd	3,525	3,316	5,638	5,639	1	0.02	0.03
Hamilton County	794,983	782,163	762,683	617,731	(144,952)	(19.01)	3.65
Miscellaneous Revenue	0	0	0	0	0	0.00	0.00
911 Communication	200,000	200,000	200,000	200,000	0	0.00	1.18
City Hotel/Motel Tax	2,477,538	2,477,538	2,416,930	3,183,497	766,567	31.72	18.80
CDBG (Fannie Mae Loan)	1,821	17,109	112,589	608,759	496,170	440.69	3.59
Homeland Security Grant	0	923,688	608,759	751,683	142,924	23.48	4.44
<b>Total Debt Service Fund</b>	<b>\$11,114,707</b>	<b>\$13,176,107</b>	<b>\$13,907,906</b>	<b>\$16,934,360</b>	<b>3,026,454</b>	<b>21.76</b>	<b>100.00</b>
Grand Total	<b>\$11,114,707</b>	<b>\$13,176,107</b>	<b>\$13,907,906</b>	<b>\$16,934,360</b>	<b>3,026,454</b>	<b>21.76</b>	<b>100.00</b>

## Debt Service Fund Expenditures

Fiscal Years 2004-2007

Expenditures	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Budget FY 06/07	BUDGET '07 INC/(DEC)	% CHANGE FY 06/07
Debt Service (Fund 3100):						
Principal	4,725,541	5,777,360	7,163,965	9,442,942	2,278,977	31.8
Interest	6,141,098	6,118,239	6,693,941	7,421,418	727,477	10.9
Service Charges	26,434	53,198	50,000	70,000	20,000	40.0
Bond Sale Expenses	750	0	0	0	0	0.0
<b>Total Debt Service Fund</b>	<b>\$10,893,823</b>	<b>\$11,948,797</b>	<b>\$13,907,906</b>	<b>\$16,934,360</b>	<b>3,026,454</b>	<b>21.8</b>
Grand Total	<b>\$10,893,823</b>	<b>\$11,948,797</b>	<b>\$13,907,906</b>	<b>\$16,934,360</b>	<b>3,026,454</b>	<b>21.8</b>
Per Capita	70.02	76.95	89.81	109.42		

# Capital Project Funds

## Fund Structure

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

FY 2006 Capital Budget figures were as follows:

Finance & Administration	\$	20,000
General Government		20,353,313
Parks & Recreation		1,105,000
Education, Arts & Culture		300,000
Public Works		5,679,287
Police		1,025,000
Fire		954,900
Neighborhood Services		150,000
General Services		100,000
Interceptor Sewer		6,153,000
Public Works Storm Water		<u>2,100,000</u>
	\$	<u>37,940,500</u>

The FY07 Proposed Capital budget request is as follows:

### Proposed Budget FY2007

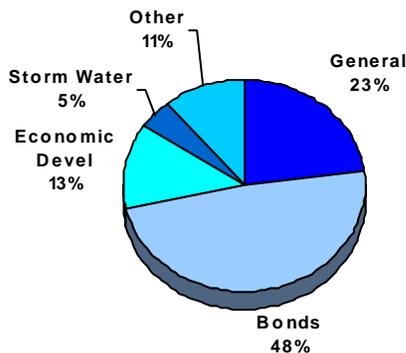
#### Proposed Revenue FY07

Bonds	\$	15,046,994
General Fund		7,104,580
Economic Development		3,781,000
Hotel, Motel Tax		650,000
State of Tennessee		737,585
Homeland Security Grant		237,500
Storm Water Fund Balance		1,490,559
Other		<u>1,718,023</u>
	\$	<u>30,766,241</u>

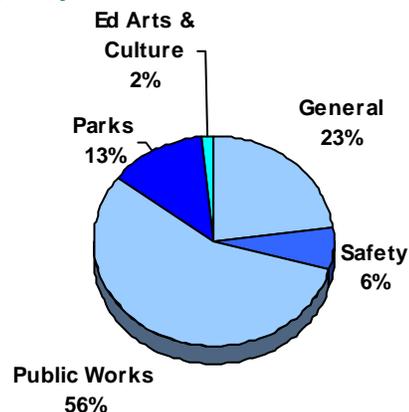
#### Budget Request FY07

General Government	\$7,163,500
Parks & Recreation	4,112,862
Public Works	8,572,173
Police (Safety)	310,000
Fire (Safety)	1,692,500
Education, Arts & Culture (Other)	500,000
Solid Waste Fund	6,924,647
Storm Water Fund	<u>1,490,559</u>
	\$ <u>30,766,241</u>

## Fiscal Year 2006/2007 \$30,766,241



*Revenues*



*Appropriations*

## Capital Fund Revenues

Fiscal Years 2004 - 2007

Revenue Source	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Proposed Budget FY 06/07	BUDGET '04 INC/(DEC)	% CHANGE FY 03/04	% <b>OF TOTAL</b>
General Fund	0	3,500,000	3,500,000	7,104,580	3,604,580	103.0%	23.09%
State/Federal Grants	2,189,669	9,971,567	7,777,920	0	(7,777,920)	-100.0%	0.00%
Economic Development Fund	2,385,146	2,000,000	2,664,000	3,781,000	1,117,000	41.9%	12.29%
General Obligation Bonds	5,055,107	7,339,369	14,615,267	15,046,994	431,727	3.0%	48.91%
Interceptor Sewer Fund Bal	0	0	6,153,000	0	(6,153,000)	-100.0%	0.00%
Storm Water Fund Balance	0	1,500,000	2,100,000	1,490,559	(609,441)	-29.0%	4.84%
Other	1,547,841	4,493,594	1,130,313	3,343,108	2,212,795	195.8%	10.87%
	<b>\$11,177,763</b>	<b>\$28,804,530</b>	<b>\$37,940,500</b>	<b>\$30,766,241</b>	<b>(7,174,259)</b>	<b>-18.9%</b>	<b>100.00%</b>
<b>Grand Total</b>	<b>\$11,177,763</b>	<b>\$28,804,530</b>	<b>\$37,940,500</b>	<b>\$30,766,241</b>	<b>(7,174,259)</b>	<b>-18.9%</b>	<b>100.00%</b>
Annual Budget	\$25,026,116	\$28,350,044					

## Revenues

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

The FY2004 Capital Budget totalled \$25,026,116. Funding for the FY 2004 Capital Budget was provided by funds from Foundations and other sources in the amount of \$2,203,760, State of Tennessee and Federal grants of \$4,309,049, Fannie Mae Loan \$5,000,000, Economic Development Fund \$2,385,146 and bond issuance of \$11,128,161.

The FY 2005 Capital Budget totalled \$28,350,044. Funding for the FY 2005 Capital Budget was provided by the General Fund appropriation for Capital Improvements in the amount of \$3,500,000, Economic Development Fund \$2,000,000, Tennessee Municipal Bond Fund Loan \$11,274,010, State of Tennessee and Federal grants of \$5,264,700, The 911 Board \$3,043,796, Storm Water Fund Balance of \$1,500,000 and funds from Foundations and other sources in the amount of \$1,767,538.

Funding for the FY 2006 Capital Budget was provided by the General Fund appropriation for Capital Improvements in the amount of \$3,500,000, Economic Development Fund \$2,664,000, General Obligation Bond Fund Loan \$14,615,267, State of Tennessee and Federal grants of \$7,777,920, Interceptor Sewer Fund Balance of \$6,153,000, Storm Water Fund Balance of \$2,100,000 and funds from Foundations and other sources in the amount of \$1,130,313.

Proposed funding for the FY 2007 Capital Budget is provided by the General Fund appropriation for Capital Improvements in the amount of \$7,104,580, Economic Development Fund \$3,781,000, General Obligation Bond Fund Loan \$15,046,994, Storm Water Fund Balance of \$1,490,559 and funds from Foundations and other sources in the amount of \$3,343,108.

## Capital Fund Expenditures

Fiscal Years 2004 - 2007

Expenditures	Actual FY 03/04	Actual FY 04/05	Budget FY 05/06	Proposed Budget FY 06/07	BUDGET '04 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
Capital Projects:							
Police (Fund P411)	3,001,604	2,275,630	1,025,000	310,000	(715,000)	-69.8%	1.01%
Fire (Fund P411)	1,579,967	1,197,832	954,900	1,692,500	737,600	77.2%	5.50%
Public Works (Fund P416)	19,395,689	12,665,890	5,679,287	16,987,379	11,308,092	199.1%	55.21%
Parks & Recreation (Fund P415)	5,637,829	3,972,346	1,105,000	4,112,862	3,007,862	272.2%	13.37%
General Government (Fund P413)	5,146,662	6,810,604	20,353,313	7,163,500	(13,189,813)	-64.8%	23.28%
Finance & Admin (Fund P413)	0		20,000	0	(20,000)	-100.0%	0.00%
General Services (Fund P414)	0	40,240	100,000	0	(100,000)	-100.0%	0.00%
Education, Arts & Culture	0	0	150,000	500,000	350,000	233.3%	1.63%
Other (Neighborhood Svs)	0	0	300,000	0	(300,000)	-100.0%	0.00%
<b>Total Capital Projects</b>	<b>\$34,761,751</b>	<b>\$26,962,542</b>	<b>\$29,687,500</b>	<b>\$30,766,241</b>	<b>\$1,078,741</b>	<b>3.6%</b>	<b>100.00%</b>
 Grand Total	 <b>\$34,761,751</b>	 <b>\$26,962,542</b>	 <b>\$29,687,500</b>	 <b>\$30,766,241</b>	 <b>1,078,741</b>	 <b>3.6%</b>	 <b>100.00%</b>
Annual Budget	\$25,026,116	\$28,350,044					

## Expenses

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

### PUBLIC WORKS

<b>FY 2007 Proposed Budget</b>	<b>\$16,987,379</b>
<b>% of Total Capital Budget</b>	<b>55.21%</b>
<b>Increase From FY 2006</b>	<b>\$11,308,862</b>
<b>% Increase</b>	<b>55.21%</b>

### POLICE

<b>FY 2007 Proposed Budget</b>	<b>\$ 310,000</b>
<b>% of Total Capital Budget</b>	<b>1.01%</b>
<b>Decrease From FY 2006</b>	<b>\$ 715,000</b>
<b>% Decrease</b>	<b>69.75%</b>

The Police Department capital appropriation will be used for the digital cameras, software and building upgrades.

The FY 2007 Public Works capital appropriation reflects the City's continuous street paving/street rehab program, streetscape work, various traffic signal projects and replacement of city-wide services equipment accounts, city-wide bridge rehabilitation, storm water projects and City landfill improvements.

### FIRE

<b>FY 2007 Proposed Budget</b>	<b>\$1,692,500</b>
<b>% of Total Capital Budget</b>	<b>5.5%</b>
<b>Increase From FY 2006</b>	<b>\$ 737,600</b>
<b>% Increase</b>	<b>77.24%</b>

The FY 2007 appropriation for the Fire Department includes new fire apparatus, additional fire stations and upgrades of current buildings and equipment.

### PARKS & RECREATION

<b>FY 2007 Proposed Budget</b>	<b>\$4,112,862</b>
<b>% of Total Capital Budget</b>	<b>13.37%</b>
<b>Increase From FY 2006</b>	<b>\$3,007,862</b>
<b>% Increase</b>	<b>272.20%</b>

The FY 2007 Parks & Recreation Department appropriation includes City wide parks rehabilitation, vehicle replacement, Recreation Center upgrades and Zoo improvements.

## **GENERAL GOVERNMENT**

<b>FY 2007 Proposed Budget</b>	<b>\$ 7,163,500</b>
<b>% of Total Capital Budget</b>	<b>23.28%</b>
<b>Decrease From FY 06</b>	<b>\$13,189,813</b>
<b>% Decrease</b>	<b>64.85%</b>

The FY 2007 General Government budget includes funding for City Hall Renovation, Chattanooga Area Regional Transit Authority, city wide vehicle replacement, Information Services software upgrades and improvements for the new Enterprise Industrial Park Nature Park.

## **EDUCATION, ARTS & CULTURE**

<b>FY 2007 Proposed Budget</b>	<b>\$500,000</b>
<b>% of Total Capital Budget</b>	<b>1.63%</b>
<b>Increase From FY 06</b>	<b>\$350,000</b>
<b>% Increase</b>	<b>233.33%</b>

FY 2007 Capital budget is for civic facilities improvements.

# Capital Project Detail

## General Government

<b>Capital Budget</b> <i>Five Year Plan</i>						
Project Name	<b>Estimated Project Cost by Fiscal Year</b>					
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
CARTA	500,000	375,000	500,000	500,000	500,000	-
City Hall Renovation	8,900,000	400,000	-	-	-	-
Information Services	-	2,640,000	2,045,000	20,000.00	-	-
Bessie Smith Heritage Center Chiller	50,313	-	-	-	-	-
General Services	-	3,500,000	2,481,914	2,787,561	2,192,606	993,714
Fleet Services	97,000	48,500	98,000	-	-	-
Animal Shelter	2,000,000	-	-	-	-	-
Public Art	100,000	100,000	100,000	100,000	100,000	-
Enterprise South Nature Park	-	100,000	200,000	-	-	-
Enterprise Industrial Park	8,706,000	-	10,000,000	10,000,000	-	-
<b>Total General Government</b>	<b>20,353,313</b>	<b>7,163,500</b>	<b>15,424,914</b>	<b>13,407,561</b>	<b>2,792,606</b>	<b>993,714</b>

- |  | Prior Years<br>Appropriations | 2006/2007<br>Request | Total<br>Project    |
|--|-------------------------------|----------------------|---------------------|
| <b>1. CARTA</b>  |                               |                      |                     |
| <b>Proposed Funding Source: Economic Development Fund</b>  |                               | <b>\$ 375,000</b>    |                     |
| <b>Prior Years</b>   | <b>\$ 4,610,850</b>           |                      | <b>\$ 4,985,850</b> |
| This appropriation is to help fund the Chattanooga Area Regional Transportation Authority's capital need for new buses, bus shelters, office, radio and fare collection equipment, support vehicles and Incline repair |                               |                      |                     |
| <b>Impact on operating budget:</b> None because these are one time funded projects for supported agencies.   |                               |                      |                     |
| <b>2. City Hall Renovation</b>   |                               |                      |                     |
| <b>Proposed Funding Source: Bonds</b>  |                               | <b>\$400,000</b>     |                     |
| <b>Prior Years</b>   | <b>\$ 11,150,000</b>          |                      | <b>\$11,550,000</b> |
| This appropriation funds the total renovation of City Hall which was built in 1908.  |                               |                      |                     |
| <b>Impact on operating budget:</b> The renovation should result in savings in electrical usage, heating/cooling cost, building insurance and potential health cost for employees insurance.                            |                               |                      |                     |
| <b>3. Information Services</b>   |                               |                      |                     |
| <b>Proposed Funding Source: General Fund</b>   |                               | <b>\$ 840,000</b>    |                     |
| <b>Bonds</b>   |                               | <b>1,800,000</b>     | <b>\$ 2,640,000</b> |
| This appropriation funds the upgrade of computer equipment and purchase of new software.   |                               |                      |                     |
| <b>Impact on operating budget:</b> None.   |                               |                      |                     |

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>4. Bessie Smith Heritage Center Chiller</b>			
<b>Funding Source: Prior Years</b>	\$ 50,313	\$ 0	\$ 50,313
This appropriation funds installation of a single air cooled chiller as opposed to the outdoor condensing units associated with the seven air handlers currently serving the area as well as the other proposed retrofitting work will replace existing residential hardware with commercial grade equipment			
<b>Impact on operating budget:</b> The new design will provide a more energy efficient, controllable system and reduce maintenance cost.			
<b>5. General Services</b>			
<b>Proposed Funding Source: General Fund</b>	\$ 0	\$ 3,500,000	\$ 3,500,000
This appropriation funds the City's vehicle lease program to buy vehicles for all the departments in the city except the fire department.			
<b>Impact on operating budget:</b> The vehicle replacement program results in lower operating, maintenance, and fuel costs along with a safer fleet operations. Cost savings expected to exceed \$30,000 annually.			
<b>6. Fleet Services</b>			
<b>Proposed Funding Source: General Fund</b>		\$ 24,735	
<b>General Government Capital Reappropriation</b>		23,765	
<b>Prior Years</b>	\$ 97,000		\$ 145,500
This appropriation funds the replacement of the Fleet Services Lube and PM vehicle that performs field service on the City off road equipment such as loaders, dozers, backhoes and the upgrading of fuel dispensing stations to increase security, obtain accurate fleet information without possibility of operator input errors, and increase accuracy of fleet numbers and departmental accountability.			
<b>Impact on operating budget:</b> The new vehicle will lessen the Garage vehicle maintenance cost due to the age, mileage and condition of this vehicle.			
<b>7. Animal Shelter</b>			
<b>Funding Source: Prior Years</b>	\$ 4,600,000	\$ 0	\$ 4,600,000
This appropriation funds the building of a new animal shelter for the City of Chattanooga.			
<b>Impact on operating budget:</b> None.			
<b>8. Public Art</b>			
<b>Proposed Funding Source: General Fund</b>		\$ 100,000	
<b>Prior Years</b>	\$ 100,000		\$ 200,000
This appropriation funds a program of display of art in public buildings.			
<b>Impact on operating budget:</b> None.			

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>9. Enterprise South Nature Park</b>			
<b>Funding Source: Bonds</b>	\$ 0	\$ 100,000	\$ 100,000
This appropriation funds Phase 1 development of the Enterprise nature park between the Enterprise South Industrial Park and neighboring subdivisions.			
<b>Impact on operating budget:</b> None			
<b>10. Enterprise South Industrial Park</b>			
<b>Funding Source: Prior Years</b>	\$ 22,481,000	\$ 0	\$ 22,481,000
This appropriation funds additional infrastructure improvements for the new Enterprise South Industrial Park formerly the Volunteer Army Ammunition Plant.			
<b>Impact on operating budget:</b> Personnel and operation cost to operate the			

# Capital Project Detail

## Finance & Administration

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Core Network Upgrade	20,000	-	-	-	-	-
<b>Total Finance &amp; Administration</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>1. Core Network Upgrade</b>			
<b>Funding Source: Prior Years</b>	<b>\$ 97,000</b>	<b>\$ 0</b>	<b>\$ 97,000</b>
This appropriation is to purchase Routers, switches, etc for 100Mb/1Gb upgrade to core network infrastructure.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## Police

<b>Capital Budget</b> <i>Five Year Plan</i>						
Project Name	<b>Estimated Project Cost by Fiscal Year</b>					
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Police Fleet Replacement	650,000	-	-	-	-	-
Vehicle Digital Cameras	150,000	-	500,000	500,000	500,000	250,000
Walnut Street Precinct Renovation	30,000	-	-	-	-	-
TBI A.F.I.S. System upgrade	-	250,000	-	-	-	-
Motorola Portable Radios	120,000	-	210,000	220,000	230,000	240,000
Renovation of Old Fire Hall	75,000	-	-	-	-	-
Bullet Recovery Tank	-	60,000	-	-	-	-
<b>Total Police</b>	<b>1,025,000</b>	<b>310,000</b>	<b>710,000</b>	<b>720,000</b>	<b>730,000</b>	<b>490,000</b>

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>1. Police vehicle fleet replacement</b>			
<b>Proposed Funding Source: Prior Years</b>	<b>\$ 9,775,980</b>	<b>\$ 0</b>	<b>\$ 9,775,980</b>
This appropriation provides for an annual fleet replacement program to insure the safety margin for police vehicles by planned replacement.			
<b>Impact on operating budget:</b> The vehicle replacement program results in lower operating, maintenance, and fuel costs along with a safer fleet operations. Cost savings expected to exceed \$10,000 annually.			
<b>2. Vehicle Digital Cameras</b>			
<b>Proposed Funding Source: Prior Years</b>	<b>\$ 650,000</b>	<b>\$ 0</b>	<b>\$ 650,000</b>
This appropriation will fund the purchase and installation of approximately 300 digital cameras in all patrol officers and field supervisor vehicles.			
<b>Impact on operating budget:</b> None			
<b>3. Walnut Street Precinct Renovation</b>			
<b>Funding Source: Prior Years</b>	<b>\$ 30,000</b>	<b>\$ 0</b>	<b>\$ 30,000</b>
This appropriation funds the renovation of the Walnut Street Precinct to expand the facility, improve operating efficiency and create a safe environment for citizens.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>4. T.B.I A.F.I.S. System Upgrade</b> <b>Proposed Funding Source: General Fund</b> This appropriation funds (A.F.I.S.) Automated Fingerprint Identification System. <b>Impact on operating budget:</b> None	\$ 0	\$ 250,000	\$ 250,000
<b>5. Motorola Portable Radios</b> <b>Proposed Funding Source: Prior Year</b> This appropriation funds purchase of new radios for Police Officers <b>Impact on operating budget:</b> None	\$ 310,000	\$ 0	\$ 310,000
<b>6. Renovation of Fire Hall #7</b> <b>Funding Source: Prior Year</b> This appropriation funds renovation of the Old Fire Hall #7 <b>Impact on operating budget:</b> None	\$ 75,000	\$ 0	\$ 75,000
<b>7. Bullet Recovery Tank</b> <b>Proposed Funding Source: General Fund</b> This appropriation funds the purchase of a bullet recovery tank required to operate the new Nibin Ballistic Lab. <b>Impact on operating budget:</b> None	\$ 0	\$ 60,000	\$ 60,000

# Capital Project Detail

## Fire

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Fire Apparatus		500,000	1,000,000	1,000,000	1,000,000	1,000,000
Firehall Roof and Driveway repair		55,000	45,000	30,000	90,000	45,000
Fire Station Replacement		850,000	780,000	1,195,800	-	1,434,960
Radios	52,500					
Technical Rescue Equipment	1,200,000	237,500				
Self Contained Breathing Apparatus	902,400					
Oil Skimmer		50,000	100,000	100,000	100,000	100,000
<b>Total Fire</b>	<b>2,154,900</b>	<b>1,692,500</b>	<b>1,925,000</b>	<b>2,325,800</b>	<b>1,190,000</b>	<b>2,579,960</b>

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>1. Fire Apparatus</b> <b>Proposed Funding Source: Bonds</b> <b>Prior Years</b> This appropriation will fund the purchase of new fire apparatus to upgrade the front line fire service fleet to maintain current level of service. These vehicles include Line Fire Apparatus, Elevating Platform, Hazardous Materials Vehicle, Technical Rescue Vehicle, Tankers and Brush Trucks. <b>Impact on operating budget:</b> The equipment replacement program results in lower operating and maintenance costs and safer fleet operations.	<b>\$ 6,135,000</b>	<b>\$ 500,000</b>	<b>\$ 6,635,000</b>
<b>2. Fire Station Roof and Driveway Repair</b> <b>Proposed Funding Source: Bonds</b> <b>Prior Years</b> This appropriation allows for the replacement of one roof or repair/replace concrete areas at a Fire Department Building each year. <b>Impact on operating budget:</b> None	<b>\$ 300,500</b>	<b>\$ 55,000</b>	<b>\$ 355,500</b>
<b>3. Fire Station Replacement</b> <b>Proposed Funding Source: Bonds</b> <b>Prior Years</b> This appropriation allows for the ongoing replacement of outdated, high maintenance Fire Stations which are unable to accommodate modern fire apparatus. <b>Impact on operating budget:</b> Lower utility and maintenance cost	<b>\$ 750,000</b>	<b>\$ 850,000</b>	<b>\$ 1,600,000</b>

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>4. Radio Replacement</b> <b>Funding Source: Prior Years</b> The purpose of this project is to provide radios for personnel at the expansion stations and to provide mobile units for the apparatus at the station. Also, it will fund upgrade of existing analog radios to a digital capacity radio for maximum efficiency. <b>Impact on operating budget:</b> None	\$ 629,000	\$ 0	\$ 629,000
<b>5. Technical Rescue Equipment</b> <b>Proposed Funding Source: Homeland Security Grant</b> <b>Prior Years</b> Tennessee Homeland Security is affording the department the opportunity to equip and train in technical areas. The funding will provide for water rescue, structural and trench collapse and confined space training and equipment. <b>Impact on operating budget:</b> None	\$ 1,200,000	\$237,500	\$1,437,500
<b>6. Self Contained Breathing Apparatus</b> <b>Funding Source: Prior Years</b> The Fire Department applied for a grant to replace present Self-Contained Breathing Apparatus (SCBA) with new units that meets the current NFPA (National Fire Protection Association) standard. <b>Impact on operating budget:</b> None	\$ 902,400	\$ 0	\$ 902,400
<b>7. Oil Skimmer</b> <b>Proposed Funding Source: Bonds</b> This appropriation funds the purchase of a oil skimmer for Spill Containment for chemical, fuel, liquid storage, secondary containment and clean up. <b>Impact on operating budget:</b> None	\$ 0	\$ 50,000	\$ 50,000

# Capital Project Detail

## Public Works

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Paving of Streets	750,000	1,750,000	2,200,000	-	2,200,000	2,500,000
City Wide Services Equipment		300,000	-	600,000	600,000	-
Bridge Rehab		750,000	3,350,000	2,160,000	1,190,000	500,000
Downtown Streetscape Program		1,215,000	1,380,000	840,000	540,000	-
Traffic Engineering Projects	425,000	275,000	558,000	-	558,000	634,000
Curbs, Gutters, and Sidewalks	750,000	500,000	750,000		750,000	750,000
Street Rehabilitation	1,100,000	1,482,173	8,485,000	3,385,000	5,200,000	5,740,000
MPO - Major Construction		1,325,000	2,250,000	-	2,250,000	2,400,000
HOPE VI Road Improvements	1,584,287					
Water System Interconnect Study		75,000	75,000	22,500	52,500	
Tunnel Repair	1,050,000					1,700,000
Intersection Improvements	20,000	760,000	620,000	-	620,000	610,000
Pedestrian Lighting		40,000				
Storm Water Capital Projects	2,100,000	1,490,559	8,000,000	5,750,000	1,750,000	2,250,000
Interceptor Sewer Capital Projects	6,153,000					
Solid Waste Capital Projects		6,924,647	3,610,000	5,050,000	300,000	150,000
Guard Rails		100,000		150,000	150,000	
<b>Total Public Works</b>	<b>13,932,287</b>	<b>16,987,379</b>	<b>31,278,000</b>	<b>17,957,500</b>	<b>16,160,500</b>	<b>17,234,000</b>

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>1. Paving of streets</b>			
<b>Proposed Funding Source: Bonds</b>		<b>\$ 1,750,000</b>	
<b>Prior Years</b>	<b>\$16,214,450</b>		<b>\$17,964,450</b>
This appropriation funds the resurfacing of streets City wide. It also provides for replacement of pavement markings and traffic signal loop detector wiring damaged due to pavement milling and resurfacing.			
<b>Impact on operating budget:</b> This program will reduce the cost of annual street maintenance.			
<b>2. City Wide Services Equipment Replacement</b>			
<b>Proposed Funding Source: General Fund</b>		<b>\$ 300,000</b>	
<b>Prior Years</b>	<b>\$ 7,414,777</b>		<b>\$ 7,714,777</b>
This appropriation allows for the ongoing replacement of older Public Works equipment.			
<b>Impact on operating budget:</b> The vehicle replacement program results in lower operating and maintenance costs and safer fleet operations.			

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>3. Bridge Rehabilitation</b>			
Proposed Funding Source: Economic Development Fund		\$ 100,000	
Bonds		650,000	
Prior Years	\$ 2,292,167		\$ 3,042,167
<p>This appropriation funds the City's portion of state and federal funding for rehabilitating bridges with structural and utilization deficiencies.</p> <p><b>Impact on operating budget:</b> None</p>			
<b>4. Streetscape</b>			
Proposed Funding Source: Economic Development Fund		\$ 1,111,000	
Donation		104,000	
Prior Years	\$ 7,815,021		\$ 9,030,021
<p>This appropriation provides for upgrading of sidewalks, street and pedestrian lighting, landscaping and installation of crosswalk pavers.</p> <p><b>Impact on operating budget:</b> None</p>			
<b>5. Traffic Engineering Projects</b>			
Proposed Funding Source: General Fund		\$ 275,000	
Prior Years	\$ 6,468,749		\$ 6,743,749
<p>This appropriation provides for modernization of existing and installation of future traffic signals and parking meters.</p> <p><b>Impact on operating budget:</b> The replacement program results in lower maintenance costs.</p>			
<b>6. Curbs, Gutters and Sidewalks</b>			
Proposed Funding Source: Bonds		\$ 500,000	
Prior Years	\$ 3,757,347		\$ 4,257,347
<p>This appropriation provides for the continuing program of construction and repair of curbs, gutters, and sidewalks within the City.</p> <p><b>Impact on operating budget:</b> None</p>			
<b>7. Street Improvements</b>			
Proposed Funding Source: Economic Development Fund		\$ 280,000	
General Fund		69,795	
Donation		494,878	
Bonds		637,500	
Prior Years	\$28,277,539		\$29,759,712
<p>This appropriation will fund a program of major street rehabilitation within the City.</p> <p><b>Impact on operating budget:</b> This program of major street Improvements results in lower street maintenance costs.</p>			
<b>8. MPO Match Major Street Construction</b>			
Proposed Funding Source: Economic Development Fund		\$ 1,325,000	
Prior Years	\$ 5,753,593		\$ 7,078,593
<p>This appropriation funds the City's portion of State of Tennessee projects within the City limits.</p> <p><b>Impact on operating budget:</b> None</p>			

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>9. HOPE VI Road Improvements</b>			
<b>Funding Source: Prior Years</b>	\$ 7,534,287	\$ 0	\$ 7,534,287
This appropriation is for street improvements and streetscape in the Saint Elmo area.			
<b>Impact on operating budget: None</b>			
<b>10. Water System Interconnect Study</b>			
<b>Proposed Funding Source: General Fund Donation</b>		\$ 52,500	
		22,500	\$ 75,000
This appropriation funds Evaluation of water system capacities and feasibility of interconnections to prevent disruption of water to citizens in the event of major service disruption to one water utility			
<b>Impact on operating budget: None</b>			
<b>11. Tunnel Repair</b>			
<b>Funding Source: Prior Years</b>	\$ 1,050,000	\$ 0	\$ 1,050,000
This appropriation funds the study and repair of Wilcox tunnel.			
<b>Impact on operating budget: None</b>			
<b>12. Intersection Improvements</b>			
<b>Proposed Funding Source: Bonds</b>		\$ 370,000	
<b>Economic Development Fund</b>		390,000	
<b>Prior Years</b>	\$ 890,000		\$ 1,650,000
This appropriation funds an ongoing program to repair deteriorated intersections and rework intersections to create a better, more efficient traffic flow.			
<b>Impact on operating budget: None</b>			
<b>13. Pedestrian Lighting</b>			
<b>Proposed Funding Source: General Fund</b>		\$ 40,000	
<b>Prior Years</b>	\$ 243,904		\$ 283,904
This appropriation funds the replacement and repair of Pedestrian Light Fixtures.			
<b>Impact on operating budget: None</b>			
<b>14. Storm Water Projects City Wide</b>			
<b>Proposed Funding Source: Storm Water Fund</b>		\$ 1,490,559	
<b>Prior Years</b>	\$ 3,950,000		\$ 5,440,559
This appropriation funds a drainage system inventory and City wide storm water projects.			
<b>Impact on operating budget: None</b>			

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>15. Interceptor Sewer Capital Projects</b>			
<b>Funding sources: Interceptor Sewer Fund Balance</b>	<b>\$ 6,153,000</b>	<b>\$ 0</b>	<b>\$ 6,153,000</b>
This appropriation funds the purchase of equipment, expansion and rehabilitation of the Interceptor Sewer System.			
<b>Impact on operating budget:</b> None			
<b>16. Solid Waste Capital Projects</b>			
<b>Proposed Funding Source: Bonds</b>	<b>\$ 0</b>	<b>\$ 6,924,647</b>	<b>\$ 6,924,647</b>
This appropriation funds the purchase of equipment, expansion and rehabilitation of the Solid Waste System.			
<b>Impact on operating budget:</b> None			
<b>17. Guard Rails</b>			
<b>Proposed Funding Source: General Fund</b>	<b>\$ 0</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
This appropriation funds the repair and replacement of guard rails within the City.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## Parks & Recreation

<b>Capital Budget</b> <i>Five Year Plan</i>						
Project Name	<b>Estimated Project Cost by Fiscal Year</b>					
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Parks Rehab	200,000	3,282,862	8,164,000	3,945,000	260,000	125,000
Greenways	300,000					
Outdoor Chattanooga Building Remodeling		500,000				
Zoo Improvements	250,000	250,000	30,000	40,000	-	-
Recreation Center Rehab	30,000	30,000	3,781,000	286,000	-	-
HVAC Repair	250,000	50,000	2,000,000			
St Elmo Passive Park	75,000					
<b>Total Parks &amp; Recreation</b>	<b>1,105,000</b>	<b>4,112,862</b>	<b>13,975,000</b>	<b>4,271,000</b>	<b>260,000</b>	<b>125,000</b>

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>1. City Parks Rehabilitation</b>			
<b>Proposed Funding Source: Bonds</b>		<b>\$1,305,397</b>	
<b>General Fund</b>		<b>182,000</b>	
<b>Hotel Motel Tax</b>		<b>150,000</b>	
<b>State of Tennessee</b>		<b>737,585</b>	
<b>Other</b>		<b>907,880</b>	
<b>Prior Years</b>	<b>\$ 6,634,828</b>		<b>\$ 9,917,690</b>
This appropriation will fund rehabilitation and upgrading of City Parks: equipment replacement; fencing; park planning and expansion.			
<b>Impact on operating budget:</b>	None		
<b>2. Greenways</b>			
<b>Funding Source: Prior Years</b>	<b>\$ 787,367</b>	<b>\$ 0</b>	<b>\$ 787,367</b>
The purpose of this project is to upgrade and expand the Greenway system in Chattanooga.			
<b>Impact on operating budget:</b>	None		
<b>3. Outdoor Chattanooga Building Remodeling</b>			
<b>Proposed Funding Source: Hotel Motel Tax</b>	<b>\$ 0</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>
This appropriation funds the remodeling and upgrading ADA requirements of the J.A. Patten Building including installation of an elevator.			
<b>Impact on operating budget:</b>	None		

# Capital Project Detail

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>4. Zoo Improvements</b>			
<b>Proposed Funding Source: General Fund</b>		<b>\$ 250,000</b>	
<b>Prior Years</b>	<b>\$ 875,000</b>		<b>\$ 1,125,000</b>
This appropriation will fund upgrade and renovation of the City Zoo.			
<b>Impact on operating budget: None</b>			
<b>5. Recreation Centers Rehabilitation</b>			
<b>Proposed Funding Source: General Fund</b>		<b>\$ 30,000</b>	
<b>Prior Years</b>	<b>\$ 1,525,000</b>		<b>\$1,982,000</b>
This appropriation will fund upgrade and renovation of City of Chattanooga parks and recreation centers			
<b>Impact on operating budget: None</b>			
<b>6. HVAC Repair</b>			
<b>Proposed Funding Source: General Fund</b>		<b>\$ 50,000</b>	
<b>Prior Years</b>	<b>\$ 250,000</b>		<b>\$ 300,000</b>
This appropriation will fund HVAC replacement for aging units at various facilities			
<b>Impact on operating budget: None</b>			

# Capital Project Detail

## Education, Arts & Culture

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11
Memorial Auditorium & TIVOLI	300,000	500,000	2,500,000	200,000	200,000	0
<b>Total Education, Arts &amp; Culture</b>	<b>\$300,000</b>	<b>\$500,000</b>	<b>\$2,500,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>1. Memorial Auditorium &amp; TIVOLI</b>			
Proposed Funding Source: Economic Development Fund		\$ 200,000	
Donation		300,000	
Prior Years	\$ 300,000		\$ 800,000
This appropriation will fund the renovation of the City's Civic facilities.			
<b>Impact on operating budget: None.</b>			

# Capital Project Detail

## Neighborhood Services

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2005/06	FY2006/07	FY2007/08	FY2008/09	FY 2009/10	FY 2010/11
Blighted Area Rehab	150,000					
<b>Total Neighborhood Services</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	Prior Years Appropriations	2006/2007 Request	Total Project
<b>1. Blighted Area Rehabilitation</b>			
<b>Funding Source:: Prior Years</b>	<b>\$ 150,000</b>	<b>\$ 0</b>	<b>\$ 150,000</b>
This appropriation will fund a revolving loan for rehabilitation of blighted areas of the City			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## General Services

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2005/06	FY2006/07	FY2007/08	FY2008/09	FY 2009/10	FY 2010/11
	100,000					
<b>Total General Services</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	Prior Years Appropriations	2006/2007 Budget	Total Project
<b>1. Blighted Area Rehabilitation</b>			
<b>Funding Source: Prior Years</b>	<b>\$ 100,000</b>	<b>\$ 0</b>	<b>\$ 100,000</b>
This appropriation will fund a revolving loan for rehabilitation of blighted areas of the City			
<b>Impact on operating budget:</b> None			

# Proposed Capital Budget Ordinance

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 2006/2007 AND TO AMEND THE FISCAL YEAR 2006-2007 BUDGET ORDINANCE NO. 11728.

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

SECTION 1. That there be and is hereby appropriated, authorized, or allocated the hereinafter set funds from the sources specified for the public purposes indicated of the Capital Improvements Budget program for the Fiscal Year 2006/

2007:

FROM	General Obligation Bonds	\$8,967,897	
	General Fund	6,259,030	
	Economic Development Fund	3,781,000	
	Homeland Security Grant (Technical Rescue)	237,500	
	Tennessee Department of Transportation	790,610	
	Hotel Motel Tax	650,000	
	Other	<u>1,664,998</u>	
TO:	General Government & Supported Agencies		\$ 7,163,500
	Department of Police		310,000
	Department of Fire		1,692,500
	Department of Public Works		8,572,173
	Department of Parks & Recreation		4,112,862
	Department of Education, Arts & Culture		<u>500,000</u>
	TOTALS	<u>\$22,351,035</u>	<u>\$22,351,035</u>
PROPRIETARY FUND CAPITAL			
FROM	Storm Water Fund balance (5300)	\$1,490,559	
	Bonds	6,079,097	
	General Fund	845,550	
TO	Public Works Storm Water Capital Fund (P560)		\$1,490,559
	Public Works Solid Waste Capital Fund (P550)		<u>6,924,647</u>
TOTAL PROPRIETARY FUND CAPITAL		\$ 8,415,206	\$ 8,415,206
TOTAL CAPITAL BUDGET		<u>\$ 30,766,241</u>	<u>\$30,766,241</u>

# Proposed Capital Budget Ordinance

SECTION 2. That Ordinance No. 11728, the BUDGET ORDINANCE, be and is hereby amended as provided hereinafter.

SECTION 3. That the General Fund Estimated Revenue of said Ordinance be and is hereby amended as hereinafter set out:

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
REVENUE FROM FUND BALANCE	\$ <u>0</u>	\$ <u>6,259,030</u>
AMENDED GENERAL FUND ESTIMATED REVENUE	\$ <u>160,556,000</u>	\$ <u>166,815,030</u>

SECTION 4. That Section 5 of said Ordinance be and is hereby amended as hereinafter set out:

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
<u>GENERAL FUND APPROPRIATIONS:</u>		
General Government & Supported Agencies	\$ <u>37,516,622</u>	\$ <u>43,775,652</u>
AMENDED TOTAL APPROPRIATION	\$ <u>160,556,000</u>	\$ <u>166,815,030</u>
<u>GENERAL GOVERNMENT &amp; SUPPORTED AGENCIES</u>		
Capital Improvements	\$ <u>0</u>	\$ <u>6,259,030</u>
AMENDED GEN. GOVT. & SUPPORTED AGENCIES	\$ <u>37,516,622</u>	\$ <u>43,775,652</u>
AMENDED TOTAL APPROPRIATION	\$ <u>160,556,000</u>	\$ <u>166,815,030</u>

Section 5. That Section 6 of said Ordinance be and is hereby amended as hereinafter set out:

5300	STORM WATER FUND Estimated Revenue:		
	Fund Balance For Capital	\$ <u>0</u>	\$ <u>1,490,559</u>
	AMEMDED STORM WATER EST REVENUE	\$ <u>5,687,310</u>	\$ <u>7,177,310</u>
	Appropriations:		
	Appropriation to Capital Project Fund	\$ <u>0</u>	\$ <u>1,490,559</u>
	AMENDED TOTAL APPROPRIATION	\$ <u>5,687,310</u>	\$ <u>7,177,310</u>

PROPRIETARY FUNDS

5300	STORM WATER FUND		
	Estimated Revenue:		
	Fund Balance For Capital	\$ 0	\$ 1,490,559
	AMENDED STORM WATER EST REVENUE	\$ 5,687,310	\$ 7,177,310
	Appropriations:		
	Appropriation to Capital Project Fund	\$ 0	\$ 1,490,559
	AMENDED TOTAL APPROPRIATION	\$ 5,687,310	\$ 7,177,310

BE IT FURTHER ORDAINED, That this Ordinance shall take effect two weeks from and after its passage as provided by law.

PASSED on Third and Final Reading

\_\_\_\_\_, 2006

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CHAIRPERSON

APPROVED \_\_\_\_\_ DISAPPROVED \_\_\_\_\_

DATE: \_\_\_\_\_, 2006

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MAYOR

DM/RR: