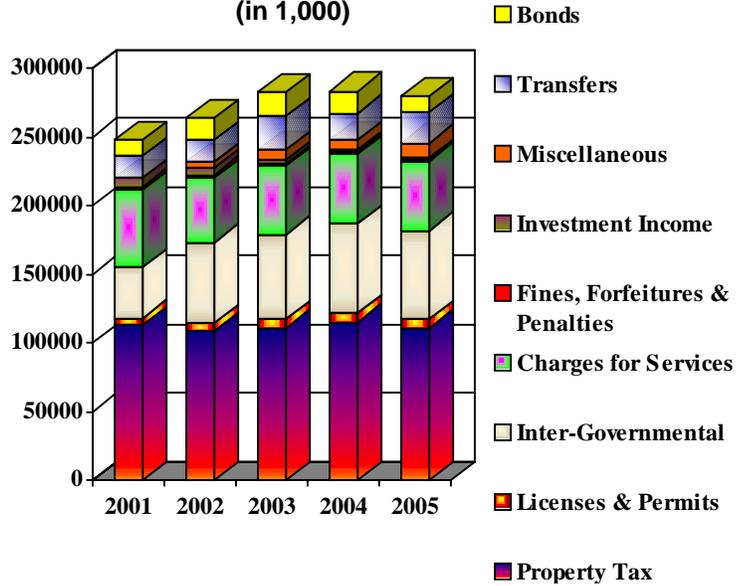


# Financial Overview

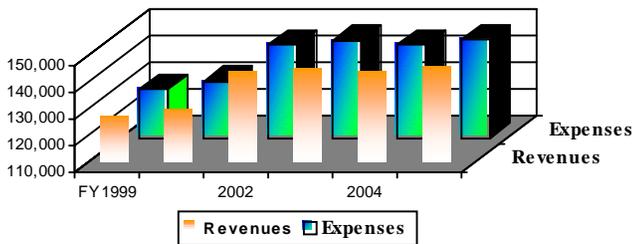
## Revenue and Expenditure History

Total City revenues and operating transfers in for the fiscal year ended June 30, 2001 was \$267,277,802. Total projected City revenue for the fiscal year ended June 30, 2005 is \$278,417,355. This difference of \$11,139,553 represents a 4% 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 capital and bond funding for capital. During this period the Undesignated General Fund budget increased from \$131,455,943 in FY01 to \$146,467,000 in FY05. The chart below shows the Undesignated General Fund revenues and expenditures during this time period. To the right are five year comparisons of total revenues and expenditures.

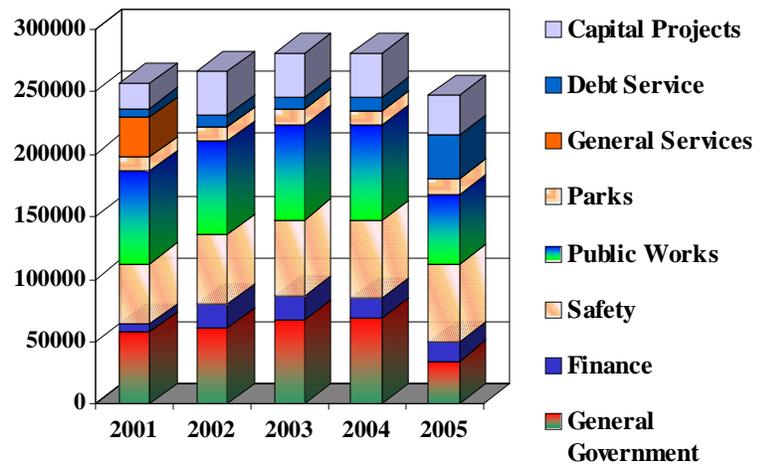
**Revenues**  
(in 1,000)



**Undesignated General Fund**



**Expenditures**  
(in 1,000)



**BUDGETED REVENUES & APPROPRIATIONS  
BY FUND TYPE  
FY2005**

<b>Revenues</b>	<b>Governmental Fund Types</b>			
	<b>Undesignated General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
Taxes	96,405,136	11,928,500	2,477,538	-
Licenses & Permits	6,182,567	-	-	-
Intergovernmental	36,218,270	20,065,364	1,755,851	5,396,545
Charges for services	1,466,949	1,760,904	-	-
Fines, forfeitures and penalties	1,091,759	-	-	-
Interest earnings	568,946	33,000	-	-
Miscellaneous	4,106,373	1,826,500	200,000	4,679,489
Bonds	-	-	-	11,274,010
Fund Balance	427,000	464,079	-	-
Transfers In	-	1,333,477	8,775,609	7,000,000
<b>Total Revenues</b>	<b>146,467,000</b>	<b>37,411,824</b>	<b>13,208,998</b>	<b>28,350,044</b>
<b>Appropriations</b>				
General Government	14,160,848	19,106,180	-	-
Finance & Administration	8,664,793	-	-	-
Safety Department	61,699,431	-	-	-
Public Works Department	21,107,240	4,689,350	-	-
Parks, Recreation, Arts & Culture	10,660,008	1,687,794	-	-
Personnel	6,349,619	-	-	-
Neighborhood Services	2,611,041	-	-	-
Executive Branch	1,317,050	-	-	-
Debt Service	-	-	13,208,998	-
Capital Projects	-	3,094,000	-	28,350,044
Transfers Out	19,896,970	8,834,500	-	-
<b>Total Appropriations</b>	<b>146,467,000</b>	<b>37,411,824</b>	<b>13,208,998</b>	<b>28,350,044</b>

<b>Proprietary Fund Types Enterprise</b>	<b>Internal Service Funds</b>	<b>Budget Total Revenue FY 2005</b>	<b>Budget Total Revenue FY2004</b>
-	-	110,811,174	115,344,072
-	-	6,182,567	6,213,139
586,838	-	64,022,868	59,127,707
43,954,799	6,953,110	54,135,762	50,325,750
		1,091,759	1,616,084
760,790		1,362,736	1,469,908
40,000		10,852,362	6,070,682
	-	11,274,010	16,128,161
		891,079	-
683,952	-	17,793,038	20,857,307
<b>46,026,379</b>	<b>6,953,110</b>	<b>278,417,355</b>	<b>277,152,810</b>
-	250,000	33,517,028	49,169,140
-	6,703,110	15,368,203	15,701,701
-	-	61,699,431	61,892,957
23,826,596	-	49,623,186	71,042,442
-	-	12,347,802	10,647,641
-	-	6,349,619	6,253,797
-	-	2,611,041	1,455,519
-	-	1,317,050	1,394,355
21,889,548	-	35,098,546	11,112,886
310,235	-	31,754,279	26,776,116
-	-	28,731,470	21,706,256
<b>46,026,379</b>	<b>6,953,110</b>	<b>278,417,355</b>	<b>277,152,810</b>

## FundBalance/NetAsset Summary

During the past ten years the City of Chattanooga has seen a total net increase in its Governmental Fund Balances of \$41,866,106. This is primarily due to the increase in the fund balance for capital. The largest contributor to the capital increase is the bonds sold in October 2002 to fund the city's portion of the 21st Century Waterfront Plan. Over the past years some funds have experienced a decline in fund balance, while some funds have had increases. Fund Balances for the General, Capital, Debt Service and Enterprise Funds have increased while the Fund Balances for Special Revenue and Internal Service have decreased during this period.

The General Fund balance was \$33,494,589 in 2001. This has grown steadily to a current unaudited balance of \$50,167,950 for FY04. 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 \$12,681,117 in 2001 to a 2005 projected beginning balance of \$10,719,839. Special revenues fund balances rose steadily from FY01-FY04 resulting from rising intergovernmental revenues. The FY04 decline from FY03 is a direct result of declining investment income, reduced intergovernmental transfers, and increased fund expenditures.

Debt service has experienced annual fluctuations in fund balance over this period of time. This came about through the use of the Fund Balance to pay current year maturities and interest. Fund Balance had risen to a high of \$5,497,083 in FY02 from a low of \$4,163,307 in FY01. During FY05, debt service fund balance is predicted to experience no change from FY04, but budgeted revenues and expenditures are expected to increase.

The Capital Funds Fund Balances have fluctuated most during this five year period. This is primarily due to the City's 21st Century Waterfront capital plan, which is scheduled for completion in 2005. FY 04 experienced a decline in fund balance of \$26,258,302 and FY05 is projected to decline another \$23,000,000. The reason for this decline is capital

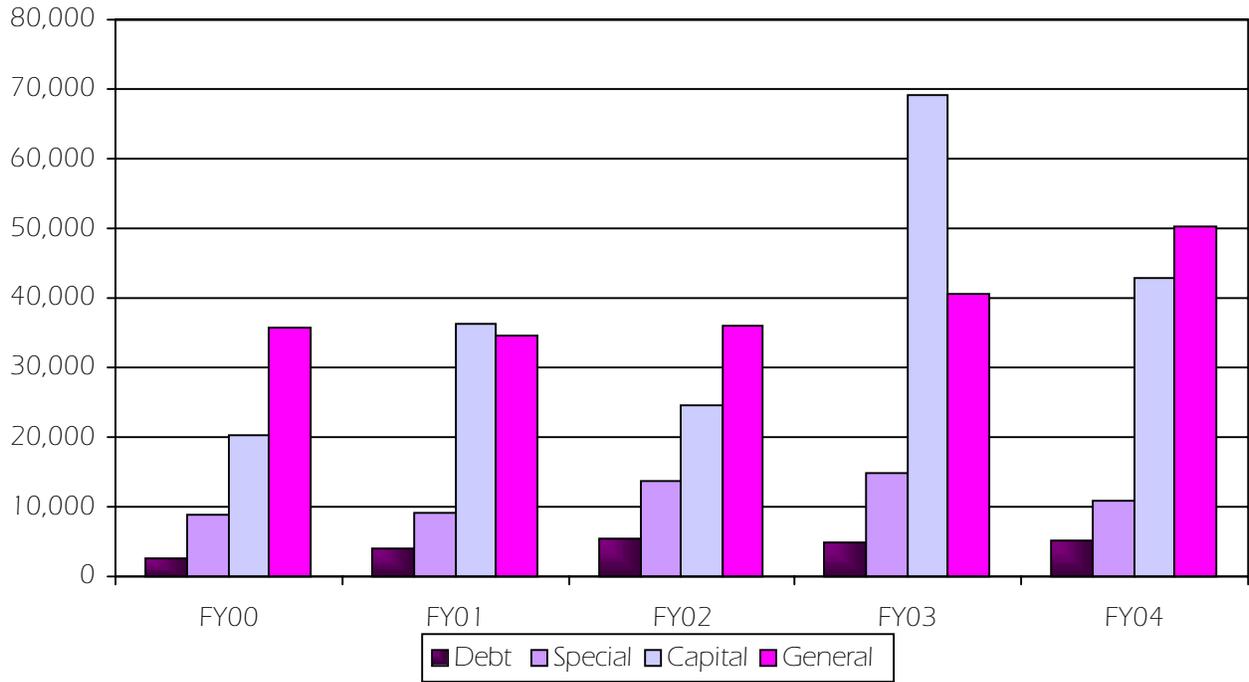
outlays related primarily to the implementation of the 21st Century Waterfront plan.

The growth of the Net Assets within the Enterprise Funds has been most dramatic. Net Assets of \$233,041,497 in 2003 has increased to a 2004 unaudited balance of \$238,352,373. 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.

The Internal Service Funds started the five year period with a balance of \$1,568,765 in 2002. At the beginning of 2005, this balance has decreased to a projected \$1,336,135. 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



# City of Chattanooga, Tennessee

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual on Budgetary Basis  
Years Ended June 30, 2002 - 2005

	FY 01/02	FY 02/03	Unaudited FY 03/04	Projected FY04/05
FUND BALANCE at beginning of year	33,494,589	35,967,695	40,677,977	50,167,950
<b>Revenues</b>				
Taxes	107,767,598	112,029,460	113,728,553	106,003,636
Licenses and permits	6,276,409	6,649,683	7,168,267	6,592,567
Intergovernmental Revenues	40,070,794	39,996,511	40,873,604	39,916,903
Charges for Services	3,105,976	3,177,234	3,166,443	3,324,143
Fines, forfeitures and penalties	1,733,844	1,427,541	1,112,159	1,091,759
Interest Income	1,470,601	883,364	676,088	550,846
Sale of Property	381,078	103,348	72,888	25,000
Prior Year Surplus	0	0	0	458,766
Miscellaneous Revenues	3,731,904	4,383,523	5,383,053	4,295,173
<b>Total Revenues</b>	<b>\$164,538,204</b>	<b>\$168,650,664</b>	<b>\$172,181,055</b>	<b>\$162,258,793</b>
<b>Expenditures</b>				
General Government	36,591,193	40,370,683	37,664,011	36,803,581
Finance & Administration	8,231,570	8,313,779	8,209,869	9,186,378
Safety	54,759,001	57,757,343	61,216,949	62,283,556
Public Works	18,842,216	19,431,285	25,772,165	21,107,240
Parks, Recreation Arts & Culture	12,631,221	12,506,051	12,157,459	12,366,877
<b>Total Expenditures</b>	<b>\$131,055,201</b>	<b>\$138,379,141</b>	<b>\$145,020,453</b>	<b>\$141,747,632</b>
Excess (deficiency) of revenues over expenditures	33,483,003	30,271,523	27,160,602	20,511,161
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	963,361	65,322	75,983	2,682,054
Operating transfers out	(28,996,458)	(22,386,913)	(14,587,962)	(19,908,215)
Operating transfers to component units	(2,976,800)	(3,239,650)	(3,158,650)	(3,285,000)
<b>Total other financing sources (uses)</b>	<b>(31,009,897)</b>	<b>(25,561,241)</b>	<b>(17,670,629)</b>	<b>(20,511,161)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	2,473,106	4,710,282	9,489,973	0
FUND BALANCE at end of year	<b>\$35,967,695</b>	<b>\$40,677,977</b>	<b>\$50,167,950</b>	<b>\$50,167,950</b>

Note: Fund balance includes designated and undesignated general fund activity.

# City of Chattanooga, Tennessee

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Years Ended June 30, 2002 - 2005

	FY 01/02	FY 02/03	Unaudited FY 03/04	Projected FY04/05
FUND BALANCE at beginning of year	<u>12,681,117</u>	<u>13,587,108</u>	<u>14,882,556</u>	<u>10,719,839</u>
Revenues				
Taxes	0	876,507	2,040,244	2,330,000
Intergovernmental Revenues	19,615,210	21,706,048	23,442,933	22,164,944
Charges for Services	69,293	73,112	123,317	73,110
Interest Income	467,317	391,027	256,603	103,600
Fines, Forfeitures, Penalties	300	19,880	16,153	16,000
Prior Year Surplus	0	0	0	464,079
Miscellaneous Revenues	<u>2,497,722</u>	<u>2,197,589</u>	<u>1,849,241</u>	<u>2,190,500</u>
Total Revenues	<u>\$22,649,842</u>	<u>\$25,264,163</u>	<u>\$27,728,491</u>	<u>\$27,342,233</u>
Expenditures				
General Government	19,701,890	21,868,299	27,222,678	23,933,420
Finance and Administration	35,959	25,331	687,902	0
Safety	232,380	264,346	132,866	280,600
Public Works	4,410,487	3,951,043	4,051,622	4,689,350
General Services	73,169	0	0	0
Capital Outlay/Fixed Assets	<u>975,533</u>	<u>635,407</u>	<u>919,277</u>	<u>2,260,000</u>
Total Expenditures	<u>\$25,429,418</u>	<u>\$26,744,426</u>	<u>\$33,014,345</u>	<u>\$31,163,370</u>
Excess (deficiency) of revenues over expenditures	(2,779,576)	(1,480,263)	(5,285,854)	(3,821,137)
Other Financing Sources (Uses)				
Operating transfers in	4,207,366	4,207,366	3,739,202	3,821,137
Operating transfers out	(520,608)	(1,431,655)	(2,616,065)	0
Change in Accounting Principle				
Total other financing sources (uses)	<u>3,686,758</u>	<u>2,775,711</u>	<u>1,123,137</u>	<u>3,821,137</u>
Net change in Fund Balance	<u>907,182</u>	<u>1,295,448</u>	<u>(4,162,717)</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$13,588,299</u>	<u>\$14,882,556</u>	<u>\$10,719,839</u>	<u>\$10,719,839</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, 2002 - 2005

	FY 01/02	FY 02/03	Unaudited FY 03/04	Projected FY04/05
FUND BALANCE at beginning of year	<u>4,163,307</u>	<u>5,497,083</u>	<u>4,988,142</u>	<u>5,222,704</u>
Revenues				
Other intergovernmental funds	665,790	805,984	794,983	782,163
Other	<u>200,000</u>	<u>200,010</u>	<u>213,678</u>	<u>200,000</u>
Total Revenues	<u>865,790</u>	<u>1,005,994</u>	<u>1,008,661</u>	<u>982,163</u>
Expenditures				
Principal retirement	4,658,954	4,753,112	4,725,541	6,132,526
Interest	3,578,398	4,394,875	6,141,098	7,066,472
Fiscal agent fees	<u>155,882</u>	<u>58,830</u>	<u>27,184</u>	<u>10,000</u>
Total Expenditures	<u>8,393,234</u>	<u>9,206,817</u>	<u>10,893,823</u>	<u>13,208,998</u>
Excess (deficiency) of revenues over expenditures	<u>(7,527,444)</u>	<u>(8,200,823)</u>	<u>(9,885,162)</u>	<u>(12,226,835)</u>
Other Financing Sources (Uses)				
Operating transfers in	8,968,232	7,661,316	10,119,724	11,253,147
Operating transfers out	(248,788)	(28,618)	0	0
Fannie Mae Loan	0	0	0	50,000
Homeland Security Grant	0	0	0	923,688
Proceeds of refunding bonds	16,377,267	6,244,753	0	0
Payment of refunding bonds	<u>(16,235,491)</u>	<u>(6,185,569)</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>8,861,220</u>	<u>7,691,882</u>	<u>10,119,724</u>	<u>12,226,835</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>1,333,776</u>	<u>(508,941)</u>	<u>234,562</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$5,497,083</u>	<u>\$4,988,142</u>	<u>\$5,222,704</u>	<u>\$5,222,704</u>

# City of Chattanooga, Tennessee

## Capital Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Years Ended June 30, 2002 - 2005

	<u>FY 01/02</u>	<u>FY 02/03</u>	<u>Unaudited FY 03/04</u>	<u>Projected FY04/05</u>
FUND BALANCE at beginning of year	<u>36,160,307</u>	<u>24,879,406</u>	<u>69,000,219</u>	<u>42,741,917</u>
<b>Revenues</b>				
Intergovernmental Revenues	3,245,813	4,027,263	6,163,610	5,396,545
Charges for services	120,920	14,530	0	0
Interest Income	440,475	1,015,593	1,107,143	0
Donations	0	0	0	41,050
Sale of Property	141,100	0	1,367,821	14,801
Miscellaneous Revenues	<u>396,541</u>	<u>660,457</u>	<u>2,065,805</u>	<u>4,623,638</u>
Total Revenues	<u>\$4,344,849</u>	<u>\$5,717,843</u>	<u>\$10,704,379</u>	<u>\$10,076,034</u>
<b>Expenditures</b>				
General Government	3,911,308	5,516,274	4,140,370	6,957,194
Finance & Administration	958,691	1,030,036	233,830	110,000
Safety	2,292,066	5,763,439	3,029,856	4,606,585
Public Works	9,322,952	14,445,488	8,172,127	12,171,962
Parks, Recreation, Arts & Culture	8,546,469	1,466,547	3,218,880	2,999,303
General Services	325,229	52,635	38,841	0
Capital outlay/fixed assets	<u>0</u>	<u>9,543,865</u>	<u>23,191,460</u>	<u>23,000,000</u>
Total Expenditures	<u>\$25,356,715</u>	<u>\$37,818,284</u>	<u>\$42,025,364</u>	<u>\$49,845,044</u>
Excess (deficiency) of revenues over expenditures	<u>(21,011,866)</u>	<u>(32,100,441)</u>	<u>(31,320,985)</u>	<u>(39,769,010)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	10,675,641	9,525,770	5,142,212	7,000,000
Operating transfers out	(967,251)	(1,468,230)	(2,481,063)	0
Bond/Note Proceeds	<u>22,575</u>	<u>68,163,714</u>	<u>2,401,534</u>	<u>11,269,010</u>
Total other financing sources (uses)	<u>9,730,965</u>	<u>76,221,254</u>	<u>5,062,683</u>	<u>18,269,010</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(11,280,901)</u>	<u>44,120,813</u>	<u>(26,258,302)</u>	<u>(21,500,000)</u>
FUND BALANCE at end of year	<u>\$24,879,406</u>	<u>\$69,000,219</u>	<u>\$42,741,917</u>	<u>\$21,241,917</u>

# City of Chattanooga, Tennessee

## Fiduciary Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Years Ended June 30, 2002 - 2005

	<u>FY 01/02</u>	<u>FY 02/03</u>	<u>Unaudited FY 03/04</u>	<u>Projected FY04/05</u>
<b>REVENUES</b>				
Interest Income	40	4,623	3,667	3,600
<b>Total Revenues</b>	<u>40</u>	<u>4,623</u>	<u>3,667</u>	<u>3,600</u>
<b>EXPENDITURES</b>				
Finance & Administration	4,210	300	261	300
<b>Total Expenditures</b>	<u>4,210</u>	<u>300</u>	<u>261</u>	<u>300</u>
Excess (deficiency) of Revenues over (under) Expenditures	(4,170)	4,323	3,406	3,300
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers Out	<u>(3,622,928)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(3,622,928)</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	(3,627,098)	4,323	3,406	3,300
<b>FUND BALANCE at Beginning of Year</b>	<u>3,698,832</u>	<u>71,734</u>	<u>76,057</u>	<u>79,463</u>
<b>FUND BALANCE at End of Year</b>	<u><u>\$71,734</u></u>	<u><u>\$76,057</u></u>	<u><u>\$79,463</u></u>	<u><u>\$82,763</u></u>

Due to GASB 34 reporting, Community Development funds are reported in the Special Revenue funds beginning fiscal years ending June 30, 2002

Fiduciary funds reflect the three medal funds: Chattanooga High School, Ochs-Oakes Fire and Police, and Ochs-Oakes High School

# City of Chattanooga, Tennessee

## Enterprise Fund

Combining Statement of Revenues, Expenses and  
Changes in Net Assets  
Years Ended June 30, 2002 - 2005

	<u>FY 01/02</u>	<u>FY 02/03</u>	<u>Unaudited FY 03/04</u>	<u>Projected FY04/05</u>
<b>REVENUES</b>				
Customer Charges	40,108,309	39,730,915	46,441,397 (2)	43,954,799
Other	71,136	0	7,736	40,000
Total Revenues	<u>40,179,445</u>	<u>39,730,915</u>	<u>46,449,133</u>	<u>43,994,799</u>
<b>OPERATING EXPENSES</b>				
Sewer Plant Operation	17,571,212	17,957,546	17,811,434	18,091,114
Solid Waste Operation	3,261,964	2,621,150	2,247,325	2,441,417
Storm Water Operation	2,549,508	2,793,619	2,632,422	3,294,065
Depreciation and Amortization	9,317,111	11,343,379	11,204,529	13,836,892
Closure/Postclosure Costs	658,087	634,521	430,624	0
Other	885,920	1,098,510	1,082,098	310,235
Total Operating Expenses	<u>34,243,802</u>	<u>36,448,725</u>	<u>35,408,432</u>	<u>37,973,723</u>
<b>OPERATING INCOME (LOSS)</b>	<u>5,935,643</u>	<u>3,282,190</u>	<u>11,040,701</u>	<u>6,021,076</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	1,211,226	750,420	496,903	760,790
Interest Expense	(8,958,443)	(6,748,243)	(7,630,798)	(8,052,656)
Intergovernmental	2,224,295	1,241,536	720,213	586,838
Other Income (expense)	(496,218)	77,987	(95)	0
Total Nonoperating Rev. (Exp.)	<u>(6,019,140)</u>	<u>(4,678,300)</u>	<u>(6,413,777)</u>	<u>(6,705,028)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND SPECIAL ITEM</b>	<u>(83,497)</u>	<u>(1,396,110)</u>	<u>4,626,924</u>	<u>(683,952)</u>
Capital Contributions	2,070,093	0	0	0
Operating Transfers In	5,918,505	5,468,339	683,952	683,952
Operating Transfers Out	0	(1,612,697)		0
Special Item, Transfer of capital assets to governmental activities	<u>(3,753,205)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET INCOME (LOSS) BEFORE EXTRAORDINARY LOSS</b>	<u>4,151,896</u>	<u>2,459,532</u>	<u>5,310,876</u>	<u>0</u>
Extraordinary loss on disposal of treatment plant	0	0	0	0
<b>NET INCOME (LOSS)</b>	<u>4,151,896</u>	<u>2,459,532</u>	<u>5,310,876</u>	<u>0</u>
Amortization of Contributed Capital	0	0	0	0
<b>TOTAL NET ASSETS - Beginning</b>	<u>226,430,069</u>	<u>230,581,965</u>	<u>233,041,497</u> (1)	<u>238,352,373</u>
<b>TOTAL NET ASSETS - Ending</b>	<u>\$230,581,965</u> (1)	<u>\$233,041,497</u>	<u>\$238,352,373</u>	<u>\$238,352,373</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, 2002 - 2005

	FY 01/02	FY 02/03	Unaudited FY 03/04	Projected FY04/05
Net Assets, beginning of year	<u>1,568,756</u>	<u>1,557,608</u>	<u>901,738</u>	<u>1,336,135</u>
Revenues				
Billings to Departments	8,140,818	7,845,687	9,571,183	6,953,110
Other	<u>462,485</u>	<u>658,953</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$8,603,303</u>	<u>\$8,504,640</u>	<u>\$9,571,183</u>	<u>\$6,953,110</u>
Expenditures				
Repairs & Maintenance - Amnicola	3,006,481	3,228,040	2,966,440	2,471,782
Repairs & Maintenance - 12th St	3,650,868	3,403,577	3,142,877	2,704,697
Operations - Amnicola	389,607	453,357	505,233	461,113
Operations - 12th St	833,937	1,011,575	1,106,258	1,065,518
Judgments & Costs	328,801	590,286	1,012,146	250,000
Water System	0	0	4,242	0
Claims & Tort Liabilities	205,596	276,670	261,674	0
Special Counsel	<u>199,161</u>	<u>197,005</u>	<u>137,916</u>	<u>0</u>
Total Expenditures	<u>\$8,614,451</u>	<u>\$9,160,510</u>	<u>\$9,136,786</u>	<u>\$6,953,110</u>
Excess (deficiency) of revenues over expenditures	<u>(11,148)</u>	<u>(655,870)</u>	<u>434,397</u>	<u>0</u>
Net Assets, ending of year	<u>\$1,557,608</u>	<u>\$901,738</u>	<u>\$1,336,135</u>	<u>\$1,336,135</u>

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

# Undesignated General Fund

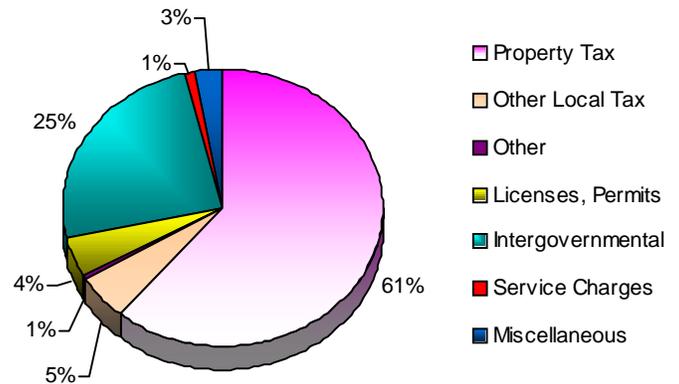
## Fund Structure

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 2005, the budgeted revenue and expenses are \$162,258,793. Included are designated general government operations totaling \$15,791,793, the largest of which is the Economic Development Fund with a budget of \$9,598,500. Undesignated general fund operations budget is \$146,467,000. The following charts relate to the undesignated general fund operations.

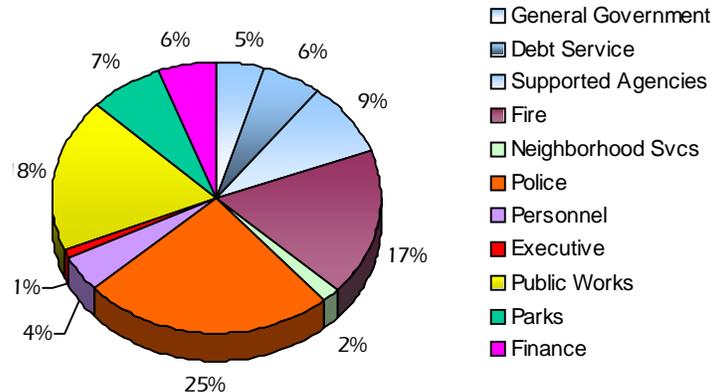
The major revenues of the general fund include: property taxes; other local taxes; licenses and permits; fines, forfeitures, and penalties; investment income; revenue from other agencies; and services charges. Departments of the General Fund include:

- General Government
  - General
  - Debt Service
  - Supported Agencies
- Finance & Administration
- Police
- Fire
- Public Works
- Parks, Recreation, Arts, & Culture
- Personnel
- Neighborhood Services
- Executive Branch

**Revenues 2005**  
\$146,467,000



**Appropriations 2005**  
\$146,467,000



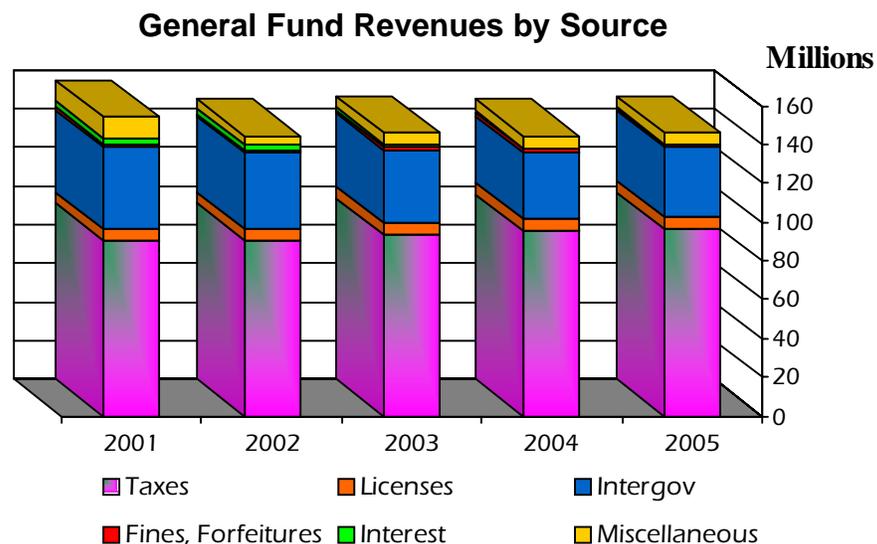
**Fund Revenue Summary**  
Fiscal Years 2002 thru 2005  
(expresses in \$1,000)

Fund Type	Actual FY 01/02	Actual FY02/03	Budget FY03/04	Budget FY04/05	Budget 05 Increase (Decrease)	% Change FY 04/05
<b>Undesignated General Fund:</b>						
Property Taxes	83,311	87,247	88,229	88,759	530	0.60%
Other Local Taxes	7,411	7,517	7,390	7,646	256	3.47%
Licenses, Permits, Etc.	5,772	6,214	6,213	6,183	(30)	-0.49%
Fines, Forfeitures & Penalties	1,734	1,428	1,616	1,092	(524)	-32.44%
Investment Income	1,766	908	715	569	(146)	-20.43%
Revenue form Other Agencies	36,421	36,116	34,341	36,218	1,877	5.47%
Service Charges	1,280	1,453	1,911	1,467	(444)	-23.24%
Miscellaneous Revenues	4,113	4,723	4,141	4,106	(35)	-0.84%
Prior Year Surplus	-	-	-	427	427	N/A
<i>Total General Fund</i>	<b>141,808</b>	<b>145,607</b>	<b>144,556</b>	<b>146,467</b>	<b>1,911</b>	<b>1.32%</b>

## Revenues

The proposed Budget for FY 2005 shows an increase in Estimated Revenues of \$1,911,000 or 1.32% when compared to FY 04, of which 77.64% is attributed to increased FY05 revenues and the remainder is a result of a FY04 surplus . This increase in Estimated Revenues for FY 2005 can be attributed to increased tax revenues and governmental transfers. County-Wide sales tax is estimated to increase \$782,732; Gross Receipts is expected to decrease by a nominal \$411; and the State Sales Tax is expected to increase \$431,226 or 5.1% for the City in FY 2005. Property Tax is anticipated to continue a strong, healthy growth.

The chart shows the General Fund Revenues by Source for the fiscal years 2001 thru 2005.



## Property Taxes

**FY 2005 Estimate :** **\$88,758,674**  
**% of General Fund:** **60.6%**  
**Growth From FY 04:** **529,626**  
**% Change:** **.6%**

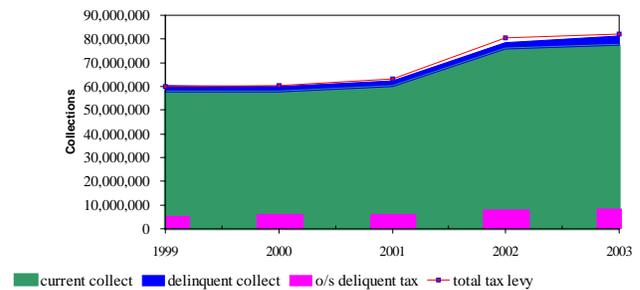
Current Real Property Taxes remain the primary source of funds for the City of Chattanooga, with the FY 2005 estimate of \$80,153,888 representing 54.72% of the total General Fund Budget. All property tax estimates inclusive of delinquencies and in lieu of tax payments total \$88,758,674 or 60.60% of the total General Fund budget. The current tax rate is \$2.516 per \$100.00 of the assessed valuation. This is considerably less than the 1995 rate of \$2.98. Revenues generated in 1996 with a \$2.98 tax rate amounted to \$65,915,783 while the estimate for FY 2005 is \$80,153,888, an increase of \$14,238,105, or 17.77%. Assessments for 1995 were \$2,198,869,948. This figure has risen to \$3,237,183,936, 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 2005 is \$2,845,443 or 2.85% under FY04. The Telecommunication in lieu of tax due from the EPB is \$210,781, 6.4% over FY04.

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

1995	2.98	City Tax Increase
1996	2.98	
1997	2.70	Property Reappraisal
1998	2.31	City Tax Decrease
1999	2.31	
2000	2.31	
2001	2.31	
2002	2.516	City Tax Increase
2003	2.516	
2004	2.516	
2005	2.516	

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 \$323,718. 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. The largest is received from the Electric Power Board of Chattanooga, a separate administrative agency of city government. Other major In-Lieu of payments received include: Tennessee Valley Authority, Burner Systems, Metals, USA, Kenco Group, Chattanooga Neighborhood Enterprise, E.I. Dupont, Regis Corp., Pavestone Co., Messer Griesheim Industries and Signal Mountain Cement. The collection of In Lieu of Taxes accounts for approximately three percent (3.5%) of the operating budget each year.

### Other Local Taxes:

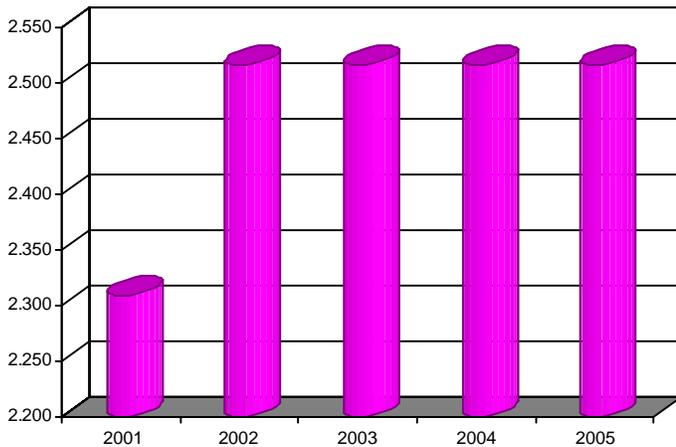
<b>FY 2005 Estimate :</b>	<b>\$7,646,462</b>
<b>% of General Fund:</b>	<b>5.22%</b>
<b>Growth From FY 04:</b>	<b>256,438</b>
<b>% Change:</b>	<b>3.5%</b>

### Wholesale Beer Tax

<b>FY 2005 Estimate:</b>	<b>\$4,420,922</b>
<b>% of General Fund:</b>	<b>3.02%</b>
<b>Increase From FY 04:</b>	<b>147,622</b>
<b>% Change:</b>	<b>3.5%</b>

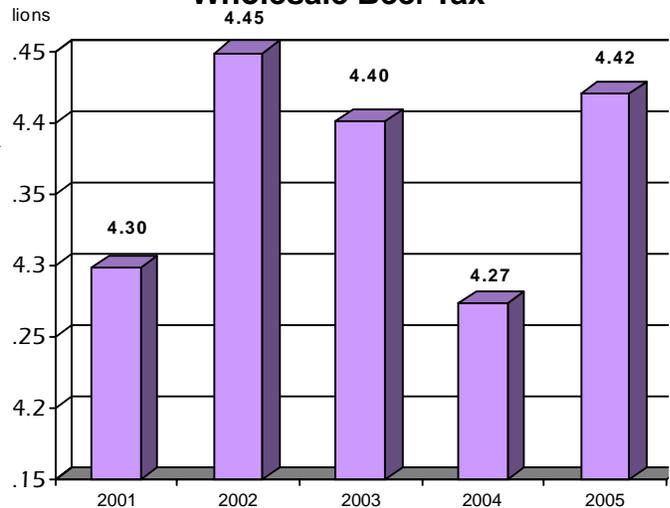
The Wholesale Beer Tax is a steady source of revenue to the City. The 17% tax is authorized by the State of Tennessee and is based on wholesalers' sales to retailers in the city. These collections represent an average of 3% of General Fund revenues. The average growth in these collection is about 2% . FY05 indicates a 3.5% increase from FY04, which had a realized 2.92% decrease in revenues from FY03, suggesting continued growth as a revenue source. Revenue estimates for these collections are based on these known growth factors.

### Property Tax Rates



(per \$100 of Assessed Valuation)

### Wholesale Beer Tax



## Licenses, Permits, Etc.:

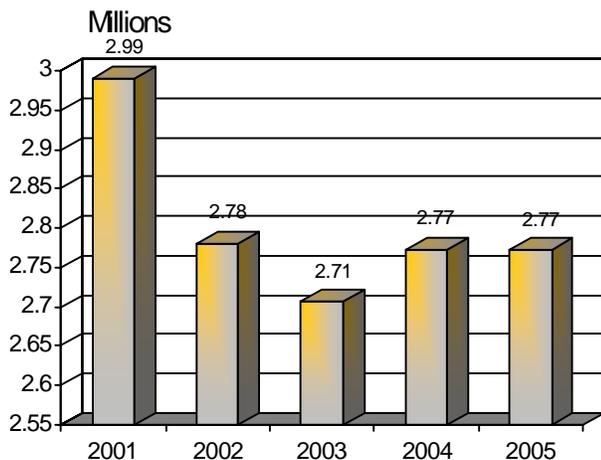
<b>FY 2005 Estimate :</b>	<b>\$6,182,567</b>
<b>% of General Fund:</b>	<b>4.22%</b>
<b>Decline From FY 04:</b>	<b>(30,572)</b>
<b>% Change:</b>	<b>(.5)%</b>

### Gross Receipts Taxes

<b>FY 2005 Estimate :</b>	<b>\$2,772,000</b>
<b>% of General Fund:</b>	<b>1.89%</b>
<b>Decrease from FY 04:</b>	<b>(411)</b>
<b>% Change:</b>	<b>&lt; 0%</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 five years reveals the growth of this collection has varied between 4% and 8%, 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.

**Gross Receipt Taxes**



## Revenue from Other Agencies:

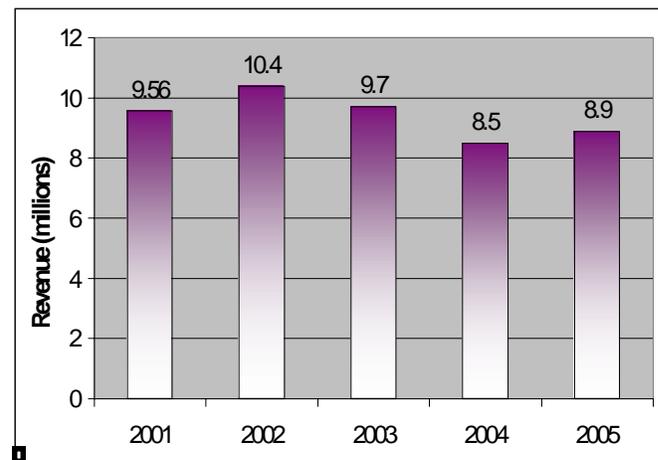
<b>FY 2005 Estimate :</b>	<b>\$36,128,270</b>
<b>% of General Fund:</b>	<b>24.73%</b>
<b>Increase From FY 04:</b>	<b>1,876,952</b>
<b>% Change:</b>	<b>5.5%</b>

### City Allocation State Sales Tax

<b>FY 2005 Estimate:</b>	<b>\$ 8,928,545</b>
<b>% of General Fund :</b>	<b>6.10%</b>
<b>Increase From FY 04:</b>	<b>431,226</b>
<b>% Change:</b>	<b>5.1%</b>

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 157,532 and its per capita allocation from state sales tax for Fiscal Year 2005 is \$56.68. The State Sales Tax is expected to increase by 5.1% or \$431,226 in FY 2005. This suggests that the economy may be strengthening 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

<b>FY 2005 Estimate :</b>	<b>\$21,885,073</b>
<b>% of General Fund:</b>	<b>14.94%</b>
<b>Increase From FY 04:</b>	<b>782,732</b>
<b>% Change:</b>	<b>3.7%</b>

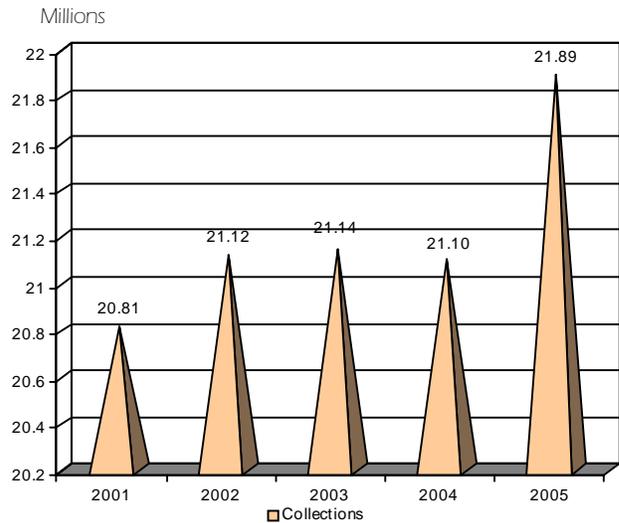
The County Wide Sales Tax, or Local Option Sales Tax, is another principal source of revenue for the City. In accordance with the 1993 Local Option Revenue Act Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended, the City and County have adopted a Local Option Sales Tax. The citizens 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 FY00 growth in County-Wide sales tax revenues has leveled out to approximately 1% a year.

The County-wide sales tax represents 14.94% of the total General Fund revenues for FY 2005.

### County-Wide Sales Tax



## Undesignated General Fund Expenditure Summary

Fiscal Years ending June 30, 2002 thru 2005

(expressed in \$1,000)

Fund Type	Actual FY 01/02	Actual FY02/03	Budget FY03/04	Budget FY04/05	Budget 05 Increase (Decrease)	% Change FY 04/05
<b>General Fund</b>						
General Government	31,990	27,428	27,428	28,492	1,064	3.88%
Department of Finance & Administration	8,069	8,645	8,645	8,665	20	0.23%
Department of Police	32,974	36,994	36,994	36,161	-833	-2.25%
Department of Fire	20,958	24,899	24,899	25,538	639	2.57%
Department of Public Works	24,995	26,839	26,839	26,673	-166	-0.62%
Department of Recreation, Arts & Culture	10,840	10,648	10,648	10,660	12	0.11%
Department of Personnel	7,166	6,254	6,254	6,350	96	1.53%
Department of Neighborhood Services	1,660	1,456	1,456	2,611	1,155	79.33%
Executive Branch	1,326	1,394	1,394	1,317	-77	-5.52%
<i>Total General Fund</i>	<b>139,978</b>	<b>144,557</b>	<b>144,557</b>	<b>146,467</b>	<b>1,910</b>	<b>1.32%</b>

## Expenses

### General Government

**FY 2005 Appropriation:** \$28,492,111  
**% of General Fund:** 19.45%  
**Increase From FY 04:** 878,644  
**% Change:** 3.2%

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

**FY 2005 Appropriation:** \$3,285,000  
**% of General Fund:** 2.24%  
**Increase From FY 04:** 126,350  
**% Change:** 4%

The City finances part of the Chattanooga Area Regional Transportation Authority's operating loss. The CARTA appropriation of \$3,285,000 enables CARTA to provide additional services to those citizens using bus service as their only means of transportation to work, school, shopping and other activities.

#### Carter Street Corporation Lease Agreement

**FY 2005 Appropriation:** \$1,419,100  
**% of General Fund:** .97%  
**Decrease From FY 04:** (1,429)  
**% Change:** (0.10%)

This appropriation of \$1,419,100 represents the City of Chattanooga's two-thirds share of the retirement of bonds sold for the construction of the Chattanooga Hamilton County Convention and Trade Center.

#### Chattanooga-Hamilton County Bicentennial Library

**FY 2005 Appropriation:** \$2,487,660  
**% of General Fund:** 1.7%  
**Growth From FY 04:** 81,935  
**% Change:** 3.41%

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

#### Chattanooga Neighborhood Enterprises

**FY 2005 Appropriation:** \$2,000,000  
**% of General Fund:** 1.37%  
**Growth From FY 04:** -0-  
**% Change:** 0.0%

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

#### Debt Service Fund

**FY 2005 Appropriation:** \$8,772,293  
**% of General Fund:** 5.99%  
**Growth From FY 04:** 1,135,453  
**% Change:** 14.87%

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 Fund

**FY 2005 Appropriation:** \$1,500,000  
**% of General Fund:** 1.02%  
**Increase From FY 04:** -0-  
**% Change:** 0.0%

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

### **Department of Finance & Administration**

**FY 2005 Appropriation :** \$8,664,793  
**% of General Fund:** 5.92%  
**Increase From FY 04:** 19,453  
**% Change:** .23%

This department oversees all aspects of the City's financial program, asset management, information services, radio and fleet maintenance. The major expenses for this department are personnel costs, Information Services hardware and software maintenance costs, and basic telecommunication support not charged directly to the departments. Increased FY05 expenditures are related to personnel expenses.

### **Department of Police**

**FY 2005 Appropriation:** \$36,161,001  
**% of General Fund:** 24.69%  
**Decrease From FY 04:** (833,101)  
**% Change:** (2.25)%

The majority of the decrease in expenditures is attributed to Animal Services being transferred to Neighborhood Services and civilian staffing level reductions.

### **Department of Fire**

**FY 2005 Appropriation:** \$25,538,430  
**% of General Fund:** 17.44%  
**Growth From FY 04:** 639,575  
**% Change:** 2.57%

The 2.57% FY05 growth is attributed to a FY04 budget surplus being earmarked for fire hydrants, as well as one additional sworn position

### **Department of Public Works**

**FY 2005 Appropriation:** \$26,672,947  
**% of General Fund:** 18.21%  
**Decrease from FY 04:** (165,677)  
**% Change:** (.62)%

The Department of Public Works General Fund operations has remained fairly stable over the past several years. This is due primarily to the shifting of functions to newly created funds, such as the Storm Water Fund and the Solid Waste/Sanitation Fund.

Increased appropriations in this department represents personnel pay increases and increased motor vehicle maintenance. The decrease in FY05 expenditures is a result of staffing reductions and additional streamlining of operations, such as the usage of knucklebooms to reduce garbage collection time and personnel costs.

### **Department of Parks, Recreation, Arts, and Culture**

**FY 2005 Appropriation :** \$10,660,008  
**% of General Fund:** 7.28%  
**Increase From FY 04:** 12,367  
**% Change:** .12%

The minor change from FY04 budget is due to an increase in purchased services which is offset by a decrease in personnel costs. Purchase services increase reflects the outdoor initiative program and appropriation to Downtown Partnership. Decrease in personnel budget is due to frozen positions within the department.

### **Department of Personnel**

**FY 2005 Appropriation:** \$6,349,619  
**% of General Fund :** 4.34%  
**Increase From FY 04:** 95,822  
**% Change:** 1.53%.

The increase in expenditures in FY05 is attributed to establishing a wellness initiative program to serve as a proactive health approach for a reduction in associated employee health costs.

### **Department of Neighborhood Services**

**FY 2005 Appropriation :** \$2,611,041  
**% of General Fund:** 1.78%  
**Increase From FY 04:** 1,155,222  
**% Change:** 79.35%

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 FY05, Animal Services was added as a division of Neighborhood Services. This addition represents 93.3% of the 79.35% increase in FY 05 expenditures.

### **Executive Branch**

<b>FY 2005 Appropriation:</b>	<b>\$1,317,050</b>
<b>% of General Fund:</b>	<b>.90%</b>
<b>Decrease From FY 04:</b>	<b>(77,305)</b>
<b>% Change:</b>	<b>(5.54%)</b>

The Executive Branch consists of functions under direct control of the Mayor. This branch includes the Mayor's Office, Office of Performance Review, Community Development, and Grants Administration. FY05 decreases resulted from a reduction and reclassification of personnel positions.

## Undesignated General Fund Revenues

Fiscal Years 2002-2005

Revenue Source	Actual FY0 1/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	%		OF TOTAL
					BUDGET '05 INC/(DEC)	CHANGE FY 04/05	
<b>Property Taxes:</b>							
Current Property Taxes Real	75,796,622	77,804,266	79,397,860	80,153,888	756,028	1.0%	54.72%
Interest & Penalty - Current Year	86,551	88,973	67,167	67,000	(167)	-0.2%	0.05%
Interest & Penalty - Prior Year	240,413	258,221	261,406	275,000	13,594	5.2%	0.19%
Prior Year Real & Personal Taxes	2,700,473	3,413,388	2,605,000	2,605,000	0	0.0%	1.78%
City Fee- Collection of Delinquent Taxes	116,038	158,484	275,810	188,000	(87,810)	-31.8%	0.13%
Corporate Excise Tax-State	131,676	183,932	183,932	103,500	(80,432)	-43.7%	0.07%
Collections - In Lieu of Taxes	4,238,897	5,340,096	5,437,873	5,366,286	(71,587)	-1.3%	3.66%
<b>Total Property Tax</b>	<b>\$83,310,670</b>	<b>\$87,247,360</b>	<b>\$88,229,048</b>	<b>\$88,758,674</b>	<b>529,626</b>	<b>0.6%</b>	<b>60.60%</b>
<b>Other Local Taxes:</b>							
Franchise Taxes-Chatt Gas	238,906	250,780	313,750	254,000	(59,750)	-19.0%	0.17%
Franchise Taxes - CCTV	1,337,746	1,397,342	1,397,342	1,400,000	2,658	0.2%	0.96%
Liquor Taxes	1,379,987	1,462,827	1,400,700	1,566,140	165,440	11.8%	1.07%
Beer Taxes	4,449,366	4,401,477	4,273,300	4,420,922	147,622	3.5%	3.02%
Local Litigation Taxes	4,908	4,962	4,932	5,400	468	9.5%	0.00%
<b>Total Other Local Taxes</b>	<b>\$7,410,913</b>	<b>\$7,517,388</b>	<b>\$7,390,024</b>	<b>\$7,646,462</b>	<b>256,438</b>	<b>3.5%</b>	<b>5.22%</b>
<b>Licenses, Permits, Etc.:</b>							
Motor Vehicle License	377,745	437,200	393,564	395,000	1,436	0.4%	0.27%
Parking Meters	424,480	430,365	441,634	508,077	66,443	15.0%	0.35%
Business License excluding Liquor	121,034	122,298	120,000	120,000	0	0.0%	0.08%
Gross Receipts Tax	2,781,220	2,706,614	2,772,411	2,772,000	(411)	0.0%	1.89%
Building Permits	678,159	984,702	917,863	950,000	32,137	3.5%	0.65%
Other Licenses, Permits, Fees	1,389,051	1,532,779	1,567,667	1,437,490	(130,177)	-8.3%	0.98%
<b>Total Licenses &amp; Permits</b>	<b>\$5,771,689</b>	<b>\$6,213,958</b>	<b>\$6,213,139</b>	<b>\$6,182,567</b>	<b>(30,572)</b>	<b>-0.5%</b>	<b>4.22%</b>
<b>Fines, Forfeitures, &amp; Penalties:</b>							
City Court Fines	1,062,254	713,423	795,569	403,500	(392,069)	-49.3%	0.28%
Criminal Court Fines	172,868	233,565	243,398	184,000	(59,398)	-24.4%	0.13%
Parking Ticket Fines	475,012	429,895	577,116	504,259	(72,857)	-12.6%	0.34%
Other Fines Forfeitures, & Penalties	23,710	50,658	0	0	0	N/A	0.00%
<b>Total Fines, Forfeitures, &amp; Penalties</b>	<b>\$1,733,844</b>	<b>\$1,427,541</b>	<b>\$1,616,083</b>	<b>\$1,091,759</b>	<b>(524,324)</b>	<b>-32.4%</b>	<b>0.75%</b>
<b>Investment Income:</b>							
Interest on Investments	1,385,332	804,707	650,058	543,946	(106,112)	-16.3%	0.37%
Sale of Property	381,078	103,348	65,000	25,000	(40,000)	-61.5%	0.02%
<b>Total Investment Income</b>	<b>\$1,766,410</b>	<b>\$908,055</b>	<b>\$715,058</b>	<b>\$568,946</b>	<b>(146,112)</b>	<b>-20.4%</b>	<b>0.39%</b>

**Undesignated General Fund Revenues**

Fiscal Years 2002-2005

Revenue Source	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	%	% OF TOTAL
						CHANGE FY 04/05	
<b>Revenue From Other Agencies:</b>							
County wide Sales Tax - General Fund	21,120,255	21,141,665	21,102,341	21,885,073	782,732	3.7%	14.94%
State Beer Tax	76,018	80,835	73,560	84,420	10,860	14.8%	0.06%
Hall Income Tax	2,567,398	2,647,916	2,000,000	1,800,000	(200,000)	-10.0%	1.23%
State Sales Tax	9,340,311	9,358,611	8,497,319	8,928,545	431,226	5.1%	6.10%
State Mixed Drink Tax	1,269,230	1,227,490	1,074,629	1,216,540	141,911	13.2%	0.83%
State Gas Inspection Fees	359,009	355,013	323,061	352,000	28,939	9.0%	0.24%
State Maintenance of Streets	109,080	113,501	99,897	90,000	(9,897)	-9.9%	0.06%
State Alcohol Beverage Tax	65,149	71,224	66,514	75,000	8,486	12.8%	0.05%
State DOT - TVRM	0	18,204	0	0	0	N/A	0.00%
State - Special Training Funds	391,320	415,375	415,800	368,470	(47,330)	-11.4%	0.25%
State - Telecom Sales Tax	23,201	28,663	25,806	29,611	3,805	14.7%	0.02%
HUD-Harriet Tubman	0	0	0	0	0	N/A	0.00%
Ham. County-Ross Landing Plaza	531,554	523,671	528,391	489,787	(38,604)	-7.3%	0.33%
Ham. County-Radio & Electronics	48,000	134,000	134,000	147,541	13,541	10.1%	0.10%
Ham. County DOE SRO's	0	0	0	751,283	751,283	N/A	0.51%
COPS - MORE Grant	36,279	0	0	0	0	N/A	0.00%
COPS Universal Hiring Grant	484,301	0	0	0	0	N/A	0.00%
<b>Total Revenue from Other Agencies</b>	<b>\$36,421,105</b>	<b>\$36,116,168</b>	<b>\$34,341,318</b>	<b>\$36,218,270</b>	<b>1,876,952</b>	<b>5.5%</b>	<b>24.73%</b>
<b>Service Charges:</b>							
City Court Cost	86,884	128,785	295,072	136,900	(158,172)	-53.6%	0.09%
Clerk's Fee	541,715	673,026	876,896	579,119	(297,777)	-34.0%	0.40%
State Court Cost	6,004	4,405	4,218	2,600	(1,618)	-38.4%	0.00%
Public Works - Services Charge	102,016	252,287	264,128	182,330	(81,798)	-31.0%	0.12%
PRAC - Services Charge	299,445	229,234	275,678	336,250	60,572	22.0%	0.23%
Police - Service Charge	134,168	151,549	152,987	159,600	6,613	4.3%	0.11%
Other Charges for Services	109,480	13,531	42,449	70,150	27,701	65.3%	0.05%
<b>Total Service Charges</b>	<b>\$1,279,712</b>	<b>\$1,452,817</b>	<b>\$1,911,428</b>	<b>\$1,466,949</b>	<b>(444,479)</b>	<b>-23.3%</b>	<b>1.00%</b>
<b>Miscellaneous Revenues:</b>							
Indirect Cost	1,679,578	2,134,635	2,585,866	2,685,866	100,000	3.9%	1.83%
Land & Bldg. Rents	83,367	65,407	69,887	65,000	(4,887)	-7.0%	0.04%
Dock Rental	20,460	23,589	26,321	20,000	(6,321)	-24.0%	0.01%
Retiree Reimbursements (Regular)	726,576	994,070	0	0	0	N/A	0.00%
Mem. Aud.- Rents, Conc., OT, BO	388,094	316,792	326,199	382,000	55,801	17.1%	0.26%
Tivoli - Rents, Conc., OT, BO	196,409	254,853	197,816	178,000	(19,816)	-10.0%	0.12%
Coolidge Park Revenue	168,721	132,308	133,627	109,500	(24,127)	-18.1%	0.07%
Other General Government Misc.	850,284	801,649	801,186	666,007	(135,179)	-16.9%	0.45%
<b>Total Miscellaneous Revenues</b>	<b>\$4,113,489</b>	<b>\$4,723,303</b>	<b>\$4,140,902</b>	<b>\$4,106,373</b>	<b>(34,529)</b>	<b>-0.8%</b>	<b>2.80%</b>
Revenue from Prior Year Surplus	0	0	0	427,000	427,000	N/A	0.29%
<b>Grand Totals</b>	<b>\$141,807,832</b>	<b>\$145,606,590</b>	<b>\$144,557,000</b>	<b>\$146,467,000</b>	<b>\$1,910,000</b>	<b>1.3%</b>	<b>100.00%</b>

**Undesignated General Fund Expenditures**

Fiscal Years 2002-2005

Expenditure	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	%	
						CHANGE FY 04/05	% OF TOTAL
<b>General Government</b>							
<b>Agencies</b>							
Air Pollution	270,820	270,820	270,820	270,820	0	0.00%	0.18%
Allied Arts:							
Operations	250,000	250,000	250,000	250,000	0	0.00%	0.17%
African American Museum	70,000	70,000	70,000	70,000	0	0.00%	0.05%
Chattanooga Regional History	48,000	24,000	24,000	24,000	0	0.00%	0.02%
Assoc of Visual Artists	15,000	15,000	15,000	15,000	0	0.00%	0.01%
CARCOG & SETDD	30,493	30,493	30,493	31,111	618	2.03%	0.02%
CARTA	2,976,800	3,239,650	3,158,650	3,285,000	126,350	4.00%	2.24%
Carter Street Corporation	0	352,324	176,324	0	(176,324)	-100.00%	0.00%
Carter Street Lease	1,426,092	1,420,753	1,420,529	1,419,100	(1,429)	-0.10%	0.97%
Chattanooga Urban League	50,000	50,000	50,000	50,000	0	0.00%	0.03%
C-HC Bicentennial Public Library	2,405,725	2,405,725	2,405,725	2,487,660	81,935	3.41%	1.70%
Chattanooga Neighborhood Enterprises	2,000,000	2,000,000	2,000,000	2,000,000	0	0.00%	1.37%
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%	0.11%
Community Impact Fund	0	0	0	450,000	450,000	N/A	0.31%
Downtown Partnership	140,000	140,000	140,000	140,000	0	0.00%	0.10%
Heritage Hall Board	35,000	35,000	35,000	42,123	7,123	20.35%	0.03%
Homeless Health Center	17,500	17,500	17,500	17,500	0	0.00%	0.01%
Inner-City Develop Corp	35,000	35,000	0	0	0	N/A	0.00%
Community Research Council	10,000	10,000	10,000	10,000	0	0.00%	0.01%
Regional Planning Agency	876,277	974,817	974,817	988,817	14,000	1.44%	0.68%
Scenic Cities	30,294	30,294	30,294	30,294	0	0.00%	0.02%
Storm Water Fund	71,309	65,291	70,000	70,000	0	0.00%	0.05%
Tennessee Riverpark	698,035	790,902	798,471	798,471	0	0.00%	0.55%
Tenn Valley Railroad Museum	0	18,204	0	0	0	N/A	0.00%
West Side Development Corp	0	75,000	75,000	75,000	0	0.00%	0.05%
W TCI - TV 45	60,000	60,000	60,000	60,000	0	0.00%	0.04%
<b>General Government</b>							
Audits, Dues & Surveys	111,660	130,926	206,757	206,757	0	0.00%	0.14%
Capital Improvements	5,302,101	4,500,000	0	0	0	N/A	0.00%
ChattanoogaInvests	0	0	0	250,000	250,000	N/A	0.17%
City Attorney/Operations	644,034	649,121	685,101	906,236	221,135	32.28%	0.62%
City Attorney Liability Insurance Fund	850,000	862,000	1,100,000	250,000	(850,000)	-77.27%	0.17%
City Code Revision	0	0	0	185,000	0	N/A	0.13%
City Council	576,765	615,525	676,775	676,599	(176)	-0.03%	0.46%
City Court Judicial	581,372	654,987	622,277	600,273	(22,004)	-3.54%	0.41%
Contingency Fund	33,685	35,241	578,426	0	(578,426)	-100.00%	0.00%
Debt Service Fund	8,964,342	6,193,086	7,636,840	8,772,293	1,135,453	14.87%	5.99%
Election Expense	0	24,724	0	180,000	180,000	N/A	0.12%
Human Services	1,481,641	1,481,641	1,333,477	1,333,477	0	0.00%	0.91%
Intergovernmental Relations	217,531	206,759	228,850	228,850	0	0.00%	0.16%
Pensions, FICA & UIC	36,712	51,055	23,937	25,000	1,063	4.44%	0.02%
T.A.P. (tuition & books)	22,710	27,234	20,000	20,000	0	0.00%	0.01%
Downtown Design Center	158,402	125,108	218,535	227,204	8,669	3.97%	0.16%
Renewal & Replacement	1,302,836	1,258,349	1,500,000	1,500,000	0	0.00%	1.02%
311 Call Center	0	263,924	324,869	355,526	30,657	9.44%	0.24%
<b>total</b>	<b>\$31,990,136</b>	<b>\$29,650,453</b>	<b>\$27,428,467</b>	<b>\$28,492,111</b>	<b>878,644</b>	<b>3.20%</b>	<b>19.45%</b>
<b>Department of Finance &amp; Administration:</b>							
Finance Office	1,398,732	1,583,404	1,798,128	1,870,024	71,896	4.00%	1.28%
Information Services	2,407,286	2,355,491	2,558,064	2,671,652	113,588	4.44%	1.82%
Renewal & Replacement	1,302,836	1,258,349	1,500,000	1,500,000	0	0.00%	1.02%
311 Call Center	0	263,924	324,869	355,526	30,657	9.44%	0.24%
<b>total</b>	<b>\$31,990,136</b>	<b>\$29,650,453</b>	<b>\$27,428,467</b>	<b>\$28,492,111</b>	<b>878,644</b>	<b>3.20%</b>	<b>19.45%</b>
<b>Department of Finance &amp; Administration:</b>							
Finance Office	1,398,732	1,583,404	1,798,128	1,870,024	71,896	4.00%	1.28%
Information Services	2,407,286	2,355,491	2,558,064	2,671,652	113,588	4.44%	1.82%
City Treasurer	522,559	487,040	526,254	518,868	(7,386)	-1.40%	0.35%
Telecommunications	510,192	554,317	461,126	339,851	(121,275)	-26.30%	0.23%
City Court Clerk's Office	982,311	1,063,152	1,049,336	1,045,744	(3,592)	-0.34%	0.71%
Purchasing	905,824	753,344	801,230	782,860	(18,370)	-2.29%	0.53%
Building Maintenance	726,126	692,184	746,866	725,768	(21,098)	-2.82%	0.50%
Radio & Electronics	322,085	360,367	389,097	405,019	15,922	4.09%	0.28%
Property Maintenance	110,886	57,923	151,500	143,138	(8,362)	-5.52%	0.10%
Real Estate	182,900	106,644	163,739	161,869	(1,870)	-1.14%	0.11%
<b>total</b>	<b>\$8,068,901</b>	<b>\$8,013,866</b>	<b>\$8,645,340</b>	<b>\$8,664,793</b>	<b>19,453</b>	<b>0.23%</b>	<b>5.92%</b>

## Undesignated General Fund Expenditures

Fiscal Years 2002-2005

Expenditure	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC./(DEC)	%	
						CHANGE FY 04/05	% OF TOTAL
<b>Department of Police:</b>	<b>\$32,973,557</b>	<b>\$34,826,607</b>	<b>\$36,994,102</b>	<b>\$36,161,001</b>	<b>(\$833,101)</b>	<b>-2.25%</b>	<b>24.69%</b>
<b>Department of Fire:</b>							
Fire Operations	20,467,140	21,851,685	24,325,655	24,768,230	442,575	1.82%	16.91%
Utilities	485,041	455,686	573,200	343,200	(230,000)	-40.13%	0.23%
Fire Hydrants	0	559	0	427,000	427,000	N/A	0.29%
Combat Challenge	5,793	0	0	0	0	N/A	0.00%
<b>total</b>	<b>\$20,957,974</b>	<b>\$22,307,930</b>	<b>\$24,898,855</b>	<b>\$25,538,430</b>	<b>639,575</b>	<b>2.57%</b>	<b>17.44%</b>
<b>Department of Public Works:</b>							
Administration	510,666	551,753	929,576	961,899	32,323	3.48%	0.66%
City Engineer	1,767,987	1,793,001	1,964,322	1,903,901	(60,421)	-3.08%	1.30%
City Wide Services	2,991,163	3,133,906	3,485,331	3,584,046	98,715	2.83%	2.45%
Sewer Construction & Maintenance	1,760,883	1,732,796	1,916,986	1,966,870	49,884	2.60%	1.34%
Inspection	1,393,618	1,610,569	1,920,631	1,921,812	1,181	0.06%	1.31%
Utilities	126,197	147,617	146,755	137,547	(9,208)	-6.27%	0.09%
Pump Stations	63,622	60,021	96,025	84,404	(11,621)	-12.10%	0.06%
Traffic Management	2,107,527	2,213,802	2,296,316	2,329,889	33,573	1.46%	1.59%
Street Lighting	2,361,794	2,476,302	2,563,500	2,563,500	0	0.00%	1.75%
Subsidies to Other Funds	6,163,244	5,788,339	5,515,968	5,565,707	49,739	0.90%	3.80%
Municipal Forestry	399,587	490,764	511,108	512,487	1,379	0.27%	0.35%
Waste Pickup - Brush	2,609,241	2,456,786	2,798,780	2,596,809	(201,971)	-7.22%	1.77%
Waste Pickup - Garbage	2,739,558	2,828,291	2,693,326	2,544,076	(149,250)	-5.54%	1.74%
<b>total</b>	<b>\$24,995,087</b>	<b>\$25,283,947</b>	<b>\$26,838,624</b>	<b>\$26,672,947</b>	<b>(165,677)</b>	<b>-0.62%</b>	<b>18.21%</b>
<b>Department of Parks, Recreation, Arts, &amp; Culture:</b>							
Administration	727,265	824,668	805,584	932,115	126,531	15.71%	0.64%
Recreation	3,813,295	4,127,746	4,084,971	4,212,887	127,916	3.13%	2.88%
Parks	5,082,953	4,582,192	4,565,608	4,361,445	(204,163)	-4.47%	2.98%
Civic Facilities	1,216,431	1,206,582	1,191,478	1,153,561	(37,917)	-3.18%	0.79%
<b>total</b>	<b>\$10,839,944</b>	<b>\$10,741,188</b>	<b>\$10,647,641</b>	<b>\$10,660,008</b>	<b>12,367</b>	<b>0.12%</b>	<b>7.28%</b>
<b>Department of Personnel:</b>							
Administration	862,439	908,760	951,543	951,186	(357)	-0.04%	0.65%
Physicals	101,806	114,272	125,450	116,000	(9,450)	-7.53%	0.08%
Employee's Insurance Office	279,753	272,844	325,323	365,407	40,084	12.32%	0.25%
Employee's Insurance Program	3,995,949	4,631,890	4,772,881	4,568,500	(204,381)	-4.28%	3.12%
Wellness Initiative	0	0	0	269,926	269,926	N/A	0.18%
Job Injury Administration	1,925,759	2,174,344	78,600	78,600	0	0.0%	0.05%
<b>total</b>	<b>\$7,165,706</b>	<b>\$8,102,110</b>	<b>\$6,253,797</b>	<b>\$6,349,619</b>	<b>95,822</b>	<b>1.5%</b>	<b>4.34%</b>
<b>Department of Neighborhood Services:</b>							
Administration	494,437	379,570	312,698	309,859	(2,839)	-0.91%	0.21%
Animal Services	0	0	0	1,078,179	1,078,179	N/A	0.74%
Codes & Community Services	716,263	754,650	686,468	769,266	82,798	12.06%	0.53%
Human Rights	0	0	0	0	0	N/A	0.00%
Neighborhood Relations	282,648	329,878	341,653	353,737	12,084	3.54%	0.24%
Neighborhood Grants	166,954	112,527	115,000	100,000	(15,000)	-13.04%	0.07%
<b>total</b>	<b>\$1,660,302</b>	<b>\$1,576,625</b>	<b>\$1,455,819</b>	<b>\$2,611,041</b>	<b>1,155,222</b>	<b>79.35%</b>	<b>1.78%</b>
<b>Executive Branch</b>							
Mayor's Office	718,126	824,468	853,708	872,964	19,256	2.26%	0.60%
Office of Performance Review	116,135	296,132	216,135	102,703	(113,432)	-52.48%	0.07%
Human Rights	71,601	48,394	36,652	34,818	(1,834)	-5.00%	0.02%
Community Development	411,470	245,573	190,501	167,374	(23,127)	-12.14%	0.11%
Grants Administration	9,000	59,991	97,359	139,191	41,832	42.97%	0.10%
<b>total</b>	<b>1,326,332</b>	<b>1,474,558</b>	<b>1,394,355</b>	<b>1,317,050</b>	<b>(77,305)</b>	<b>-5.54%</b>	<b>0.90%</b>
<b>Expenditure Total</b>	<b>\$139,977,939</b>	<b>\$141,977,284</b>	<b>\$144,557,000</b>	<b>\$146,467,000</b>	<b>\$1,910,000</b>	<b>1.32%</b>	<b>100.00%</b>



# Special Revenue Funds

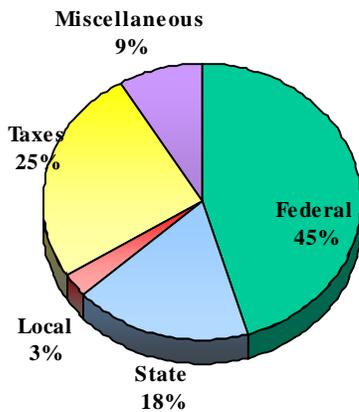
## Fund Structure

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, Community Development, Hotel/Motel Occupancy Tax Fund, and Municipal Golf Course Fund. For fiscal year ended June 30, 2004 the budgeted revenue and expenses were as follows:

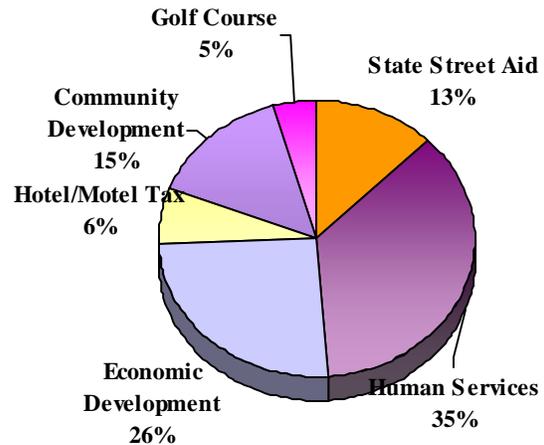
Fund	FY04 Budgeted Revenue & Expenses	FY04 Actual Revenues	FY04 Actual Expenses
State Street Aid Fund	\$3,971,297	\$4,399,731	\$4,095,692
Human Services Fund	\$13,933,961	\$13,260,509	\$13,847,955
Economic Development Fund	\$17,975,000	\$19,691,325	\$17,402,083
Community Development Fund	\$4,922,000	\$6,280,409	\$8,910,203
Hotel/Motel Tax	\$ 1,750,000	\$ 2,058,160	\$2,070,244
Municipal Golf Course Fund	\$ 1,798,788	\$ 1,609,114	\$ 1,679,453

## Fiscal Year 2004/2005

Revenue by Source  
\$37,411,824



Appropriation by Fund  
\$37,411,824



**Fund Revenue Summary**  
Fiscal Year Ending June 30, 2002-2005  
(expressed in \$1,000)

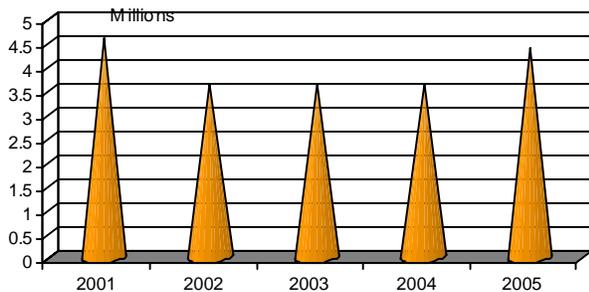
Fund Type:	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	Budget 05 Increase (Decrease)	% CHANGE FY 04/05
<b>Special Revenue Fund</b>						
State Street Aid	4,697	4,683	3,971	4,689	718	18.1%
Human Services	12,168	13,124	13,934	13,575	(359)	-2.6%
Economic Development Fund	17,643	18,004	17,975	9,598	(8,377)	-46.6%
Hotel/Motel Tax Fund	0	878	1,750	2,330	580	33.1%
Community Development Fund	4,330	5,211	4,922	5,532	610	12.4%
Municipal Golf Course	1,762	1,629	1,799	1,688	(111)	-6.2%
<b>Total Special Revenue Fund</b>	<b>40,600</b>	<b>43,529</b>	<b>44,351</b>	<b>37,412</b>	<b>(6,939)</b>	<b>-15.6%</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 not increased much in the past several years due to the fluctuation in gasoline prices causing the State distribution to drop. In FY2004, the City expected a decrease in state shared revenues which did not materialize. As a result the budget was increased 20% in FY2005.

State Gas Tax Collections

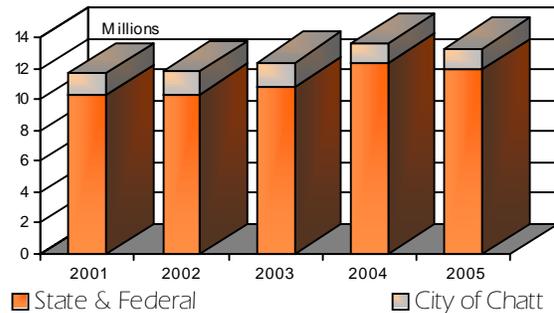


### Human Services Fund

Human Services receives Federal, State, and City appropriations. This fund has increased by 14% overall during the past five-year period. The Federal and State portions account for 100% of this growth.

It is expected that resources will remain constant. The chart below shows how revenue for this fund has varied during a five year period.

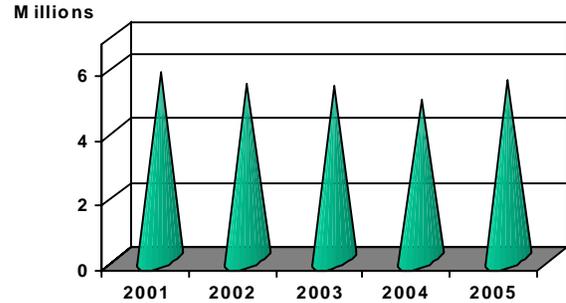
Human Services Collections



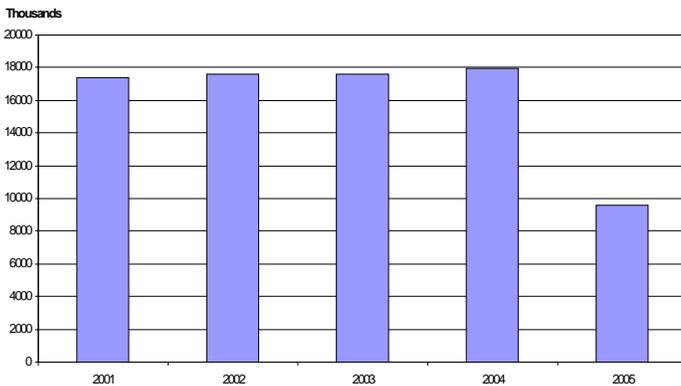
## Economic Development Fund

In August 1997, the citizens of Chattanooga approved a half-a-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% there by 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 to 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 will be distributed directly to the Hamilton County Department of Education as demonstrated by the 50% reduction in the FY2005 budget below.

## Community Development Collections



## Economic Development



## 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 FY04 collections totaled \$2,040,244. The FY05 estimate is \$2,330,000.

## 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 FY05 increase for this fund is \$609,503 compared to FY04. This increase 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 and may vary from year to year.

## Municipal Golf Course Fund

Revenues comes mainly from green fees and golf cart rentals. Overall estimated revenues are expected to decrease by 6.2% from FY04.

**Fund Expenditure Summary**  
Fiscal Year Ending June 30, 2002-2005  
(expressed in \$1,000)

Fund Type:	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	Budget 05 Increase (Decrease)	% CHANGE FY 04/05
<b>Special Revenue Fund</b>						
State Street Aid	4,529	4,147	3,971	4,689	718	18.1%
Human Services	11,316	12,978	13,934	13,575	(359)	-2.6%
Economic Development Fund	17,643	17,549	17,975	9,599	(8,376)	-46.6%
Hotel/Motel Tax Fund	0	879	1,750	2,330	580	33.1%
Community Development Fund	4,517	5,041	4,922	5,531	609	12.4%
Municipal Golf Course	1,882	1,628	1,799	1,688	(111)	-6.2%
<b>Total Special Revenue Fund</b>	<b>39,887</b>	<b>42,222</b>	<b>44,351</b>	<b>37,412</b>	<b>(6,939)</b>	<b>-15.6%</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.

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 grown over the past four years. The primary reason for this growth is the expansion of the early childhood development component of the Head Start program. The FY2005 decrease is due to anticipated reductions in federal funds.

### Hotel-Motel Occupancy Privilege Tax Fund

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

### Economic Development Fund

During FY2005, \$6,973,500 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 FY04.

### Community Development

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

Federal guidelines are followed by the City in expending Community Development and Home

## Special Fund Revenues

Fiscal Years 2002 - 2005

Revenue Source	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
<b>State Street Aid (Fund 2104)</b>							
State of Tennessee	4,349,519	4,343,885	3,621,297	4,369,350	748,053	20.7%	11.68%
Trfrs (1100) & Sale of Equipment	320,000	320,000	320,000	0	(320,000)	-100.0%	0.00%
Miscellaneous	5,040	0	0	0	0	N/A	0.00%
Fund Balance	0	0	0	300,000	300,000	N/A	0.80%
Interest Earnings	22,156	18,782	30,000	20,000	(10,000)	-33.3%	0.05%
<b>Total State Street Aid</b>	<b>\$4,696,715</b>	<b>\$4,682,667</b>	<b>\$3,971,297</b>	<b>\$4,689,350</b>	<b>\$718,053</b>	<b>18.1%</b>	<b>12.53%</b>
<b>Human Services (Fund 2102)</b>							
Federal - State Grants	10,502,555	11,435,230	12,323,289	11,964,511	(358,778)	-2.9%	31.98%
City of Chattanooga	1,481,641	1,481,641	1,333,477	1,333,477	0	0.0%	3.56%
Day Care Fees	68,493	73,112	89,195	73,110	(16,085)	-18.0%	0.20%
Miscellaneous	29,935	97,760	0	26,500	26,500	N/A	0.07%
Interest Income	57,081	29,542	40,000	13,000	(27,000)	-67.5%	0.03%
Fund Balance	0	0	148,000	164,079	16,079	10.9%	0.44%
Trfrs Community Development	28,310	6,977	0	0	0	N/A	0.00%
<b>Total Human Services</b>	<b>\$12,168,015</b>	<b>\$13,124,262</b>	<b>\$13,933,961</b>	<b>\$13,574,677</b>	<b>(\$359,284)</b>	<b>-2.6%</b>	<b>36.28%</b>
<b>Economic Development (Fund 1119)</b>							
Local Option Sales Tax	17,589,594	17,264,712	17,975,000	8,909,500	(9,065,500)	-50.4%	23.81%
Intergovernmental	0	676,056	0	689,000	689,000	N/A	1.84%
Interest Income	53,552	63,252	0	0	0	N/A	0.00%
<b>Total Economic Development</b>	<b>\$17,643,146</b>	<b>\$18,004,020</b>	<b>\$17,975,000</b>	<b>\$9,598,500</b>	<b>(\$8,376,500)</b>	<b>-46.6%</b>	<b>25.66%</b>
<b>Hotel/Motel Tax (Fund 2106)</b>							
21st Century Waterfront	0	876,506	1,720,000	2,330,000	610,000	35.5%	6.23%
Interest Income	0	2,150	0	0	0	N/A	0.00%
Hamilton County	0	0	30,000	0	(30,000)	-100.0%	0.00%
<b>Total Hotel/Motel Tax</b>	<b>\$0</b>	<b>\$878,656</b>	<b>\$1,750,000</b>	<b>\$2,330,000</b>	<b>\$580,000</b>	<b>33.1%</b>	<b>6.23%</b>
<b>Community Development (Fd 2105) (includes HOME program)</b>							
Intergovernmental	2,258,671	3,404,782	3,592,771	3,731,503	138,732	3.9%	9.97%
Investment Income	254,022	225,672	0	0	0	N/A	0.00%
Miscellaneous/Program	1,817,178	1,580,497	1,329,229	1,800,000	470,771	35.4%	4.81%
<b>Total Community Development</b>	<b>\$4,329,871</b>	<b>\$5,210,951</b>	<b>\$4,922,000</b>	<b>\$5,531,503</b>	<b>\$609,503</b>	<b>12.4%</b>	<b>14.79%</b>
<b>Total Municipal Golf Course</b>	<b>\$1,762,338</b>	<b>\$1,628,777</b>	<b>\$1,798,788</b>	<b>\$1,687,794</b>	<b>(\$110,994)</b>	<b>-6.2%</b>	<b>4.51%</b>
<b>Grand Total</b>	<b>\$40,600,085</b>	<b>\$43,529,333</b>	<b>\$44,351,046</b>	<b>\$37,411,824</b>	<b>(\$6,939,222)</b>	<b>-15.6%</b>	<b>100.00%</b>

**Special Fund Expenditures**  
Fiscal Years 2002 - 2005

Revenue Source	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
<b>State Street Aid (Fund 2104)</b>							
Street Maintenance	4,410,487	3,963,093	3,971,297	4,689,350	718,053	18.1%	12.53%
Capital Outlay & Fixed Assets	118,057	184,273	0	0	0	N/A	0.00%
<b>Total State Street Aid</b>	<b>\$4,528,544</b>	<b>\$4,147,366</b>	<b>\$3,971,297</b>	<b>\$4,689,350</b>	<b>718,053</b>	<b>18.1%</b>	<b>12.53%</b>
<b>Human Services (Fund 2102)</b>							
Administration	912,722	1,220,453	1,159,339	853,331	(306,008)	-26.4%	2.28%
Headstart	6,353,136	6,938,777	7,881,048	7,900,373	19,325	0.2%	21.12%
Daycare	523,411	614,973	930,935	930,935	0	0.0%	2.49%
Weatherization	246,400	373,014	449,070	443,728	(5,342)	-1.2%	1.19%
Foster Grandparents	397,481	440,796	484,890	485,562	672	0.1%	1.30%
LIHEAP	613,814	885,635	1,101,298	1,073,403	(27,895)	-2.5%	2.87%
Community Service Block Grant	504,437	629,278	790,884	790,884	0	0.0%	2.11%
Neighborhood Family Services	0	0	97,820	97,820	0	0.0%	0.26%
Occupancy	200,249	222,932	0	0	0	N/A	0.00%
Title II Commodities	95,211	108,367	75,435	35,435	(40,000)	-53.0%	0.09%
Emergency Food & Shelter	20,515	37,923	29,107	29,107	0	0.0%	0.08%
Human Services Programs	700,517	674,388	88,367	26,500	(61,867)	-70.0%	0.07%
Food Programs	748,088	831,037	772,900	834,731	61,831	8.0%	2.23%
City General Relief -	0	0	72,868	72,868	0	0.0%	0.19%
<b>Total Human Services</b>	<b>\$11,315,981</b>	<b>\$12,977,573</b>	<b>\$13,933,961</b>	<b>\$13,574,677</b>	<b>(359,284)</b>	<b>-2.6%</b>	<b>36.28%</b>
<b>Economic Development (Fund 1119 &amp; P419)</b>							
Hamilton County Schools	9,002,638	9,135,115	8,459,059	0	(8,459,059)	-100.0%	0.00%
Other	0	900,098	815,941	625,000	(190,941)	-23.4%	1.67%
Debt Service	3,961,103	5,495,266	6,314,854	6,973,500	658,646	10.4%	18.64%
Capital Outlay/Projects	4,679,405	2,018,122	2,385,146	2,000,000	(385,146)	-16.1%	5.35%
<b>Total Economic Development</b>	<b>\$17,643,146</b>	<b>\$17,548,601</b>	<b>\$17,975,000</b>	<b>\$9,598,500</b>	<b>(8,376,500)</b>	<b>-46.6%</b>	<b>25.66%</b>
<b>Hotel/Motel Tax (Fund 2106)</b>							
21st Century Waterfront	0	848,656	1,720,000	2,260,000	540,000	31.4%	6.04%
Hamilton County	0	30,000	30,000	30,000	0	0.0%	0.08%
Hotel/Motel Collection Fee	0	0	0	40,000	40,000	N/A	0.11%
<b>Total Hotel/Motel Tax</b>	<b>\$0</b>	<b>\$878,656</b>	<b>\$1,750,000</b>	<b>\$2,330,000</b>	<b>580,000</b>	<b>33.1%</b>	<b>6.23%</b>
<b>Community Development (Fd2105) (includes HOME program)</b>							
Community Development Projects	3,670,099	4,295,438	4,511,925	4,992,003	480,078	10.6%	13.34%
Administration	847,230	745,928	410,075	539,500	129,425	31.6%	1.44%
<b>Total Community Development</b>	<b>\$4,517,329</b>	<b>\$5,041,366</b>	<b>\$4,922,000</b>	<b>\$5,531,503</b>	<b>609,503</b>	<b>12.4%</b>	<b>14.79%</b>
<b>Total Municipal Golf Course</b>	<b>\$1,882,356</b>	<b>\$1,628,031</b>	<b>\$1,798,788</b>	<b>\$1,687,794</b>	<b>(110,994)</b>	<b>-6.2%</b>	<b>4.51%</b>
<b>Grand Totals</b>	<b>\$39,887,356</b>	<b>\$42,221,593</b>	<b>\$44,351,046</b>	<b>\$37,411,824</b>	<b>(6,939,222)</b>	<b>-15.6%</b>	<b>100.00%</b>

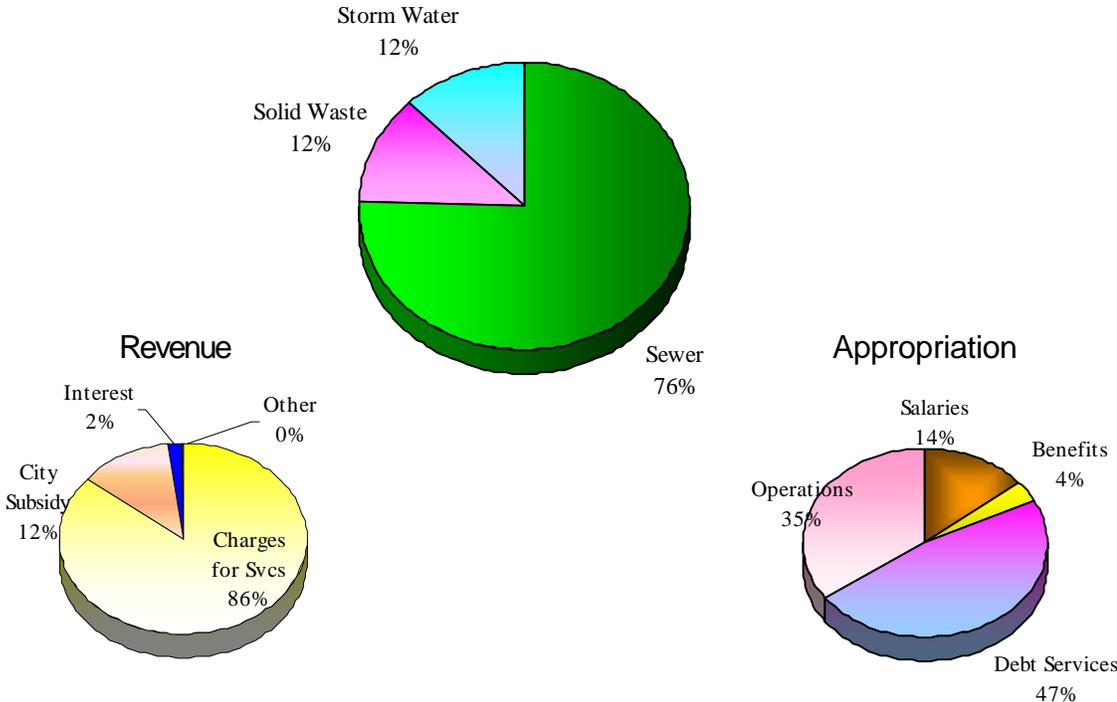
## Fund Structure

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 GAAP. The City of Chattanooga has three (3) Enterprise Funds: Interceptor Sewer Fund, Storm Water Management Fund and Solid Waste and Sanitation Fund. As of June 30, 2004 the budgeted revenue and expenses were as follows:

	FY 04 Budgeted Revenue & Expenses	FY 04 Actual Revenues	FY 04 Actual Expenses
Interceptor Sewer Fund	\$34,718,215	\$31,351,489	\$30,865,229
Solid Waste & Sanitation Fund	\$5,865,313	\$5,720,176	\$5,148,307
Storm Water Management Fund	\$5,514,962	\$5,664,674	\$4,861,594

## Fiscal Year 2004/2005

Appropriation by Fund \$46,026,379



**Fund Revenue Summary**  
Fiscal Years Ending June 30, 2002 - 2005  
(expressed in \$1,000)

Fund Type:	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	Budget 05 Increase (Decrease)	% CHANGE FY 04/05
Enterprise Fund						
Interceptor Sewer System	51,247	57,769	34,718	34,828	110	0.3%
Solid Waste & Sanitation	7,780	5,648	5,865	5,624	(241)	-4.1%
Storm Water Fund	9,327	6,302	5,165	5,575	410	7.9%
<b>Total Enterprise Fund</b>	<b>68,354</b>	<b>69,719</b>	<b>45,748</b>	<b>46,027</b>	<b>279</b>	<b>0.6%</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, 2004 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	Operations and Maintenance Charges (\$/1,000 gal)	Debt Charges (\$/1,000 gal)	Total Charges (\$/1,000 gal)
First 100,000	\$ 1.16	\$ 2.78	\$ 3.94
Next 650,000	1.16	1.75	2.91
Next 1,250,000	1.16	1.20	2.36
Next 30,000,000	1.16	0.58	1.74
Over 32,000,000	1.16	0.36	1.52

### 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	\$ 0.9342	\$ 0.5503	\$ 1.4848

If regional customers are billed directly through the water company, the rate shall be one dollar and forty-nine cents (\$1.49) 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	\$ 0.5431	\$ 0.3199	\$ 0.8630

### Monthly Minimum Sewer Service Charges

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

Meter Size	Monthly Minimum
5/8 inch meter	\$ 8.36
3/4 inch meter	29.83
1 inch meter	52.12
1 1/2 inch meter	116.65
2 inch meter	206.54
3 inch meter	484.15
4 inch meter	894.72
6 inch meter	2,131.08
8 inch meter	3,769.50

### 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:

1. \$0.094 per pound of 5-day biochemical oxygen demand (BOD<sub>5</sub>) for concentrations in excess of 300 milligrams per liter, and,
2. \$0.067 per pound of total suspended solids for concentrations in excess of 400 milligrams per liter.

The City has also established the following fees and charges:

1. A Sewer Service Line Connection Fee of \$800;
2. A Truck Discharge Operation Permit Fee of \$40 per truck per year;
3. A Septic Tank Discharge Fee of \$28.53 per 1,000 gallons of waste;
4. Holding Tank Waste Fee of \$3.94 per 1,000 gallons of waste; and
5. Garbage Grinders Fee of \$114.65 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

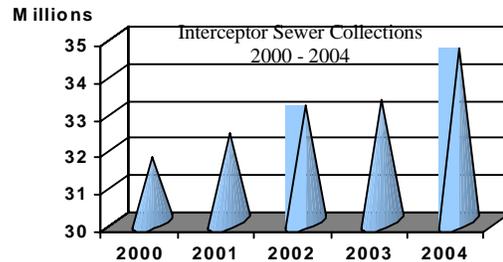
financial analysis. Enactment of the rate increases requires adoption of the city ordinance by the City Council each year. The five year program and the related future rate increases were announced publicly in the City proceedings in 1985 and they received widespread community support.

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.

Since the City successfully accomplished its goal of enacting 6.14% sewer rate increases for the five consecutive fiscal years, the City is planning 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 1985:

FY 87/88 6.14%	FY 93/94 3.00%	FY 99/00 (0.10%)
FY 88/89 6.14%	FY 94/95 0.00%	FY 00/01 0.00%
FY 89/90 6.14%	FY 95/96 0.00%	FY 01/02 0.00%
FY 90/91 5.24%	FY 96/97 0.00%	FY 02/03 7.29%
FY 91/92 3.32%	FY 97/98 0.00%	FY 03/04 7.07%
FY 92/93 5.79%	FY 98/99 0.00%	FY 04/05 2.54%

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

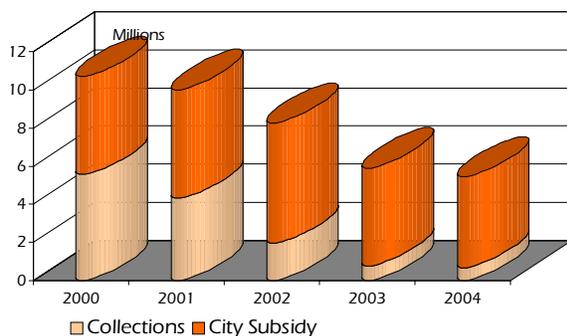
This fund accounts for the costs associated with the disposal of solid waste and recyclable materials. Prior to FY2002, the fund accounted for both collection and disposal of these materials. Due to reorganization, the collection portion of garbage and brush and trash were transferred to Public Works 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 Subsidy.** 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 FY05 fee of \$4,881,755 accounts for eighty-seven percent (86.8%) of the total budget. The FY05 fee increase of \$49,739, 1.02% is due to reduction in projected revenue for the fund.

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 subsidy. Revenues have declined because a major customer developed its own landfill in 2000 and the City's subsidy reduced due to transfer of garbage collection cost to General Fund.

Solid Waste Revenue



### 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.

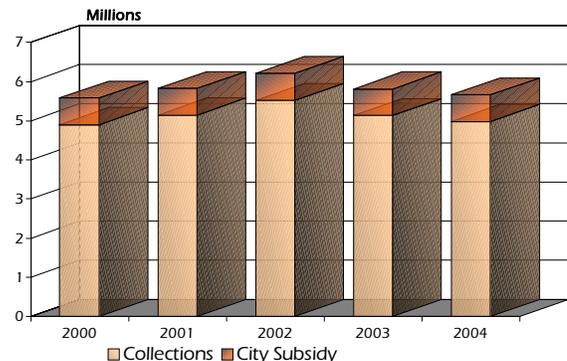
For the purpose of operating the storm water program of the City and the payment of the cost and expenses

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, \$4,851,168 (87.0%), and a City of Chattanooga General Fund subsidy of \$683,952 (12.3%) of the total revenues.

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

Storm Collections



**Fund Expenditure Summary**  
 Fiscal Years Ending June 30, 2002 - 2005  
 (expressed in \$1,000)

Fund Type:	Actual FY 01/02	Actual FY 02/03	Budget FY03/04	Budget FY 04/05	BUDGET '05 Increase (Decrease)	% CHANGE FY04/05
<b>Enterprise Fund</b>						
Interceptor Sewer System	31,717	32,138	34,718	34,828	110	0.3%
Solid Waste & Sanitation	4,923	4,241	5,865	5,623	(242)	-4.1%
Storm Water Fund	3,772	5,959	5,165	5,575	410	7.9%
<b>Total Enterprise Fund</b>	<b>40,412</b>	<b>42,338</b>	<b>45,748</b>	<b>46,026</b>	<b>278</b>	<b>0.6%</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 04/05, the operations and maintenance decreased \$322,248, or -1.9%. One of the largest single changes in the ISS budget for FY04/05 is the reduction in the cost of sludge disposal due to a change in haulers. This cost is budgeted at \$1,184,250 for FY04/05 a decrease of \$686,550 from the FY03/04 budget of \$2,540,800. In the past, the sludge has been disposed at the landfill without charge or at a minimal charge to the Treatment Plant.

The capital improvement portion of the FY04/05 ISS budget is for \$310,235 This appropriation provides for the renewal and replacement of plant facilities, vehicles and equipment as necessary.

The debt service portion of the proposed budget for FY 04/05 increased \$1,798,711 from FY 03/04. 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 04/05 decreased \$241,768. This is due to reduced operating needs resulting from reduced volume and transfer of operations for the recycling facility to Orange Grove Center.

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.

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## **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

In FY 04/05, Storm Water budgeted expenses increased \$410,159. 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 2002 - 2005

Revenue Source	Actual	Actual	Budget	Budget	BUDGET '05 INC/(DEC)	%	% OF TOTAL
	FY 01/02	FY 02/03	FY 03/04	FY 04/05		CHANGE FY 04/05	
<b>Interceptor Sewer System (Fund 5100):</b>							
Sewer Service Charges	25,627,319	26,041,416	27,781,462	27,619,088	(162,374)	-0.6%	60.01%
Industrial Surcharges	3,027,361	2,910,232	2,600,000	2,600,000	0	0.0%	5.65%
Septic Tank Charges	127,806	137,632	63,338	64,923	1,585	2.5%	0.14%
<b>Weelage &amp; Treatment</b>							
<i>Lookout Mountain, TN</i>	147,363	175,146	195,354	217,062	21,708	11.1%	0.47%
<i>Walker County, GA</i>	291,113	289,239	288,264	280,636	(7,628)	-2.6%	0.61%
<i>Collegedale, TN</i>	214,009	216,257	228,472	242,211	13,739	6.0%	0.53%
<i>Soddy-Daisy, TN</i>	73,895	87,515	96,230	112,559	16,329	17.0%	0.24%
<i>East Ridge, TN</i>	974,818	1,062,705	1,167,098	1,212,172	45,074	3.9%	2.63%
<i>Windstone</i>	14,644	19,056	20,749	18,757	(1,992)	-9.6%	0.04%
<i>Hamilton County, TN</i>	204,594	322,054	248,692	323,441	74,749	30.1%	0.70%
<i>Northwest Georgia</i>	292,043	334,323	824,954	433,392	(391,562)	-47.5%	0.94%
<i>Lookout Mountain, GA</i>	22,475	41,499	45,237	49,064	3,827	8.5%	0.11%
<i>Catoosa County, GA</i>	110,519	16,121	0	32,614	32,614	N/A	0.07%
<i>Rossville, GA</i>	244,589	320,173	343,506	333,491	(10,015)	-2.9%	0.72%
<i>Red Bank, TN</i>	277,285	269,458	292,128	329,051	36,923	12.6%	0.71%
Refund to Regional Users	0	0	0	0	0	N/A	0.00%
Debt Service Northwest Georgia	279,540	258,037	0	441,838	441,838	N/A	0.96%
Industrial User Permits	44,000	46,000	43,000	43,000	0	0.0%	0.09%
Industrial Violation Fines	4,900	9,700	0	0	0	N/A	0.00%
Garbage Grinder Fees	0	24,781	29,731	24,415	(5,316)	-17.9%	0.05%
Capital Contributions	6,379	0	0	0	0	N/A	0.00%
Miscellaneous Revenue	7,691	147,275	0	0	0	N/A	0.00%
Sale of Property	109,300	0	0	0	0	N/A	0.00%
Trfrs from ISS Const Trust	18,117,173	24,468,515	0	0	0	N/A	0.00%
Interest Earnings	1,028,542	572,464	450,000	450,000	0	0.0%	0.98%
<b>Total Interceptor Sewer</b>	<b>\$51,247,358</b>	<b>\$57,769,598</b>	<b>\$34,718,215</b>	<b>\$34,827,714</b>	<b>\$109,499</b>	<b>0.3%</b>	<b>75.67%</b>
<b>Solid Waste &amp; Sanitation( Fund 5200):</b>							
Landfill Tipping Fees	1,608,369	664,300	612,447	245,000	(367,447)	-60.0%	0.53%
Landfill Permit Fees	3,090	2,943	1,000	1,000	0	0.0%	0.00%
City of Chattanooga Subsidy	5,159,292	4,784,387	4,832,016	4,881,755	49,739	1.0%	10.61%
State Sub Recyclable Material	40,338	66,196	60,000	60,000	0	0.0%	0.13%
S/W Surcharge - State			85,000	85,000	0	0.0%	0.18%
Interest	182,457	128,269	234,850	310,790	75,940	32.3%	0.68%
Public Works Capital	429,787		0		0	N/A	0.00%
Misc Revenues	356,207	2,801	40,000	40,000	0	0.0%	0.09%
<b>Total Solid Waste &amp; Sanitation</b>	<b>\$7,779,540</b>	<b>\$5,648,896</b>	<b>\$5,865,313</b>	<b>\$5,623,545</b>	<b>(\$241,768)</b>	<b>-4.1%</b>	<b>12.22%</b>
<b>Storm Water (Fund 5300):</b>							
Stormwater Fee	5,459,569	4,966,211	4,481,009	4,851,168	370,159	8.3%	10.54%
Public Works Capital	3,174,699	602,490	0	0	0	N/A	0.00%
Misc Revenue	9,006	49,426	0	40,000	40,000	N/A	0.09%
General Fund Subsidy	683,952	683,952	683,952	683,952	0	0.0%	1.49%
<b>Total Stormwater</b>	<b>\$9,327,226</b>	<b>\$6,302,079</b>	<b>\$5,164,961</b>	<b>\$5,575,120</b>	<b>\$410,159</b>	<b>7.9%</b>	<b>12.11%</b>
Grand Totals:	\$68,354,124	\$69,720,573	\$45,748,489	\$46,026,379	\$277,890	0.6%	100.00%

# Enterprise Fund Expenditures

Fiscal Years 2002 - 2005

Expenditures	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	Budget '05 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
<b>Interceptor Sewer System (Fund 5100):</b>							
<b>Operations &amp; Maintenance:</b>							
Administration	1,311,499	2,065,862	1,879,391	1,912,354	32,963	1.8%	4.15%
Safety & Training	85,397	99,903	102,439	107,090	4,651	4.5%	0.23%
Laboratory	406,435	420,854	431,971	474,808	42,837	9.9%	1.03%
Pretreatment/Monitoring	271,055	236,887	285,855	292,720	6,865	2.4%	0.64%
Engineering	171,511	132,750	221,032	218,460	(2,572)	-1.2%	0.47%
Plant Maintenance	1,166,075	1,253,633	1,438,930	1,423,866	(15,064)	-1.0%	3.09%
Sewer Maintenance	732,198	1,015,061	1,143,594	1,130,318	(13,276)	-1.2%	2.46%
Moccasin Bend - Liquid Handling	4,452,353	4,598,119	5,096,694	5,138,886	42,192	0.8%	11.17%
Moccasin Bend - Solid Handling	3,435,891	3,176,358	2,302,109	2,578,292	276,183	12.0%	5.60%
Inflow & Infiltration	555,031	537,050	758,227	752,050	(6,177)	-0.8%	1.63%
Combined Sewer Overflow	238,355	219,730	461,830	457,530	(4,300)	-0.9%	0.99%
Landfill Handling	2,694,644	2,577,019	2,540,800	1,854,250	(686,550)	-27.0%	4.03%
	<b>15,520,444</b>	<b>16,333,226</b>	<b>16,662,872</b>	<b>16,340,624</b>	<b>(322,248)</b>	<b>-1.9%</b>	
<b>Pumping Stations</b>							
Mountain Creek	63,602	13,173	19,265	16,865	(2,400)	-12.5%	0.04%
Citico	199,452	181,803	188,256	204,756	16,500	8.8%	0.44%
Friar Branch	87,127	107,800	127,576	126,826	(750)	-0.6%	0.28%
Hixson 1,2,3,&4	64,435	61,998	75,612	75,862	250	0.3%	0.16%
19th Street	37,269	41,428	53,593	53,593	0	0.0%	0.12%
Orchard Knob	33,337	29,827	70,889	71,239	350	0.5%	0.15%
South Chickamauga Creek	390,279	375,210	278,822	277,822	(1,000)	-0.4%	0.60%
Tiftonia 1,2,3	32,648	46,902	44,093	43,843	(250)	-0.6%	0.10%
23rd Street	89,900	94,520	115,927	116,428	501	0.4%	0.25%
Latta Street	26,135	15,240	16,972	16,871	(101)	-0.6%	0.04%
Residential Pump Stations	3,562	10,330	13,850	13,850	0	0.0%	0.03%
Murray Hills	6,955	7,960	15,430	15,430	(0)	0.0%	0.03%
Big Ridge 1 - 5	58,769	55,546	55,504	83,274	27,770	50.0%	0.18%
Highland Park	10,345	13,797	14,796	14,646	(150)	-1.0%	0.03%
Dupont Parkway	11,717	15,492	19,470	22,220	2,750	14.1%	0.05%
VAAP	1,743	2,119	4,652	4,402	(250)	-5.4%	0.01%
Northwest Georgia	132,524	134,644	26,650	28,400	1,750	6.6%	0.06%
Brainerd	114,201	123,400	11,706	12,456	750	6.4%	0.03%
East Brainerd	128,988	148,741	35,105	35,705	600	1.7%	0.08%
North Chattanooga	12,737	16,711	16,439	16,764	325	2.0%	0.04%
South Chattanooga	1,633	3,180	3,838	4,538	700	18.2%	0.01%
Ooltewah-Ringgold	145,277	162,235	57,370	55,750	(1,620)	-2.8%	0.12%
Odor Control Pump Stations	0	0	525,000	438,950	(86,050)	-16.4%	0.95%
	<b>1,652,635</b>	<b>1,662,056</b>	<b>1,790,815</b>	<b>1,750,490</b>	<b>(40,325)</b>	<b>-2.3%</b>	
Depreciation	8,054,326	9,756,487	0	0	0	N/A	0.00%
<b>Capital Improvements Program</b>	<b>397,198</b>	<b>144,368</b>	<b>1,636,874</b>	<b>310,235</b>	<b>(1,326,639)</b>	<b>-81.0%</b>	<b>0.67%</b>
<b>Debt Service &amp; Reserve</b>							
Principal	0	0	9,073,015	10,664,661	1,591,646	17.5%	23.17%
Interest	6,092,238	4,241,825	5,554,639	5,761,704	207,065	3.7%	12.52%
Service Charges	0	0	0	0	0	N/A	0.00%
Tfrs to ISS Const Trust	0	0	0	0	0	N/A	0.00%
Reserve Coverage	0	0	0	0	0	N/A	0.00%
	<b>6,092,238</b>	<b>4,241,825</b>	<b>14,627,654</b>	<b>16,426,365</b>	<b>1,798,711</b>	<b>12.3%</b>	
<b>Total Interceptor Sewer</b>	<b>\$31,716,841</b>	<b>\$32,137,962</b>	<b>\$34,718,215</b>	<b>\$34,827,714</b>	<b>\$109,499</b>	<b>0.3%</b>	<b>75.67%</b>
<b>Solid Waste &amp; Sanitation( Fund 5200):</b>							
Garbage Collection	0	0	0	0	0	N/A	0.00%
Recycle	811,599	1,019,808	656,750	486,422	(170,328)	-25.9%	1.06%
Capital Improvements	41,500	0	0	0	0	N/A	0.00%
Brush & Trash Collection	0	0	0	0	0	N/A	0.00%
Sanitary Landfill (Summitt)	418,754	212,632	1,018,084	310,790	(707,294)	-69.5%	0.68%
Waste Disposal - City Landfill	1,191,972	1,047,823	234,850	851,763	616,913	262.7%	1.85%
Compost Waste Recycle	654,896	380,324	372,195	401,098	28,903	7.8%	0.87%
Household Hazardous Waste	134,785	116,100	161,000	145,000	(16,000)	-9.9%	0.32%
Solid Waste Reserve	0	0	246,344	246,344	0	0.0%	0.54%
Renewal & Replacement	0	1,347	0	0	0	N/A	0.00%
Depreciation and Bad Debt	0	0	0	0	0	N/A	0.00%
Debt Service	1,669,800	1,462,986	3,176,090	3,182,128	6,038	0.2%	6.91%
<b>Total Solid Waste &amp; Sanitation</b>	<b>\$4,923,306</b>	<b>\$4,241,020</b>	<b>\$5,865,313</b>	<b>\$5,623,545</b>	<b>(\$241,768)</b>	<b>-4.1%</b>	<b>12.22%</b>
<b>Storm Water (Fund 5300):</b>							
Stormwater Management	1,509,011	1,386,095	1,132,460	1,985,824	853,364	75.4%	4.31%
Stormwater Operations	996,565	1,077,714	1,755,422	1,180,841	(574,581)	-32.7%	2.57%
Renewal & Replacement	19,577	16,308	0	127,400	127,400	N/A	0.28%
Capital Improvement	106,534	1,750,000	0	0	0	N/A	0.00%
Depreciation and Bad Debt	0	0	0	0	0	N/A	0.00%
Debt Service	1,140,264	1,729,800	2,277,079	2,281,055	3,976	0.2%	4.96%
<b>Total Stormwater</b>	<b>\$3,771,951</b>	<b>\$5,959,917</b>	<b>\$5,164,961</b>	<b>\$5,575,120</b>	<b>\$410,159</b>	<b>7.9%</b>	<b>12.11%</b>
<b>Grand Totals:</b>	<b>\$40,412,098</b>	<b>\$42,338,899</b>	<b>\$45,748,489</b>	<b>\$46,026,379</b>	<b>\$277,890</b>	<b>0.6%</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 basis GAAP.

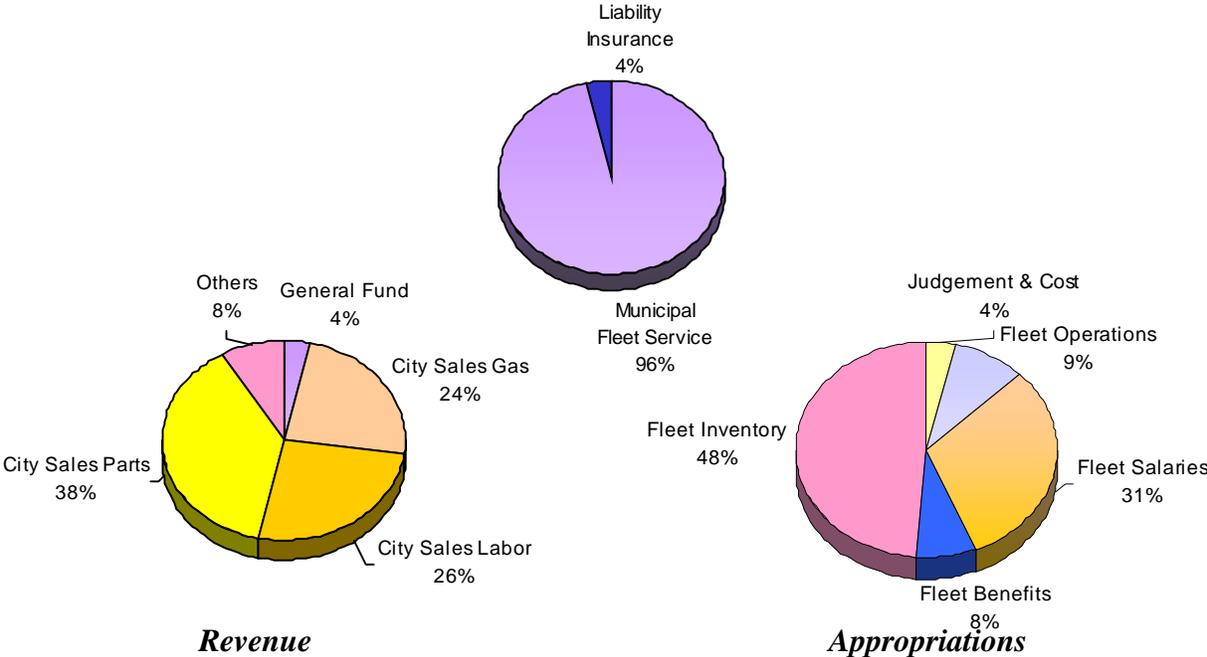
**Municipal Fleet Services Fund** accounts for revenues and expenditures associated with the

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	FY04 Budgeted Revenue & Expenses	FY04 Actual Revenues	FY04 Actual Expenses
Municipal Fleet Service Fund	\$7,056,061	\$8,155,382	\$7,791,202
Liability Insurance Fund	\$1,100,000	\$1,416,000	\$1,415,978

**Fiscal Year 2004/2005**  
Budgeted Amount by Fund  
\$6,953,110



**Fund Revenue Summary**  
Fiscal Year Ending June 30, 2005  
(expressed in \$1,000)

Fund Type:	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 Increase (Decrease)	% CHANGE FY 04/05
Internal Service Fund						
Municipal Services	7,753	7,643	7,056	6,703	(353)	-5.0%
Liability Insurance Fund	850	862	1,100	250	(850)	-77.3%
<b>Total Internal Service Fund</b>	<b>8,603</b>	<b>8,505</b>	<b>8,156</b>	<b>6,953</b>	<b>(1,203)</b>	<b>-14.7%</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 \$47.50 per hour charge for garage services. For budgeting or planning purposes during FY05, 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.

### 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 Year Ending June 30, 2005  
(expressed in \$1,000)

Fund Type:	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 Increase (Decrease)	% CHANGE FY 04/05
Internal Service Fund						
Municipal Services	7,909	8,118	7,056	6,703	(353)	-5.0%
Liability Insurance Fund	774	1,064	1,100	250	(850)	-77.3%
<b>Total Internal Service Fund</b>	<b>8,683</b>	<b>9,182</b>	<b>8,156</b>	<b>6,953</b>	<b>(1,203)</b>	<b>-14.7%</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 82 to 62 from FY 01 to FY 04. 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

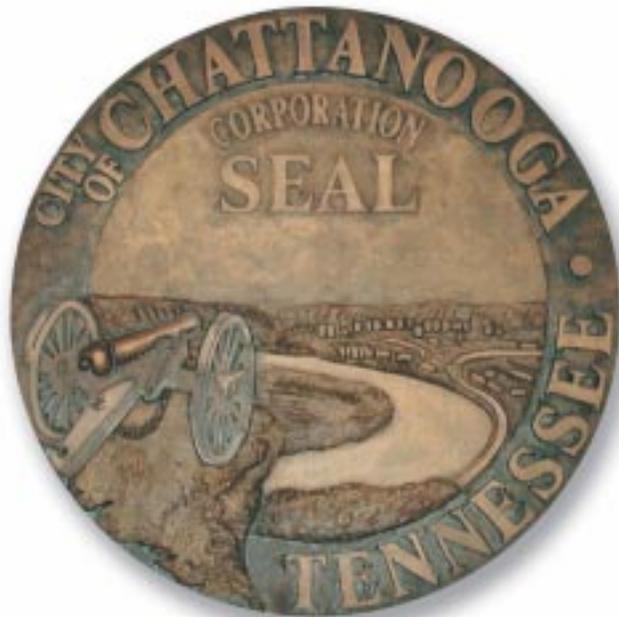
Fiscal Years 2002 - 2005

Revenue Source	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
<b>Municipal Service Station ( Fund 6100):</b>							
Amnicola Service Station:							
Fleet Fuel- City Sales	703,736	1,136,117	619,500	555,705	(63,795)	-10.3%	7.99%
Fleet Fuel - Outside Sales	1,677	3,216	1,000	2,996	1,996	199.6%	0.04%
<b>Total Amnicola Station</b>	<b>705,413</b>	<b>1,139,333</b>	<b>620,500</b>	<b>558,701</b>	<b>(61,799)</b>	<b>-10.0%</b>	<b>8.04%</b>
12th & Park Service Station:							
Fleet Fuel- City Sales	1,125,413	636,581	1,202,922	1,079,843	(123,079)	-10.2%	15.53%
Fleet Fuel - Outside Sales	91,620	87,630	90,165	80,641	(9,524)	-10.6%	1.16%
<b>Total 12th &amp; Park Station</b>	<b>1,217,033</b>	<b>724,211</b>	<b>1,293,087</b>	<b>1,160,484</b>	<b>(132,603)</b>	<b>-10.3%</b>	<b>16.69%</b>
<b>Total Municipal Service Station</b>	<b>\$1,922,446</b>	<b>\$1,863,544</b>	<b>\$1,913,587</b>	<b>\$1,719,185</b>	<b>(194,402)</b>	<b>-10.2%</b>	<b>24.73%</b>
<b>Municipal Garage (Fund 6101)</b>							
Amnicola Garage:							
Sale of Surplus Equip/Scrap	1,253	1,013	0	0	0	N/A	0.00%
Misc Revenue	67	15,351	1,474	5,149	3,675	249.3%	0.07%
Fleet - Sale of Parts	1,194,586	1,245,588	1,115,000	994,354	(120,646)	-10.8%	14.30%
Outside Sale of Parts	197,726	305,364	210,000	281,125	71,125	33.9%	4.04%
Sales - Labor	1,040,401	1,063,578	1,000,000	778,402	(221,598)	-22.2%	11.20%
Outside Sales - Labor	169,802	246,196	120,000	217,673	97,673	81.4%	3.13%
<b>Total Amnicola Garage</b>	<b>2,603,835</b>	<b>2,877,090</b>	<b>2,446,474</b>	<b>2,276,703</b>	<b>(169,771)</b>	<b>-6.9%</b>	<b>32.74%</b>
12th & Park Garage:							
Sale of Surplus Equip/Scrap	0	0	0	0	0	N/A	0.00%
Misc Revenue	0	0	1,000	500	(500)	-50.0%	0.01%
Fleet - Sale of Parts	2,015,800	1,767,096	1,460,000	1,653,721	193,721	13.3%	23.78%
Outside Sale of Parts	174	103	5,000	500	(4,500)	-90.0%	0.01%
Sales - Labor	1,210,882	1,134,727	1,225,000	1,052,156	(172,844)	-14.1%	15.13%
Outside Sales - Labor	166	81	5,000	345	(4,655)	-93.1%	0.00%
<b>Total 12th &amp; Park Garage</b>	<b>3,227,022</b>	<b>2,902,007</b>	<b>2,696,000</b>	<b>2,707,222</b>	<b>11,222</b>	<b>0.4%</b>	<b>38.94%</b>
<b>Total Municipal Garage</b>	<b>\$5,830,857</b>	<b>\$5,779,097</b>	<b>\$5,142,474</b>	<b>\$4,983,925</b>	<b>(158,549)</b>	<b>-3.1%</b>	<b>71.68%</b>
<b>Total Fleet Services</b>	<b>\$7,753,303</b>	<b>\$7,642,641</b>	<b>\$7,056,061</b>	<b>\$6,703,110</b>	<b>(\$352,951)</b>	<b>-5.0%</b>	<b>96.40%</b>
Liability Insurance Fund (6200)							
General Fund Transfer -1100	850,000	862,000	1,100,000	250,000	(850,000)	-77.3%	3.60%
	850,000	862,000	1,100,000	250,000	<b>(850,000)</b>	<b>-77.3%</b>	<b>3.60%</b>
<b>Grand Total:</b>	<b>\$8,603,303</b>	<b>\$8,504,641</b>	<b>\$8,156,061</b>	<b>\$6,953,110</b>	<b>(\$1,202,951)</b>	<b>-14.7%</b>	<b>100.00%</b>

## Internal Service Fund Expenditures

Fiscal Years 2002 - 2005

Expenditures	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
<b>Municipal Service Station (6100):</b>							
<i>Amnicola Service Station</i>							
Purchase Services	155	17,486	20,000	5,613	(14,387)	-71.9%	0.08%
Vehicle Operation Expenses	3,149	12,024	0	5,500	5,500	N/A	0.08%
Inventory Supplies	361,049	397,129	468,541	450,000	(18,541)	-4.0%	6.47%
Gov'tl Charges, Taxes, Fees, Misc.	25,254	26,719	0	0	0	N/A	0.00%
<b>Total Amnicola Station</b>	<b>389,607</b>	<b>453,358</b>	<b>488,541</b>	<b>461,113</b>	<b>(27,428)</b>	<b>-5.6%</b>	<b>6.63%</b>
<i>12th &amp; Park Service Station</i>							
Salaries & Wages	34,224	36,175	65,000	67,457	2,457	3.8%	0.97%
Fringes	8,203	8,820	12,000	12,161	161	1.3%	0.17%
Purchase Services	4,195	6,206	9,000	5,700	(3,300)	-36.7%	0.08%
Materials & Supplies	3,917	490	12,000	2,000	(10,000)	-83.3%	0.03%
Travel	0	0	1,000	500	(500)	-50.0%	0.01%
Vehicle Operation Expenses	9,676	5,886	22,500	5,600	(16,900)	-75.1%	0.08%
Insurance, Claims, Damages	41	54	0	0	0	N/A	0.00%
Inventory Supplies	767,929	960,255	1,285,041	961,100	(323,941)	-25.2%	13.82%
Capital Outlay	0	0	17,500	10,000	(7,500)	-42.9%	0.14%
Gov'tl Charges, Taxes, Fees, Misc.	500	750	1,000	1,000	0	0.0%	0.01%
<b>Total 12th &amp; Park Station</b>	<b>828,685</b>	<b>1,018,636</b>	<b>1,425,041</b>	<b>1,065,518</b>	<b>(359,523)</b>	<b>-25.2%</b>	<b>15.32%</b>
<b>Total Municipal Service Station</b>	<b>\$1,218,292</b>	<b>\$1,471,994</b>	<b>\$1,913,582</b>	<b>\$1,526,631</b>	<b>(386,951)</b>	<b>-20.2%</b>	<b>21.96%</b>
<b>Municipal Garage (Fund 6101)</b>							
<i>Amnicola Garage - Repair &amp; Maint.</i>							
Salaries & Wages	1,030,684	1,042,841	1,071,415	1,010,655	(60,760)	-5.7%	14.54%
Fringes	216,307	249,773	303,867	231,254	(72,613)	-23.9%	3.33%
Purchase Services	94,265	130,512	75,000	89,583	14,583	19.4%	1.29%
Materials & Supplies	20,081	29,990	25,000	31,630	6,630	26.5%	0.45%
Travel	2,926	0	2,000	2,000	0	0.0%	0.03%
Vehicle Operation Expenses	115,106	88,604	75,000	102,660	27,660	36.9%	1.48%
Insurance, Claims, Damages	1,770	2,318	1,500	76,000	74,500	4966.7%	1.09%
Inventory Supplies	1,141,255	1,273,942	800,000	879,000	79,000	9.9%	12.64%
Capital Outlay	13,520	47,043	9,000	14,500	5,500	61.1%	0.21%
Gov'tl Charges, Taxes, Fees, Misc.	398,452	377,401	75,000	34,500	(40,500)	-54.0%	0.50%
	3,034,366	3,242,424	2,437,782	2,471,782	34,000	1.4%	35.55%
<i>12th &amp; Park Garage - Repair &amp; Maint.</i>							
Salaries & Wages	1,243,659	1,158,854	1,276,300	1,095,713	(180,587)	-14.1%	15.76%
Fringes	272,234	292,557	374,110	284,984	(89,126)	-23.8%	4.10%
Purchase Services	51,932	72,852	75,000	54,460	(20,540)	-27.4%	0.78%
Materials & Supplies	78,755	53,221	50,000	33,050	(16,950)	-33.9%	0.48%
Travel	8,078	325	10,000	5,000	(5,000)	-50.0%	0.07%
Vehicle Operation Expenses	148,938	121,844	150,000	89,150	(60,850)	-40.6%	1.28%
Insurance, Claims, Damages	680	851	0	0	0	N/A	0.00%
Inventory Supplies	1,550,336	1,414,007	619,287	1,091,840	472,553	76.3%	15.70%
Capital Outlay	15,924	2,009	50,000	50,000	0	0.0%	0.72%
Gov'tl Charges, Taxes, Fees, Misc.	286,267	286,589	100,000	500	(99,500)	-99.5%	0.01%
	3,656,803	3,403,109	2,704,697	2,704,697	0	0.0%	38.90%
<b>Total Municipal Garage</b>	<b>\$6,691,169</b>	<b>\$6,645,533</b>	<b>\$5,142,479</b>	<b>\$5,176,479</b>	<b>34,000</b>	<b>0.7%</b>	<b>74.45%</b>
<b>Total Fleet Services</b>	<b>\$7,909,461</b>	<b>\$8,117,527</b>	<b>\$7,056,061</b>	<b>\$6,703,110</b>	<b>(\$352,951)</b>	<b>-5.0%</b>	<b>96.40%</b>
<b>Liability Insurance Fund (6200)</b>							
Special Council & Claims	773,558	1,063,961	0	0			
General Fund Transfer -1100	0	0	1,100,000	250,000	(850,000)	-77.3%	3.60%
<b>Total Liability Insurance</b>	<b>773,558</b>	<b>1,063,961</b>	<b>1,100,000</b>	<b>250,000</b>	<b>(850,000)</b>	<b>-77.3%</b>	<b>3.60%</b>
<b>Grand Totals</b>	<b>\$8,683,019</b>	<b>\$9,181,488</b>	<b>\$8,156,061</b>	<b>\$6,953,110</b>	<b>(\$1,202,951)</b>	<b>-14.7%</b>	<b>100.00%</b>





# General Government

www.chattanooga.gov

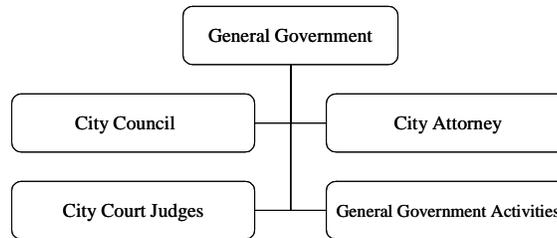
## Mission:

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

## Description:

The General Government budget provides for legal and legislative functions of government that pertain to the general day to day operations of the City of Chattanooga, as well as appropriations for most agencies and nonprofit organizations or other special funds to which the City contributes funding. The City Council Office and City Court Judge 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.

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.



## 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.**

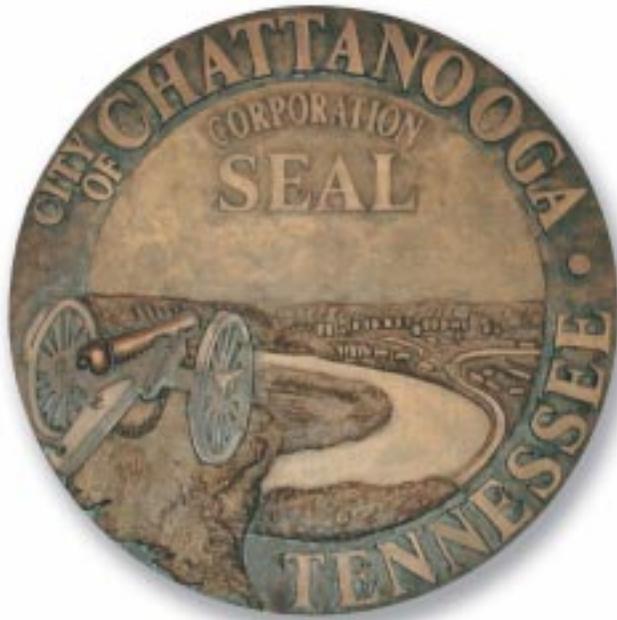
- ❶ Hear 100% of cases reported to be in violation of any city ordinance and applicable traffic violations.
- ❷ Reduce the number of legal claims against the City.

### Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
City Council Office	501,239	615,525	666,345	676,599
Office of City Court Judges	581,372	654,988	622,277	600,273
Office of City Attorney	644,034	649,121	685,101	1,006,236
Supported Agencies	12,646,613	12,967,646	12,766,299	12,954,986
Debt Service	8,964,342	6,193,086	7,636,840	8,772,293
Other General Government Activities	8,652,536	8,570,089	5,051,605	4,481,724
<b>Total Expenditures</b>	<b>31,990,136</b>	<b>29,650,455</b>	<b>27,428,467</b>	<b>28,492,111</b>
Per Capita	\$ 205.65	\$ 190.61	\$ 176.33	\$ 183.17
<b>Positions Authorized</b>	<b>27</b>	<b>26</b>	<b>23</b>	<b>23</b>

### Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	1,116,405	1,313,903	1,322,213	1,303,077
Overtime	-	-	-	-
Operating	30,873,731	28,336,552	26,106,254	27,189,034
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 2004/2005.

## **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 dirtiest 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.....\$250,000

## **Association of Visual Artists**

The Association for Visual Artists is a charitable nonprofit organization dedicated to the promotion and support of original visual art and the artists who create it. An advocacy association and a liaison between artists and the entire community, AVA fosters Chattanooga's artists, its original visual art and provides quality programming for the community.

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

## **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.....\$3,285,000

#### **Carter Street Lease Agreement**

This represents the City's share of debt service on the jointly funded Chattanooga-Hamilton County Convention and Trade Center. Bonds were sold in several issues, with the City being responsible for two-thirds of the primary debt, and the County government being responsible for the remaining one-third. A small portion of the debt is shared equally between the City and County governments.

City's Contribution.....\$1,419,100

#### **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.....\$42,123

#### **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.....\$140,000

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

The library serves the community by making materials and services available to all residents. To meet patron's 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 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.....\$2,000,000

**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

**Community Research Council**

The Council is a citizen-led United way member agency that the community relies on to facilitate the problem solving process.

The Council 1) initiates and responds to requests for research about the well-being of the community; 2) assesses the adequacy and accuracy of data and identifies trends in the areas of, a) economic development, b) education, c) family life, d) health and human services, e) housing, f) public safety, g) civic involvement, and h) the environment.

3) convenes broad-based community groups to plan prevention of and solutions to identified problems.

City's Contribution.....\$10,000

**Chattanooga/Hamilton County Regional Planning Agency**

The mission of the CHCRPC 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.....\$988,817

**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.....\$30,294

**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.....\$798,471

**WTCITV 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

**Westside Development Corp**

The mission is to equip, inspire, and empower families in the Westside to move from dependency to self-sufficiency. WCDC is committed to offering a better quality of life for the community.  
 City's Contribution.....\$75,000

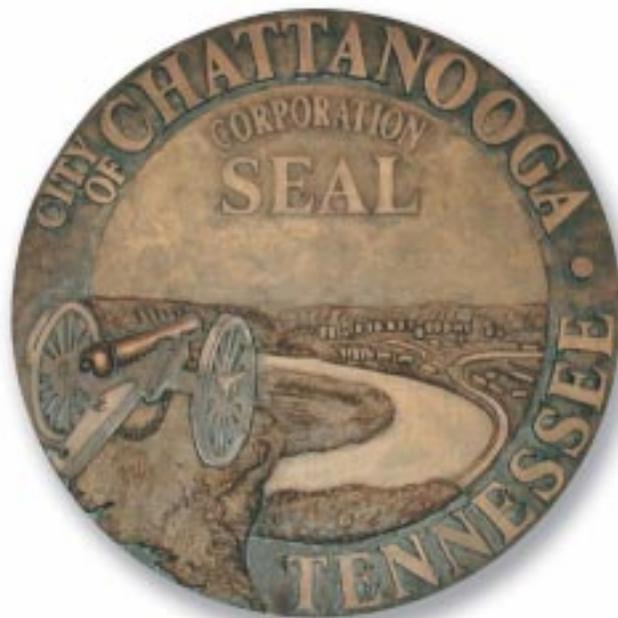
**Liability Insurance Fund**

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.....\$250,000

**Community Impact of Chattanooga**

The Community Impact of Chattanooga (CIC) is a comprehensive community initiative created to revitalize neighborhoods in the inner city. CIC's mission is to assist participating neighborhood associations in improving the quality of life in their neighborhoods by enhancing the physical, social, and economic conditions affecting the well being of those who live there.  
 City's Contribution.....\$450,000

<b>Resources</b>				
	Actual FY01/020	Actual FY02/03	Budget FY03/04	Budget FY04/05
Air Pollution Control Bureau	270,820	270,820	270,820	270,820
Allied Arts of Greater Chattanooga	250,000	250,000	250,000	250,000
Association of Visual Arts	15,000	15,000	15,000	15,000
Bessie Smith Hall, Inc.	35,000	35,000	35,000	70,000
CARTA	2,976,800	3,239,650	3,158,650	3,285,000
Carter Street Lease	1,426,092	1,420,753	1,420,529	1,419,100
Chattanooga African-Museum				
Building Maintenance	70,000	70,000	70,000	42,213
Chattanooga Area Urban League	50,000	50,000	50,000	50,000
Chattanooga Downtown Partnership	140,000	140,000	140,000	140,000
Chattanooga - Hamilton County				
Bicentennial Library	2,405,725	2,405,725	2,045,725	2,487,660
Chattanooga Neighborhood Enterprises	2,000,000	2,000,000	2,000,000	2,000,000
Chattanooga Regional History Museum	48,000	24,000	24,000	24,000
Chatt. Area Regional Council of Gov.				
Southeast Tennessee Dev. District	30,493	30,493	30,493	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
Inner- City Development Corporation	35,000	35,000	N/A	N/A
Homeless Healthcare Center	17,500	17,500	17,500	17,500
Community Research Council	10,000	10,000	10,000	10,000
Chattanooga/ Hamilton County				
Regional Planning Agency	974,817	876,277	974,817	988,817
Scenic Cities Beautiful	93,331	99,526	30,294	30,294
Tennessee Riverpark	698,035	790,902	798,471	798,471
WTCL TV 45	60,000	60,000	60,000	60,000
Westside Development Corp.	N/A	75,000	75,000	75,000
Liability Insurance Fund	850,000	862,000	1,100,000	250,000
Community Impact of Chattanooga	N/A	N/A	N/A	450,000
<b>TOTAL</b>	<b>12,646,613</b>	<b>12,967,646</b>	<b>12,766,299</b>	<b>12,954,986</b>





# Economic Development

Bob Corker, Mayor

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Education - Hamilton County	\$ 8,459,059	\$ 8,459,059	\$ 7,905,059	\$ -
Ed - School Resource Officers	0	0	554,000	
Capital Fund	3,764,629	2,018,121	2,385,146	2,000,000
African American Chamber	150,000	150,000	150,000	150,000
Chamber for Economic Devel	400,000	400,000	400,000	400,000
Partnership on Education	338,361	0	0	
Community Education Alliance	0	350,098	190,941	
Business Development Initiative	75,000	0	75,000	75,000
Tourist Development Debt Service	0	0	675,000	689,000
Net Debt Service	4,407,793	6,241,036	5,639,854	6,284,500
<b>Total</b>	<b>\$ 17,594,842</b>	<b>\$ 17,618,314</b>	<b>\$ 17,975,000</b>	<b>\$ 9,598,500</b>
Per Capita	\$ 121.60	\$ 113.26	\$ 115.23	\$ 60.93



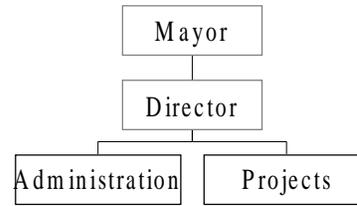


# Community Development

Bob Corker, Mayor  
 Rayburn Traugher, 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 FY03	Goal FY04	Actual FY04	Goal FY05
Increase the stock of safe, affordable rental units	195	100	29	100
Rehabilitate substandard housing # of units	102	160	105	160
Assist first time LMI (low/moderate income) purchase with mortgages	164	220	152	220
# of Participants in Homebuyer Education Programs	255	700	270	700
Improved multipurpose centers	2	2	2	2

# Community Development

Bob Corker, Mayor

Rayburn Traughber, Administrator

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Administration - Gen Fund	\$ 411,470	\$ 245,573	\$ 190,501	\$ 167,374
Administration	377,229	745,928	410,075	539,500
Community Dev Projects	4,140,099	4,295,438	4,511,925	4,992,003
<b>Total</b>	<b>\$ 4,928,798</b>	<b>\$ 5,286,939</b>	<b>\$ 5,112,501</b>	<b>\$ 5,698,877</b>
Per Capita	\$ 31.69	\$ 33.98	\$ 32.45	\$ 36.18
<b>Positions Authorized</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>10</b>

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 560,763	\$ 584,482	\$ 363,968	\$ 552,174
Overtime	0	0	0	0
Operating	4,368,035	4,702,457	4,748,533	5,146,703
Revenue	4,329,871	5,210,951	4,922,000	5,531,503



# Department of Finance & Administration

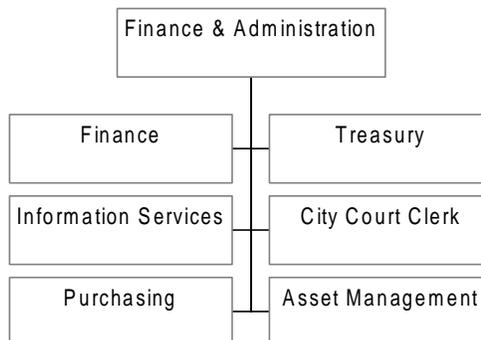
David R. Eichenthal, Administrator  
 Daisy W. Madison, Deputy Administrator  
[www.chattanooga.gov/finance](http://www.chattanooga.gov/finance)

## 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 purchasing, accounting, and treasury operations. The department also provides support to other departments and agencies in the areas of radio and electronics, building maintenance, real property management, fleet services, information services and City Court operations.



## Goals & Objectives:

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

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

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

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

**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.

**Improve satisfactory interaction and engagement with citizens.**

- ❶ Create an appealing, useful and easily navigated website that is valuable to citizens.

Performance Measures	Actual FY03	Goal FY04	Actual FY04	Goal FY05
Cash Management Yield on investment portfolio	1.7%	2.0%	1.1%	2.0%
% of Current Levy Collected	94.5%	95.0%	95.2%	96.0%
O/S Delinquent Tax as % of Current Levy	10.0%	10.0%	10.0%	10.0%
Credit Card Collections	\$180,803	\$250,000	\$430,323	\$600,000
Total City Fleet	1,766	1,600	1,618	1,600
Total City Fleet Repairs	\$7,642,641	\$7,056,061	\$7,110,827	\$6,703,110
Debt as % of Budget	292.7%	295.0%	300.4%	295.0%
Fund Balance as % of GF Revenue & Transfer	18.1%	20.0%	21.8%	20.0%
Properties Returned to Tax Roll	77	24	24	61

# Department of Finance & Administration

David R. Eichenthal, Administrator

Daisy W. Madison, Deputy Administrator

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Finance	\$ 1,398,732	\$ 1,583,404	\$ 1,798,128	\$ 1,870,024
Treasurer	522,559	487,040	526,254	518,868
City Court Clerk	982,512	1,063,152	1,049,336	1,045,744
Information Services	2,917,478	2,909,808	3,019,190	3,011,503
Purchasing	905,824	753,344	801,230	782,860
Building Maintenance	726,126	692,184	746,866	725,768
Radio & Electronics	322,085	360,367	389,097	405,019
Real Estate	293,787	164,567	315,239	305,007
Fleet Services	7,905,642	8,094,671	7,056,066	6,703,110
<b>Total</b>	<b>\$ 15,974,745</b>	<b>\$ 16,108,537</b>	<b>\$ 15,701,406</b>	<b>\$ 15,367,903</b>
Per Capita	\$ 102.70	\$ 103.54	\$ 99.67	\$ 97.55
<b>Positions Authorized</b>	<b>227</b>	<b>217</b>	<b>212</b>	<b>200</b>

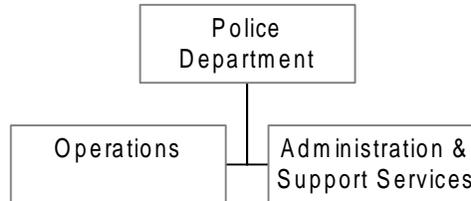
## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 8,523,157	\$ 8,627,488	\$ 9,533,757	\$ 9,165,180
Overtime	84,536	78,435	75,567	58,450
Operating	7,367,052	7,402,614	6,092,082	6,144,273
Revenue	7,786,677	-	7,056,066	6,703,110



## 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, Operations, and Administration & Support 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.

## Goals & Objectives:

### Reduce Index Offenses Crime

- ❶ Reduce all Crime 3% in 2004 (Calendar Year)
- ❷ Reduce all Property Crime 5% in 2004 (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	Goal	Actual	Goal
	2002	2003	2003	2004
Sworn Staffing (FY)	451	471	447	472
Crimes Committed	15,548	15,082	15,485	15,020
Citywide Calls for Service	268,301	254,886	254,487	241,763
Parking Violations	33,886	32,192	39,237	37,275
Moving Violations	45,435	43,163	25,549	24,272
Weapons Seized	N/A	N/A	N/A	400
Citizen Complaints	138	131	79	75

N/A = Not Available

# Department of Police

Steven Parks, Chief of Police

Freeman Cooper, Executive Police Chief

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Police Administration	\$ 1,277,829	\$ 1,346,452	\$ 3,708,154	\$ 1,606,110
Finance & Administration Command	3,815,386	3,695,890	3,632,851	3,430,540
Uniform Services Command	17,430,017	18,278,926	18,919,333	20,998,868
Investigative & Support Services	10,450,325	11,505,339	10,733,764	10,125,483
<b>Total</b>	<b>\$ 32,973,557</b>	<b>\$ 34,826,607</b>	<b>\$ 36,994,102</b>	<b>\$ 36,161,001</b>
Per Capita	\$ 212	\$ 224	\$ 235	\$ 230
<b>Positions Authorized</b>	<b>711</b>	<b>684</b>	<b>684</b>	<b>668</b>

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 27,344,615	\$ 29,322,985	\$ 30,751,034	\$ 30,345,599
Overtime	986,009	1,074,815	1,086,667	991,561
Operating	4,642,933	4,428,807	5,156,401	4,823,840
Revenue	968,648	0	428,127	1,137,783

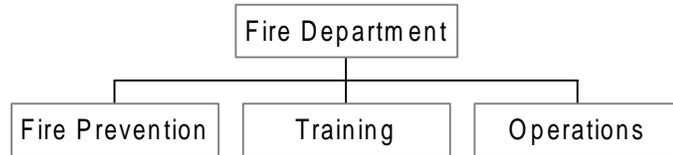


# Department of Fire

Jim Coppinger, Fire Chief  
 Kelvin Flint, 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: Administration, Operations, Fire Prevention and Training. Operations includes 17 fire stations and more than 350 firefighters who respond to fires, 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 firefighters 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 to 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) incidents; as well as hazardous materials spills or structural collapse emergencies.

Performance Measures	Actual	Goal	Actual	Goal
	FY03	FY04	FY04	FY05
*Average response time (Department)	5:40	5:00	5:32	5:00
Inspections	2,816	3,042	2,968	3,116
Permits	53	82	57	55
Civillian Deaths	5	0	4	0
Civillian injuries	3	0	8	0
Firefighter Deaths	0	0	0	0
Firefighter Injuries	60	0	53	0
Property Damage (\$million)	\$7.2	\$ 6.55	\$5.9	\$ 6.55
Fire Calls	1,002	1,000	1,006	1,004
First Responder Calls	4,285	6,332	4,765	5,529
Emergency Calls	9,646	12,040	9,742	9,694

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

\*\* New performance measure

# Department of Fire

Jim Coppinger, Fire Chief

Kelvin Flint, Deputy Fire Chief

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Fire Operations	\$ 20,467,140	\$ 22,510,645	\$ 24,325,655	\$ 25,195,230
Fire Utilities	485,041	455,800	573,200	343,200
Combat Challenge	5,793	4,500	0	0
<b>Total</b>	<b>\$ 20,957,974</b>	<b>\$ 22,970,945</b>	<b>\$ 24,898,855</b>	<b>\$ 25,538,430</b>
Per Capita	\$ 133.04	\$ 145.82	\$ 158.06	\$ 162.12
<b>Positions Authorized</b>	<b>418</b>	<b>418</b>	<b>417</b>	<b>418</b>

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 18,898,863	\$ 20,758,082	\$ 21,946,867	\$ 22,389,443
Overtime	33,454	31,000	31,000	31,000
Operating	2,025,657	2,181,863	2,920,988	3,117,987
Revenue	175,222	166,000	170,903	175,000



# Department of Public Works

Bill McDonald, Administrator

Beverly Johnson, Deputy Administrator

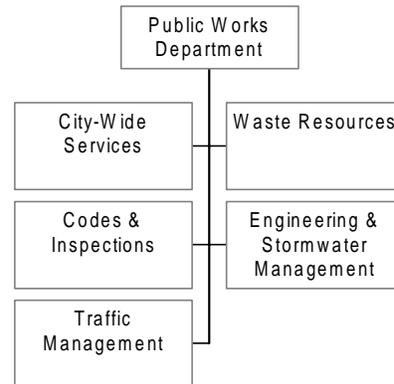
[www.chattanooga.gov/pubworks/](http://www.chattanooga.gov/pubworks/)

## 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.**

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

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

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

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

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

# Department of Public Works

Bill McDonald, Administrator

Beverly Johnson, 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

Performance Measures	Actual	Goal	Actual	Goal
	FY03	FY04	FY04	FY05
Total *CSRs addressed	N/A	50,000	47,216	50,000
City Wide Service CSRs closed on time	N/A	90.0%	86.8%	90.0%
City Wide Service CSRs open & overdue	N/A	10.0%	12.2%	10.0%
Codes & Inspection CSRs closed on time	N/A	90.0%	96.0%	90.0%
Codes & Inspection CSRs open & overdue	N/A	10.0%	0.0%	10.0%
Engineering CSRs closed on time	N/A	90.0%	84.9%	90.0%
Engineering CSRs open & overdue	N/A	10.0%	2.1%	10.0%
Storm Water CSRs closed on time	N/A	90.0%	52.1%	90.0%
Storm Water CSRs open & overdue	N/A	10.0%	44.4%	10.0%
Traffic Engineering CSRs closed on time	N/A	90.0%	86.5%	90.0%
Traffic Engineering CSRs open & overdue	N/A	10.0%	11.4%	10.0%
Waste Resources CSRs closed on time	N/A	90.0%	84.2%	90.0%
Waste Resources CSRs open & overdue	N/A	10.0%	12.5%	10.0%
Building Permits Issued	11,859	15,000	13,287	15,000
Value of Permits Issued (million)	\$ 216.5		\$ 272.2	

\*CSR Customer Service Request

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
General Fund	\$ 24,995,087	\$ 25,283,947	\$ 26,838,624	\$ 26,672,947
Interceptor Sewer Fund	31,716,841	32,137,962	34,718,215	34,827,714
Solid Waste Fund	4,923,306	4,241,020	5,865,313	5,623,545
Storm Water Fund	3,771,951	5,959,917	5,164,962	5,575,120
State Street Aid Fund	4,410,487	3,963,093	3,971,297	4,597,584
<b>Total</b>	<b>\$ 69,817,672</b>	<b>\$ 71,585,939</b>	<b>\$ 76,558,411</b>	<b>\$ 77,296,910</b>
Per Capita	\$ 443.20	\$ 454.42	\$ 485.99	\$ 490.67
<b>Positions Authorized</b>	<b>667</b>	<b>649</b>	<b>632</b>	<b>625</b>

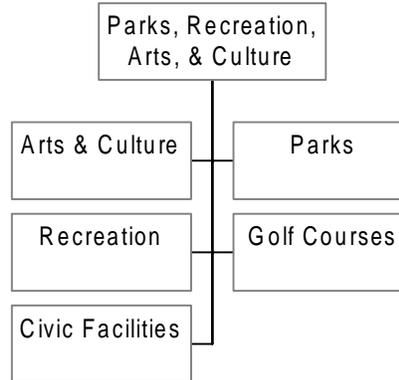
## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 22,109,056	\$ 22,250,000	\$ 24,624,420	\$ 24,991,311
Overtime	1,359,607	921,905	864,120	835,299
Operating	47,947,282	63,548,095	51,069,871	51,470,300
Revenue	45,725,389	50,824,241	51,564,880	44,850,022



## Mission:

To provide public space that invites active or passive enjoyment of recreational, cultural or conservation programs; and that the programs and facilities be offered equitably to maximize use by the broadest possible spectrum of Chattanooga residents and visitors.



## Description:

Parks, Recreation, Arts, and Culture provides a wide variety of educational and recreational activities throughout a network of well-maintained parks and public facilities. The department is divided into two major divisions: Program Services and Parks & Facilities. Sports, arts and cultural activities operates through Program Services, while the Parks and Facilities division oversees park activities and maintenance. The department also operates golf courses and civic facilities.

## Goals & Objectives:

**To operate the City's parks, facilities and recreational programs in order to maximize usage.**

- ❶ Increase the use/attendance of parks.
- ❷ Increase the use/attendance of recreation centers.
- ❸ Increase the use/attendance of civic facilities.
- ❹ Increase the use/attendance of the golf courses.
- ❺ 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 insure 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 FY03	Goal FY04	Actual FY04	Goal FY05
Civic Facilities - Attendance	295,577	300,000	269,011	280,000
Civic Facilities - # of Events	378	295	359	380
Golf Courses - # of Rounds	55,820	70,000	51,009	55,000
Chattanooga Zoo - Attendance	100,384	112,184	120,170	132,187
Carousel - Attendance	148,705	163,575	135,737	150,000
Champion's Club - Attendance	23,084	24,000	26,306	27,000
Fitness Center - Attendance	111,106	106,000	110,402	118,000
Aquatics - Attendance	20,746	20,905	20,621	20,905
OutVenture - Attendance	2,345	2,400	2,060	2,500
Therapeutic - Attendance	689	2,000	2,267	3,000
Recreation Centers - Attendance	n/a	n/a	176,369	180,000

# Parks, Recreation, Arts, & Culture

Jerry Mitchell, Administrator

Janice Miller-Hester, Deputy Administrator

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Administration	\$ 727,061	\$ 824,668	\$ 805,584	\$ 932,115
Program Services	3,788,020	4,127,747	4,084,971	4,212,887
Parks & Facilities	4,638,049	4,181,214	4,187,067	3,917,962
Civic Facilities	1,216,431	1,206,582	1,191,478	1,153,561
Chattanooga Zoo	340,203	400,977	378,541	443,483
Municipal Golf	1,882,356	1,628,031	1,798,788	1,687,794
<b>Total</b>	<b>\$ 12,592,120</b>	<b>\$ 12,369,219</b>	<b>\$ 12,446,429</b>	<b>\$ 12,347,802</b>
Per Capita	\$ 80.95	\$ 79.50	\$ 79.01	\$ 78.38
<b>Positions Authorized</b>	<b>360</b>	<b>341</b>	<b>246</b>	<b>238</b>

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 7,927,519	\$ 8,211,754	\$ 8,624,960	\$ 8,211,614
Overtime	275,469	183,835	105,309	94,936
Operating	4,389,132	3,973,630	3,716,160	4,041,252
Revenue	3,630,313	3,356,603	3,460,318	3,358,931

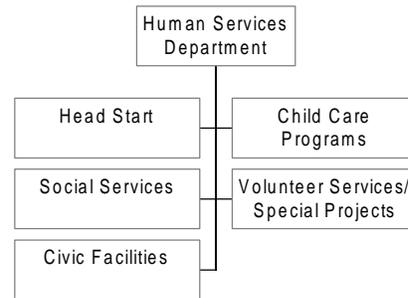


# Department of Human Services

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.

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

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

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

#### Performance Measures

	Actual FY 02/03	Goal FY 03/04	Actual FY 03/04	Goal FY 04/05
Children received Up-to-Date immunizations	830	858	868	865
Parents received Adult Education/GED training	258	269	291	297
Number of meals served	315,250	325,000	346,663	357,050
Units of weatherized dwellings	146	70	139	106
Total number of households assisted	3,798	3,915	5,115	3,615
Heating assistance-emergency & regular	2,441	1,391	2,952	1,973
Summer Cooling	618	199	635	620
Homeless Prevention-total units served	1,039	783	925	723

# Department of Human Services

Bernadine Turner, Administrator  
Tommie L. Pruitt, Deputy Administrator

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Head Start	8,737,387	9,358,908	7,880,550	7,637,279
Day Care	868,679	1,088,006	940,575	747,057
Weatherization	160,830	420,071	415,942	424,254
Foster Grandparents	453,156	501,144	477,408	458,278
LIEAP	732,209	952,421	854,055	1,044,816
CSBG	633,038	777,470	742,832	690,710
Occupancy Grant	200,250	234,101	226,221	226,221
Human Services Programs	1,883,107	2,380,135	2,323,510	2,273,194
City General Relief	68,750	80,210	72,868	72,868
<b>Total</b>	<b>13,737,406</b>	<b>15,792,466</b>	<b>13,933,961</b>	<b>13,574,677</b>
Per Capita	\$ 88.31	\$ 100.86	\$ 88.45	\$ 86.17
Authorized Positions	288	291	295	295

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	6,059,680	6,765,658	6,734,839	6,787,339
Overtime	-	101,213	-	-
Operating	7,677,726	8,925,595	7,199,122	6,787,338
Revenue	10,658,064	11,635,644	13,933,961	13,574,677



# Department of Personnel

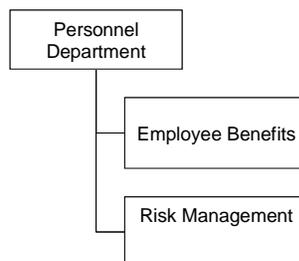
Donna Kelley, Administrator

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. They also offer 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

- ① Determine the percentage of applicants that are qualified/well qualified.
- ② Reduce to zero the number of positions posted for which no qualified candidates apply.
- ③ Determine and reduce the number of declined job offers.

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

- ① Recruit employees that are representative of local worker demographics.
- ② Seek diversity across all strata of pay and position, reflecting the local workforce.
- ③ Make a concerted effort to retain a broad spectrum of employees, keeping the City's workforce reflective of local demographics.
- ④ Retain a workforce that reflects the local population across all levels of compensation and department positions.

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

- ① Reduce turnover of the most successful employees, and make a concerted effort to retain those that have been highly qualified and productive.
- ② 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.

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

#### Performance Measures

	Actual FY 02/03	Goal FY 03/04	Actual FY 03/04	Goal FY 04/05
% Applicants qualified/well qualified	NA	NA	47%	50%
Posted positions where qualified candidate found	100%	100%	100%	100%
Declined job offers	NA	NA	8	<10
Turnover rate analysis	5.5%	NA	5.9%	<10%
Promotion rate analysis	NA	NA	23%	>20%
Compliance with law	NA	NA	100%	100%
Applicant Diversity	NA	NA	NA	*+/- 3%

*\*For each occupational group*

# Department of Personnel

Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

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

## Departmental Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Administration	\$ 862,439	\$ 908,760	\$ 951,543	\$ 951,186
Physical Exams	101,806	114,272	125,450	116,000
Wellness	-	-	300,000	312,986
Employee Benefits Office	279,753	272,844	325,323	365,407
Employee Insurance	3,995,949	4,631,890	4,472,881	4,586,500
Job Injury	68,640	67,742	78,600	78,600
<b>Total</b>	<b>\$ 5,308,587</b>	<b>\$ 5,995,508</b>	<b>\$ 6,253,797</b>	<b>\$ 6,410,679</b>
Per Capita	\$ 34.13	\$ 38.54	\$ 39.70	\$ 40.69
<b>Positions Authorized</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>20</b>

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 860,495	\$ 880,499	\$ 977,416	\$ 975,723
Overtime	88	-	-	-
Operating	4,448,004	5,115,009	5,276,381	5,434,956
Revenue	-	-	-	-



# Department of Neighborhood Services

Kenardo Curry, Administrator  
 Steve Hargis, Deputy Administrator  
[www.chattanooga.gov/neighserv/](http://www.chattanooga.gov/neighserv/)

## 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.

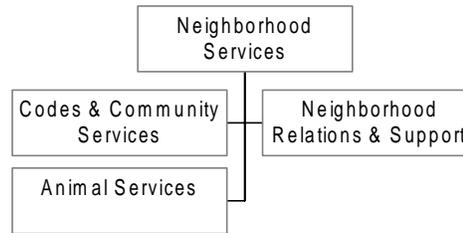
## Description:

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

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.

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:

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 it an appealing choice for residents.

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

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

### Elimination of blight in Chattanooga

- ❶ Reduce abandoned vacant land
- ❷ Increase compliance by 5 - 10% annually

### To provide care and control of animal population in the City of Chattanooga

- ❶ Provide a well run and maintained facility for stray animals and animals in custodial care of the City
- ❷ Reduce the number of animals available for euthanasia
- ❸ Minimize the City's cost burden from the General Fund

### Performance Measures

	Actual FY03	Goal FY04	Actual FY04	Goal FY05
All Complaints	7,775	9,600	9,667	8,700
Complaint Inspections	7,559	9,200	9,227	9,200
Cases Started	3,999	5,550	5,554	4,999
Cases Inspections	5,761	6,900	6,956	6,260
Total Inspection	12,751	15,000	15,550	13,995
SNI/CIF	6,650	7,800	7,832	7,049
Non-SNI/CIF and Other	6,101	7,700	7,718	6,946
Animals: # of animals captured	*	*	*	5,400
Animals: # of pet licenses	*	*	*	300
Animals: # of altered animals	*	*	*	300

\* New measures established in FY05

# Department of Neighborhood Services

Kenardo Curry, Administrator

Steve Hargis, Deputy Administrator

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

## Department Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Administration	\$ 494,437	\$ 336,715	\$ 312,698	\$ 309,859
Codes & Community Svc	716,263	754,650	686,468	769,266
Neighbor Relations & Grants	449,601	442,406	456,653	468,737
Animal Services	0	0	0	1,078,179
<b>Total</b>	<b>\$ 1,660,301</b>	<b>\$ 1,533,771</b>	<b>\$ 1,455,819</b>	<b>\$ 2,626,041</b>
Per Capita	\$ 10.67	\$ 9.86	\$ 9.24	\$ 16.67
<b>Positions Authorized</b>	<b>33</b>	<b>33</b>	<b>27</b>	<b>37</b>

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	\$ 1,001,622	\$ 1,014,766	\$ 958,734	\$ 1,485,262
Overtime	13,248	14,913	9,200	28,672
Operating	645,431	504,092	487,885	1,112,107
Revenue	0	0	0	0



# Department of Executive Branch

Bob Corker, Mayor  
 Michael Compton, Chief of Staff  
[www.chattanooga.gov](http://www.chattanooga.gov)

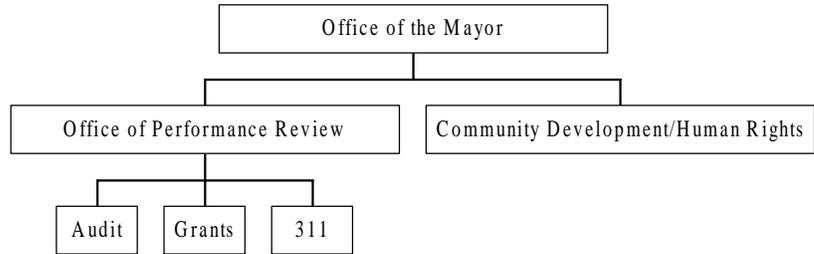
## Mission:

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 Performance Review, and Human Rights Commission. 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 Performance Review (OPR) consists of three functional areas. The audit department enhances government efficiency and accountability by conducting performance and financial reviews of City departments and City-funded agencies. The Grants department facilitates funding initiatives and special projects that bring additional resources to Chattanooga to create new opportunities for service, growth, and achievement. 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.



## Goals & Objectives:

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

- ❶ Deliver audits and specialized performance reviews on a timely basis.
- ❷ Conduct post audit assessments to determine the extent to which recommendations have been or will be implemented by department or agency, and extent of cost savings achieved.

**Maximize the flow of grant and foundation dollars to the city departments and city-funded agencies, as well as to the greater community.**

- ❶ Identify and/or support the development of funding strategies and specialized grant applications.
- ❷ Produce high-quality applications.
- ❸ Ensure compliance with funded grants managed by OPR.

**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.

Performance Measures	Actual	Goal	Actual	Goal
	FY03	FY04	FY04	FY05
Audits/reviews conducted	N/A	N/A	10	18
Grant funds/revenues received	N/A	N/A	\$ 21,260,740	\$23,386,814
311 calls/emails answered	39,890	N/A	137,865	151,652
311 service requests created	14,992	16,491	68,265	75,092
Customer satisfaction rating	N/A	N/A	85%	90%

# Department of Executive Branch

Bob Corker, Mayor

Michael Compton, Chief of Staff

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

## Departmental Summary

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Mayor's Office	718,127	824,468	853,708	872,964
Office of Performance Review	125,135	620,046	638,363	597,420
Human Rights & Relations	71,601	48,394	36,652	34,818
<b>Total Expenditures</b>	<b>914,863</b>	<b>1,492,908</b>	<b>1,528,723</b>	<b>1,505,202</b>
Per Capita	\$ 5.88	\$ 9.60	\$ 9.70	\$ 9.55
<b>Positions Authorized</b>	<b>27</b>	<b>23</b>	<b>21</b>	<b>20</b>

## Resources

	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05
Personnel	822,686	1,167,342	1,271,664	1,260,794
Overtime	-	-	-	-
Operating	92,177	325,566	257,059	244,408
Revenue	-	-	-	-

# 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.

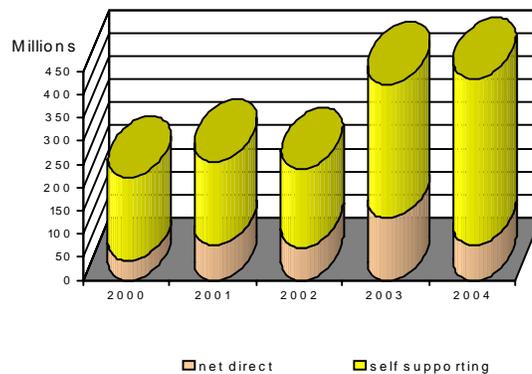
Gross outstanding indebtedness as of June 30, 2004 is \$ 434,308,264. This amount includes a 30-year capital lease of \$115,925,472 with final payment due on October 1, 2030 and 5-year capital lease of \$3,800,000 with final payment due on July 1, 2009.

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 per cent (10%) of the assessed valuation for the preceding year of all taxable property in said City.

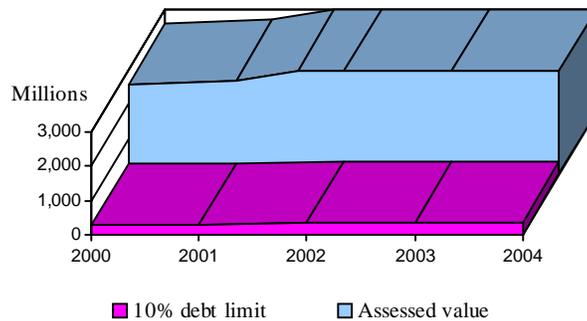
The chart on the next page shows the debt limit for the past five years, based upon the assessed property valuation for the same period of time. After viewing the debt limits imposed by the City Charter when considering the assessed property valuation, the next chart presented compares the Net Direct 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 this 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, 2004. The debt service reserve fund held by the fiscal agent at June 30, 2004 amounts to \$9,782,986. 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.

## General Obligation Debt Capital Fiscal Year 2000 thru 2004



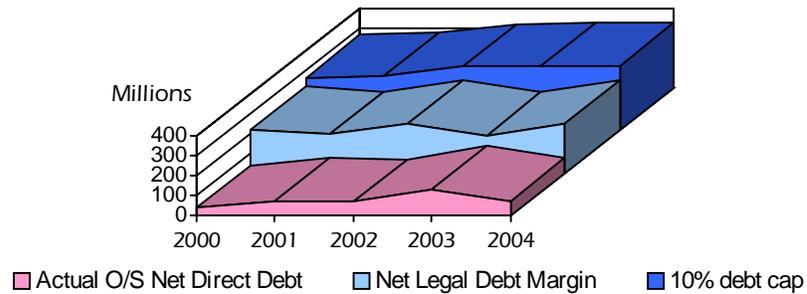
In 2001, the City issued 48,310,000 General Obligation Bonds for the purpose of providing funds to construct, improve, replace, and equip various projects of the City and to pay the legal, fiscal, and administrative costs incident to the issuance and sale of the bonds.

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 will have 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 \$40,771,000. 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, 2004 the City had drawn down \$321,289. 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.

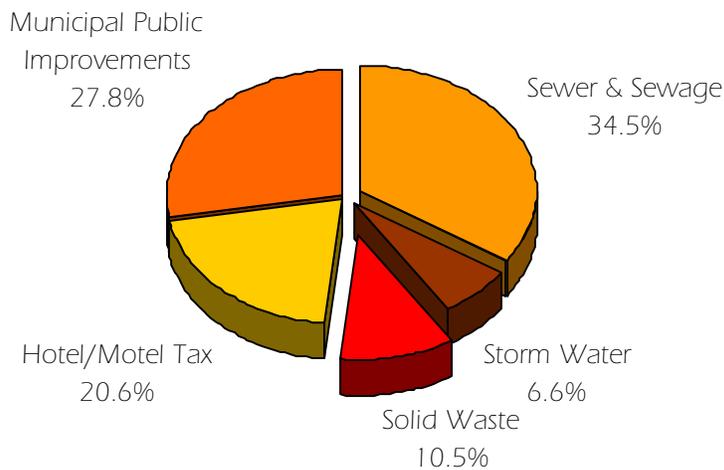
**Actual Outstanding Debt vs Debt Capital Limit  
Fiscal Year 2000 thru 2004**



The \$434,308,264 Gross Outstanding Indebtedness of the City of Chattanooga as of June 30, 2004 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 58.5% of the debt for Municipal Public Improvements is self supported debt.

**General Obligation Bonds by Purpose  
Fiscal Year 2004**



The City is in an excellent position to issue additional debt if required to 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. This chart of City appropriations to the Debt Service Fund shows a decrease of \$2,771,256 from FY02 to FY03. This decrease reflects the additional funds that were appropriated in FY02 to accommodate the potential \$15 million new issue.

In FY 2001, the General Fund appropriated \$6,424,417, restoring its full funding level to support the debt requirement.

In FY 2002, the General Fund appropriated \$8,964,342. This includes additional funds required to pay Debt Service on a potential \$15,000,000 new issue planned in FY02.

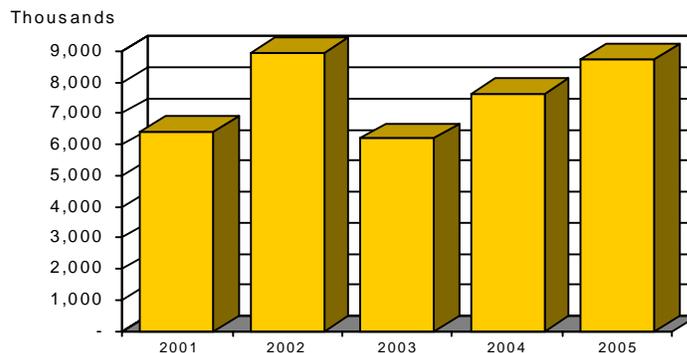
In FY 2003, the General Fund appropriated \$6,193,086. The decrease from prior year is due to increased refunding and debt retirements.

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

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

## General Fund Appropriation

Fiscal Years 2001 thru 2005



# 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, 2004, the County had gross outstanding general obligation bonded debt of \$162,040,000 and net indebtedness of \$161,455,715. The percentage of County net indebtedness applicable to the City is 59.29% or \$107,821,749. Also included in this section on Debt Service are schedules on Debt Ratios as of June 30, 2004, Historical Debt Ratios, and an analysis of General Obligation Debt as of June 30, 2004.

## 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, 2004; amounts are not adjusted for the City's share of County debt.

<b>General Obligation Bonds by Purpose</b>		
Municipal Public Improvement	\$174,535,008	
Sewer and Sewage Facilities	92,029,992	
Total Bonded Indebtedness		\$266,565,000
<b>Other Long-Term Indebtedness</b>		
Chattanooga Downtown Redevelopment Capital Lease	115,925,472	
Fannie Mae American Communities Fund (Hope VI)	321,289	
800 MHz Equipment Capital Lease	3,800,000	
General Obligation Capital Outlay Notes	47,696,503	
Total Long-Term Indebtedness		167,743,264
<b>Gross Direct Indebtedness</b>		434,308,264
Less: Self-Supporting Indebtedness		
Sewer and Sewage Facilities Bonds(1)	92,029,992	
State Revolving Loan-CSO (ISS portion)(3)	33,319,753	
State of GA Revolving Loan (ISS portion)(4)	5,845,918	
Capital Lease City of Collegedale (ISS)	253,303	
Chattanooga Downtown Redevelopment Capital Lease(6)	115,925,472	
State Revolving Loan-CSO (StormWater portion)(3)	1,439,893	
Municipal Public Improvement Bonds(StormW&SW)(2)	45,637,205	
800MHz Equipment Capital Lease	3,800,000	
Hotel/Motel Tax Revenue Pledge	54,990,000	
Fannie Mae Loan (CDBG)	321,289	
Total Self-Supporting Indebtedness		353,562,825
Debt Service Fund(5)		5,222,704
<b>Net Direct Indebtedness</b>		75,522,735
Plus: Estimated Net Overlapping Indebtedness		107,821,749
<b>Net Direct and Net Overlapping Indebtedness</b>		<b>\$183,344,485</b>

- Note:**
- (1) 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.
  - (2) \$680,000 is payable from the hotel-motel tax collected by Hamilton County for such purpose, \$45,637,205 represents the outstanding balance of 1998 through 2004 Municipal Public Improvement Bonds of which \$17,659,841 is related to Storm Water and \$27,977,364 is related to Solid Waste, which will be paid by the city from the revenue derived from the operations of these funds.
  - (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 to be repaid by participating North Georgia municipalities.
  - (5) This represents unaudited Fund Balance at June 30, 2004.
  - (6) 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 recently passed by county-wide referendum held in February 2004. This increase replaced the 1/2% city-only sales tax effective July 1, 2004.

# Debt Ratios

The following table sets forth certain ratios relating to the City's general obligation indebtedness as of June 30, 2004.

	<u>Amount of Indebtedness</u>	<u>Per Capita</u>	<u>Percentage of Assessed Valuation</u> <sup>2</sup>	<u>Percentage of Full Valuation</u> <sup>3</sup>
Gross Direct Indebtedness <sup>4</sup>	\$ 434,308,264	\$ 2,757	13.42%	4.32%
Net Direct Indebtedness <sup>4</sup>	75,522,735	479	2.33%	0.75%
Gross Direct and Net Overlapping Indebtedness <sup>5</sup>	542,130,014	3,485	16.75%	5.39%
Net Direct and Net Overlapping Indebtedness <sup>5</sup>	183,344,485	1,164	5.66%	1.82%
Per Capita Assessed Valuation	\$20,549 *			
Per Capita Full Valuation	\$63,844 *			

\*Based on 2004 population estimate.

- Notes:
- (1) The City's population in 2004 was estimated at 157,532.
  - (2) The City's preliminary assessed valuation of taxable property as of June 30, 2004 was \$3,237,183,936
  - (3) The City's estimated full valuation of taxable property as of June 30, 2004 was \$10,057,472,717
  - (4) See "Historical Debt Ratios" under this section.
  - (5) The County's net overlapping indebtedness is \$181,839,819. The City's share is \$107,821,749. (59.2949%).

# Other Long-Term Indebtedness

As of June 30, 2004, the City had the following other outstanding long-term indebtedness.

	Outstanding Amount	Issue Dated Date	Maturity
State of Tennessee Revolving Loan	\$ 2,879,786	03/01/1993	02/28/2013
Capital Outlay Notes (1)	182,343	09/01/1992	09/01/2006
State of Tennessee Revolving Loan 2003	31,879,860	02/03/2003	10/20/2024
Tennessee Municipal League Bond Pool (1997)	4,990,023	02/01/1997	05/25/2012
State of Georgia Revolving Loan (2)	5,845,918	07/01/2000	10/01/2019
Fire Hall Land Note (3)	35,949	04/01/1999	04/01/2014
Capital Lease City of Collegedale (4)	253,303	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	3,800,000	10/01/2003	07/01/2009
Fannie Mae Notes	321,289	03/15/2004	01/01/2015
Tennessee Municipal League Bond Pool (2003)	1,629,320	09/07/2003	05/25/2018
Total	<u>\$167,743,263</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 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, 2004

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P &amp; I Requirements</u>
2005	12,315,563.53	7,416,975.98	19,732,539.51
2006	12,388,007.85	6,923,147.22	19,311,155.07
2007	12,843,305.05	6,372,771.30	19,216,076.35
2008	11,185,592.20	5,869,221.39	17,054,813.59
2009	13,148,419.13	5,390,208.75	18,538,627.88
2010	11,241,684.00	4,826,192.75	16,067,876.75
2011	10,500,275.19	4,307,343.83	14,807,619.02
2012	8,591,315.50	3,837,673.68	12,428,989.18
2013	8,765,894.16	3,410,431.84	12,176,326.00
2014	7,753,229.36	3,016,518.82	10,769,748.18
2015	8,068,235.80	2,637,114.76	10,705,350.56
2016	6,372,727.57	2,284,360.94	8,657,088.51
2017	6,702,928.99	1,958,973.13	8,661,902.12
2018	7,046,641.07	1,616,793.04	8,663,434.11
2019	5,828,292.62	1,298,430.25	7,126,722.87
2020	691,292.13	1,135,973.93	1,827,266.06
2021	464,600.00	1,110,159.83	1,574,759.83
2022	490,800.00	1,086,929.83	1,577,729.83
2023	517,100.00	1,062,389.83	1,579,489.83
2024	32,424,960.00	1,036,534.83	33,461,494.83
2025	576,800.00	59,260.00	636,060.00
2026	608,400.00	30,420.00	638,820.00
Total	\$ 178,526,064.15	\$ 66,687,825.93	\$ 245,213,890.08

Does not include CDRC (Southside) Capital Lease of \$115,925,472 which is supported by local-option sales tax.

City of Chattanooga, Tennessee  
 General Obligation Debt Service Requirements  
 As of June 30, 2004

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	5,777,359.84	13,382,643.23	19,160,003.07
2006	5,923,137.34	13,181,463.07	19,104,600.41
2007	9,027,811.82	13,250,335.64	22,278,147.46
2008	8,092,242.08	12,873,613.63	20,965,855.71
2009	9,525,953.33	12,483,997.27	22,009,950.60
2010	9,658,576.29	12,038,256.80	21,696,833.09
2011	9,331,805.05	11,574,377.07	20,906,182.12
2012	8,457,075.95	11,130,733.76	19,587,809.71
2013	8,450,563.90	10,686,710.72	19,137,274.62
2014	8,366,475.35	10,247,088.10	18,613,563.45
2015	8,782,414.20	9,806,279.25	18,588,693.45
2016	9,105,317.00	9,342,490.13	18,447,807.13
2017	8,745,030.00	8,875,970.00	17,621,000.00
2018	9,352,666.00	8,400,226.50	17,752,892.50
2019	8,397,804.00	7,892,027.00	16,289,831.00
2020	8,960,544.00	7,400,480.00	16,361,024.00
2021	9,543,294.00	6,876,147.00	16,419,441.00
2022	10,162,207.00	6,317,752.00	16,479,959.00
2023	10,818,323.00	5,723,607.00	16,541,930.00
2024	11,505,442.00	5,098,496.00	16,603,938.00
2025	12,231,683.00	4,441,219.50	16,672,902.50
2026	13,005,386.00	3,742,506.50	16,747,892.50
2027	10,907,627.00	2,999,804.00	13,907,431.00
2028	11,606,391.00	2,356,134.00	13,962,525.00
2029	12,360,579.00	1,661,389.00	14,021,968.00
2030	13,171,492.00	911,572.00	14,083,064.00
2031	4,515,000.00	112,875.00	4,627,875.00
<b>Total</b>	<b>\$ 255,782,200.15</b>	<b>\$ 212,808,194.17</b>	<b>\$ 468,590,394.32</b>

Includes CDRC (Southside) Capital Lease of \$115,925,472 which is supported by local-option sales tax.

City of Chattanooga, TN  
 Analysis of General Obligation Debt  
 June 30, 2004  
 Filename:Debtreq Sheet: AnalGODEbt

GENERAL LONG-TERM DEBT

Serial Bonds:

	Outstanding July 1, 2003	Interest Pd FY 2004	Issued FY 2004	Retired FY 2004	Outstanding 06/30/04	Maturing FY 2005	Interest Payable FY 2005
1998 Public Improvement Refunding	7,247,800	390,063	0	12,200	7,235,600	13,200	389,531
2001 Municipal Public Improvement	37,916,800	1,881,402	0	921,600	36,995,200	962,600	1,839,930
2002 Municipal Public Refunding	14,377,900	631,270	0	1,789,800	12,588,100	1,876,100	549,069
2002 Series A Refunding	6,037,950	220,275	0	734,047	5,303,903	713,547	198,561
2002 Hotel-Motel Tax Pledge	54,990,000	2,477,538	0	0	54,990,000	0	2,477,538
2003 Series A General Obligation	12,190,000	465,049	0	405,000	11,785,000	425,000	417,126
<b>Subtotal- Serial Bonds</b>	<b>132,760,450</b>	<b>6,065,597</b>	<b>0</b>	<b>3,862,647</b>	<b>128,897,803</b>	<b>3,990,447</b>	<b>5,871,754</b>

Notes payable:

Hamilton Count Parking Garage	243,124	13,676	0	60,781	182,343	60,781	9,816
1997 TML Bond Fund	5,339,098	66,987	137,925	487,000	4,990,023	513,000	199,640
1999 Fire Hall Land Note	38,062	3,525	0	2,113	35,949	2,323	3,316
2003 TML Bond Fund	0	18,111	1,942,320	313,000	1,629,320	328,000	49,857
2003 Fannie Mae	0	1,821	321,289	0	321,289	0	8,406
<b>Total notes payable</b>	<b>5,620,284</b>	<b>104,120</b>	<b>2,401,534</b>	<b>862,894</b>	<b>7,158,924</b>	<b>904,104</b>	<b>271,035</b>

Capital leases payable:

CDRC (Southside) Capital Lease (1)	115,925,472	7,198,975	0	0	115,925,472	0	7,198,975
800 MHz Equipment Capital Lease	0	0	3,800,000	0	3,800,000	882,809	40,879
<b>Total capital leases payable</b>	<b>115,925,472</b>	<b>7,198,975</b>	<b>3,800,000</b>	<b>0</b>	<b>119,725,472</b>	<b>882,809</b>	<b>7,239,854</b>

<b>PROPRIETARY FUNDS</b>							
Interceptor Sewer System:							
1998 Sewer & Sewage Facilities	17,974,467	870,360	0	1,187,258	16,787,210	1,248,404	806,424
1998 Sewer & Sewage Facilities Refunding	13,437,500	705,574	0	47,800	13,389,700	51,800	703,487
2002 Municipal Public Refunding	23,839,629	1,011,117	0	1,457,643	22,381,986	1,502,643	966,598
2002 Series A Refunding	32,252,050	1,176,612	0	3,920,953	28,331,097	3,811,453	1,060,626
2003 B Sewer & Sewage Facilities Refunding	13,175,000	434,065	0	2,035,000	11,140,000	2,090,000	339,625
Total serial bonds	100,678,646	4,197,728	0	8,648,654	92,029,992	8,704,300	3,876,761
Notes payable:							
CSO State Revolving Loan	1,576,339	60,264	0	136,446	1,439,893	141,978	54,738
State of Georgia Revolving Loan	5,943,761	218,431	145,679	243,522	5,845,918	278,205	229,698
2003 State Revolving Loan	15,021,698	622,352	16,858,162	0	31,879,860	0	950,020
Total notes payable	22,541,798	901,047	17,003,841	379,968	39,165,671	420,183	1,234,456
Capital leases payable:							
2001 Capital Lease City of Collegedale	271,195	15,761	0	17,892	253,303	18,850	14,802
Total capital leases payable	271,195	15,761	0	17,892	253,303	18,850	14,802
Total Interceptor Sewer System	123,491,639	5,114,536	17,003,841	9,046,514	131,448,966	9,143,333	5,126,019
Solid Waste & Sanitation Fund:							
1998 Municipal Public Improvement	9,901,415	479,447	0	654,013	9,247,402	687,696	444,227
1998 Municipal Public Improvement Refunding	3,686,100	202,735	0	0	3,686,100	0	202,736
2001 Municipal Public Improvement	6,451,900	320,138	0	156,800	6,295,100	163,800	313,082
2002 Municipal Public Improvement-Refunding	9,657,762	453,958	0	908,998	8,748,764	958,651	411,936
Total Solid Waste & Sanitation Fund	29,697,177	1,456,278	0	1,719,811	27,977,366	1,810,147	1,371,980



# 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 1998/99 through 2003/04, less applicable exclusions, adjusted to reflect the City's applicable share of County debt.

General Obligation Bonds by Purpose	1999	2000	2001	2002	2003	2004
Street Improvement	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Renewal	200,000	-	-	-	-	-
Public Buildings Improvement	795,000	530,000	265,000	-	-	-
Municipal Parks & Playground Improvement	20,000	-	-	-	-	-
Sewer and Sewage Facilities	131,981,463	124,002,403	115,758,219	107,942,691	100,678,646	92,029,992
Municipal Public Improvement	86,563,537	81,887,597	125,716,782	120,057,309	181,276,354	174,535,008
Total Bonded Indebtedness	<u>\$ 219,620,000</u>	<u>\$ 206,420,000</u>	<u>\$ 241,740,001</u>	<u>\$ 228,000,000</u>	<u>\$ 281,955,000</u>	<u>\$ 266,565,000</u>
Other Long-Term Indebtedness						
General Obligation Capital Outlay Notes	8,874,321	8,804,735	8,434,926	9,866,532	24,399,322	41,145,146 <sup>(1)</sup>
Tennessee Municipal Bond Fund	9,011,640	8,296,833	7,819,523	6,550,098	5,339,097	6,619,343
Capital Leases	-	-	448,399	288,204	116,196,668	119,978,775 <sup>(2)</sup>
Gross Direct Indebtedness	<u>\$ 237,505,961</u>	<u>\$ 223,521,568</u>	<u>\$ 258,442,849</u>	<u>\$ 244,704,834</u>	<u>\$ 427,890,087</u>	<u>\$ 434,308,264</u>
Less: Self-Supporting Indebtedness	190,087,671	179,866,955	179,059,226	169,016,890	289,509,352	353,562,825
Debt Service Fund	<u>2,158,445</u>	<u>2,671,606</u>	<u>3,971,606</u>	<u>5,497,083</u>	<u>4,988,142</u>	<u>5,222,704</u>
Net Direct Indebtedness	<u>\$ 45,259,845</u>	<u>\$ 40,983,007</u>	<u>\$ 75,412,017</u>	<u>\$ 70,190,861</u>	<u>\$ 133,392,593</u>	<u>\$ 75,522,735</u>
Plus: Estimated Net Overlapping Indebtedness	<u>98,505,368</u>	<u>88,150,799</u>	<u>103,117,962</u>	<u>109,591,857</u>	<u>96,147,876</u>	<u>107,821,749</u>
Net Direct and Overlapping Indebtedness	<u>\$ 143,765,213</u>	<u>\$ 129,133,806</u>	<u>\$ 178,529,979</u>	<u>\$ 179,782,718</u>	<u>\$ 229,540,469</u>	<u>\$ 183,344,484</u>

*Notes:*

- (1) As of June 30, 2004 Capital Outlay Notes consist of \$182,343 payable to Hamilton County for City's share of City/County Parking Garage; \$34,759,646 State of Tennessee Revolving Loan for combined sewer overflow facilities; \$5,845,918 State of Georgia Revolving Loan for the Northwest Georgia Sewer Expansion; \$321,289 Fannie Mae American Communities Fund for Alton Park Hope VI and \$35,950 Fire Hall Loan.
- (2) Capital leases as of June 30, 2004 includes the \$253,303 City of Collegedale for Sewer Easement, \$115,925,472 CDRC (Southside) Capital Lease and \$3,800,000 for the 800MHz Communication Equipment.

CITY OF CHATTANOOGA  
HISTORICAL DEBT RATIOS  
June 30, 2004 (unaudited)

Year ended June 30	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Estimated population(1)	154,200	151,600	149,513	148,820	146,615	155,554	155,554	155,554	155,582	157,532
Appraised property valuation	\$6,637,392,236	\$6,724,514,167	\$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
Assessed property valuation	2,198,869,948	2,224,070,683	2,295,859,675	2,529,989,692	2,604,110,025	2,617,535,875	2,729,189,057	3,201,743,737	3,260,023,356	3,237,183,936
Gross indebtedness (2)	185,837,792	204,479,351	191,283,521	245,731,165	237,505,962	223,521,569	258,442,849	244,704,834	427,890,087	434,308,264
Less: Self-supporting indebtedness(3)	140,426,612	147,739,894	138,922,708	194,393,764	190,087,672	179,866,956	178,059,226	169,036,886	344,499,352	353,562,825
Debt Service Fund	9,128,676	9,127,569	8,802,830	7,126,274	2,566,687	2,671,606	4,163,307	5,497,083	4,988,142	5,222,704
Net direct indebtedness	36,282,504	47,611,888	43,557,983	44,211,127	44,851,603	40,983,007	76,220,316	70,170,865	78,402,593	75,522,735
Plus: Estimated net overlapping indebtedness	75,913,865	79,884,361	100,669,117	99,208,181	98,505,368	88,150,782	103,117,962	109,591,857	96,147,876	107,821,749
Net direct and overlapping indebtedness	\$ 112,196,369	\$ 127,496,249	\$ 144,227,100	\$ 143,419,308	\$ 143,356,971	\$ 129,133,789	\$ 179,338,278	\$ 179,762,722	\$ 174,550,469	\$ 183,344,485
Gross debt per capita	\$ 1,205.17	\$ 1,348.81	\$ 1,279.38	\$ 1,651.20	\$ 1,619.93	\$ 1,436.94	\$ 1,661.43	\$ 1,573.12	\$ 2,750.25	\$ 2,756.95
Net direct debt per capita	235.30	314.06	291.33	297.08	305.91	263.46	489.99	451.10	503.93	479.41
Net direct and overlapping debt per capita	727.60	841.00	964.65	963.71	977.78	830.15	1,152.90	1,155.63	1,121.92	1,163.86
Gross debt to appraised valuation	2.80%	3.04%	2.75%	3.19%	2.99%	2.80%	3.12%	2.50%	4.30%	4.32%
Net direct debt to appraised valuation	0.55%	0.71%	0.63%	0.57%	0.56%	0.51%	0.92%	0.72%	0.79%	0.75%
Net direct and overlapping debt to appraised valuation	1.69%	1.90%	2.07%	1.86%	1.80%	1.62%	2.17%	1.84%	1.76%	1.82%
Gross debt to assessed valuation	8.45%	9.19%	8.33%	9.71%	9.12%	8.54%	9.47%	7.64%	13.13%	13.42%
Net direct debt to assessed valuation	1.65%	2.14%	1.90%	1.75%	1.72%	1.57%	2.79%	2.19%	2.40%	2.33%
Net direct and overlapping debt to assessed valuation	5.10%	5.73%	6.28%	5.67%	5.51%	4.93%	6.57%	5.61%	5.35%	5.66%

(1) Population figures for all years are estimates.

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

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

## Debt Service Fund Revenues

Fiscal Years 2002-2005

Revenue Source	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	% CHANGE FY 04/05	% OF TOTAL
Debt Service (Fund 3100):							
General Fund	8,964,342	6,193,086	7,636,840	8,772,293	1,135,453	14.87	66.41
Trfrs-Cap Imp Bond Fd	16,377,266	6,421,982	0	0	0	0.00	0.00
Trfrs-Safety Cap Project Fd	3,890	3,716	3,525	3,316	(209)	(5.93)	0.03
Hamilton County	665,790	805,984	794,983	782,163	(12,820)	(1.61)	5.92
Miscellaneous Revenue	200,000	406,803	0	0	0	0.00	0.00
911 Communication	0	0	200,000	200,000	0	0.00	1.51
City Hotel/Motel Tax	0	0	2,477,538	2,477,538	0	0.00	18.76
CDBG (Fannie Mae Loan)	0	0	0	50,000	50,000	0.00	0.38
Homeland Security Grant	0	0	0	923,688	923,688	0.00	6.99
Trfrs-21st Century Waterfront	0	1,080,482	0	0	0	0.00	0.00
Fund Balance	0	0	0	0	0	0.00	0.00
<b>Total Debt Service Fund</b>	<b>\$26,211,288</b>	<b>\$14,912,053</b>	<b>\$11,112,886</b>	<b>\$13,208,998</b>	<b>2,096,112</b>	<b>18.86</b>	<b>100.00</b>
Grand Total	<b>\$26,211,288</b>	<b>\$14,912,053</b>	<b>\$11,112,886</b>	<b>\$13,208,998</b>	<b>2,096,112</b>	<b>18.86</b>	<b>100.00</b>

## Debt Service Fund Expenditures

Fiscal Years 2002-2005

Expenditures	Actual FY 01/02	Actual FY 02/03	Budget FY 03/04	Budget FY 04/05	BUDGET '05 INC/(DEC)	% CHANGE FY 04/05
Debt Service (Fund 3100):						
Principal	4,658,954	4,394,875	4,753,112	6,132,526	1,379,414	29.0
Interest	3,578,398	4,753,112	3,685,958	7,066,472	3,380,514	91.7
Service Charges	8,228	9,551	10,000	10,000	0	0.0
Bond Sale Expenses	147,653	49,269	0	0	0	0.0
Payment to Refunding Bond Agent	16,235,491	6,185,569	0	0	0	0.0
Future Debt Payments	0	0	200,000	0	(200,000)	(100.0)
Trfrs-Cap Imp Bond Fd	173,527	28,618	0	0	0	0.0
Trfrs-Enterprise Fd	75,261	0	0	0	0	0.0
<b>Total Debt Service Fund</b>	<b>\$24,877,512</b>	<b>\$15,420,994</b>	<b>\$8,649,070</b>	<b>\$13,208,998</b>	<b>4,559,928</b>	<b>52.7</b>
Grand Total	<b>\$24,877,512</b>	<b>\$15,420,994</b>	<b>\$8,649,070</b>	<b>\$13,208,998</b>	<b>4,559,928</b>	<b>52.7</b>
Per Capita	159.93	99.12	54.90	83.85		



# 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, and Finance & Administration.

FY 2004 Capital Budget figures were as follows:

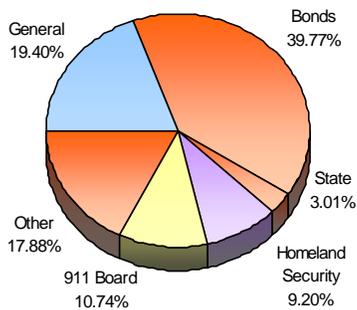
Finance & Administration	\$	566,250
General Government		1,082,500
Parks, Recreation, Arts & Culture		2,669,045
Public Works		18,833,321
Police		180,000
Fire		2,045,000
		<u>2,045,000</u>
	\$	25,376,116

The FY05 Capital budget is as follows:

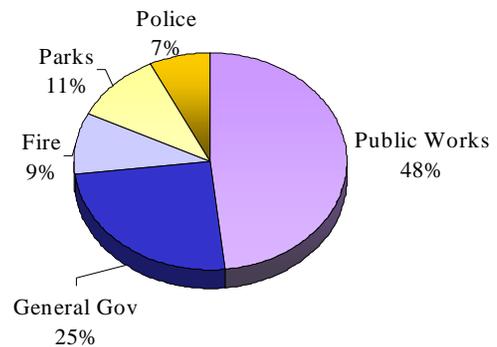
		<u>Budget FY2005</u>
<b>Revenue FY05</b>		
Bonds	\$	11,274,010
General Fund		3,500,000
Economic Development		2,000,000
State of Tennessee		853,680
Homeland Security Grant		2,608,580
911 Board		3,043,796
Other		<u>5,069,978</u>
	\$	28,350,044

<b>Appropriation FY05</b>		
Finance & Administration	\$	110,000
General Government		6,957,194
Parks, Recreation, Arts & Culture		2,999,303
Public Works		13,671,962
Police		2,022,100
Fire		<u>2,589,485</u>
	\$	28,350,044

## Fiscal Year 2004/2005 \$28,350,044



*Revenues*



*Appropriations*

## Capital Fund Revenues

Fiscal Years 2002 - 2005

Revenue Source	Actual	Actual	Budget	Budget	BUDGET'05	%	%
	FY 01/02	FY 02/03	FY 03/04	FY 04/05	INC/(DEC)	FY 04/05 <sup>1</sup>	OF TOTAL
General Fund	3,245,813	4,027,264	0	3,500,000	3,500,000	N/A	12.35%
Fannie Mae Loan	0	0	5,000,000	0	(5,000,000)	-100.0%	6.23%
State/Federal Grants	0	0	4,309,049	5,264,700	955,651	22.2%	100.00%
Economic Development Fund	0	0	2,385,146	2,000,000	(385,146)	-16.1%	0.00%
General Obligation Bonds	0	0	11,128,161	11,274,010	145,849	1.3%	0.00%
Storm Water Fund Balance	0	0	350,000	1,500,000	1,150,000	328.6%	100.00%
911 Board	0	0	0	3,043,796	3,043,796	N/A	0.00%
Interest Income	440,475	1,015,592	0	0	0	N/A	0.00%
Other	658,562	674,987	2,203,760	1,767,538	(436,222)	-19.8%	100.00%
	<b>\$4,344,850</b>	<b>\$5,717,843</b>	<b>\$25,376,116</b>	<b>\$ 28,350,044</b>	<b>2,973,928</b>	<b>11.7%</b>	<b>100.00%</b>
<b>Total</b>	<b>\$4,344,850</b>	<b>\$5,717,843</b>	<b>\$25,376,116</b>	<b>\$ 28,350,044</b>	<b>2,973,928</b>	<b>11.7%</b>	<b>100.00%</b>
Annual Budget	\$10,699,687	\$29,485,903	\$25,376,116	\$28,350,044			

## Revenues

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

Funding for the FY 2002 Capital Budget was provided by the General Fund appropriation for Capital Improvements in the amount of \$2,178,683, Tennessee Municipal Bond Fund Loan \$4,825,000, funds from Foundations and other sources in the amount of \$655,004, and State of Tennessee and Federal grants of \$3,041,000.

Funding for the FY 2003 Capital Budget was provided by the General Fund appropriation for Capital Improvements in the amount of \$7,296,317, General Obligation Bonds \$12,070,087, GO Bonds for 21st Century Waterfront \$48,137,341, Hotel/Motel Tax Collections \$7,000,000, Economic Development Fund \$3,891,683, State & Federal Grants \$4,732,816, Interest Income \$862,659 and other \$1,495,000.

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.

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 \$11,269,010, 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.

## Capital Fund Expenditures

Fiscal Years 2004 - 2005

Expenditures	Actual		Budget		%		% OF TOTAL
	FY 01/02	FY 02/03	FY 03/04	FY 04/05	BUDGET'05 INC/(DEC)	CHANGE FY 04/05	
<b>Capital Projects:</b>							
Police (Fund P411)	2,292,066	5,763,440	180,000	2,022,100	1,842,100	1023.4%	7.13%
Fire (Fund P411)	0	0	2,045,000	2,589,485	544,485	26.6%	9.13%
Public Works (Fund P416)	9,322,952	14,445,488	18,483,321	13,671,962	(4,811,359)	-26.0%	48.23%
Parks & Recreation (Fund P415)	8,546,469	1,466,547	2,669,045	2,999,303	330,258	12.4%	10.58%
General Government (Fund P413)	4,613,556	6,546,309	1,082,500	6,957,194	5,874,694	542.7%	24.54%
Finance & Admin (Fund P413)	0	0	566,250	110,000	(456,250)	-80.6%	0.39%
General Services (Fund P414)	325,229	52,635	0	0	0	N/A	0.00%
21st Century Waterfront (Fund P421)	0	0	0	0	0	N/A	0.00%
<b>Total Capital Projects</b>	<b>\$25,100,272</b>	<b>\$28,274,419</b>	<b>\$25,026,116</b>	<b>\$28,350,044</b>	<b>\$3,323,928</b>	<b>13.3%</b>	<b>100.00%</b>
<b>Total</b>	<b>\$25,100,272</b>	<b>\$28,274,419</b>	<b>\$25,026,116</b>	<b>\$28,350,044</b>	<b>3,323,928</b>	<b>13.3%</b>	<b>100.00%</b>
Annual Budget	\$10,699,687	\$29,485,903	\$25,376,116	\$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.

### POLICE

FY 2005 Budget	\$ 2,022,100
% of Total Capital Budget	7.13%
Increase From FY 04	\$ 1,842,100
% Increase	1,020.6%

The Police Department capital appropriation will be used for the police vehicle replacement and renovation of the Police Service Center.

### FIRE

FY 2005 Budget Request	\$2,589,485
% of Total Capital Budget	9.13%
Increase From FY 04	544,485
% Increase	26.6%

The FY 2005 appropriation for the Fire Department includes the purchase of new fire apparatus, construction new fire stations and replacement of existing fire station, radio replacement and Station repairs and maintenance.

### PUBLIC WORKS

FY 2005 Budget Request	\$13,671,962
% of Total Capital Budget	48.22%
Decrease From FY 04	(4,811,359)
% Decrease	-26.0%

The FY 2005 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 rehab and storm water projects.

### PARKS, RECREATION, ARTS & CULTURE

FY 2005 Budget	\$2,999,303
% of Total Capital Budget	10.57%
Increase From FY 04	330,258
% Increase	12.4%

The FY 2005 Parks, Recreation, Arts, & Culture Department appropriation includes City wide parks rehabilitation, vehicle replacement and Recreation Center upgrades.

## GENERAL GOVERNMENT

FY 2005 Budget	\$ 6,957,194
% of Total Capital Budget	24.54%
Increase From FY 04	5,874,674
% Increase	542.7%

The FY 2005 General Government budget includes funding for City Hall Renovation, matching funds for Chattanooga Area Regional Transit Authority and expansion of the City radio system.

## FINANCE & ADMINISTRATION

FY 2005 Budget	\$110,000
% of Total Capital Budget	.38%
Decrease From FY 04	(456,250)
% Decrease	-80.6%

FY 2005 Capital budget includes various Information Systems hardware/equipment, furniture and website redesign.

# Capital Project Detail

## General Government

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2003/04	FY2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09
CARTA	832,500	300,000	300,000	300,000	300,000	300,000
City Hall Renovation	250,000	2,000,000	3,500,000	3,500,000	-	-
800 MHz Trunking Migration	-	3,967,484	-	-	-	-
East Brainerd Radio System Expansion	-	322,142	-	-	-	-
Rapid Response Interoperability	-	162,750	-	-	-	-
WTCI	-	145,000	-	-	-	-
Bessie Smith Heritage Center Chiller	-	-	50,000	-	-	-
City Hall Annex Roof Replacement	-	-	10,000	-	-	-
<b>Total General Government</b>	<b>1,082,500</b>	<b>6,897,376</b>	<b>3,860,000</b>	<b>3,800,000</b>	<b>300,000</b>	<b>300,000</b>

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>1. CARTA</b>			
<b>Funding source: General Fund</b>		<b>\$ 300,000</b>	
<b>Prior Years</b>	<b>\$ 3,310,850</b>		<b>\$ 3,610,850</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>Funding Source: General Obligation Bonds/TML Loan</b>		<b>\$ 2,000,000</b>	
<b>Prior Years</b>	<b>\$ 250,000</b>		<b>\$ 2,250,000</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. 800 MHz Trunking Migration</b>			
<b>Funding Source: Homeland Security Grant</b>		<b>\$ 923,688</b>	
<b>911 Board</b>		<b>3,043,796</b>	
<b>Prior Years</b>	<b>\$ 0</b>		<b>\$ 3,967,484</b>
This appropriation funds the upgrade of the City's 800 MHz radio system			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>4. East Brainerd Radio System Expansion</b>			
<b>Funding Source: Homeland Security Grant</b>	\$ 0	\$ 322,142	\$ 322,142
This appropriation funds installation of a repeater site connected into the current 800 MHz system to give Public Safety Responders in the East Brainerd area communications ability.			
<b>Impact on operating budget:</b> None.			
<b>5. Rapid Response Interoperability</b>			
<b>Funding Source: Homeland Security Grant</b>	\$ 0	\$ 162,750	\$ 162,750
This appropriation funds the installation of a Rapid Response Interoperability Unit which will have the ability to provide seamless communications among Responders using radios that, otherwise, would be incompatible			
<b>Impact on operating budget:</b> None.			
<b>6. WTCI Television Station</b>			
<b>Funding Source: General Fund</b>	\$ 0	\$ 145,000	\$ 145,000
To support capital upgrade for the public television station that televises the weekly City Council meetings.			
<b>Impact on operating budget:</b> None.			

# Capital Project Detail

## Finance & Administration

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2003/04	FY2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09
Radio System Enhancement	35,000					
Business Licenses Records	58,750					
Website Redesign	175,000	25,000				
Core Network Upgrade	57,000	20,000	20,000	20,000	20,000	20,000
Backup Devices/Storage Equipment	30,500	15,000		20,000		20,000
System Management Software	25,000	50,000	75,000	35,000		
PBX Option 81 Module	35,000					
Human Resources/Payroll Management	150,000					
City Hall Computer Room UPS System		59,818				
Infrastructure Growth Processor			25,000			
Radio Shop Vehicle			35,000			
Fleet Service Vehicle Replacement			97,000			
Fleet Control-Automated Tracking			48,131			
<b>Total Finance &amp; Administration</b>	<b>\$566,250</b>	<b>\$169,818</b>	<b>\$300,131</b>	<b>\$75,000</b>	<b>\$20,000</b>	<b>\$40,000</b>

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>1. Radio System Enhancement</b>			
<b>Funding Source: Economic Development Fund</b>	<b>\$ 35,000</b>	<b>\$ 0</b>	<b>\$ 35,000</b>
This appropriation is to upgrade the radio system to increase capacity and measure signal strength.			
<b>Impact on operating budget: None</b>			
<b>2. Business Licenses Records</b>			
<b>Funding Source: Economic Development Fund</b>	<b>\$ 58,750</b>	<b>\$ 0</b>	<b>\$ 58,750</b>
This appropriation is to fund replacement of (BUSL, in house) computer hardware and operating system platform			
<b>Impact on operating budget: Annual maintenance cost \$8,000.00</b>			
<b>3. Web Site Redesign</b>			
<b>Funding Source: General Fund</b>		<b>\$ 25,000</b>	
<b>Prior Years</b>	<b>\$ 175,000</b>		<b>\$ 200,000</b>
This appropriation is to fund redesign/redevelopment of The City of Chattanooga official web site (www.chattanooga.gov)			
<b>Impact on operating budget: None</b>			

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>4. Core Network Upgrade</b>			
<b>Funding Source: General Fund</b>		\$ 20,000	
<b>Prior Years</b>	\$ 57,000		\$ 77,000
This appropriation is to purchase Routers, switches, etc for 100Mb/1Gb upgrade to core network infrastructure.			
<b>Impact on operating budget:</b> None			
<b>5. Backup Devises/Storage Equipment</b>			
<b>Funding Source: General Fund</b>		\$ 15,000	
<b>Prior Years</b>	\$ 30,500		\$ 45,500
This appropriation is to fund purchase of backup devices and storage equipment			
<b>Impact on operating budget:</b> None			
<b>6. System Management Software</b>			
<b>Funding Source: General Fund</b>		\$ 50,000	
<b>Prior Years</b>	\$ 25,000		\$ 75,000
This appropriation is to fund purchase of system/server management software			
<b>Impact on operating budget:</b> Annual maintenance cost \$3,750.00			
<b>7. PBX Option 81 Module</b>			
<b>Funding Source: General Obligation Bonds</b>	\$ 35,000	\$ 0	\$ 35,000
This appropriation is to fund the purchase of telecommunications software.			
<b>Impact on operating budget:</b> None			
<b>8. Human Resources/Payroll Management Software</b>			
<b>Funding Source: General Obligation Bonds</b>	\$ 150,000	\$ 0	\$ 150,000
This appropriation is to fund replacement of existing Human Resource/Payroll Management computer hardware and operating system platform.			
<b>Impact on operating budget:</b> Annual maintenance cost \$22,500.00			
<b>9. City Hall Computer Room UPS System</b>			
<b>Funding Source: General Fund</b>	\$ 0	\$ 59,818	\$ 59,818
This appropriation is to fund a UPS system for the City Hall computer room. This system is rated to cover the generator capacity currently installed at City Hall			
<b>Impact on operating budget:</b> None.			

# Capital Project Detail

## Police

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2003/04	FY2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09
Police Fleet Replacement		750,000	750,000	750,000	750,000	750,000
Vehicle Digital Cameras		500,000	500,000	500,000	500,000	250,000
Relocation/Renovation Eastgate Precinct	180,000					
CPD Room Files		62,100				
HVAC replacement		65,000	20,000	10,000		
Motorola Portable Radios		190,000	190,000	190,000	190,000	190,000
Police Service Center Building Maintenance		0			125,000	125,000
Renovation & Expansion Police Annex		455,000	110,000	120,000	70,000	
<b>Total Police</b>	<b>180,000</b>	<b>2,022,100</b>	<b>1,570,000</b>	<b>1,570,000</b>	<b>1,635,000</b>	<b>1,315,000</b>

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>1. Police vehicle fleet replacement</b>			
<b>Funding source: General Obligation Bonds/TML Loan</b>		\$ 95,515	
<b>General Fund</b>		\$ 654,485	
<b>Prior Years</b>	\$ 8,375,980		\$ 9,125,980
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>Funding Source: General Fund</b>	\$ 0	\$ 500,000	\$ 500,000
This appropriation will fund the purchase and installation of approximately 300 digital camera's in all patrol officers and field supervisor vehicles.			
<b>Impact on operating budget:</b> None			
<b>3. Eastgate Precinct Relocation/Renovation</b>			
<b>Funding Source: Prior Years</b>	\$ 180,000	\$ 0	\$ 180,000
This appropriation fund the renovation of the Eastgate Precinct to expand the facility, improve operating efficiency and create a safe environment for citizens.			
<b>Impact on operating budget:</b> None			
<b>4. CPD Room Files</b>			
<b>Funding source: General Fund</b>	\$ 0	\$ 62,100	\$ 62,100
This appropriation fund Installation of a movable File System in the Police Department Criminal History Room.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>5. HVAC Replacement for Police Facilities</b>			
<b>Funding Source: General Obligation Bonds/TML Loan</b>	\$ 0	\$ 65,000	\$ 65,000
This appropriation will fund HVAC replacements for aging units at various Police Facilities.			
<b>Impact on operating budget:</b> None			
<b>6. Motorola Portable Radios</b>			
<b>Funding Source: General Obligation Bonds/TML Loan</b>	\$ 0	\$ 190,000	\$ 190,000
This appropriation fund purchase of new radios for Police Officers			
<b>Impact on operating budget:</b> None			
<b>7. Police Annex Renovation and Expansion</b>			
<b>Funding Source: General Obligation Bonds/TML Loan</b>	\$ 0	\$ 455,000	\$ 455,000
This appropriation fund renovated of the Police Annex to add additional office and storage space for the Narcotic Unit, Highway Intervention Unit, Computer Forensic and Property Division.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## Fire

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2003/04	FY2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09
Fire Apparatus	1,000,000	1,080,000	1,000,000		1,000,000	1,000,000
Building Maintenance	235,000	144,485				
Fire Station Replacement	750,000			1,000,000		
Firehall Roof and Driveway repair	60,000	60,000	70,000	40,000	25,000	75,000
Technical Rescue equipment		1,200,000				
Radios		105,000	105,000	105,000	105,000	105,000
<b>Total Fire</b>	<b>2,045,000</b>	<b>2,589,485</b>	<b>1,175,000</b>	<b>1,145,000</b>	<b>1,130,000</b>	<b>1,180,000</b>

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>1. Fire Apparatus</b>			
<b>Funding Source: P411 Fund Balance</b>			
<b>Prior Years</b>	<b>\$ 5,055,000</b>	<b>\$1,080,000</b>	<b>\$ 6,135,000</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>2. Building Maintenance</b>			
<b>Funding Source: General Obligation Bonds</b>			
<b>Prior Years</b>	<b>\$ 235,000</b>	<b>\$ 144,485</b>	<b>\$ 379,485</b>
This appropriation will fund update of Fire Department Training Facility for handicap accessibility and female locker room and adequate bathrooms and replacement of heat and air system.			
<b>Impact on operating budget:</b> None			
<b>3. Fire Station Expansion</b>			
<b>Funding Source: General Obligation Bonds</b>			
<b>Prior Years</b>	<b>\$ 750,000</b>	<b>\$ 0</b>	<b>\$ 750,000</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>4. Fire Station Roof and Driveway Repair</b>			
<b>Funding Source: General Fund</b>			
<b>Prior Years</b>	<b>\$ 300,500</b>	<b>\$ 60,000</b>	<b>\$ 360,500</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			

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>5. Technical Rescue Equipment</b>			
<b>Funding Source: Homeland Security Grant</b>	\$ 0	\$1,200,000	\$1,200,000
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.			
<b>Impact on operating budget:</b> None			
<b>6. Radio Replacement</b>			
<b>Funding Source: General Fund</b>		\$ 105,000	
<b>Prior Years</b>	\$ 472,000		\$ 577,000
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			

# Capital Project Detail

## Public Works

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY2003/04	FY2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09
Paving of Streets	2,214,450	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
City Wide Services Equipment	1,314,124	1,212,248	1,199,000	1,054,000	1,462,763	1,262,763
Bridge Rehab	450,000	250,000	250,000	50,000	250,000	50,000
Downtown Streetscape Program	175,000	1,500,000	775,000	741,000	450,000	750,000
Traffic Engineering Projects	863,000	1,017,000	561,000	666,000	537,000	475,000
Curbs, Gutters, and Sidewalks	648,947	650,000	600,000	600,000	600,000	600,000
Street Rehabilitation	2,100,000	1,540,700	280,000	50,000	2,000,000	2,000,000
MPO - Major Construction	2,452,525	1,763,290	837,100	1,045,000	800,000	800,000
MPO - Streetscape	1,341,215					
Software/Equipment	278,000		50,000		50,000	
HOPE VI Road Improvements	5,050,000					
Neighborhood Improvement Projects	350,000	450,000	450,000	450,000	450,000	450,000
Tunnel Repair	150,000					
Environmental Remediation	646,060					
Intersection Improvements	450,000	400,000	500,000	250,000	550,000	250,000
Pedestrian Lighting		243,904	50,000	50,000	50,000	50,000
Hazardous Mitigation		1,144,820				
Storm Water Capital Projects	350,000	1,500,000				
<b>Total Public Works</b>	<b>\$18,833,321</b>	<b>\$13,671,962</b>	<b>\$7,552,100</b>	<b>\$6,956,000</b>	<b>\$9,199,763</b>	<b>\$8,687,763</b>

	Prior Years Appropriation	2004/2005 Budget	Project Total
1. Paving of streets			
<b>Funding sources: General Obligation Bonds/TML Loan</b>		<b>\$2,000,000</b>	
<b>Prior Years</b>	<b>\$13,214,450</b>		<b>\$15,214,450</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.			
2. City Wide Services Equipment Replacement			
<b>Funding sources: General Fund</b>		<b>\$ 233,000</b>	
<b>General Obligation Bonds/TML Loan</b>		<b>979,248</b>	
<b>Prior Years</b>	<b>\$ 6,127,529</b>		<b>\$ 7,339,777</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	2004/2005 Budget	Total Project
<b>3. Bridge Rehabilitation</b>			
<b>Funding sources: General Obligation Bonds/TML Loan</b>		\$ 250,000	
<b>Prior Years</b>	\$ 1,792,167		\$ 2,042,167
This appropriation funds the City's portion of state and federal funding for rehabilitating bridges with structural and utilization deficiencies.			
<b>Impact on operating budget: None</b>			
<b>4. Streetscape</b>			
<b>Funding sources: General Obligation Bonds/TML Loan</b>		\$ 556,175	
<b>Federal Grant</b>		\$ 943,825	
<b>Prior Years</b>	\$ 6,315,021		\$ 7,815,021
This appropriation provides for upgrading of sidewalks, street and pedestrian lighting, landscaping and installation of crosswalk pavers.			
<b>Impact on operating budget: None</b>			
<b>5. Traffic Engineering Projects</b>			
<b>Funding sources: General Fund</b>		\$ 1,017,000	
<b>Prior Years</b>	\$ 5,026,749		\$ 6,043,749
This appropriation provides for modernization of existing and installation of future traffic signals and parking meters.			
<b>Impact on operating budget: The replacement program results in lower maintenance costs.</b>			
<b>6. Curbs, Gutters and Sidewalks</b>			
<b>Funding sources: General Obligation Bonds/TML Loan</b>		\$ 650,000	
<b>Prior Years</b>	\$ 2,807,347		\$ 3,457,347
This appropriation provides for the continuing program of construction and repair of curbs, gutters, and sidewalks within the City.			
<b>Impact on operating budget: None</b>			
<b>7. Street Improvements</b>			
<b>Funding sources: General Obligation Bonds/TML Loan</b>		\$ 1,540,700	
<b>Prior Years</b>	\$ 24,686,839		\$ 26,227,539
This appropriation will fund a program of major street rehabilitation within the City.			
<b>Impact on operating budget: This program of major street improvements results in lower street maintenance costs.</b>			
<b>8. MPO Match Major Street Construction</b>			
<b>Funding sources: General Obligation Bond/TML Loan</b>		\$ 1,763,290	
<b>Prior Years</b>	\$ 3,990,303		\$ 5,753,593
This appropriation funds the City's portion of State of Tennessee projects within the City limits.			
<b>Impact on operating budget: None</b>			

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>9. Software/Equipment</b> <b>Funding sources: General Obligation Bond</b> This appropriation funds the purchase of new Electronic Document Management and plans review software and equipment. <b>Impact on operating budget: None</b>	\$ 528,000	\$ 0	\$ 528,000
<b>10. HOPE VI Road Improvements</b> <b>Funding sources: Federal Grant</b> This appropriation is for street improvements and streetscape in the Saint Elmo area. <b>Impact on operating budget: None</b>	\$ 5,950,000	\$ 0	\$ 5,950,000
<b>11. Neighborhood Improvements Projects</b> <b>Funding sources: General Obligation Bonds TML Loan</b> <b>Prior Years</b> This appropriation is for matching funds for Community Development Block Grants. <b>Impact on operating budget: None</b>	\$ 970,000	\$ 450,000	\$1,420,000
<b>12. Tunnel Repair</b> <b>Funding sources: General Obligation Bonds</b> This appropriation funds the study and repair of Wilcox tunnel. <b>Impact on operating budget: None</b>	\$ 150,000	\$ 0	\$ 150,000
<b>13. Environmental Remediation</b> <b>Funding sources: General Obligation Bonds</b> This appropriation funds the ongoing environmental clean-up of City owned property for use in the future. <b>Impact on operating budget: None</b>	\$ 646,060	\$ 0	\$ 646,060
<b>14. Intersection Improvements</b> <b>Funding sources: General Obligation Bonds</b> 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>	\$ 450,000	\$ 400,000	\$ 850,000
<b>15. Pedestrian Lighting</b> <b>Funding sources: Public Works Capital Fund Balance</b> This appropriation funds the Replacement and repair of Pedestrian Light Fixtures. <b>Impact on operating budget: None</b>	\$ 0	\$ 243,904	\$ 243,904

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>16. Hazardous Waste Mitigation</b>			
<b>Funding sources: Federal Emergency Management Grant</b>	\$ 0	\$ 1,144,820	\$1,144,820
This appropriation funds the purchase and demolition of homes in a flood plain.			
<b>Impact on operating budget:</b> None			
<b>17. Storm Water Projects City Wide</b>			
<b>Funding sources: Storm Water Fund</b>		\$ 1,500,000	
<b>Prior Years</b>	\$ 350,000		\$1,850,000
This appropriation funds a drainage system inventory and City wide storm water projects.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## Parks, Recreation, Arts & Culture

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2003/04	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09
Parks Rehab	255,295	517,553	500,000		1,000,000	
Greenways	50,000	100,000	50,000	50,000	50,000	50,000
Civic Facilities	200,000	250,000	200,000			
Zoo Improvements	250,000	250,000	250,000	250,000	125,000	125,000
ADA Repairs	100,000	5,000				
Parks Maintenance Facility	200,000	0				
Recreation Center Rehab	970,000	275,000	260,000			
Hope VI	643,750	700,000				
Parks Equipment Replacement		1,750	70,000			
Public Arts Initiative		100,000	100,000	100,000	100,000	100,000
Attendance tracking software		100,000				
Hixson Civic Center		700,000				
<b>Total Parks &amp; Recreation</b>	<b>\$2,669,045</b>	<b>\$2,999,303</b>	<b>\$1,430,000</b>	<b>\$400,000</b>	<b>\$1,275,000</b>	<b>\$275,000</b>

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>1. City Parks Rehabilitation</b>			
<b>Funding Source: General Obligation Bonds</b>		<b>\$ 517,533</b>	
<b>Prior Years</b>	<b>\$ 5,842,295</b>		<b>\$ 6,359,828</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: General Obligation Bonds</b>		<b>\$ 100,000</b>	
<b>Prior Years</b>	<b>\$ 387,367</b>		<b>\$ 487,367</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. Civic Facilities</b>			
<b>Funding Source: General Obligation Bonds</b>		<b>\$ 250,000</b>	
<b>Prior Years</b>	<b>\$ 400,000</b>		<b>\$ 650,000</b>
This appropriation will fund upgrade and renovation of City of Chattanooga Civic Facilities.			
<b>Impact on operating budget:</b> None			
<b>4. Zoo Improvements</b>			
<b>Funding Source: General Obligation Bonds</b>		<b>\$ 250,000</b>	
<b>Prior Years</b>	<b>\$ 375,000</b>		<b>\$ 625,000</b>
This appropriation will fund upgrade and renovation of the City of Zoo.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>5. ADA Repairs</b>			
<b>Funding Source: General Obligation Bonds</b>		\$ 5,000	
<b>Prior Years</b>	\$ 200,000		\$ 205,000
This appropriation will fund upgrade and renovation of City of Chattanooga parks and recreation centers to comply with the Americans With Disabilities requirements.			
<b>Impact on operating budget:</b> None			
<b>6. Parks Maintenance Facility</b>			
<b>Funding Source: General Obligation Bonds</b>	\$ 200,000	\$ 0	\$ 200,000
This appropriation will fund building of a new maintenance building to improve operating efficiency			
<b>Impact on operating budget:</b> None			
<b>7. Recreation Centers Rehab</b>			
<b>Funding Source: General Obligation Bonds</b>		\$ 275,000	
<b>Prior Years</b>	\$ 970,000		\$1,245,000
This appropriation will fund upgrade and renovation of City of Chattanooga parks and recreation centers			
<b>Impact on operating budget:</b> None			
<b>8. HOPE VI Road Improvements</b>			
<b>Funding sources: Federal Grant</b>		\$ 700,000	
<b>Prior Years</b>	\$ 1,543,750		\$2,243,750
This appropriation is for street improvements and streetscape in the Saint Elmo area.			
<b>Impact on operating budget:</b> None			
<b>9. Parks Equipment Replacement</b>			
<b>Funding Source: General Obligation Bonds</b>	\$ 0	\$ 1,750	\$ 1,750
This appropriation allows for the ongoing replacement of older Parks Department equipment.			
<b>Impact on operating budget:</b> None			
<b>10. Parks Art Initiative</b>			
<b>Funding Source: General Fund</b>	\$ 0	\$ 100,000	\$ 100,000
This appropriation will fund a art in public parks initiative program.			
<b>Impact on operating budget:</b> None			
<b>11. Attendance tracking software</b>			
<b>Funding Source: General Fund</b>	\$ 0	\$ 100,000	\$ 100,000
This appropriation will fund Purchase and implementation of a participant identification tracking system for Recreation Center & program participation tracking (for performance measurement reporting).			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

	Prior Years Appropriations	2004/2005 Budget	Total Project
<b>12. Hixson Civic Center</b>			
<b>Funding sources: General Obligation Bonds/TML Loan</b>	<b>\$ 0</b>	<b>\$ 700,000</b>	<b>\$ 700,000</b>
This appropriation funds the purchase the existing Hixson Civic building which is currently being rented.			
<b>Impact on operating budget:</b> None			

# Capital Budget Ordinance

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

AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 2004-2005 AND TO AMEND ORDINANCE NO. 11316 AND TO AMEND THE FISCAL YEAR 2004-2005 BUDGET ORDINANCE NO. 11581.

---

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 2004/2005:

FROM	General Obligation Bonds and/or		
	Tennessee Municipal Bond Fund	\$	11,274,010
	General Fund		3,500,000
	Economic Development Fund		2,000,000
	Appropriation of Fire Dept Fund Balance (P411)		1,000,000
	Appropriation of Public Works Fund Bal (P416)		290,515
	Tennessee Department of Transportation		853,680
	Hazardous Mitigation Grant (FEMA)		858,615
	Donation (Yother)		9,300
	Federal Grant (Frist) HOPE VI		943,825
	Donation (WalMart)		6,000
	Donation (N. Gate Mall)		25,000
	Sale of Land (1108 Duncan)		14,801
	Lyndhurst Grant		289,327
	CDBG		131,845
	Donation (Angel In Flight)		750
	Homeland Security Grant (Technical Rescue)		1,200,000
	Homeland Security Grant (Rapid Response)		162,750
	Homeland Security Grant ( Radio Expansion)		322,142
	Homeland Security Grant (800 MHz Upgrade )		923,688
	911 Board (800 MHz Upgrade)		3,043,796
	Storm Water Fund (5300)		1,500,000

# Capital Budget Ordinance

TO: General Government & Supported Agencies		\$ 6,957,194
Department of Finance & Administration		110,000
Department of Police		2,022,100
Department of Fire		2,589,485
Department of Public Work		12,171,962
Department of Parks, Recreation, Arts & Culture		2,999,303
Department of Public Works Storm Water Fund (P560)		1,500,000
		<hr/>
TOTALS	\$ 28,350,044	\$ 28,350,044
	<hr/>	<hr/>

SECTION 2. One percent (1%) of the eligible annual capital improvements budget funded from the General Fund or one hundred thousand dollars (\$100,000) whichever is greater, be appropriated to the City’s Public Art Initiative; eligible capital improvement projects shall include major renovations of public facilities and aboveground projects in the “built environment” including but not limited to, major road construction, bridges, sidewalks, streetscape, and other similar projects.

SECTION 3. That Ordinance No. 11316, SECTION 1 be amended as follows:

DELETE:

	<u>Source Of Funds</u>	<u>Budget Appropriation</u>
FROM Golf Course Fund	\$ 95,000	
TO Department of Parks, Recreation, Arts & Culture		<u>\$ 2,699,375</u>
SUB TOTALS	\$ 29,485,903	\$ 29,485,903
	<hr/>	<hr/>

INSERT:

FROM Golf Course Fund	\$ 47,065	
TO Department of Parks, Recreation, Arts & Culture		<u>\$ 2,651,440</u>
TOTALS	\$ 29,437,968	\$ 29,437,968
	<hr/>	<hr/>

# Capital Budget Ordinance

SECTION 4. That the FY05 Operation Budget Ordinance No. 11581, SECTION 6 be amended as follows:

STORM WATER FUND

DELETE:

	Source of Funds	Budget Appropriation
Estimated Revenue/Appropriation	_____	_____.
TOTALS	\$ 5,575,120	\$ 5,575,120
	=====	=====

INSERT:

Estimated Revenue;

FROM Storm Water Fund Balance (Fund 5300)

\$ 1,500,000

Appropriation:

TO Storm Water Capital Projects (Fund P560)

\_\_\_\_\_ \$ 1,500,000

TOTALS

\$7,075,120 \$7,075,120

=====

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

August 24, \_\_\_\_\_, 2004.

\_\_\_\_\_ W. Jack Benson \_\_\_\_\_.

CHAIRPERSON

APPROVED:  X  DISAPPROVED: \_\_\_\_\_

DATE: \_\_\_\_\_, 2004

\_\_\_\_\_ Bob Corker /S/ \_\_\_\_\_.

MAYOR

Reviewed By:  David Eichenthal /S/

*David Eichenthal*