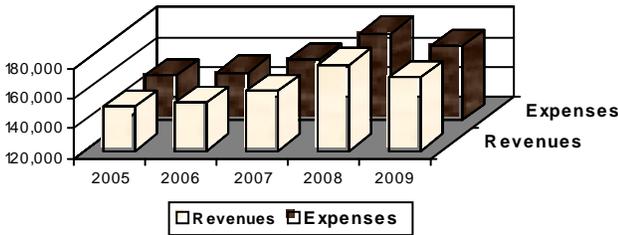


# Financial Overview

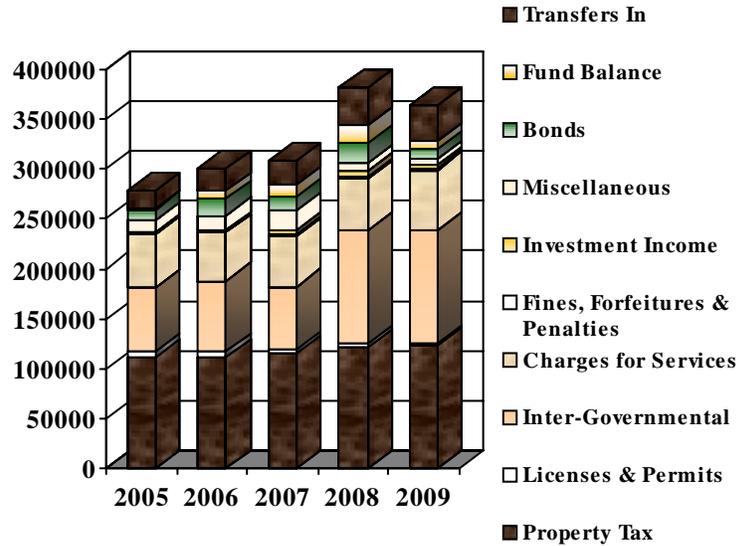
## Revenue and Expenditure History

Total City revenues and operating transfers in for the fiscal year ended June 30, 2005 was \$278,417,355. Total projected City revenue for the fiscal year ended June 30, 2009 is \$364,203,646, an increase of \$85,786,291 or 30.8% over this five year period. During this period the Undesignated General Fund Budget increased from \$149,967,000 in FY05 to \$170,070,000 in FY09. 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.

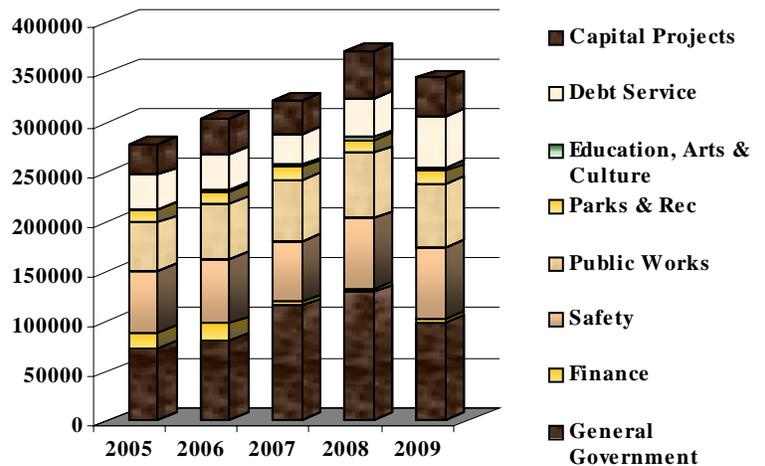
### Undesignated General Fund



### Budgeted Revenues (in 1,000)



### Budgeted Expenditures (in 1,000)



**BUDGETED REVENUES & APPROPRIATIONS  
BY FUND TYPE  
FY2009**

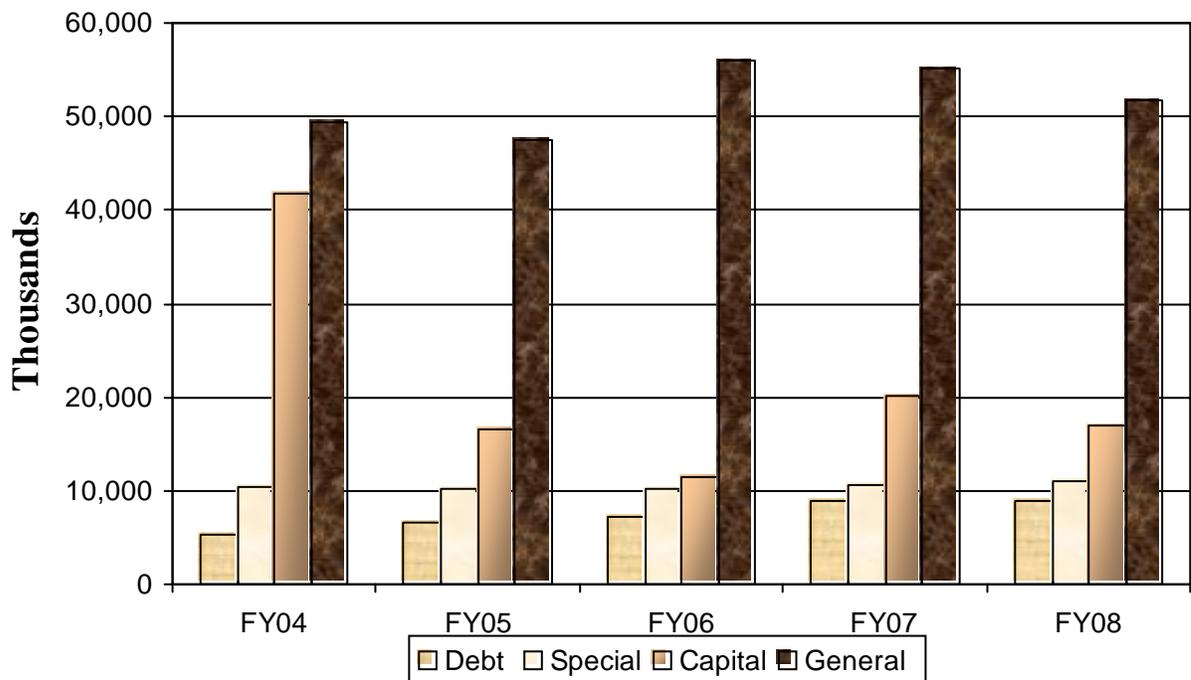
Revenues	Governmental Fund Types				Internal Service Funds	Proprietary Fund Types	Budget Total Revenue FY2009	Budget Total Revenue FY2008
	Undesignated General	Special Revenue	Debt Service	Capital Projects				
Taxes	107,037,729	15,577,913					122,615,642	122,050,410
Licenses & Permits	3,443,800						3,443,800	3,264,700
Intergovernmental	45,742,304	18,388,574	678,191	5,769,374	46,469,855	145,000	117,193,298	112,785,412
Charges for services	2,496,300	2,050,591				55,547,383	60,094,274	53,159,387
Fines, forfeitures and penalties	1,614,600						1,614,600	1,410,000
Interest earnings	1,625,000	67,365				727,750	2,420,115	5,169,870
Miscellaneous	4,641,472	1,593,250	5,639	2,113,475		110,000	8,463,836	9,415,953
Bonds		423,645	567,100	10,000,000			10,000,000	19,550,000
Fund Balance		1,333,477	16,127,712	15,753,400			990,745	16,758,092
Transfers In	3,468,795					683,952	37,367,336	38,263,655
<b>Total Revenues</b>	<b>170,070,000</b>	<b>39,434,815</b>	<b>17,378,642</b>	<b>33,636,249</b>	<b>46,469,855</b>	<b>57,214,085</b>	<b>364,203,646</b>	<b>381,827,479</b>
<b>Appropriations</b>								
General Government	19,252,925	22,878,350					88,601,130	94,409,495
Finance & Administration	4,076,750				46,469,855		4,076,750	3,920,893
Safety Department	71,818,535	319,650					72,138,185	70,088,491
Public Works Department	33,074,616	4,720,290				24,908,499	62,703,405	65,973,698
Parks & Recreation	11,523,733	1,963,938					13,487,671	13,145,127
Personnel	6,745,967						6,745,967	6,833,709
Neighborhood Services	2,008,413	2,820,289					4,828,702	2,016,781
Executive Branch	1,715,512						1,715,512	1,787,131
Education, Arts, & Culture	2,347,882						2,347,882	2,367,446
Debt Service			17,378,642				49,056,634	38,460,523
Capital Projects		2,153,544		33,636,249		31,677,992	36,417,387	47,592,873
Transfers Out	17,505,667	4,578,754				627,594	22,084,421	35,231,312
<b>Total Appropriations</b>	<b>170,070,000</b>	<b>39,434,815</b>	<b>17,378,642</b>	<b>33,636,249</b>	<b>46,469,855</b>	<b>57,214,085</b>	<b>364,203,646</b>	<b>381,827,479</b>

## Fund Balance/Net Asset Summary

During the past five years the City of Chattanooga has seen a total net decrease in its Governmental Fund Balances of \$18.1 million. This is due to the reduction in the fund balance for the Capital Funds. Fund Balances for the General, Special Revenues, Debt Service, Fiduciary, Enterprise, and Internal Service Funds have increased during this period.

### Changes in Fund Balance Governmental Funds

Includes Designated Funds



Governmental Fund Balances					FY08
	FY04	FY05	FY06	FY07	(unaudited)
<b>Debt Service Fund</b>	\$ 5,222,704	\$ 6,471,929	\$ 7,139,208	\$ 8,871,565	\$ 8,925,004
<b>Special Revenue Funds</b>	\$ 10,460,135	\$ 10,123,928	\$ 10,168,369	\$ 10,497,924	\$ 11,031,403
<b>Capital Funds</b>	\$ 41,780,985	\$ 16,559,134	\$ 11,482,674	\$ 20,161,799	\$ 16,927,956
<b>General Fund</b>	\$ 49,359,361	\$ 47,450,200	\$ 56,042,709	\$ 55,130,630	\$ 51,810,330
<b>Totals</b>	<b>\$ 106,823,185</b>	<b>\$ 80,605,191</b>	<b>\$ 84,832,960</b>	<b>\$ 94,661,918</b>	<b>\$ 88,694,693</b>

## Fund Balance/Net Asset Summary

The General Fund Balance was \$47,450,200 in 2005. This has grown to a current unaudited balance of \$51,810,330 for FY08. This has been accomplished through sound fiscal management, increasing tax revenues and investment income.

The Special Revenue Fund Balance increased from a balance of \$10,123,928 in 2005 to a 2009 unaudited beginning balance of \$11,031,403. Fund balance has remained relatively constant since fiscal year 2004 with a slight uptick over the last two years. When Hamilton County residents voted for the half-cent sales tax, no City portion was required to be collected and remitted to the County School System. The remaining funds are dedicated to economic development supported capital and the payments for the retirement of the Lease Rental Revenue Bonds.

Debt Service Fund Balance was \$6,471,929 in FY05, increasing to \$8,925,004 (unaudited) at the beginning of FY09. During FY07, debt service fund balance increased due to budgeting for the anticipated new debt to cover the FY06 and FY07 Capital Budgets. This bond transaction was delayed until December 2006, thus requiring only one interest payment during FY07. Also in early 2007 the City refunded \$17.7M of the outstanding General Obligation Series 2001.

The Capital Fund Balance has fluctuated most during the past few years. This is primarily due to the City's 21st Century Waterfront capital plan, which was substantially completed in FY07. Since FY05, the balance has increased only 2.2% from \$16,559,134 to

an unaudited \$16,927,956 at the beginning of FY09.

The growth of the Net Assets within the Enterprise Funds (excluding the Electric Power Board) has been most dramatic. Net Assets of \$245,445,654 in 2005 have increased to a 2008 unaudited balance of \$261,841,079. For more than ten years, the City was subject to federal mandates relative to water quality and landfill operations which necessitated the imposition of a water quality fee and increased landfill rates to fund such mandates. In FY06 there was no change in rate, but prior to that, there were increases in sewer rates from FY03 to FY05 ranging from 2.54% to 7.29%. In FY07 an increase of 15.5% was applied, and for FY08 and FY09 a 6% increase will be phased in at 3% in October and 3% in April of each respective year.

The Internal Service Fund Balance was \$35,076 in 2005. At the beginning of 2009, these funds are projected to have an unaudited Fund Balance of \$15,546,564. This change reflects the capital recovery portion of the Fleet Leasing Program, with the capital requirements for vehicle replacement factored into the current lease rate. This fund is not intended to generate profits.

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

# City of Chattanooga, Tennessee

## General Fund

Includes Designated General Funds  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget and Actual on Budgetary Basis  
 Years Ended June 30, 2006 - 2009

	FY 05/06	FY06/07	Unaudited FY07/08	Budget FY08/09
FUND BALANCE at beginning of year	47,450,200	56,042,709	55,130,630	51,810,330
<b>Revenues</b>				
Taxes	99,517,097	102,315,279	105,017,055	107,037,729 (2)
Licenses and permits	4,272,090	4,754,390	4,633,255	4,071,607
Intergovernmental Revenues	56,359,719	59,519,871	61,249,500	60,033,030 (2)
Charges for Services	3,936,967	4,478,508	4,929,419	4,832,198
Fines, forfeitures and penalties	1,472,403	1,424,431	2,493,879	2,435,600
Interest Income	2,892,000	4,531,197	3,936,266	1,655,000
Sale of Property	1,335,432	578,639	47,988	80,000
Prior Year Surplus	0	0	0	9,291,853
Miscellaneous Revenues	4,388,380	4,420,393	5,410,349	4,886,772
<b>Total Revenues</b>	<b>\$174,174,088</b>	<b>\$182,022,708</b>	<b>\$187,717,711</b>	<b>\$194,323,789</b>
<b>Expenditures</b>				
General Government	32,587,703	39,110,283 (1)	38,732,053	41,473,776
Finance & Administration	8,371,662	3,587,822 (1)	3,899,804	4,308,788
Safety	62,846,035	69,072,377	72,346,019	72,290,992
Public Works	28,025,831	29,092,374	30,312,198	32,546,514
Parks & Recreation	11,342,871	12,620,316	14,281,559	13,637,671
Education, Arts, & Culture	1,663,345	2,115,102	2,320,861	2,359,382
<b>Total Expenditures</b>	<b>\$144,837,447</b>	<b>\$155,598,274</b>	<b>\$161,892,494</b>	<b>\$166,617,123</b>
Excess (deficiency) of revenues over expenditures	29,336,641	26,424,434	25,825,217	27,706,666
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	3,141,564	3,203,961	4,973,180	5,646,349
Operating transfers out	(20,470,396)	(26,875,174)	(30,380,092)	(29,502,015) (2)
Operating transfers to component units	(3,415,300)	(3,665,300)	(3,738,606)	(3,851,000)
<b>Total other financing sources (uses)</b>	<b>(20,744,132)</b>	<b>(27,336,513)</b>	<b>(29,145,518)</b>	<b>(27,706,666)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	8,592,509	(912,079)	(3,320,301)	0
FUND BALANCE at end of year	<u>\$56,042,709</u>	<u>\$55,130,630</u>	<u>\$51,810,330</u>	<u>\$51,810,330</u>

Note 1: Purchasing and Information Services divisions of Finance & Administration moved to General Government for FY07.

Note 2: Included in this amount are proposed amendments for capital appropriations of \$7,756,413 from General Fund balance and \$1,506,221 from Economic Development Fund balance.

# City of Chattanooga, Tennessee

## Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Years Ended June 30, 2006 - 2009

	FY 05/06	FY06/07	Unaudited FY07/08	Budget FY08/09
FUND BALANCE at beginning of year	<u>10,123,928</u>	<u>10,168,369</u>	<u>10,497,924</u>	<u>11,031,403</u>
Revenues				
Taxes	3,640,518	3,747,137	4,067,597	4,112,640
Intergovernmental Revenues	21,954,892	25,322,559	20,122,104	21,028,574
Charges for Services	355,738	281,572	298,345	299,653
Interest Income	333,606	256,980	282,975	257,365
Sale of Property	17,330	23,599	27,395	0
Prior Year Surplus	0	0	0	423,645
Miscellaneous Revenues	<u>2,166,322</u>	<u>1,840,385</u>	<u>2,561,054</u>	<u>1,902,373</u>
Total Revenues	<u>\$28,468,406</u>	<u>\$31,472,232</u>	<u>\$27,359,470</u>	<u>\$28,024,250</u>
Expenditures				
General Government	22,010,047	24,810,317	21,975,512	22,958,397
Finance and Administration	16,149	0	0	0
Safety	216,829	246,685	314,862	319,650
Public Works	4,772,020	4,527,265	4,766,935	4,720,290
Capital Outlay/Fixed Assets	<u>1,139,174</u>	<u>622,515</u>	<u>1,122,379</u>	<u>734,077</u>
Total Expenditures	<u>\$28,154,219</u>	<u>\$30,206,782</u>	<u>\$28,179,688</u>	<u>\$28,732,414</u>
Excess (deficiency) of revenues over expenditures	314,187	1,265,450	(820,218)	(708,164)
Other Financing Sources (Uses)				
Operating transfers in	3,822,108	3,821,137	3,825,137	3,973,477
Operating transfers out	(4,091,854)	(4,757,032)	(7,030,876)	(3,265,313)
Proceeds of bonds and notes	<u>0</u>	<u>0</u>	<u>4,559,436</u>	<u>0</u>
Total other financing sources (uses)	<u>(269,746)</u>	<u>(935,895)</u>	<u>1,353,697</u>	<u>708,164</u>
Net change in Fund Balance	<u>44,441</u>	<u>329,555</u>	<u>533,479</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$10,168,369</u>	<u>\$10,497,924</u>	<u>\$11,031,403</u>	<u>\$11,031,403</u>

# City of Chattanooga, Tennessee

## Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Years Ended June 30, 2006 - 2009

	FY 05/06	FY06/07	Unaudited FY07/08	Budget FY08/09
FUND BALANCE at beginning of year	<u>6,471,929</u>	<u>7,139,208</u>	<u>8,871,565</u>	<u>8,925,004</u>
Revenues				
Intergovernmental funds	1,371,442	1,360,442	1,269,740	1,741,234
Other	<u>281,137</u>	<u>230,059</u>	<u>230,476</u>	<u>200,000</u>
Total Revenues	<u>1,652,579</u>	<u>1,590,501</u>	<u>1,500,216</u>	<u>1,941,234</u>
Expenditures				
Principal retirement	7,735,136	8,453,319	10,839,021	9,756,306
Interest	6,329,621	6,744,094	6,873,641	7,552,336
Fiscal agent fees	<u>72,917</u>	<u>89,916</u>	<u>100,087</u>	<u>70,000</u>
Total Expenditures	<u>14,137,674</u>	<u>15,287,329</u>	<u>17,812,749</u>	<u>17,378,642</u>
Excess (deficiency) of revenues over expenditures	<u>(12,485,095)</u>	<u>(13,696,828)</u>	<u>(16,312,533)</u>	<u>(15,437,408)</u>
Other Financing Sources (Uses)				
Operating transfers in	13,152,374	15,429,185	16,365,972	15,437,408
Total other financing sources (uses)	<u>13,152,374</u>	<u>15,429,185</u>	<u>16,365,972</u>	<u>15,437,408</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditure:	<u>667,279</u>	<u>1,732,357</u>	<u>53,439</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$7,139,208</u>	<u>\$8,871,565</u>	<u>\$8,925,004</u>	<u>\$8,925,004</u>

# City of Chattanooga, Tennessee

## Capital Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Years Ended June 30, 2006 - 2009

	FY 05/06	FY06/07	Unaudited FY07/08	Budget FY08/09
FUND BALANCE at beginning of year	<u>16,559,134</u>	<u>11,482,674</u>	<u>20,161,799</u>	<u>16,927,956</u>
Revenues				
Intergovernmental Revenues	3,431,378	1,565,984	89,770	5,769,374
Charges for services	0	0	0	0
Interest Income	494,693	705,325	422,938	0
Contributions and Donations	184,325	449,600	0	575,200
Sale of Property	0	0	1,076,402	0
Miscellaneous Revenues	957,983	780,513	2,431,045	2,507,000
Total Revenues	<u>\$5,068,379</u>	<u>\$3,501,422</u>	<u>\$4,020,155</u>	<u>\$8,851,574</u>
Expenditures				
General Government	1,635,685	4,810,960	2,727,449	3,537,000
Finance & Administration	2,586,561	10,559,470	4,002,467	3,551,000
Safety	4,099,733	1,554,407	801,213	1,832,000
Public Works	10,445,303	11,050,777	5,743,608	12,338,428
Parks & Recreation	2,087,186	2,181,215	9,557,869	6,972,821
Education, Arts, & Culture	80,193	168,126	193,417	315,000
General Services	0	63,267	17,276	2,190,000
Capital outlay/fixed assets	6,220,798	801,082	181,377	2,900,000
Total Expenditures	<u>\$27,155,459</u>	<u>\$31,189,304</u>	<u>\$23,224,676</u>	<u>\$33,636,249</u>
Excess (deficiency) of revenues over expenditures	<u>(22,087,080)</u>	<u>(27,687,882)</u>	<u>(19,204,521)</u>	<u>(24,784,675)</u>
Other Financing Sources (Uses)				
Operating transfers in	8,536,311	15,420,488	15,778,985	14,784,675
Operating transfers out	(1,632,495)	(9,271,613)	(3,677,942)	0
Bond/Note Proceeds	10,106,804	45,124,480	3,869,635	10,000,000
Refund Bond Escrow Agent	0	(14,906,348)	0	0
Total other financing sources (uses)	<u>17,010,620</u>	<u>36,367,007</u>	<u>15,970,678</u>	<u>24,784,675</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(5,076,460)</u>	<u>8,679,125</u>	<u>(3,233,843)</u>	<u>0</u>
FUND BALANCE at end of year	<u>\$11,482,674</u>	<u>\$20,161,799</u>	<u>\$16,927,956</u>	<u>\$16,927,956</u>

# City of Chattanooga, Tennessee

## Fiduciary Funds

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Years Ended June 30, 2006 - 2009

	FY 05/06	FY06/07	Unaudited FY07/08	Budget FY08/09
<b>ADDITIONS</b>				
Interest Income	204,967	380,004	(70,159)	155,000
Miscellaneous		2,011,043	2,156,199	2,000,000
Total Revenues	<u>204,967</u>	<u>2,391,047</u>	<u>2,086,040</u>	<u>2,155,000</u>
<b>DEDUCTIONS</b>				
Finance & Administration	427	13,426	0	0
General Government	115,342	73,358	96,782	97,500
Total Expenditures	<u>115,769</u>	<u>86,784</u>	<u>96,782</u>	<u>97,500</u>
Excess (deficiency) of Revenues over (under) Expenditures	89,198	2,304,263	1,989,258	2,057,500
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	89,198	2,304,263	1,989,258	2,057,500
FUND BALANCE at Beginning of Year	<u>3,199,616</u>	<u>3,288,814</u>	<u>5,593,077</u>	<u>7,582,335</u>
FUND BALANCE at End of Year	<u><u>\$3,288,814</u></u>	<u><u>\$5,593,077</u></u>	<u><u>\$7,582,335</u></u>	<u><u>\$9,639,835</u></u>

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

# City of Chattanooga, Tennessee

## Enterprise Fund

Combining Statement of Revenues, Expenses and  
Changes in Net Assets  
Years Ended June 30, 2006 - 2009

	FY 05/06	FY06/07	Unaudited FY07/08	Budget FY08/09
<b>REVENUES</b>				
Customer Charges	48,303,602	51,088,712	52,124,639	56,150,030
Other	76,532	72,668	143,447	85,000
Total Revenues	<u>48,380,134</u>	<u>51,161,380</u>	<u>52,268,086</u>	<u>56,235,030</u>
<b>OPERATING EXPENSES</b>				
Sewer Plant Operation	20,481,793	21,034,136	23,198,582	26,598,791
Solid Waste Operation	2,352,548	2,858,717	2,977,222	3,480,191
Storm Water Operation	2,764,346	3,035,190	3,540,458	3,893,820
Depreciation and Amortization	11,735,945	11,637,145	11,573,752	15,661,982
Closure/Postclosure Costs	563,734	318,383	330,000	0
Other/Housing	918,286	835,587	681,392	1,025,000
Total Operating Expenses	<u>38,816,652</u>	<u>39,719,158</u>	<u>42,301,406</u>	<u>50,659,784</u>
<b>OPERATING INCOME (LOSS)</b>	<u>9,563,482</u>	<u>11,442,222</u>	<u>9,966,680</u>	<u>5,575,246</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	1,542,706	2,535,647	2,267,715	727,750
Interest Expense	(7,284,657)	(6,844,637)	(6,098,388)	(6,016,010)
Intergovernmental	616,396	513,081	444,623	592,353
Other Income (expense)	817,415	60,477	258,512	(1,563,291)
Net Gain on Sale of Property	0	0	500,290	0
Total Nonoperating Rev. (Exp.)	<u>(4,308,140)</u>	<u>(3,735,432)</u>	<u>(2,627,248)</u>	<u>(6,259,198)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS TRANSFERS AND SPECIAL ITEM</b>	<u>5,255,342</u>	<u>7,706,790</u>	<u>7,339,432</u>	<u>(683,952)</u>
Capital Contributions	2,000	0	0	0
Operating Transfers In	683,952	11,913,836	3,929,854	683,952
Operating Transfers Out	0	(10,073,085)	(10,362,696)	0
<b>NET INCOME (LOSS) BEFORE EXTRAORDINARY LOSS</b>	<u>5,941,294</u>	<u>9,547,541</u>	<u>906,590</u>	<u>0</u>
<b>NET INCOME (LOSS)</b>	<u>5,941,294</u>	<u>9,547,541</u>	<u>906,590</u>	<u>0</u>
<b>TOTAL NET ASSETS - Beginning</b>	<u>245,445,654</u>	<u>251,386,948</u>	<u>260,934,489</u>	<u>261,841,079</u>
<b>TOTAL NET ASSETS - Ending</b>	<u>\$251,386,948</u>	<u>\$260,934,489</u>	<u>\$261,841,079</u>	<u>\$261,841,079</u>

# City of Chattanooga, Tennessee

## Internal Service Funds

Schedule of Revenues, Expenses, and Changes in Net Assets  
Years Ended June 30, 2006 - 2009

	FY 05/06	FY06/07	Unaudited FY07/08	Budget FY08/09
Net Assets, beginning of year	<u>35,076</u>	<u>1,977,404</u>	<u>7,343,652</u>	<u>15,546,564</u>
<b>Revenues</b>				
Billings to Departments	10,719,408	11,837,584	13,653,734	14,705,000
Other	797,420	920,717	537,682	28,263
Inergovernmental Revenue	0	0	136,892	0
Misc Revenue	0	0	25,753,442	26,922,192
Prior Year surplus	0	0	0	4,814,400
<b>Total Revenues</b>	<u>\$11,516,828</u>	<u>\$12,758,301</u>	<u>\$40,081,750</u>	<u>\$46,469,855</u>
<b>Expenditures</b>				
Repairs & Maintenance - Amnicola	3,244,306	3,265,652	3,415,501	3,586,602
Repairs & Maintenance - 12th St	3,166,138	2,959,097	2,890,940	3,100,886
Operations - Amnicola	999,210	969,207	1,259,738	1,261,135
Operations - 12th St	2,099,578	2,049,650	2,657,305	2,549,627
Fleet Leasing Capital Recovery	4,336	327,856	11,797	4,100,000
Fleet Leasing Operations	0	51,590	359,522	1,125,013
Judgments & Costs	(225,170)	1,828,847	412,536	3,592,900
Water System	0	0	0	0
Claims & Tort Liabilities	265,934	114,443	161,390	231,500
Special Counsel	20,168	156,008	93,767	0
TAWC Rate Hearing	0	0	66,813	0
Employee Healthcare	0	0	22,423,694	24,154,650
Pensioner Healthcare	0	0	660,414	787,044
On Site Clinic & Wellness	0	0	1,775,286	1,980,498
<b>Total Expenditures</b>	<u>\$9,574,500</u>	<u>\$11,722,350</u>	<u>\$36,188,703</u>	<u>\$46,469,855</u>
Excess (deficiency) of revenues over expenditures	<u>1,942,328</u>	<u>1,035,951</u>	<u>3,893,047</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	0	4,330,297	4,309,865	4,072,426
<b>Total Other Financing Sources</b>	<u>0</u>	<u>4,330,297</u>	<u>4,309,865</u>	<u>4,072,426</u>
<b>Net Assets, ending of year</b>	<u>\$1,977,404</u>	<u>\$7,343,652</u>	<u>\$15,546,564</u>	<u>\$19,618,990</u>



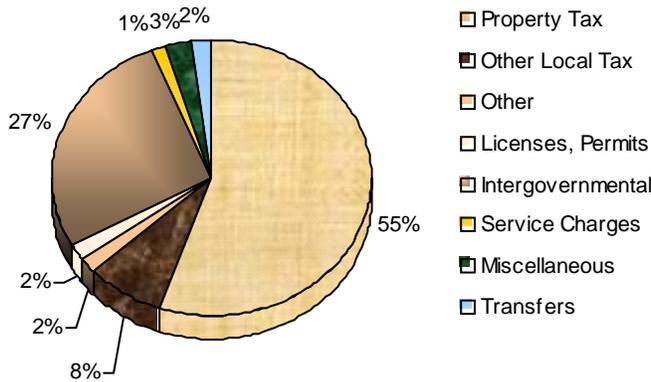
# Undesignated General Fund

## Fund Structure

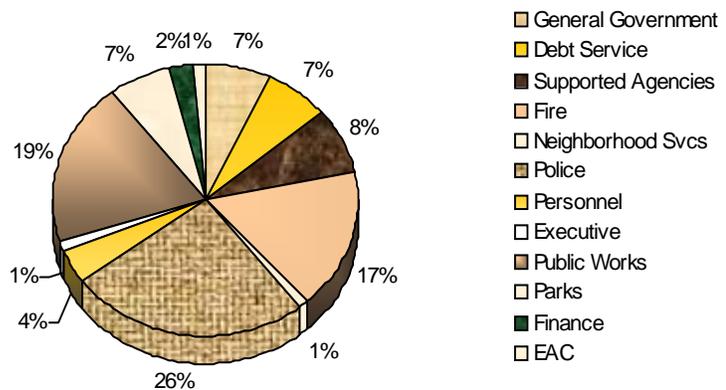
The Undesignated General Fund accounts for all financial resources applicable to the general operations of city government which are not accounted for in another fund. This fund is the only unrestricted fund of a government unit. The basis of budgeting is modified accrual. Undesignated general fund operations budget is \$170,070,000. The charts on this page relate to the undesignated general fund operations. In FY 2009, the budgeted revenue and expenses are \$199,970,138. Included are designated general government operations totaling \$29,900,138, the largest of which is the Economic Development Fund with a budget of \$11,465,273.

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

**Revenues 2009**  
\$170,070,000



**Appropriations 2009**  
\$170,070,000



**Fund Revenue Summary**  
 Fiscal Years ending June 30, 2006 thru 2009  
 (expressed in \$1,000)

Fund Type	Actual FY05/06	Actual FY06/07	Budget FY07/08	Budget FY08/09	Budget 09 Increase (Decrease)	% Change FY08/09
Undesignated General Fund:						
Property Taxes	87,851	90,182	91,376	93,828	2,452	2.68%
Other Local Taxes	11,666	12,134	12,519	13,210	691	5.52%
Licenses, Permits, Etc.	3,813	4,317	3,265	3,444	179	5.48%
Fines, Forfeitures & Penalties	1,472	1,424	1,410	1,615	205	14.54%
Investment Income	3,750	4,827	3,080	1,705	(1,375)	-44.64%
Revenue from Other Agencies	42,076	45,337	45,519	45,742	223	0.49%
Service Charges	1,983	2,316	2,070	2,496	426	20.58%
Miscellaneous Revenues	3,983	4,035	3,891	4,561	670	17.22%
Transfers In	3,142	3,143	3,312	3,469	157	N/A
Revenue From Fund Balance	-	-	12,059	-	(12,059)	N/A
<i>Total General Fund</i>	<u>159,736</u>	<u>167,715</u>	<u>178,501</u>	<u>(1) 170,070</u>	<u>(8,431)</u>	<u>-4.72%</u>

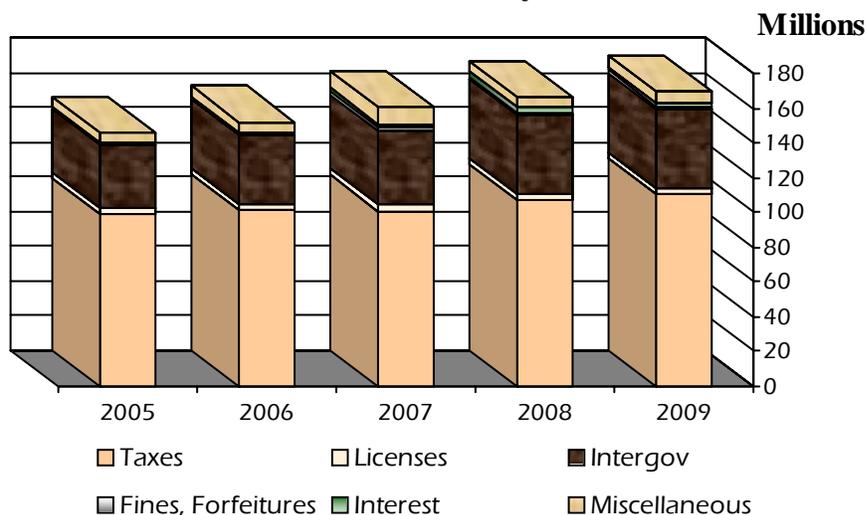
(1) Amount excludes amendment for capital appropriations of \$7,541,940 for FY09.

## Revenues

The proposed Budget for FY 2009 shows a decrease of \$8,430,840 or 4.7%. The decrease is due to the exclusion of the FY09 proposed capital amendment. When compared to FY 08, excluding \$12,058,840 revenue from Fund Balance for capital, there is an increase in Estimated Revenues of \$3,628,000 or 2.2%. This increase in Estimated Revenues for FY 2009 can be largely attributed to increased property tax revenues. Current property tax is estimated to increase \$2,000,000 or 2.68%, Gross Receipts are expected to increase by \$152,607 or 4.03%, and Franchise Taxes are expected to increase \$196,450 or 11.3% for the City in FY 2009.

The chart shows the General Fund Revenues by Source for the fiscal years 2005 thru 2009.

**General Fund Revenues by Source**



## Property Taxes

**FY 2009 Estimate:** **\$93,827,522**  
**% of General Fund:** **55.17%**  
**Growth From FY 08:** **2,451,163**  
**% Change:** **2.7%**

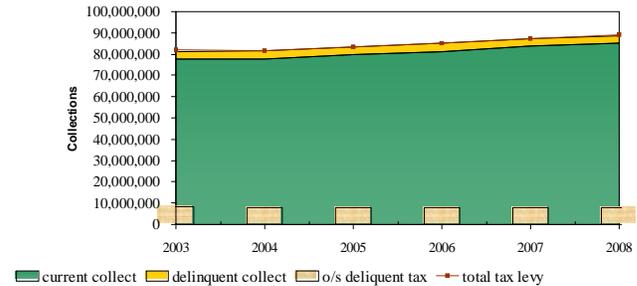
Current Real Property Taxes remain the primary source of funds for the City of Chattanooga, with the FY 2009 estimate of \$87,100,000 representing 51.21% of the total undesignated General Fund Budget. All property tax estimates inclusive of delinquencies and in lieu of tax payments total \$93,827,522 or 55.17% of the total undesignated General Fund budget. The current tax rate is \$2.202 per \$100.00 of the assessed valuation. This is considerably less than the 1995 rate of \$2.98, and is the lowest tax rate in nearly 50 years. Revenues generated in 1996 with a \$2.98 tax rate amounted to \$65,915,783 while the estimate for FY 2009 is \$87,100,000, an increase of \$21,184,217, or 32.1%. Assessments for 1995 were \$2,198,869,948. This figure has risen to \$4,048,760,875 in 2008, an increase of \$1,849,890,927 or 84.13% in the last 13 years. Based on the City's economic climate, this trend is expected to continue.

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

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

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

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, according to a new formula specified in the 1987 Law based on a revenue floor of \$5,635,434. This revenue floor was exceeded in fiscal year 1994, resulting in a calculation which generated less PILOT collection for the City. The estimate to be received from Electric Power Board for FY 2009 is \$3,131,950 or 4.90% over FY08. The Telecommunication in lieu of tax due from the EPB is \$334,653, a 3.0% increase over FY08. The EPB PILOT was reclassified in FY06 to a transfer in to properly reflect EPB's status as a city owned entity.

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

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

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. After the reappraisal in FY06, the tax rate was decreased to \$2.202. A one penny increase produces additional income of \$421,287. Current City policy for budgeting is to estimate collections at 95% of the property tax levy.

**Payments In Lieu of Taxes.** Through a series of tax incentives and agreements the City receives sizeable in lieu of tax payments each year. Companies paying in lieu of taxes include Tennessee Valley Authority, Regis Corporation, American Plastics Inc, Signal Mountain Cement, Kenco Group and Custom Baking Co. The collection of in lieu of taxes accounts for \$2,154,522, or 1.27% of the operating budget in FY09.

### Other Local Taxes:

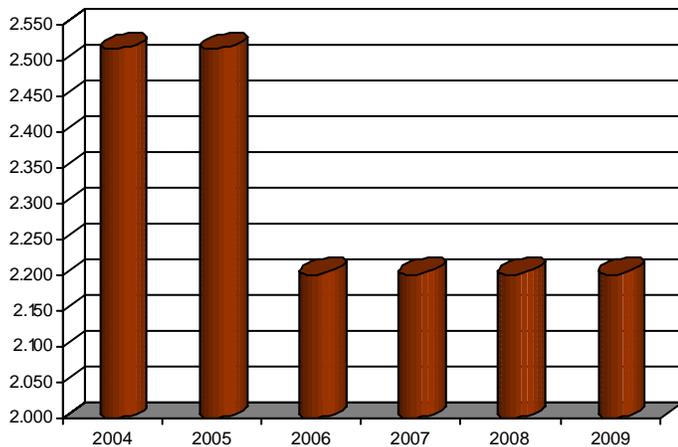
**FY 2009 Estimate:** \$13,210,207  
**% of General Fund:** 7.77%  
**Growth From FY 08:** 691,157  
**% Change:** 5.5%

### Gross Receipts Taxes

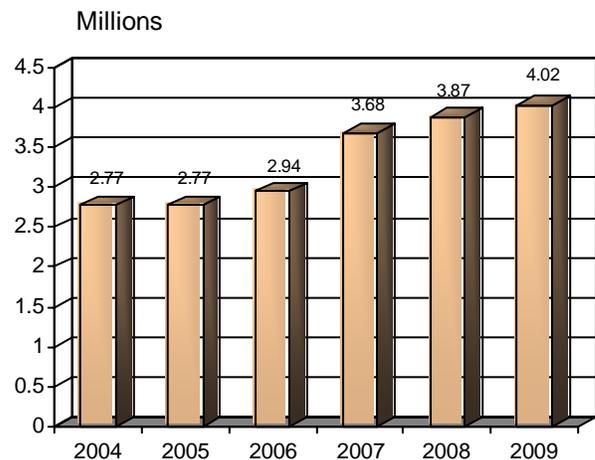
**FY 2009 Estimate:** \$4,020,607  
**% of General Fund:** 2.36%  
**Growth From FY 08:** 148,607  
**% Change:** 3.8%

Even though Gross Receipts Taxes are a steady source in the General Fund, they represent only 2.3% of total collections each year. The trend over the past six years shows the annual growth of this collection has varied considerably, as shown in the chart. The economic impact on retail sales in FY02 required a downward adjustment in the FY03 estimate, which resulted in relatively stagnant growth through FY05. In FY 07 and FY08, collections were on the rise, a trend expected to continue in FY09.

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



**Gross Receipts Taxes**



## Licenses & Permits:

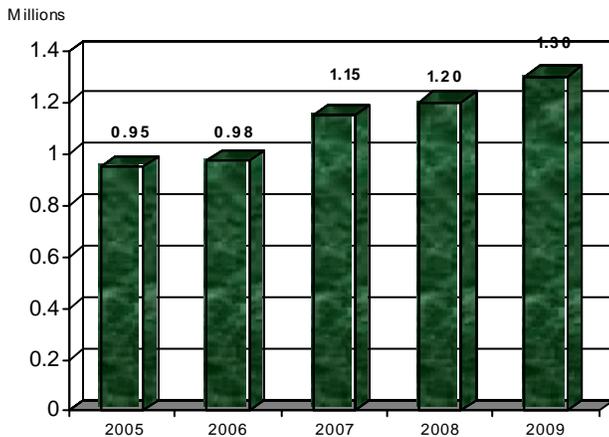
FY 2009 Estimate:	\$3,443,800
% of General Fund:	2.02%
Growth From FY 08:	179,100
% Change:	5.5%

### Building Permits

FY 2009 Estimate :	\$1,300,000
% of General Fund:	0.76%
Growth from FY 08:	100,000
% Change:	8.3%

Building Permits are the single greatest revenue generator in the category of Licenses & Permits. As shown in the chart below, revenue budgets for Building Permits have increased over 30% since 2004, reflecting the strength of the housing market over that period of time.

### Building Permits



One major decrease in FY08 compared to prior years is the City has contracted with the Chattanooga Area Regional Transit Authority to manage and maintain the parking meters located in the city. With the agreement the city will lose about \$450,000 in operating revenue while also decreasing operating costs such as meter parts and vehicle cost. The employees previously assigned parking meter tasks will be reassigned to other duties within the Public Works department.

## Revenue from Other Agencies:

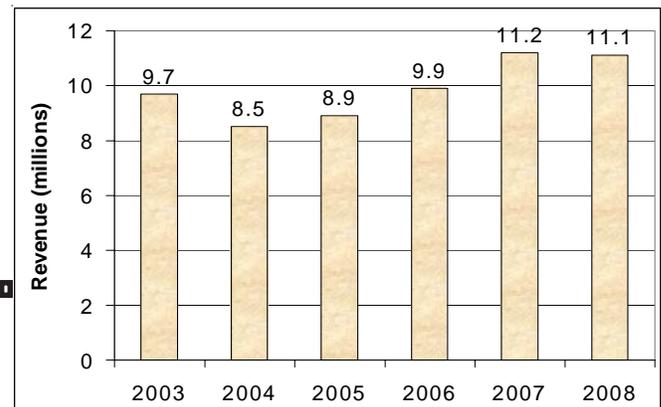
FY 2009 Estimate:	\$45,742,304
% of General Fund:	26.90%
Growth From FY 08:	223,466
% Change:	0.5%

### City Allocation State Sales Tax

FY 2009 Estimate:	\$11,437,590
% of General Fund :	6.73%
Decline From FY 08:	(62,410)
% Change:	-0.5%

The State of Tennessee imposes a 7% tax on sales. Under TCA 67-6-103(3)(A), 5.5% to 5.75% is returned to all municipalities. This distribution is based on a population figure from the latest certified census. The City of Chattanooga has a certified population of 169,884 and its per capita allocation from state sales tax for Fiscal Year 2009 is \$72.22. Allocations decreased in FY04 due to a 9% cut to local governments to balance the state budget. This cut was returned to local governments: 50% in each of fiscal years 2006 and 2007. The State Sales Tax is expected to decrease by 0.5% or \$62.410 in FY 2009. This suggests that the economy has weakened and that more consumers are cutting back on their purchases of goods and services.

### State Sales Tax



## Revenues from Other Agencies

### County-Wide Sales Taxes

FY 2009 Estimate :	\$27,249,319
% of General Fund:	16.02%
Decline From FY 08:	(182,681)
% Change:	-0.7%

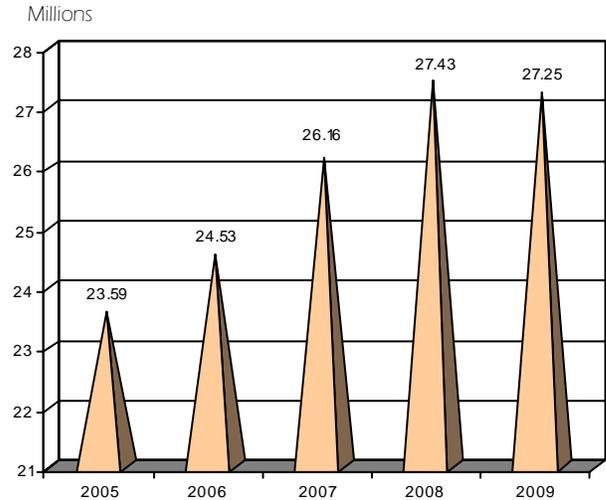
The County Wide Sales Tax, or Local Option Sales Tax, is another principal source of revenue for the City. In accordance with the 1993 Local Option Revenue Act Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended, the City and County have adopted a Local Option Sales Tax. The citizens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

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

Since FY05 growth in County-Wide sales tax revenues has increased by more than 15%. This is a reflection of the economic growth that has taken place in Hamilton County in the last few years. In FY2009 there is an expected decline of 0.7% due to the current economic climate.

The County-wide sales tax represents 16.02% of the total General Fund revenues for FY 2009.

### County-Wide Sales Tax



## Undesignated General Fund Expenditure Summary

Fiscal Years ending June 30, 2006 thru 2009

(expressed in \$1,000)

Fund Type	Actual FY05/06	Actual FY06/07	Budget FY07/08	Budget FY08/09	Budget 09 Increase (Decrease)	% Change FY08/09
<b>General Fund</b>						
General Government	34,778	45,647	49,764 (1)	36,759	(13,005)	-26.13%
Department of Finance & Administration	8,067	3,488	3,921	4,077	156	3.98%
Department of Police	37,831	41,023	42,236	43,283	1,047	2.48%
Department of Fire	24,201	25,970	27,604	28,535	931	3.37%
Department of Public Works	28,687	29,769	30,575	33,075	2,500	8.18%
Department of Parks & Recreation	9,834	10,850	11,396	11,524	128	1.12%
Department of Personnel	6,114	5,808	6,834	6,746	(88)	-1.29%
Department of Neighborhood Services	1,415	1,831	2,017	2,008	(9)	-0.45%
Executive Branch	1,204	1,643	1,787	1,715	(72)	-4.03%
Department of Education, Arts, & Culture	1,661	2,146	2,367	2,348	(19)	N/A
<i>Total General Fund</i>	<u>153,792</u>	<u>168,175</u>	<u>178,501 (1)</u>	<u>170,070</u>	<u>(8,431)</u>	<u>-4.72%</u>

(1) Amount excludes amendment for capital appropriation of \$7,541,940 for FY09.

## Expenses

### General Government

<b>FY 2009 Appropriation:</b>	<b>\$36,758,592</b>
<b>% of General Fund:</b>	<b>21.61%</b>
<b>Decline From FY 08:</b>	<b>(13,004,889)</b>
<b>% Change:</b>	<b>-26.13%</b>

General Government is the area where all appropriations to other funds, joint-funded and outside agencies are accounted for. These appropriations can vary from year to year based on outside agency requests or decisions reached during the joint budget hearings with the County Commission. The reason for the decline is that the FY09 excludes the amendment for capital appropriation. Major appropriations in the General Government area year-to-year are:

#### **CARTA Subsidy**

<b>FY 2009 Appropriation:</b>	<b>\$3,851,000</b>
<b>% of General Fund:</b>	<b>2.26%</b>
<b>Growth From FY 08:</b>	<b>112,394</b>
<b>% Change:</b>	<b>3.01%</b>

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

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

<b>FY 2009 Appropriation:</b>	<b>\$2,640,000</b>
<b>% of General Fund:</b>	<b>1.55%</b>
<b>Growth From FY 08:</b>	<b>152,340</b>
<b>% Change:</b>	<b>6.12%</b>

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

#### **Chattanooga Neighborhood Enterprises**

<b>FY 2009 Appropriation:</b>	<b>\$1,000,000</b>
<b>% of General Fund</b>	<b>0.59%</b>
<b>Growth From FY 08:</b>	<b>-0-</b>
<b>% Change:</b>	<b>0%</b>

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

#### **Debt Service Fund**

<b>FY 2009 Appropriation</b>	<b>\$12,166,456</b>
<b>% of General Fund:</b>	<b>7.15%</b>
<b>Growth From FY 08:</b>	<b>2,774,282</b>
<b>% Change:</b>	<b>29.54%</b>

Funds are provided for appropriation to the Debt Service Fund for payment of current interest and principal on the City's outstanding General Fund debt. The increase is primarily due to the increase in debt service for the Solid Waste and Water Quality Funds

#### **Renewal & Replacement**

<b>FY 2009 Appropriation:</b>	<b>\$700,000</b>
<b>% of General Fund:</b>	<b>0.41%</b>
<b>Decline From FY 08:</b>	<b>(2,000,000)</b>
<b>% Change:</b>	<b>-74.07%</b>

Funds are provided here to be distributed to various departments for use in replacing equipment and to provide contributed capital for the fleet leasing program. The decrease is a result of not funding the fleet replacement program for FY09.

#### **Tennessee Riverpark**

<b>FY 2009 Appropriation:</b>	<b>\$1,258,632</b>
<b>% of General Fund:</b>	<b>0.74%</b>
<b>Growth From FY 08:</b>	<b>29,311</b>
<b>% Change:</b>	<b>2.38%</b>

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

### Department of Finance & Administration

<b>FY 2009 Appropriation :</b>	<b>\$4,076,750</b>
<b>% of General Fund:</b>	<b>2.40%</b>
<b>Growth From FY 08:</b>	<b>155,857</b>
<b>% Change:</b>	<b>3.98%</b>

This department oversees all aspects of the City's financial program. The major expenses for this department are personnel costs, and the primary factor behind the growth in FY09 is the increased cost of salaries and benefits.

### Department of Police

<b>FY 2009 Appropriation :</b>	<b>\$43,283,539</b>
<b>% of General Fund:</b>	<b>25.45%</b>
<b>Growth From FY 08:</b>	<b>1,047,423</b>
<b>% Change:</b>	<b>2.48%</b>

The majority of the increase in expenditures is attributed to increase in salary and benefits.

### Department of Fire

<b>FY 2009 Appropriation:</b>	<b>\$28,534,996</b>
<b>% of General Fund:</b>	<b>16.78%</b>
<b>Growth From FY 08:</b>	<b>930,606</b>
<b>% Change:</b>	<b>3.37%</b>

The FY09 growth is attributed to increase in salary and benefits.

### Department of Public Works

<b>FY 2009 Appropriation:</b>	<b>\$33,074,616</b>
<b>% of General Fund:</b>	<b>19.45%</b>
<b>Growth from FY 08:</b>	<b>2,499,593</b>
<b>% Change:</b>	<b>8.18%</b>

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

### Department of Parks & Recreation

<b>FY 2009 Appropriation :</b>	<b>\$11,523,733</b>
<b>% of General Fund:</b>	<b>6.78%</b>
<b>Growth From FY 08:</b>	<b>127,863</b>
<b>% Change:</b>	<b>1.12%</b>

In FY06, part of Parks & Recreation was reorganized into the new Department of Education, Arts & Culture. The overall increase in the budget from FY09 reflects an increase in salary and benefits.

### Department of Personnel

<b>FY 2009 Appropriation:</b>	<b>\$6,745,967</b>
<b>% of General Fund :</b>	<b>3.97%</b>
<b>Decline From FY 08:</b>	<b>(87,742)</b>
<b>% Change:</b>	<b>-1.3%</b>

The decrease in expenditures in FY09 is primarily attributable to decreases in salaries due to frozen positions.

### Department of Neighborhood Services

<b>FY 2009 Appropriation :</b>	<b>\$2,008,413</b>
<b>% of General Fund:</b>	<b>1.18%</b>
<b>Decline From FY 08:</b>	<b>(8,368)</b>
<b>% Change:</b>	<b>-0.41%</b>

Since its establishment in FY98, many changes have occurred that significantly increased the functions and visibility of this department. During the previous administration, Better Housing functions were transferred from Public Works, leading to the creation of the Department of Neighborhood Services. In FY06, Animal Services was removed and more neighborhood related divisions moved from the Executive Branch like Grants Administration, Human Rights, and Community Development. Last year, in an effort to better service the Chattanooga area, the department has combined the divisions of Codes & Community Services with Neighborhood Relations to create a new division of Codes, Community Services, & Neighborhood Relations. The FY09 decrease is due a reduction in neighborhood grants.

### Executive Branch

<b>FY 2009 Appropriation:</b>	<b>\$1,715,512</b>
<b>% of General Fund:</b>	<b>1.01%</b>
<b>Decline From FY 08:</b>	<b>(71,619)</b>
<b>% Change:</b>	<b>-4.01%</b>

The Executive Branch consists of functions under direct control of the Mayor. This branch includes the Mayor's Office, Multicultural Affairs, Great Ideas Competition, and the Office of Faith Based Initiatives. The FY09 reduction is primarily due to a decrease in positions.

### Education, Arts, & Culture

<b>FY 2009 Appropriation:</b>	<b>\$2,347,882</b>
<b>% of General Fund:</b>	<b>1.38%</b>
<b>Decline From FY 08</b>	<b>(19,564)</b>
<b>% Change:</b>	<b>-0.83%</b>

The FY09 decrease is attributed to a decrease in matching grants and a voluntary decrease in benefits.

## Undesignated General Fund Revenues

Fiscal Years 2006-2009

Revenue Source	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	%	
						CHANGE FY08/09	% OF TOTAL
<b>Property Taxes:</b>							
Current Property Taxes	80,951,652	83,711,108	85,100,000	87,100,000	2,000,000	2.4%	51.21%
Interest & Penalty - Current Year	112,033	127,624	100,000	120,000	20,000	20.0%	0.07%
Interest & Penalty - Prior Year	661,378	683,641	550,000	650,000	100,000	18.2%	0.38%
Prior Year Property Taxes	3,678,691	3,287,061	3,200,000	3,400,000	200,000	6.3%	2.00%
City Fee- Collection of Delinquent Taxes	176,303	138,455	160,000	178,000	18,000	11.3%	0.10%
Corporate Excise Tax-State	370,000	247,210	250,000	225,000	(25,000)	-10.0%	0.13%
Payments In Lieu of Taxes	1,901,177	1,986,612	2,016,360	2,154,522	138,162	6.9%	1.27%
<b>Total Property Tax</b>	<b>\$87,851,234</b>	<b>\$90,181,711</b>	<b>\$91,376,360</b>	<b>\$93,827,522</b>	<b>2,451,162</b>	<b>2.7%</b>	<b>55.17%</b>
<b>Other Local Taxes:</b>							
Franchise Taxes-Chatt Gas	293,570	245,016	250,000	290,000	40,000	16.0%	0.17%
Franchise Taxes-Century Tel	32,480	23,982	23,982	25,000	1,018	4.2%	0.01%
Franchise Taxes - CCTV	1,429,828	1,496,436	1,714,568	1,870,000	155,432	9.1%	1.10%
Liquor Taxes	1,658,004	1,748,194	1,797,500	1,900,000	102,500	5.7%	1.12%
Beer Taxes	4,735,848	4,840,524	4,855,000	5,100,000	245,000	5.0%	3.00%
Gross Receipts Tax	3,510,891	3,773,167	3,872,000	4,020,607	148,607	3.8%	2.36%
Local Litigation Taxes	5,241	6,247	6,000	4,600	(1,400)	-23.3%	0.00%
<b>Total Other Local Taxes</b>	<b>\$11,665,862</b>	<b>\$12,133,566</b>	<b>\$12,519,050</b>	<b>\$13,210,207</b>	<b>691,157</b>	<b>5.5%</b>	<b>7.77%</b>
<b>Licenses &amp; Permits.:</b>							
Motor Vehicle License	372,780	379,230	350,000	380,000	30,000	8.6%	0.22%
Parking Meters	471,623	482,922	0	0	0	N/A	0.00%
Business License excluding Liquor	147,025	152,025	145,000	150,000	5,000	3.4%	0.09%
Building Permits	1,204,762	1,637,523	1,200,000	1,300,000	100,000	8.3%	0.76%
Other Licenses, Permits, Fees	1,616,632	1,665,560	1,569,700	1,613,800	44,100	2.8%	0.95%
<b>Total Licenses &amp; Permits</b>	<b>\$3,812,822</b>	<b>\$4,317,260</b>	<b>\$3,264,700</b>	<b>\$3,443,800</b>	<b>179,100</b>	<b>5.5%</b>	<b>2.02%</b>
<b>Fines, Forfeitures, &amp; Penalties:</b>							
City Court Fines	577,814	541,849	530,000	715,000	185,000	34.9%	0.42%
Criminal Court Fines	215,974	209,890	220,000	200,000	(20,000)	-9.1%	0.12%
Parking Ticket Fines	663,997	660,207	650,000	695,000	45,000	6.9%	0.41%
Other Fines Forfeitures, & Penalties	14,618	12,486	10,000	4,600	(5,400)	-54.0%	0.00%
<b>Total Fines, Forfeitures, &amp; Penalties</b>	<b>\$1,472,403</b>	<b>\$1,424,432</b>	<b>\$1,410,000</b>	<b>\$1,614,600</b>	<b>204,600</b>	<b>14.5%</b>	<b>0.95%</b>
<b>Investment Income:</b>							
Interest on Investments	2,414,180	4,248,388	3,000,000	1,625,000	(1,375,000)	-45.8%	0.96%
Sale of Property	1,335,432	578,640	80,000	80,000	0	0.0%	0.05%
<b>Total Investment Income</b>	<b>\$3,749,612</b>	<b>\$4,827,028</b>	<b>\$3,080,000</b>	<b>\$1,705,000</b>	<b>(1,375,000)</b>	<b>-44.6%</b>	<b>1.00%</b>

Continued on Next Page

**Undesignated General Fund Revenues**

Fiscal Years 2006-2009

Revenue Source	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	% CHANGE		% OF TOTAL
						FY08/09		
<b>Revenue From Other Agencies:</b>								
County wide Sales Tax - General Fund	25,063,557	26,154,704	27,432,000	27,249,319	(182,681)	-0.7%		16.02%
State Beer Tax	77,352	83,504	85,000	87,355	2,355	2.8%		0.05%
Hall Income Tax	3,071,346	4,125,590	2,700,000	2,700,000	0	0.0%		1.59%
State Sales Tax	10,379,781	11,180,175	11,500,000	11,437,590	(62,410)	-0.5%		6.73%
State Mixed Drink Tax	1,540,706	1,748,548	1,765,800	1,870,399	104,599	5.9%		1.10%
State Gas Inspection Fees	207,355	343,002	350,000	340,000	(10,000)	-2.9%		0.20%
State Maintenance of Streets	346,188	218,917	200,000	350,000	150,000	75.0%		0.21%
State Alcohol Beverage Tax	80,418	88,202	85,000	91,835	6,835	8.0%		0.05%
TEMA Flood Recovery	0	79,923	0	0	0	N/A		0.00%
State - Special Training Funds	350,698	416,187	379,500	469,800	90,300	23.8%		0.28%
State - Telecom Sales Tax	26,861	25,752	26,366	20,000	(6,366)	-24.1%		0.01%
State- Tax Mitigation	53,394	0	0	0	0	N/A		0.00%
Ham. County-Ross Landing Plaza	715,339	660,549	846,378	905,771	59,393	7.0%		0.53%
Ham. County-Radio & Electronics	160,538	200,211	148,794	220,235	71,441	48.0%		0.13%
Miscellaneous	0	12,071	0	0	0	N/A		0.00%
Ham. County - SWAT Reimbursement	2,500	0	0	0	0	N/A		0.00%
<b>Total Revenue from Other Agencies</b>	<b>\$42,076,033</b>	<b>\$45,337,335</b>	<b>\$45,518,838</b>	<b>\$45,742,304</b>	<b>223,466</b>	<b>0.5%</b>		<b>26.90%</b>
<b>Service Charges:</b>								
City Court Cost	254,812	261,337	255,500	320,400	64,900	25.4%		0.19%
Clerk's Fee	901,079	946,409	912,000	1,200,000	288,000	31.6%		0.71%
State Court Cost	2,534	2,726	3,000	2,000	(1,000)	-33.3%		0.00%
Public Works - Services Charge	252,008	436,321	288,000	296,900	8,900	3.1%		0.17%
PR - Services Charge	374,231	266,094	414,000	476,600	62,600	15.1%		0.28%
Police - Service Charge	127,461	122,650	124,000	118,000	(6,000)	-4.8%		0.07%
Other Charges for Services	70,541	279,977	73,500	82,400	8,900	12.1%		0.05%
<b>Total Service Charges</b>	<b>\$1,982,666</b>	<b>\$2,315,514</b>	<b>\$2,070,000</b>	<b>\$2,496,300</b>	<b>426,300</b>	<b>20.6%</b>		<b>1.47%</b>
<b>Miscellaneous Revenues:</b>								
Indirect Cost	2,485,866	2,485,866	2,485,866	2,585,866	100,000	4.0%		1.52%
Land & Bldg. Rents	87,149	90,283	87,000	225,000	138,000	158.6%		0.13%
Dock Rental	12,782	12,275	16,000	25,000	9,000	56.3%		0.01%
Mem. Aud.- Rents, Conc., OT, BO	325,288	383,760	342,000	423,500	81,500	23.8%		0.25%
Tivoli - Rents, Conc., OT, BO	240,424	255,820	240,500	294,000	53,500	22.2%		0.17%
Coolidge Park Revenue	94,776	111,770	95,000	115,500	20,500	21.6%		0.07%
Other General Government Misc.	737,097	695,666	624,564	892,606	268,042	42.9%		0.52%
<b>Total Miscellaneous Revenues</b>	<b>\$3,983,382</b>	<b>\$4,035,440</b>	<b>\$3,890,930</b>	<b>\$4,561,472</b>	<b>670,542</b>	<b>17.2%</b>		<b>2.68%</b>
<b>Transfers In</b>	<b>3,141,564</b>	<b>3,142,787</b>	<b>3,312,122</b>	<b>3,468,795</b>	<b>156,673</b>	<b>4.7%</b>		<b>2.04%</b>
<b>Revenue from Prior Year Surplus</b>	<b>0</b>	<b>0</b>	<b>12,058,840</b>	<b>0</b>	<b>(12,058,840)</b>	<b>-100.0%</b>		<b>0.00%</b>
<b>Grand Totals</b>	<b>\$159,735,578</b>	<b>\$167,715,073</b>	<b>\$178,500,840</b>	<b>\$170,070,000</b>	<b>(\$8,430,840)</b>	<b>-4.7%</b>		<b>100.00%</b>

(1) Amount excludes amendment for capital appropriations of \$7,541,940 for FY09.

### Undesignated General Fund Expenditures

Fiscal Years 2006-2009

Expenditure	Actual	Actual	Budget	Budget	BUDGET '09	%	%
	FY 05/06	FY 06/07	FY 07/08	FY 08/09	INC/(DEC)	FY08/09	OF TOTAL
<b>General Government</b>							
<b>Agencies:</b>							
Air Pollution	270,820	270,820	270,820	270,820	0	0.00%	0.16%
Allied Arts	250,000	155,000	255,000	255,000	0	0.00%	0.15%
African American Museum	70,000	70,000	70,000	70,000	0	0.00%	0.04%
Chattanooga Regional History	24,000	24,000	24,000	24,000	0	0.00%	0.01%
Assoc of Visual Artists	15,000	0	0	0	0	N/A	0.00%
CARCOG & SETDD	31,111	31,111	31,111	31,111	0	0.00%	0.02%
CARTA	3,415,300	3,665,300	3,738,606	3,851,000	112,394	3.01%	2.26%
Carter Street Corporation	0	150,000	200,000	200,000	0	0.00%	0.12%
Carter Street Lease	1,415,389	0	0	0	0	N/A	0.00%
Chattanooga Urban League	50,000	50,000	50,000	50,000	0	0.00%	0.03%
C-HC Bicentennial Public Library	2,487,660	2,487,660	2,487,660	2,640,000	152,340	6.12%	1.55%
Chattanooga Comm Resource Cntr	775,951	27,050	0	0	0	N/A	0.00%
Chattanooga Neighborhood Enterprises	1,500,000	1,500,000	1,000,000	1,000,000	0	0.00%	0.59%
Children's Advocacy Center	30,000	30,000	30,000	30,000	0	0.00%	0.02%
Choose Chattanooga	0	0	25,000	25,000	0	0.00%	0.01%
Community Foundation Scholarships	160,000	160,000	160,000	160,000	0	0.00%	0.09%
Community Impact Fund	0	250,000	300,000	300,000	0	0.00%	0.18%
Downtown Partnership	140,000	100,000	100,000	100,000	0	0.00%	0.06%
Enterprise South Nature Park	0	82,076	168,034	190,150	22,116	13.16%	0.11%
Finley Stadium	25,000	25,000	0	60,000	60,000	N/A	0.04%
GOFest	0	25,000	25,000	25,000	0	0.00%	0.01%
Heritage Hall Board	55,825	57,019	57,019	57,019	0	0.00%	0.03%
Homeless Health Center	17,500	17,500	17,500	17,500	0	0.00%	0.01%
Railroad Authority	20,000	20,000	20,000	55,794	35,794	178.97%	0.03%
Regional Planning Agency	942,817	942,817	942,817	990,007	47,190	5.01%	0.58%
Scenic Cities	22,888	22,888	22,888	22,888	0	0.00%	0.01%
Stop the Madness	0	100,000	100,000	0	(100,000)	-100.00%	0.00%
Water Quality Management Fee	80,528	76,526	73,000	77,000	4,000	5.48%	0.05%
Tennessee Riverpark	1,037,336	1,090,648	1,229,321	1,258,632	29,311	2.38%	0.74%
Tenn Valley Railroad Museum	28,904	0	0	0	0	N/A	0.00%
Waterfront Management Agreement	0	40,000	0	0	0	N/A	0.00%
Front Porch Alliance	0	0	32,000	30,000	(2,000)	-6.25%	0.02%
WTCL - TV 45	60,000	60,000	60,000	60,000	0	0.00%	0.04%
<b>General Government:</b>							
Audits, Dues & Surveys	138,349	248,142	206,757	206,757	0	0.00%	0.12%
Capital Improvements	3,500,000	7,982,285	12,058,840	0	(12,058,840)	-100.00%	0.00%
City Attorney/Operations	980,859	1,011,391	1,108,441	1,134,824	26,383	2.38%	0.67%
City Attorney Liability Insurance Fund	1,650,000	2,173,000	800,000	400,000	(400,000)	-50.00%	0.24%
City Council	619,012	677,010	708,603	741,598	32,995	4.66%	0.44%
City Court Judicial #1	298,490	341,961	357,441	353,376	(4,065)	-1.14%	0.21%
City Court Judicial #2	298,247	331,256	333,057	353,323	20,266	6.08%	0.21%
Contingency Fund	560,261	0	2,298,118	235,609	(2,062,509)	-89.75%	0.14%
Debt Service Fund	9,801,307	11,567,051	9,392,174	12,166,456	2,774,282	29.54%	7.15%
Election Expense	26,062	24,961	0	120,000	120,000	N/A	0.07%
Human Services	1,333,477	1,333,477	1,333,477	1,333,477	0	0.00%	0.78%
Internal Audit	321,272	436,416	491,256	499,419	8,163	1.66%	0.29%
Intergovernmental Relations	341,809	278,023	327,000	327,000	0	0.00%	0.19%
Pensions, FICA & UIC	48,325	45,024	50,000	50,000	0	0.00%	0.03%
T.A.P. (tuition & books)	14,336	17,952	20,000	20,000	0	0.00%	0.01%
Connecting the Dots with Technology	0	57,097	0	0	0	N/A	0.00%
Renewal & Replacement	1,440,314	1,948,649	2,700,000	700,000	(2,000,000)	-74.07%	0.41%
Enterprise Center	100,000	100,000	100,000	100,000	0	0.00%	0.06%
General Services Administration	0	239,776	417,955	308,378	(109,577)	-26.22%	0.18%
Information Services	0	2,637,944	2,755,025	2,971,519	216,494	7.86%	1.75%
Telecommunications	0	284,433	332,059	300,501	(31,558)	-9.50%	0.18%
Purchasing	0	868,134	752,948	726,448	(26,500)	-3.52%	0.43%
Building Maintenance	0	555,579	700,752	806,665	105,913	15.11%	0.47%
Radio & Electronics	0	457,898	454,623	465,584	10,961	2.41%	0.27%
Real Estate	0	43,894	31,500	28,946	(2,554)	-8.11%	0.02%
Property Maintenance	0	25,462	43,300	33,700	(9,600)	-22.17%	0.02%
CCRC Operations	0	4,022	4,100	3,750	(350)	-8.54%	0.00%
311 Call Center	379,857	425,833	496,279	520,341	24,062	4.85%	0.31%
<b>total</b>	<b>\$34,778,006</b>	<b>\$45,647,085</b>	<b>\$49,763,481</b>	<b>\$36,758,592</b>	<b>(\$13,004,889)</b>	<b>-26.13%</b>	<b>21.61%</b>

### Undesignated General Fund Expenditures

Fiscal Years 2006-2009

Expenditure	Actual	Actual	Budget	Budget	BUDGET '09	%	%
	FY 05/06	FY 06/07	FY 07/08	FY 08/09	INC/(DEC)	CHANGE FY08/09	OF TOTAL
<b>Department of Finance &amp; Administration:</b>							
Finance Office	1,721,504	1,806,429	2,114,542	2,177,519	62,977	2.98%	1.28%
Information Services	2,473,495	0	0	0	0	N/A	0.00%
City Treasurer	582,718	643,819	697,618	768,711	71,093	10.19%	0.45%
Telecommunications	329,169	0	0	0	0	N/A	0.00%
City Court Clerk's Office	953,621	1,037,558	1,108,733	1,130,520	21,787	1.97%	0.66%
Purchasing	874,367	0	0	0	0	N/A	0.00%
Building Maintenance	546,146	0	0	0	0	N/A	0.00%
Radio & Electronics	429,976	0	0	0	0	N/A	0.00%
Property Maintenance	40,085	0	0	0	0	N/A	0.00%
Real Estate	115,752	0	0	0	0	N/A	0.00%
<b>total</b>	<b>\$8,066,833</b>	<b>\$3,487,806</b>	<b>\$3,920,893</b>	<b>\$4,076,750</b>	<b>\$155,857</b>	<b>3.98%</b>	<b>2.40%</b>
<b>Department of Police:</b>							
	<b>\$37,831,066</b>	<b>\$41,022,971</b>	<b>\$42,236,116</b>	<b>\$43,283,539</b>	<b>\$1,047,423</b>	<b>2.48%</b>	<b>25.45%</b>
<b>Department of Fire:</b>							
	<b>\$24,200,937</b>	<b>\$25,969,695</b>	<b>\$27,604,390</b>	<b>\$28,534,996</b>	<b>\$930,606</b>	<b>3.37%</b>	<b>16.78%</b>
<b>Department of Public Works:</b>							
Administration	969,255	941,221	923,648	906,840	(16,808)	-1.82%	0.53%
City Engineer	1,742,760	1,833,145	2,031,890	2,159,277	127,387	6.27%	1.27%
City Wide Services	3,802,054	4,110,538	4,031,249	4,697,058	665,809	16.52%	2.76%
Sewer Construction & Maintenance	2,109,613	2,021,226	2,221,159	2,270,100	48,941	2.20%	1.33%
Land Development Office	2,695,478	2,931,659	2,744,609	2,729,066	(15,543)	-0.57%	1.60%
Utilities	159,540	137,635	155,500	140,775	(14,725)	-9.47%	0.08%
Pump Stations	55,193	49,526	112,500	110,600	(1,900)	-1.69%	0.07%
Traffic Management	2,297,433	2,575,179	2,587,357	2,656,299	68,942	2.66%	1.56%
Street Lighting	2,722,957	2,614,365	2,806,241	2,886,021	79,780	2.84%	1.70%
Subsidies to Other Funds	5,530,367	5,712,694	5,306,762	6,959,512	1,652,750	31.14%	4.09%
Municipal Forestry	446,725	566,786	557,527	639,503	81,976	14.70%	0.38%
Waste Pickup - Brush	2,476,508	2,729,687	3,001,422	2,846,519	(154,903)	-5.16%	1.67%
Waste Pickup - Garbage	3,678,676	3,544,976	4,095,159	4,073,046	(22,113)	-0.54%	2.39%
<b>total</b>	<b>\$28,686,559</b>	<b>\$29,768,637</b>	<b>\$30,575,023</b>	<b>\$33,074,616</b>	<b>\$2,499,593</b>	<b>8.18%</b>	<b>19.45%</b>
<b>Department of Parks &amp; Recreation:</b>							
Administration	942,579	1,082,989	1,132,079	1,093,192	(38,887)	-3.44%	0.64%
Recreation	4,309,066	4,557,225	4,679,834	4,841,278	161,444	3.45%	2.85%
Parks	4,582,341	5,209,790	5,583,957	5,589,263	5,306	0.10%	3.29%
Civic Facilities	0	0	0	0	0	N/A	0.00%
<b>total</b>	<b>\$9,833,986</b>	<b>\$10,850,004</b>	<b>\$11,395,870</b>	<b>\$11,523,733</b>	<b>\$127,863</b>	<b>1.12%</b>	<b>6.78%</b>
<b>Department of Personnel:</b>							
Administration	1,210,463	1,170,779	1,257,150	1,132,259	(124,891)	-9.93%	0.67%
Physicals	108,590	9,450	10,000	13,000	3,000	30.00%	0.01%
Employee's Insurance Office	343,797	442,344	495,915	290,234	(205,681)	-41.48%	0.17%
Employee's Insurance Program	4,114,148	3,984,557	4,992,044	5,240,474	248,430	4.98%	3.08%
Wellness Initiative	261,640	96,471	0	0	0	N/A	0.00%
Job Injury Administration	74,980	104,315	78,600	70,000	(8,600)	-10.9%	0.04%
<b>total</b>	<b>\$6,113,618</b>	<b>\$5,807,916</b>	<b>\$6,833,709</b>	<b>\$6,745,967</b>	<b>(\$87,742)</b>	<b>-1.3%</b>	<b>3.97%</b>
<b>Department of Neighborhood Services:</b>							
Administration	328,316	465,454	519,694	535,534	15,840	3.05%	0.31%
Codes & Community Services	728,192	1,206,490	1,332,229	1,338,792	6,563	0.49%	0.79%
Grants Administration	104,431	71,953	78,058	79,087	1,029	1.32%	0.05%
Human Rights	32,659	0	0	0	0	N/A	0.00%
Neighborhood Relations	220,924	0	0	0	0	N/A	0.00%
Neighborhood Grants	0	86,800	86,800	55,000	(31,800)	-36.64%	0.03%
<b>total</b>	<b>\$1,414,522</b>	<b>\$1,830,697</b>	<b>\$2,016,781</b>	<b>\$2,008,413</b>	<b>(\$8,368)</b>	<b>-0.41%</b>	<b>1.18%</b>

### Undesignated General Fund Expenditures

Fiscal Years 2006-2009

Expenditure	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	% CHANGE FY08/09	% OF TOTAL
<b>Executive Branch:</b>							
Mayor's Office	956,316	1,067,321	938,761	879,255	(59,506)	-6.34%	0.52%
Great Ideas Competition	0	11,686	60,000	30,000	(30,000)	-50.00%	0.02%
Multicultural Affairs	70,069	361,669	459,296	459,296	0	0.00%	0.27%
Office of Faith Based Initiatives	68,371	202,467	329,074	346,961	17,887	5.44%	0.20%
Asset Management	109,079	0	0	0	0	N/A	0.00%
<b>total</b>	<b>\$1,203,835</b>	<b>\$1,643,143</b>	<b>\$1,787,131</b>	<b>\$1,715,512</b>	<b>(\$71,619)</b>	<b>-4.01%</b>	<b>1.01%</b>
<b>Department of Education, Arts, &amp; Culture:</b>							
Administration	226,999	313,811	407,878	356,338	(51,540)	-12.64%	0.21%
Civic Facilities	1,348,821	1,497,724	1,584,854	1,632,876	48,022	3.03%	0.96%
Arts & Culture	85,101	334,861	374,714	358,668	(16,046)	-4.28%	0.21%
<b>total</b>	<b>\$1,660,921</b>	<b>\$2,146,396</b>	<b>\$2,367,446</b>	<b>\$2,347,882</b>	<b>(\$19,564)</b>	<b>-0.83%</b>	<b>1.38%</b>
<b>Expenditure Total</b>	<b>\$153,790,283</b>	<b>\$168,174,350</b>	<b>\$178,500,840</b>	<b>\$170,070,000</b>	<b>(\$8,430,840)</b>	<b>-4.72%</b>	<b>100.00%</b>

(1) Amount excludes amendment for capital appropriations of \$7,541,940 for FY09.



# Special Revenue Funds

## Fund Structure

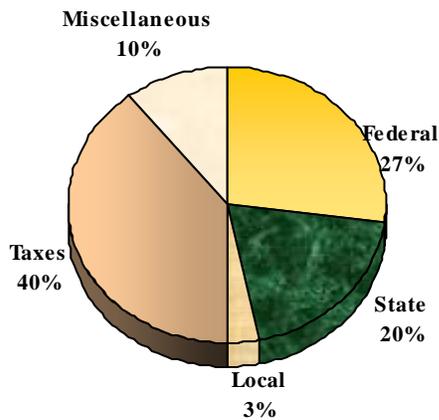
Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government. The basis of budgeting for these funds is modified accrual. Included funds are State Street Aid, Human Services, Economic Development, Narcotics, Community Development, Hotel/Motel Occupancy Tax Fund, and Municipal Golf Course Fund. For fiscal year ended June 30, 2008 the budgeted revenue and expenses were as follows:

Fund	FY08 Budgeted Revenue & Expenses	(unaudited) FY08 Actual Revenues	(unaudited) FY08 Actual Expenses
State Street Aid Fund	\$4,785,000	\$4,489,228	\$4,754,545
Human Services Fund	\$13,435,084	\$11,274,273	\$11,764,103
Economic Development Fund(1)	\$10,935,000	\$10,967,866	\$10,217,702
Narcotics Fund	\$319,650	\$360,670	\$905,496
Community Development Fund	\$5,096,941	\$4,367,583	\$4,114,312
Hotel/Motel Tax	\$ 3,750,000	\$ 8,242,039	\$6,224,493
Municipal Golf Course Fund	\$ 1,749,257	\$ 1,942,192	\$ 1,815,145

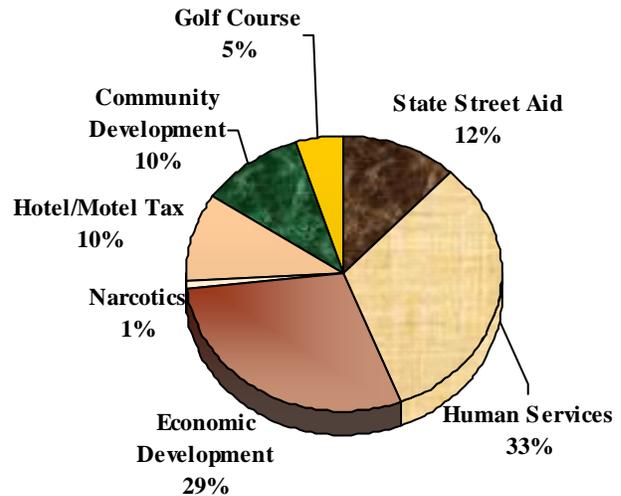
(1) While presented here, the Economic Development Fund is reported as a designated portion of General Fund.

## Fiscal Year 2008/2009

**Revenue by Source**  
\$39,434,815



**Appropriation by Fund**  
\$39,434,815



## Fund Revenue Summary

Fiscal Year Ending June 30, 2006 thru 2009

(expressed in \$1,000)

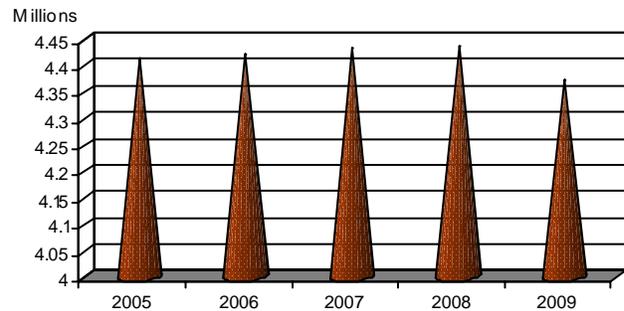
Fund Type:	Actual	Actual	Budget	Budget	Budget 09	%
	FY 05/06	FY 06/07	FY 07/08	FY 08/09	Increase (Decrease)	CHANGE FY 08/09
<b>Special Revenue Fund</b>						
State Street Aid	4,724	4,783	4,785	4,720	(65)	-1.4%
Human Services	13,725	13,941	13,435	12,719	(716)	-5.3%
Economic Development Fund	11,109	10,873	10,935	11,465	530	4.8%
Narcotics	846	557	320	320	0	0.0%
Hotel/Motel Tax Fund	3,640	4,029	3,750	4,113	363	9.7%
Community Development Fund	4,486	7,032	5,097	4,134	(963)	-18.9%
Municipal Golf Course	1,591	1,794	1,749	1,964	215	12.3%
<b>Total Special Revenue Fund</b>	<b>40,121</b>	<b>43,009</b>	<b>40,071</b>	<b>39,435</b>	<b>(636)</b>	<b>-1.6%</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 remained fairly constant over the past few years. The FY09 decline in revenue estimate is based on estimated Gas Tax collections by the State.

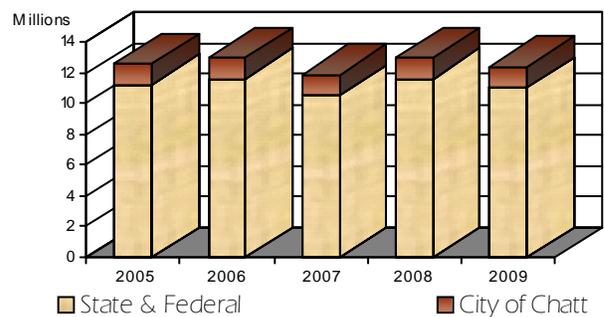
### State Gas Tax Collections



### Human Services Fund

Human Services receives Federal, State, and City appropriations. This fund for FY09 is estimated to decrease by 5% from FY08. The State accounts for most of this decrease in addition to a small increase by Federal.

### Human Services Collections



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

### Municipal Golf Course Fund

Revenues comes mainly from green fees and golf cart rentals. Overall estimated revenues are expected to increase by 12% from FY08 budget.

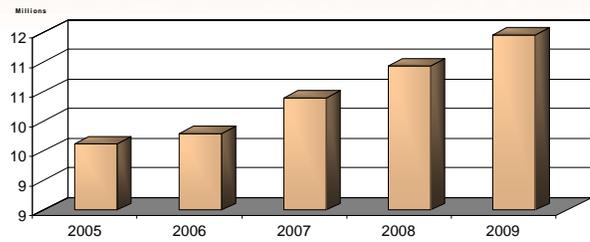
### Narcotics Fund

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

### Economic Development Fund

In August 1997, the citizens of Chattanooga approved a half-cent tax on retail sales in the city. Revenues from this tax were shared on a 50/50 basis for education and economic development. In a county-wide election in February 2004, the residents of Hamilton County voted to increase the county-wide local option tax rate from 1.75% to 2.25% thereby repealing the city-only 1/2% tax. The additional taxes generated by the 1/2% increase in the county-wide tax will be distributed to the county, city and education in accordance with TCA 67-6-712 which requires that 50% is used for education and the remainder on a situs basis. The City continues to receive comparable amounts for economic development from the county-wide tax as it has in prior years. The education component is distributed directly to the Hamilton County Department of Education. Over the last four years revenue collections have increased an average of 3.8% per year.

Economic Development Collections

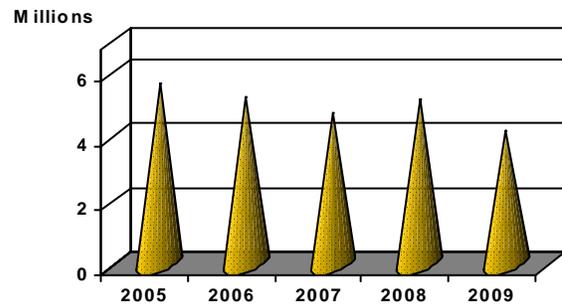


### Community Development

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 FY09 decrease for this fund is \$963,211 compared to FY08. This decrease in the fund is due to the changes in grant funding during the City's fiscal year and reduction of balance in THDA funds from the State. As with most federal funds, these sources are allocated to the City based on the Federal Government's budget year which is different from the City's fiscal reporting year.

Community Development Collections

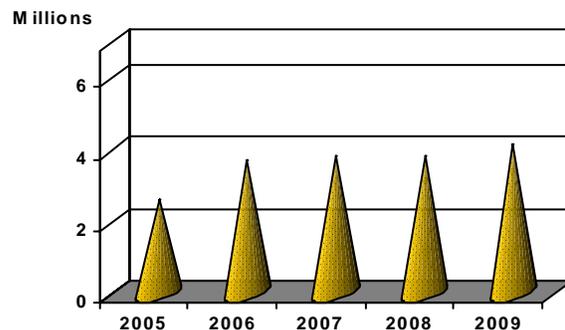


### Hotel-Motel Occupancy Privilege Tax Fund

Recently enacted legislation grants the City of Chattanooga the authority to levy a privilege tax on the occupancy of hotel/motel rooms by transients. Pursuant to T.C.A 67-4-1401, et seq. and City Ordinance No 11303, the City has levied such a tax that was 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%

Hotel-Motel Tax Collections



The FY08 budgeted revenue totaled \$3,750,000. The FY09 estimate is \$4,112,640.

**Fund Expenditure Summary**  
 Fiscal Year Ending June 30, 2006 thru 2009  
 (expressed in \$1,000)

Fund Type:	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	Budget 09 Increase (Decrease)	% CHANGE FY 08/09
<b>Special Revenue Fund</b>						
State Street Aid	4,772	4,527	4,785	4,720	(65)	-1.4%
Human Services	13,725	13,941	13,435	12,719	(716)	-5.3%
Economic Development Fund	9,799	10,602	10,935	11,465	530	4.8%
Narcotics	171	325	320	320	0	0.0%
Hotel/Motel Tax Fund	3,023	3,938	3,750	4,113	363	9.7%
Community Development Fund	5,004	6,589	5,097	4,134	(963)	-18.9%
Municipal Golf Course	1,664	1,766	1,749	1,964	215	12.3%
<b>Total Special Revenue Fund</b>	<b>38,158</b>	<b>41,688</b>	<b>40,071</b>	<b>39,435</b>	<b>(636)</b>	<b>-1.6%</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.

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

### Human Services

Human Services' expenditures have been flat in the last three years. The primary reason for the decrease in FY09 is the LIHEAP (Low Income Heating Emergency Assistance Program) program funded by the State.

### Hotel-Motel Occupancy Privilege Tax Fund

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

### Economic Development Fund

During FY2009, \$9,370,806 will be spent on debt service for the Southside Development. Since Hamilton County residents voted for the half-a-cent sales tax in February 2004, 100% of the school portion is retained by the County. The remaining funds are dedicated to economic development.

### Municipal Golf Course Fund

Funds are used to cover the operational cost of the City's two golf courses. The primary costs are personnel and purchase services. Increased estimated revenues have allowed expenses to be increased from FY08.

### Community Development

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

### Narcotics Fund

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

## Special Fund Revenues

Fiscal Years 2006 - 2009

Revenue Source	Actual	Actual	Budget	Budget	BUDGET '09	%	%
	FY 05/06	FY 06/07	FY 07/08	FY 08/09	INC/(DEC)	CHANGE FY 08/09	OF TOTAL
<b>State Street Aid (Fund 2104)</b>							
State of Tennessee	4,366,625	4,413,593	4,435,000	4,370,290	(64,710)	-1.5%	11.1%
Fund Balance	300,000	300,000	300,000	300,000	0	0.0%	0.8%
Interest Earnings	57,315	69,106	50,000	50,000	0	0.0%	0.1%
<b>Total State Street Aid</b>	<b>\$4,723,940</b>	<b>\$4,782,699</b>	<b>\$4,785,000</b>	<b>\$4,720,290</b>	<b>(\$64,710)</b>	<b>-1.4%</b>	<b>12.0%</b>
<b>Human Services (Fund 2102)</b>							
Federal - State Grants	11,729,508	12,134,532	11,648,535	11,085,154	(563,381)	-4.8%	28.1%
City of Chattanooga	1,333,477	1,333,477	1,333,477	1,333,477	0	0.0%	3.4%
Day Care Fees	143,621	99,662	50,000	86,653	36,653	73.3%	0.2%
Miscellaneous	90,341	96,635	60,920	73,000	12,080	19.8%	0.2%
Interest Income	155,841	17,365	50,000	17,365	(32,635)	-65.3%	0.0%
Fund Balance	272,709	259,576	292,152	123,645	(168,507)	-57.7%	0.3%
<b>Total Human Services</b>	<b>\$13,725,497</b>	<b>\$13,941,247</b>	<b>\$13,435,084</b>	<b>\$12,719,294</b>	<b>(\$715,790)</b>	<b>-5.3%</b>	<b>32.3%</b>
<b>Economic Development (Fund 1119)</b>							
Local Option Sales Tax	10,153,916	10,566,227	10,935,000	11,465,273	530,273	4.8%	29.1%
Intergovernmental	497,075	47,635	0	0	0	N/A	0.0%
Interest Income	458,029	259,231	0	0	0	N/A	0.0%
<b>Total Economic Development</b>	<b>\$11,109,020</b>	<b>\$10,873,093</b>	<b>\$10,935,000</b>	<b>\$11,465,273</b>	<b>\$530,273</b>	<b>4.8%</b>	<b>29.1%</b>
<b>Narcotics (Fund 2103)</b>							
Federal	94,892	85,181	41,300	41,300	0	0.0%	0.1%
State	13,880	18,413	8,100	8,100	0	0.0%	0.0%
Confiscated Narcotics Funds	600,448	290,805	170,250	170,250	0	0.0%	0.4%
Other	136,979	162,797	100,000	100,000	0	0.0%	0.3%
<b>Total Narcotics</b>	<b>\$846,199</b>	<b>\$557,196</b>	<b>\$319,650</b>	<b>\$319,650</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.8%</b>
<b>Hotel/Motel Tax (Fund 2106)</b>							
21st Century Waterfront	3,640,108	3,747,137	3,750,000	4,112,640	362,640	9.7%	10.4%
SRC Parking Garage Revenue	0	181,910	0	0	0	N/A	0.0%
Interest Income	0	100,431	0	0	0	N/A	0.0%
<b>Total Hotel/Motel Tax</b>	<b>\$3,640,108</b>	<b>\$4,029,478</b>	<b>\$3,750,000</b>	<b>\$4,112,640</b>	<b>\$362,640</b>	<b>9.7%</b>	<b>10.4%</b>
<b>Community Development (Fund 2105) (includes HOME program)</b>							
Federal	3,486,029	6,049,953	3,185,941	2,883,730	(302,211)	-9.5%	7.3%
Miscellaneous/Program	999,800	981,609	1,911,000	1,250,000	(661,000)	-34.6%	3.2%
<b>Total Community Development</b>	<b>\$4,485,829</b>	<b>\$7,031,562</b>	<b>\$5,096,941</b>	<b>\$4,133,730</b>	<b>(\$963,211)</b>	<b>-18.9%</b>	<b>10.5%</b>
<b>Total Municipal Golf Course(1108)</b>	<b>\$1,590,647</b>	<b>\$1,793,788</b>	<b>\$1,749,257</b>	<b>\$1,963,938</b>	<b>\$214,681</b>	<b>12.3%</b>	<b>5.0%</b>
<b>Grand Total</b>	<b>\$40,121,240</b>	<b>\$43,009,063</b>	<b>\$40,070,932</b>	<b>\$39,434,815</b>	<b>(\$636,117)</b>	<b>-1.6%</b>	<b>100.0%</b>

## Special Fund Expenditures

Fiscal Years 2006 - 2009

Expenditures	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET 09 INC/(DEC)	% CHANGE	
						FY08/09	OF TOTAL
State Street Aid (Fund 2104)							
Street Maintenance	4,772,020	4,526,994	4,785,000	4,720,290	(64,710)	-1.4%	11.97%
<b>Total State Street Aid</b>	<b>\$4,772,020</b>	<b>\$4,526,994</b>	<b>\$4,785,000</b>	<b>\$4,720,290</b>	<b>(64,710)</b>	<b>-1.4%</b>	<b>11.97%</b>
Human Services (Fund 2102)							
Administration	1,038,336	1,073,817	911,640	824,993	(86,647)	-9.5%	2.09%
Headstart	8,101,851	7,897,542	7,784,522	7,688,713	(95,809)	-1.2%	19.50%
Daycare	846,308	883,255	843,448	802,226	(41,222)	-4.9%	2.03%
Weatherization	366,290	368,197	378,750	340,427	(38,323)	-10.1%	0.86%
Foster Grandparents	493,002	507,535	462,384	509,780	47,396	10.3%	1.29%
LIHEAP	1,464,389	2,106,035	2,101,908	1,422,421	(679,487)	-32.3%	3.61%
Community Service Block Grant	710,944	759,670	774,129	810,366	36,237	4.7%	2.05%
Human Services Programs	632,210	270,666	105,435	247,500	142,065	134.7%	0.63%
City General Relief -	72,167	74,530	72,868	72,868	0	0.0%	0.18%
<b>Total Human Services</b>	<b>\$13,725,497</b>	<b>\$13,941,247</b>	<b>\$13,435,084</b>	<b>\$12,719,294</b>	<b>(715,790)</b>	<b>-5.3%</b>	<b>32.25%</b>
Economic Development (Fund 1119 & P419)							
Other	1,105,163	630,300	600,000	675,000	75,000	12.5%	1.71%
Debt Service	6,029,412	7,963,477	9,057,655	9,370,806	313,151	3.5%	23.76%
Capital Outlay/Projects	2,664,000	2,007,852	1,277,345	1,419,467	142,122	11.1%	3.60%
<b>Total Economic Development</b>	<b>\$9,798,575</b>	<b>\$10,601,629</b>	<b>\$10,935,000</b>	<b>\$11,465,273</b>	<b>530,273</b>	<b>4.8%</b>	<b>29.07%</b>
Narcotics (Fund 2103)							
Operations	171,122	325,362	319,650	319,650	0	0.0%	0.81%
<b>Total Narcotics</b>	<b>\$171,122</b>	<b>\$325,362</b>	<b>\$319,650</b>	<b>\$319,650</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.81%</b>
Hotel/Motel Tax (Fund 2106)							
21st Century Waterfront	1,868,200	0	0	0	0	N/A	0.00%
Other Waterfront Capital Fund	0	650,000	428,850	734,077	305,227	71.2%	1.86%
Hamilton County	30,000	30,000	30,000	30,000	0	0.0%	0.08%
Debt Service	1,052,741	3,183,577	3,216,150	3,265,313	49,163	1.5%	8.28%
Hotel/Motel Collection Fee	71,889	74,347	75,000	83,250	8,250	11.0%	0.21%
<b>Total Hotel/Motel Tax</b>	<b>\$3,022,830</b>	<b>\$3,937,924</b>	<b>\$3,750,000</b>	<b>\$4,112,640</b>	<b>362,640</b>	<b>9.7%</b>	<b>10.43%</b>
Community Development (Fund 2105) (includes HOME program)							
Community Development Projects	4,589,961	6,182,105	4,513,676	3,570,893	(942,783)	-20.9%	9.06%
Administration	413,945	406,856	583,265	562,837	(20,428)	-3.5%	1.43%
<b>Total Community Development</b>	<b>\$5,003,906</b>	<b>\$6,588,961</b>	<b>\$5,096,941</b>	<b>\$4,133,730</b>	<b>(963,211)</b>	<b>-18.9%</b>	<b>10.48%</b>
<b>Total Municipal Golf Course(1108)</b>	<b>\$1,663,687</b>	<b>\$1,766,484</b>	<b>\$1,749,257</b>	<b>\$1,963,938</b>	<b>214,681</b>	<b>12.3%</b>	<b>4.98%</b>
<b>Grand Totals</b>	<b>\$38,157,637</b>	<b>\$41,688,601</b>	<b>\$40,070,932</b>	<b>\$39,434,815</b>	<b>(636,117)</b>	<b>-1.6%</b>	<b>100.00%</b>

# Enterprise Funds

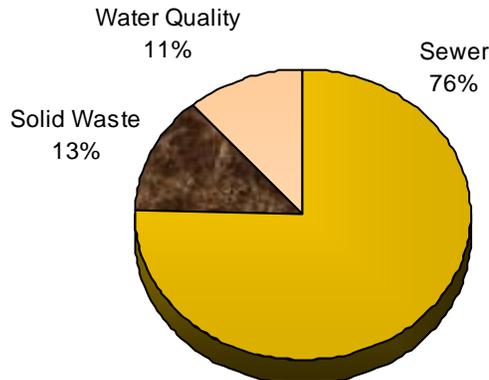
## Fund Structure

Enterprise Funds are established for operations that the City chooses to account for as though they were private enterprises. An Enterprise Fund might be established because an operation is expected to cover its costs (including depreciation expense) through user charges or because the City believes it is necessary to account for income and capital maintenance. The budgetary basis of accounting for these funds is the accrual method where measurement focus is their economic resources, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. The CAFR shows the status of the funds finances on the basis of GAAP. The City of Chattanooga has three (3) budgeted Enterprise Funds: Interceptor Sewer Fund, Water Quality Management Fund and Solid Waste and Sanitation Fund. As of June 30, 2008 the budgeted revenue and expenses were as follows:

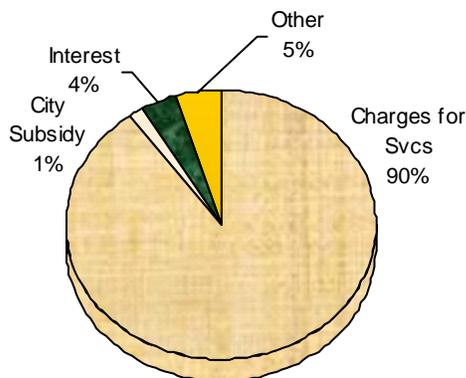
FUND	FY 08 Budgeted Revenue & Expenditures	(Unaudited) FY 08 Actual Revenues	(Unaudited) FY 08 Actual Expenses
Interceptor Sewer Fund	41,533,111	39,380,376	39,087,003
Solid Waste & Sanitation Fund	7,463,455	5,702,580	6,893,426
Water Quality Management Fund	6,942,386	6,067,438	6,412,374

## Fiscal Year 2008/2009

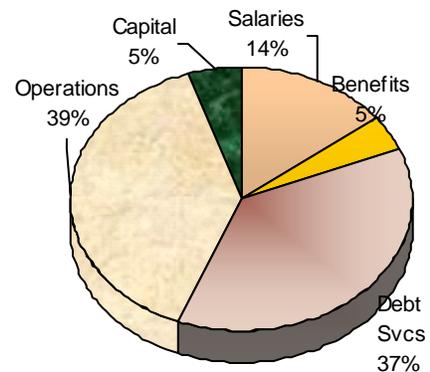
\$57,214,085



### Revenue



### Appropriation



**Fund Revenue Summary**  
 Fiscal Year Ending June 30, 2006 thru 2009  
 (expressed in \$1,000)

Fund Type:	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 Increase (Decrease)	% CHANGE FY 08/09
<b>Enterprise Funds</b>						
Interceptor Sewer System	40,041	43,028	41,533	43,757	2,224	5.4%
Solid Waste & Sanitation	5,911	6,156	7,463	7,264	(199)	-2.7%
Water Quality Fund	4,756	7,875	6,942	6,193	(749)	-10.8%
<b>Total Enterprise Funds</b>	<b>54,466</b>	<b>57,059</b>	<b>55,939</b>	<b>57,214</b>	<b>1,275</b>	<b>2.3%</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 lines connecting regional users so that they may be billed on the basis of total measured wastewater flows, under the EPA approved user charge system. Contract negotiations with each respective government are underway and must be completed before this method of billing can begin.

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

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

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

### Enumeration Of Charges - Quantity of Water Used

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

User Class	FY09-1 Total Charges (\$/1,000 gal)	FY09-2 Total Charges (\$/1,000 gal)
First 100,000	\$ 4.98	\$ 5.12
Next 650,000	3.69	3.80
Next 1,250,000	2.99	3.08
Next 30,000,000	2.40	2.55
Over 32,000,000	2.30	2.45

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

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

#### Billable Flow

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

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 1.5317	\$ 0.6738	\$ 2.2055

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

#### Total Flow

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

User Class	Regional Operation & Maintenance Charge (\$/1,000 gal)	Regional Debt Charge (\$/1,000 gal)	Regional Total Charge Wheelage & Treatment (\$/1,000 gal)
Wheelage & Treatment	\$ 0.8627	\$ 0.3661	\$ 1.2288

### Monthly Minimum Sewer Service Charges

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

Meter Size	FY09-1 Charge per Month	FY09-2 Charge per Month
5/8"	\$ 10.28	\$ 10.58
3/4"	36.67	37.74
1"	64.08	65.94
1 1/2"	143.41	147.58
2"	253.92	261.31
3"	595.20	612.53
4"	1,099.94	1,131.98
6"	2,619.88	2,696.19
8"	4,634.10	4,769.07

### Industrial User Sewer Surcharge

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

- \$0.096 per pound of 5-day biochemical oxygen demand (BOD<sub>5</sub>) for concentrations in excess of 300 milligrams per liter, and,
- \$0.065 per pound of total suspended solids for concentrations in excess of 400 milligrams per liter.

The City has also established the following fees and charges:

- A Sewer Service Line Connection Fee of \$800;
- A Truck Discharge Operation Permit Fee of \$100 per truck per year;
- A Septic Tank Discharge Fee of \$57.00 per 1,000 gallons of waste;
- Holding Tank Waste Fee of \$4.98 per 1,000 gallons of waste; the fee for FY08/09-2 of \$5.12 and
- Garbage Grinders Fee of \$155.00 per month per unit.

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

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

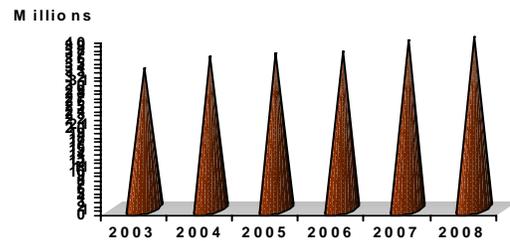
The City has followed through with its commitment to raise rates to support the program since 1985. As of April 1990, the City had adopted five consecutive annual sewer rate increases of 6.14%. The first 6.14% rate increase took place July 1985, followed by four more 6.14% rate increases in July 1986,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

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

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

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

### Interceptor Sewer Collections 2003 thru 2008



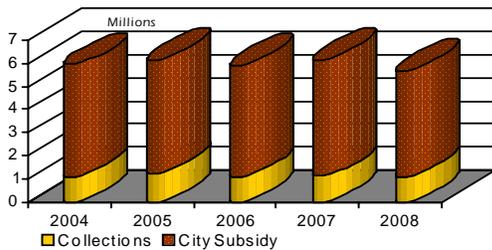
### Solid Waste and Sanitation Fund

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

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

**Solid Waste Disposal Fee.** Since the revenue from the landfill tipping fees does not totally fund the expenditures of the fund, it is necessary for the General Fund to support the Solid Waste & Disposal Fund through a General Fund Waste Disposal Fee. This FY08/09 fee of \$6,275,560 accounts for 86.4% of the total budget.

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



### Solid Waste Revenue

### Water Quality Management Fund

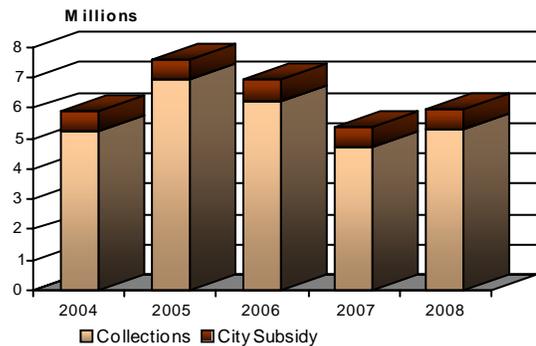
The Water Quality Management Fund was established in 1993 to comply with a Federal mandate for the City to control storm water runoff. The City is required to impose controls to reduce the discharge of pollutants in storm water to the maximum extent practicable using management practices, control techniques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

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

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

The revenue for this fund is derived from water quality fees, \$5,508,723 (88.9%), and a City of Chattanooga General Fund subsidy of \$683,952 (11.0%).

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



### Water Quality Collections

**Fund Expenditure Summary**  
 Fiscal Year Ending June 30, 2006 thru 2009  
 (expressed in \$1,000)

Fund Type:	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 Increase (Decrease)	% CHANGE FY 08/09
<b>Enterprise Funds</b>						
Interceptor Sewer System	48,025	48,639	41,533	43,757	2,224	5.4%
Solid Waste & Sanitation	5,639	5,870	7,463	7,264	(199)	-2.7%
Water Quality Fund	7,211	6,932	6,942	6,193	(749)	-10.8%
<b>Total Enterprise Funds</b>	<b>60,875</b>	<b>61,441</b>	<b>55,939</b>	<b>57,214</b>	<b>1,275</b>	<b>2.3%</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 08/09, the operations and maintenance budget increased \$2,223,917, or 5.4%, due to increases related to the CMOM program, the addition of three positions, and increases in the cost of liquid chemicals and plant maintenance. The largest single change in the ISS budget for FY08/09 is the \$813,036 appropriation for solids handling operations at MBWWTP.

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

### Solid Waste and Sanitation Fund

Expenses in the Solidwaste & Sanitation Fund include:

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

Major expenditures of this fund are personnel costs

and vehicle related costs. The Solid Waste Fund budget for FY 08/09 decreased \$199,073. This is due to a decrease in capital improvements.

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

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

### Water Quality Management Fund

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

- Personnel
- Operations
- Capital Projects
- Debt Service

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

## Enterprise Fund Revenues

Fiscal Years 2006 - 2009

Revenue Source	Actual	Actual	Budget	Budget	BUDGET '09	%	%
	FY 05/06	FY 06/07	FY 07/08	FY 08/09	INC/(DEC)	CHANGE FY 08/09	OF TOTAL
<b>Interceptor Sewer System (Fund 5100):</b>							
Sewer Service Charges	28,907,409	30,507,080	31,984,894	35,034,044	3,049,150	9.5%	61.23%
Industrial Surcharges	3,370,750	3,737,690	2,750,000	2,900,000	150,000	5.5%	5.07%
Septic Tank Charges	188,837	285,254	212,800	225,568	12,768	6.0%	0.39%
<b>Wheelage &amp; Treatment</b>							
Lookout Mountain, TN	191,556	155,004	185,186	172,341	(12,845)	-6.9%	0.30%
Dade County, GA	3,080	6,199	7,014	13,540	6,526	93.0%	0.02%
Walker County, GA	297,917	357,611	338,223	439,225	101,002	29.9%	0.77%
Collegedale, TN	206,184	218,022	243,119	291,670	48,551	20.0%	0.51%
Soddy-Daisy, TN	115,198	124,731	137,089	165,948	28,859	21.1%	0.29%
East Ridge, TN	1,057,015	977,987	1,047,955	1,017,255	(30,700)	-2.9%	1.78%
Windstone	23,334	23,193	27,138	27,147	9	0.0%	0.05%
Hamilton County, TN	454,949	540,500	560,423	680,676	120,253	21.5%	1.19%
Northwest Georgia	571,482	590,196	597,362	664,806	67,444	11.3%	1.16%
Lookout Mountain, GA	54,067	55,991	59,079	65,238	6,159	10.4%	0.11%
RInggold, GA	65,563	87,247	244,951	254,742	9,791	4.0%	0.45%
Rossville, GA	333,825	324,184	340,242	393,056	52,814	15.5%	0.69%
Red Bank, TN	397,455	443,443	486,979	498,199	11,220	2.3%	0.87%
Debt Service Northwest Georgia	410,074	410,074	447,353	447,353	0	0.0%	0.78%
Industrial User Permits	44,000	40,500	41,000	41,000	0	0.0%	0.07%
Industrial Violation Fines	2,400	12,900	0	0	0	N/A	0.00%
Garbage Grinder Fees	21,566	41,773	47,304	50,220	2,916	6.2%	0.09%
Capital Contributions	2,000	0	0	0	0	N/A	0.00%
Miscellaneous Revenue	(286,133)	20,121	0	0	0	N/A	0.00%
Fund Balance for Capital	2,490,971	2,321,695	0	0	0	N/A	0.00%
Interest Earnings	1,117,703	1,746,502	1,775,000	375,000	(1,400,000)	-78.9%	0.66%
<b>Total Interceptor Sewer</b>	<b>\$40,041,202</b>	<b>\$43,027,897</b>	<b>\$41,533,111</b>	<b>\$43,757,028</b>	<b>\$2,223,917</b>	<b>5.4%</b>	<b>76.48%</b>
<b>Solid Waste &amp; Sanitation(Fund 5200):</b>							
Landfill Tipping Fees	591,567	472,828	482,275	487,572	5,297	1.1%	0.85%
Landfill Permit Fees	2,254	28,613	3,500	3,500	0	0.0%	0.01%
City of Chattanooga Tipping Fees	4,846,415	5,028,742	4,622,810	6,275,560	1,652,750	35.8%	10.97%
State Sub Recyclable Material	32,602	18,007	60,000	60,000	0	0.0%	0.10%
S/W Surcharge - State	43,929	81,223	85,000	85,000	0	0.0%	0.15%
Interest	288,110	449,711	344,870	352,750	7,880	2.3%	0.62%
Public Works Capital	0	0	1,865,000	0	(1,865,000)	-100.0%	0.00%
Misc Revenues	105,866	77,375	0	0	0	N/A	0.00%
<b>Total Solid Waste &amp; Sanitation</b>	<b>\$5,910,743</b>	<b>\$6,156,499</b>	<b>\$7,463,455</b>	<b>\$7,264,382</b>	<b>(\$199,073)</b>	<b>-2.7%</b>	<b>12.70%</b>
<b>Water Quality (Fund 5300):</b>							
Water Quality Fee	5,503,635	5,539,770	4,473,434	5,398,723	925,289	20.7%	9.44%
Public Works Capital	0	0	0	0	0	N/A	0.00%
Fund Balance for Capital	2,100,000	1,565,559	1,675,000	0	(1,675,000)	-100.0%	0.00%
Misc Revenue	226,822	85,632	110,000	110,000	0	0.0%	0.19%
General Fund Subsidy	683,952	683,952	683,952	683,952	0	0.0%	1.20%
<b>Total Water Quality</b>	<b>\$8,514,409</b>	<b>\$7,874,913</b>	<b>\$6,942,386</b>	<b>\$6,192,675</b>	<b>(\$749,711)</b>	<b>-10.8%</b>	<b>10.82%</b>
<b>Grand Totals:</b>	<b>\$54,466,354</b>	<b>\$57,059,309</b>	<b>\$55,938,952</b>	<b>\$57,214,085</b>	<b>\$1,275,133</b>	<b>2.3%</b>	<b>100.00%</b>

## Enterprise Fund Expenditures

### Fiscal Years 2006 - 2009

Expenditures	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	% CHANGE FY 08/09	% OF TOTAL
<b>Interceptor Sewer System (Fund 5100):</b>							
<b>Operations &amp; Maintenance:</b>							
Administration	2,098,208	2,238,790	2,314,848	2,463,483	148,635	6.4%	4.31%
Safety & Training	109,475	119,881	126,757	134,825	8,068	6.4%	0.24%
Laboratory	523,942	540,449	586,812	642,928	56,116	9.6%	1.12%
Pretreatment/Monitoring	315,203	318,214	390,121	441,007	50,886	13.0%	0.77%
Engineering	234,779	249,648	351,390	367,728	16,338	4.6%	0.64%
Plant Maintenance	1,214,995	1,260,536	1,497,421	1,529,036	31,615	2.1%	2.67%
Sewer Maintenance	1,384,151	1,810,396	2,629,326	2,807,774	178,448	6.8%	4.91%
Moccasin Bend - Liquid Handling	6,623,753	6,587,538	7,284,176	7,860,615	576,439	7.9%	13.74%
Moccasin Bend - Solid Handling	3,778,427	3,843,507	3,371,527	4,184,563	813,036	24.1%	7.31%
Inflow & Infiltration	782,133	788,805	1,363,374	1,248,463	(114,911)	-8.4%	2.18%
Combined Sewer Overflow	184,498	139,996	408,375	544,400	136,025	33.3%	0.95%
Landfill Handling	1,369,450	1,403,183	1,450,000	1,725,000	275,000	19.0%	3.01%
	<b>18,619,014</b>	<b>19,300,943</b>	<b>21,774,127</b>	<b>23,949,822</b>	<b>2,175,695</b>	<b>10.0%</b>	
<b>Pumping Stations</b>							
Mountain Creek	18,083	22,904	26,580	21,535	(5,045)	-19.0%	0.04%
Citico	216,692	296,344	263,875	297,810	33,935	12.9%	0.52%
Friar Branch	97,914	106,871	139,420	197,140	57,720	41.4%	0.34%
Hixson 1,2,3,&4	76,255	75,520	89,172	92,323	3,151	3.5%	0.16%
19th Street	40,840	48,948	52,903	51,825	(1,078)	-2.0%	0.09%
Orchard Knob	31,410	57,194	53,250	56,460	3,210	6.0%	0.10%
South Chickamauga Creek	286,754	356,966	381,100	332,800	(48,300)	-12.7%	0.58%
Tiftonia 1&2	36,662	25,444	47,875	48,650	775	1.6%	0.09%
23rd Street	78,628	128,548	117,340	189,630	72,290	61.6%	0.33%
Latta Street	5,796	5,977	18,000	18,505	505	2.8%	0.03%
Residential Pump Stations	17,691	20,116	24,250	70,500	46,250	190.7%	0.12%
Murray Hills	9,789	8,576	16,530	17,460	930	5.6%	0.03%
Big Ridge 1 - 5	45,955	50,784	69,388	95,723	26,335	38.0%	0.17%
Highland Park	10,635	9,662	14,225	13,760	(465)	-3.3%	0.02%
Dupont Parkway	16,390	15,745	31,385	30,915	(470)	-1.5%	0.05%
VAAP	1,502	1,648	4,965	5,110	145	2.9%	0.01%
Northwest Georgia	62,432	37,337	53,320	85,425	32,105	60.2%	0.15%
Brainerd	34,403	12,532	12,270	16,215	3,945	32.2%	0.03%
East Brainerd	32,858	30,091	37,185	101,590	64,405	173.2%	0.18%
North Chattanooga	28,064	13,829	19,170	20,960	1,790	9.3%	0.04%
South Chattanooga	4,057	1,824	5,700	5,405	(295)	-5.2%	0.01%
Ooltewah-Collegedale	87,577	77,136	89,700	98,470	8,770	9.8%	0.17%
Enterprise South	238	276	3,435	3,108	(327)	-9.5%	0.01%
River Park	0	0	4,250	4,250	0	0.0%	0.01%
Ringgold Pump Station	0	7,286	21,500	98,400	76,900	357.7%	0.17%
Odor Control Pump Stations	201,754	367,482	365,000	675,000	310,000	84.9%	1.18%
	<b>1,442,379</b>	<b>1,779,040</b>	<b>1,961,788</b>	<b>2,648,969</b>	<b>687,181</b>	<b>35.0%</b>	
Depreciation	9,904,556	9,577,178	0	0	0	N/A	0.00%
<b>Capital Improvements Program</b>	<b>256,433</b>	<b>108,954</b>	<b>1,155,936</b>	<b>627,594</b>	<b>(528,342)</b>	<b>-45.7%</b>	<b>1.10%</b>
<b>Debt Service &amp; Reserve</b>							
Principal	10,306,953	10,854,522	11,513,265	11,484,348	(28,917)	-0.3%	20.07%
Interest	5,004,787	4,696,538	4,487,946	4,110,598	(377,348)	-8.4%	7.18%
Trfrs to ISS Const Trust	2,490,971	2,321,695	0	0	0	N/A	0.00%
Reserve Coverage	0	0	640,049	935,697	295,648	46.2%	1.64%
	<b>17,802,711</b>	<b>17,872,755</b>	<b>16,641,260</b>	<b>16,530,643</b>	<b>(110,617)</b>	<b>-0.7%</b>	
<b>Total Interceptor Sewer</b>	<b>\$48,025,093</b>	<b>\$48,638,870</b>	<b>\$41,533,111</b>	<b>\$43,757,028</b>	<b>\$2,223,917</b>	<b>5.4%</b>	<b>76.48%</b>
<b>Solid Waste &amp; Sanitation(Fund 5200):</b>							
Recycle	494,444	592,895	598,572	818,524	219,952	36.7%	1.43%
Capital Improvements	0	0	0	0	0	N/A	0.00%
Sanitary Landfill (Summitt)	181,232	108,697	344,870	352,750	7,880	2.3%	0.62%
Waste Disposal - City Landfill	1,055,485	1,072,131	963,483	1,162,888	199,405	20.7%	2.03%
Compost Waste Recycle	613,908	715,585	576,123	611,029	34,906	6.1%	1.07%
Household Hazardous Waste	100,139	117,438	125,000	100,000	(25,000)	-20.0%	0.17%
Solid Waste Reserve	0	0	535,625	435,000	(100,625)	-18.8%	0.76%
Capital Improvements	0	0	1,865,000	0	(1,865,000)	-100.0%	0.00%
Debt Service	3,193,425	3,263,008	2,454,782	3,784,191	1,329,409	54.2%	6.61%
<b>Total Solid Waste &amp; Sanitation</b>	<b>\$5,638,633</b>	<b>\$5,869,754</b>	<b>\$7,463,455</b>	<b>\$7,264,382</b>	<b>(\$199,073)</b>	<b>-2.7%</b>	<b>12.70%</b>
<b>Water Quality (Fund 5300):</b>							
Water Quality Management	1,464,414	1,620,157	2,265,832	2,082,805	(183,027)	-8.1%	3.64%
Water Quality Operations	1,249,573	1,420,004	1,465,885	1,765,453	299,568	20.4%	3.09%
Renewal & Replacement	108,359	62,088	46,273	45,562	(711)	-1.5%	0.08%
Capital Improvement	2,100,000	1,565,559	1,675,000	0	(1,675,000)	-100.0%	0.00%
Depreciation and Bad Debt	0	0	0	0	0	N/A	0.00%
Debt Service	2,289,122	2,264,493	1,489,396	2,298,855	809,459	54.3%	4.02%
<b>Total Water Quality</b>	<b>\$7,211,468</b>	<b>\$6,932,301</b>	<b>\$6,942,386</b>	<b>\$6,192,675</b>	<b>(\$749,711)</b>	<b>-10.8%</b>	<b>10.82%</b>
<b>Grand Totals:</b>	<b>\$60,875,194</b>	<b>\$61,440,925</b>	<b>\$55,938,952</b>	<b>\$57,214,085</b>	<b>\$1,275,133</b>	<b>2.3%</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 is usually recovered from those governmental units that receive benefits. The budgetary basis of accounting for these funds is the accrual method with economic resources measurement focus, much like that of a private-sector business. Revenues are recognized as soon as they are earned and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows. Funds are reported on GAAP basis in CAFR.

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

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

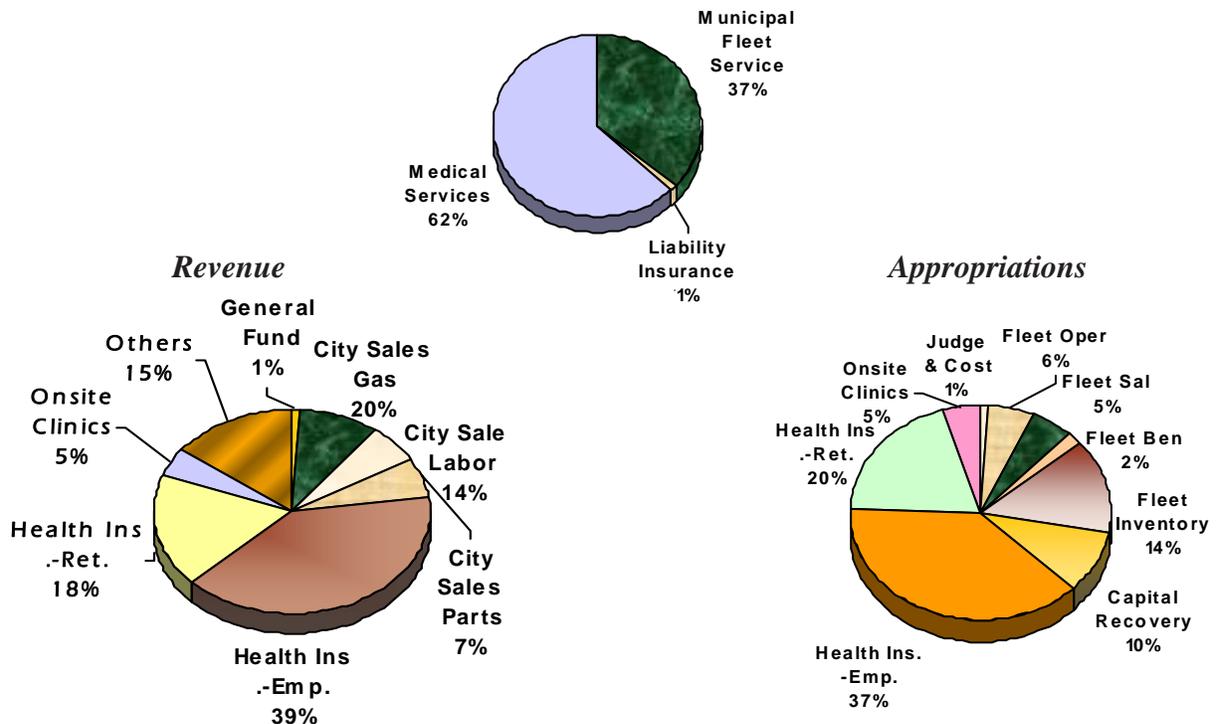
**Liability Insurance Fund** accounts for the City self-insurance programs for claims and losses due to liabilities arising under the laws of State and Federal governments. The costs for these programs are funded through premiums paid by the departments and agencies of City government.

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

Fund	FY07/08 Budgeted Revenue & Expenses	FY07/08 Actual Revenues	FY07/08 Actual Expenses
Municipal Fleet Service Fund(1)	\$16,399,135	\$17,184,646	\$16,040,534
Liability Insurance Fund	\$800,000	\$800,000	\$734,506
Medical Services Fund	\$26,189,044	\$25,927,900	\$24,722,502

(1) Amounts include capital contributions and purchases

## Fiscal Year 2008/2009 Budgeted Amount by Fund \$46,469,855



**Fund Revenue Summary**  
Fiscal Years 2006 - 2009  
(expressed in \$1,000)

Fund Type:	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 Increase (Decrease)	% CHANGE FY 09
Internal Service Fund						
Municipal Fleet Services	9,867	14,916	16,399	15,723	(676)	-4.1%
Liability Insurance Fund	1,650	2,173	800	3,824	3,024	378.0%
Medical Services Fund	-	-	26,189	26,922	733	2.8%
<b>Total Internal Service Fund</b>	<b>11,517</b>	<b>17,089</b>	<b>43,388</b>	<b>46,469</b>	<b>2,348</b>	<b>5.4%</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, labor, and leased vehicles to City Departments and other municipalities and agencies.

The garages collections and rates have not increased for FY09. Users will continue to pay a \$65.00 per hour charge for garage services for vehicles that are not part of the lease program. For budgeting or planning purposes during FY09, a 25% premium is applied to parts billed to departments. Gasoline and diesel fuel will be billed to departments with an approximate 10% premium applied to cost.

Continuing in FY09 is the Fleet Leasing Program, in which new vehicles will be purchased, owned and maintained by Fleet Services and leased back to the various departments and agencies at a fixed rate. Started in FY07 and designed to replace the entire fleet over a period of six years, the program is expected to both provide the capital for vehicle replacement going forward and reduce maintenance costs with the progressive replacement of the oldest vehicles in the city fleet with new vehicles.

### Liability Insurance Fund

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

### Medical Services Fund

Revenues are generated from health insurance premiums charged to employees, retirees, departments, and agencies, and from charges to departments and agencies for the onsite medical clinics and wellness initiative. The city currently operates two clinics and one employee fitness facility, and is planning to add an onsite pharmacy in FY08/09.

**Fund Expenditure Summary**  
Fiscal Years 2006 - 2009  
(expressed in \$1,000)

Fund Type:	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 Increase (Decrease)	% CHANGE FY 09
Internal Service Fund						
Municipal Fleet Services	9,557	14,700	16,399	15,723	(676)	-4.1%
Liability Insurance Fund	61	2,099	800	3,824	3,024	378.0%
Medical Services Fund	-	-	26,189	26,922	733	2.8%
<b>Total Internal Service Fund</b>	<b>9,618</b>	<b>16,799</b>	<b>43,388</b>	<b>46,469</b>	<b>2,348</b>	<b>5.4%</b>

## Expenses

### Municipal Fleet Services Fund

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

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

### Liability Insurance Fund

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

### Medical Services Fund

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

## Internal Service Fund Revenues

Fiscal Years 2006 - 2009

Revenue Source	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	% CHANGE FY 09	% OF TOTAL
<b>Municipal Service Station (Fund 6100):</b>							
Amnicola Service Station:							
Fleet Fuel- City Sales	1,019,198	1,059,873	1,060,000	1,300,000	240,000	22.6%	2.80%
Fleet Fuel- Outside Sales	6,048	8,773	9,000	15,000	6,000	66.7%	0.03%
Transfers In-Gen. Govt. Cap. Fund 4103	-	-	155,000	-	(155,000)	-100.0%	0.00%
Total Amnicola Station	<u>1,025,246</u>	<u>1,068,646</u>	<u>1,224,000</u>	<u>1,315,000</u>	<u>91,000</u>	<u>7.4%</u>	<u>2.83%</u>
12th & Park Service Station:							
Fleet Fuel- City Sales	2,116,265	2,164,400	2,175,000	2,700,000	525,000	24.1%	5.81%
Fleet Fuel- Outside Sales	143,581	111,938	115,000	85,000	(30,000)	-26.1%	0.18%
Transfers In-Gen. Govt. Cap. Fund 4103	-	17,400	7,450	-	-	-	-
Total 12th & Park Station	<u>2,259,846</u>	<u>2,293,738</u>	<u>2,297,450</u>	<u>2,785,000</u>	<u>487,550</u>	<u>21.2%</u>	<u>5.99%</u>
<b>Total Municipal Service Station</b>	<b><u>\$3,285,092</u></b>	<b><u>\$3,362,384</u></b>	<b><u>\$3,521,450</u></b>	<b><u>\$4,100,000</u></b>	<b><u>578,550</u></b>	<b><u>16.4%</u></b>	<b><u>8.82%</u></b>
<b>Municipal Garage (Fund 6101)</b>							
Amnicola Garage:							
Sale of Surplus Equip/Scrap	7,895	21,066	19,860	28,263	8,403	42.3%	0.06%
Misc Revenue	6,466	-	-	-	-	N/A	0.00%
Fleet - Sale of Parts	1,382,458	1,529,674	1,500,000	1,400,000	(100,000)	-6.7%	3.01%
Outside Sale of Parts	346,895	244,804	225,000	200,000	(25,000)	-11.1%	0.43%
Sales - Labor	1,312,212	1,282,234	1,250,000	1,325,000	75,000	6.0%	2.85%
Outside Sales - Labor	261,757	265,237	240,000	270,000	30,000	12.5%	0.58%
Total Amnicola Garage	<u>3,317,683</u>	<u>3,343,015</u>	<u>3,234,860</u>	<u>3,223,263</u>	<u>(11,597)</u>	<u>-0.4%</u>	<u>6.94%</u>
12th & Park Garage:							
Fleet - Sale of Parts	1,723,991	1,675,620	1,600,000	1,400,000	(200,000)	-12.5%	3.01%
Outside Sale of Parts	2,119	6,111	-	-	-	N/A	0.00%
Sales - Labor	1,501,223	1,116,156	1,100,000	1,325,000	225,000	20.5%	2.85%
Outside Sales - Labor	2,109	1,990	-	-	-	N/A	0.00%
Total 12th & Park Garage	<u>3,229,442</u>	<u>2,799,877</u>	<u>2,700,000</u>	<u>2,725,000</u>	<u>25,000</u>	<u>0.9%</u>	<u>5.86%</u>
<b>Total Municipal Garage</b>	<b><u>\$6,547,125</u></b>	<b><u>\$6,142,892</u></b>	<b><u>\$5,934,860</u></b>	<b><u>\$5,948,263</u></b>	<b><u>13,403</u></b>	<b><u>0.2%</u></b>	<b><u>12.80%</u></b>
<b>Fleet Leasing Capital (Fund 6102)</b>							
Damage Settlements	-	60,549	72,225	125,000	52,775	73.1%	0.27%
Sale of Surplus Equip/Scrap	20,553	260,800	209,934	225,000	15,066	7.2%	0.48%
Fleet Leased Vehicles	5,624	-	-	-	-	N/A	0.00%
Vehicle Replacement Reserve	8,436	360,352	975,251	1,970,000	994,749	102.0%	4.24%
Fleet Mileage Surcharge	-	104,988	126,737	390,000	263,263	207.7%	0.84%
Use of Fund Balance	-	-	786,689	1,390,000	603,311	76.7%	2.99%
Transfers In-General Fund	-	812,897	1,500,000	-	(1,500,000)	-100.0%	0.00%
Transfers In-Gen. Govt. Cap. Fund 4103	-	3,500,000	2,572,426	-	(2,572,426)	-100.0%	0.00%
<b>Total Fleet Leasing Capital Program</b>	<b><u>\$34,613</u></b>	<b><u>\$5,099,586</u></b>	<b><u>\$6,243,262</u></b>	<b><u>\$4,100,000</u></b>	<b><u>(2,143,262)</u></b>	<b><u>-34.3%</u></b>	<b><u>8.82%</u></b>
<b>Fleet Leasing Operations (Fund 6103)</b>							
Fleet Leased Vehicles	-	247,409	623,521	1,315,000	691,479	110.9%	2.83%
Fleet Mileage Surcharge	-	63,328	76,042	260,000	183,958	241.9%	0.56%
<b>Total Fleet Leasing Operations Program</b>	<b><u>\$0</u></b>	<b><u>\$310,737</u></b>	<b><u>\$699,563</u></b>	<b><u>\$1,575,000</u></b>	<b><u>\$875,437</u></b>	<b><u>125.1%</u></b>	<b><u>3.39%</u></b>
<b>Total Fleet Services</b>	<b><u>\$9,866,830</u></b>	<b><u>\$14,915,599</u></b>	<b><u>\$16,399,135</u></b>	<b><u>\$15,723,263</u></b>	<b><u>(\$675,872)</u></b>	<b><u>-4.1%</u></b>	<b><u>33.84%</u></b>
<b>Liability Insurance Fund (6200)</b>							
Prior Year Surplus	0	0	0	3,424,400	3,424,400	N/A	7.37%
General Fund Transfer -1100	1,650,000	2,173,000	800,000	400,000	(400,000)	-50.0%	0.86%
<b>Total Liability Insurance</b>	<b><u>\$ 1,650,000</u></b>	<b><u>\$ 2,173,000</u></b>	<b><u>\$ 800,000</u></b>	<b><u>\$ 3,824,400</u></b>	<b><u>\$ 3,024,400</u></b>	<b><u>378.1%</u></b>	<b><u>8.23%</u></b>
<b>Medical Services Fund (6300)</b>							
Employee Premium Health Insurance	-	-	3,380,000	3,310,000	(70,000)	-2.1%	7.12%
Department Premium Health Insurance	-	-	13,310,000	13,240,000	(70,000)	-0.5%	28.49%
Department Premium Health Ins. HSA	-	-	210,000	568,000	358,000	170.5%	1.22%
Department Premium Retiree Health Ins.	-	-	4,863,000	5,154,780	291,780	6.0%	11.09%
Retiree Premium Health Insurance	-	-	1,737,000	1,841,220	104,220	6.0%	3.96%
Department Premium Pensioners	-	-	787,044	787,044	-	0.0%	1.69%
Department Premium Onsite Med. Clinics	-	-	1,860,000	1,980,498	120,498	6.5%	4.26%
Miscellaneous Revenue	-	-	42,000	40,650	(1,350)	-3.2%	0.09%
<b>Total Medical Services</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 26,189,044</u></b>	<b><u>\$ 26,922,192</u></b>	<b><u>\$ 733,148</u></b>	<b><u>2.8%</u></b>	<b><u>57.93%</u></b>
<b>Grand Total:</b>	<b><u>\$11,516,830</u></b>	<b><u>\$17,088,599</u></b>	<b><u>\$43,388,179</u></b>	<b><u>\$46,469,855</u></b>	<b><u>\$2,348,528</u></b>	<b><u>5.4%</u></b>	<b><u>100.00%</u></b>

## Internal Service Fund Expenditures

Fiscal Years 2006 - 2009

Expenditures	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	% CHANGE FY 09	% OF TOTAL
<b>Municipal Service Station (Fund 6100):</b>							
<i>Amnicola Service Station</i>							
Salaries & Wages	63,941	45,167	46,086	47,169	1,083	2.3%	0.10%
Fringes	14,020	12,021	13,856	16,466	2,610	18.8%	0.04%
Purchased Services	136	1,334	5,500	2,500	(3,000)	-54.5%	0.01%
Materials & Supplies	-	-	870	500	(370)	-42.5%	0.00%
Vehicle Operating Expenses	2,496	2,657	-	5,000	5,000	N/A	0.01%
Inventory Supplies	900,370	888,721	850,000	1,170,000	320,000	37.6%	2.52%
Capital Outlay	-	-	155,000	-	(155,000)	-100.0%	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	18,247	19,307	20,025	19,500	(525)	-2.6%	0.04%
<b>Total Amnicola Station</b>	<b>999,210</b>	<b>969,207</b>	<b>1,091,337</b>	<b>1,261,135</b>	<b>169,798</b>	<b>15.6%</b>	<b>2.71%</b>
<i>12th &amp; Park Service Station</i>							
Salaries & Wages	67,476	60,313	61,712	63,398	1,686	2.7%	0.14%
Fringes	21,038	40,978	18,264	21,729	3,465	19.0%	0.05%
Purchased Services	5,117	5,670	7,000	4,200	(2,800)	-40.0%	0.01%
Materials & Supplies	-	-	1,870	1,500	(370)	-19.8%	0.00%
Vehicle Operating Expenses	10,190	4,405	20,000	7,100	(12,900)	-64.5%	0.02%
Insurance, Claims, Damages	80	81	-	100	100	N/A	0.00%
Inventory Supplies	1,991,721	1,920,303	1,925,000	2,450,000	525,000	27.3%	5.27%
Capital Outlay	2,455	25,004	17,450	-	(17,450)	-100.0%	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	1,500	1,570	2,400	1,600	(800)	-33.3%	0.00%
<b>Total 12th &amp; Park Station</b>	<b>2,099,577</b>	<b>2,058,324</b>	<b>2,053,696</b>	<b>2,549,627</b>	<b>495,931</b>	<b>24.1%</b>	<b>5.49%</b>
<b>Total Municipal Service Station</b>	<b>\$ 3,098,787</b>	<b>\$ 3,027,531</b>	<b>\$ 3,145,033</b>	<b>\$ 3,810,762</b>	<b>\$ 665,729</b>	<b>21.2%</b>	<b>8.20%</b>
<b>Municipal Garage (Fund 6101)</b>							
<i>Amnicola Garage - Repair &amp; Maint.</i>							
Salaries & Wages	955,206	965,764	1,036,585	1,104,183	67,598	6.5%	2.38%
Fringes	288,346	295,067	364,643	403,661	39,018	10.7%	0.87%
Purchased Services	127,514	209,183	184,560	221,500	36,940	20.0%	0.48%
Materials & Supplies	21,604	17,446	28,450	20,400	(8,050)	-28.3%	0.04%
Travel	227	678	3,100	-	(3,100)	-100.0%	0.00%
Vehicle Operating Expenses	88,147	167,895	23,100	100,300	77,200	334.2%	0.22%
Insurance, Claims, Damages	8,197	8,237	8,500	9,100	600	7.1%	0.02%
Inventory Supplies	1,383,603	1,307,861	1,254,000	1,400,000	146,000	11.6%	3.01%
Capital Outlay	14,919	2,580	16,800	-	(16,800)	-100.0%	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	356,541	314,031	352,016	327,458	(24,558)	-7.0%	0.70%
	3,244,304	3,288,742	3,271,754	3,586,602	314,848	9.6%	7.72%
<i>12th &amp; Park Garage - Repair &amp; Maint.</i>							
Salaries & Wages	950,528	855,864	1,013,332	1,025,785	12,453	1.2%	2.21%
Fringes	269,260	293,420	351,326	367,243	15,917	4.5%	0.79%
Purchased Services	84,665	118,000	139,800	89,600	(50,200)	-35.9%	0.19%
Materials & Supplies	25,799	25,313	32,250	34,200	1,950	6.0%	0.07%
Travel	1,749	-	3,000	-	(3,000)	-100.0%	0.00%
Vehicle Operating Expenses	40,367	48,436	35,500	103,400	67,900	191.3%	0.22%
Insurance, Claims, Damages	97,181	109,206	111,000	123,000	12,000	10.8%	0.26%
Inventory Supplies	1,373,091	1,271,465	1,225,000	1,070,000	(155,000)	-12.7%	2.30%
Capital Outlay	770	597	27,500	-	(27,500)	-100.0%	0.00%
Gov'tl Charges, Taxes, Fees, Misc.	322,729	273,613	322,552	287,658	(34,894)	-10.8%	0.62%
	3,166,139	2,995,914	3,261,260	3,100,886	(160,374)	-4.9%	6.67%
<b>Total Municipal Garage</b>	<b>\$ 6,410,443</b>	<b>\$ 6,284,656</b>	<b>\$ 6,533,014</b>	<b>\$ 6,687,488</b>	<b>\$ 154,474</b>	<b>2.4%</b>	<b>14.39%</b>
<b>Fleet Leasing Capital (Fund 6102)</b>							
Capital Outlay	43,359	4,221,265	4,859,115	1,390,000	(3,469,115)	-71.4%	2.99%
Fund Balance Reserve	-	786,689	1,384,147	2,710,000	1,325,853	95.8%	5.83%
Gov'tl Charges, Taxes, Fees, Misc.	4,336	327,856	-	-	-	N/A	0.00%
<b>Total Fleet Leasing Capital Program</b>	<b>\$ 47,695</b>	<b>\$ 5,335,810</b>	<b>\$ 6,243,262</b>	<b>\$ 4,100,000</b>	<b>\$ (2,143,262)</b>	<b>-34.3%</b>	<b>8.82%</b>
<b>Fleet Leasing Operations (Fund 6103)</b>							
Vehicle Operating Expenses	-	51,590	477,826	1,125,013	647,187	135.4%	2.42%
<b>Total Fleet Leasing Operations Program</b>	<b>\$ -</b>	<b>\$ 51,590</b>	<b>\$ 477,826</b>	<b>\$ 1,125,013</b>	<b>\$ 647,187</b>	<b>135.4%</b>	<b>2.42%</b>
<b>Total Fleet Services</b>	<b>\$ 9,556,925</b>	<b>\$ 14,699,587</b>	<b>\$ 16,399,135</b>	<b>\$ 15,723,263</b>	<b>\$ (675,872)</b>	<b>-4.1%</b>	<b>33.84%</b>
<b>Liability Insurance Fund (6200)</b>							
Special Council & Claims	60,932	2,099,298	800,000	3,824,400	3,024,400	378.1%	8.23%
<b>Total Liability Insurance</b>	<b>\$ 60,932</b>	<b>\$ 2,099,298</b>	<b>\$ 800,000</b>	<b>\$ 3,824,400</b>	<b>\$ 3,024,400</b>	<b>378.1%</b>	<b>8.23%</b>
<b>Medical Services Fund (6300)</b>							
Health Insurance Admin Fee	-	-	-	-	-	N/A	0.00%
Health Insurance Stop Loss	-	-	-	525,000	525,000	N/A	1.13%
Health Insurance Employees	-	-	16,900,000	15,850,000	(1,050,000)	-6.2%	34.11%
Health Insurance Retirees	-	-	6,600,000	7,729,000	1,129,000	17.1%	16.63%
Pharmacy	-	-	-	-	-	N/A	0.00%
Employee Assistance Program (EAP)	-	-	42,000	40,650	(1,350)	-3.2%	0.09%
COBRA	-	-	-	10,000	10,000	N/A	0.02%
Health Insurance Pensioners	-	-	787,044	787,044	-	0.0%	1.69%
On-site Med Clinic Administration	-	-	1,525,700	1,036,000	(489,700)	-32.1%	2.23%
On-site Med Clinic #1 King St.	-	-	73,100	164,150	91,050	124.6%	0.35%
On-site Med Clinic #2 Amnicola	-	-	67,200	109,600	42,400	63.1%	0.24%
On-site Med Clinic Other OccMed Cst	-	-	-	479,600	479,600	N/A	1.03%
Wellness Initiative Administration	-	-	174,000	160,948	(13,052)	-7.5%	0.35%
Wellness Initiative Fitness Facility	-	-	20,000	30,200	10,200	51.0%	0.06%
<b>Total Medical Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,189,044</b>	<b>\$ 26,922,192</b>	<b>\$ 733,148</b>	<b>2.8%</b>	<b>57.93%</b>
<b>Grand Totals</b>	<b>\$ 9,617,857</b>	<b>\$ 16,798,885</b>	<b>\$ 43,388,179</b>	<b>\$ 46,469,855</b>	<b>\$ 2,348,528</b>	<b>5.4%</b>	<b>100.00%</b>





# General Government

www.chattanooga.gov

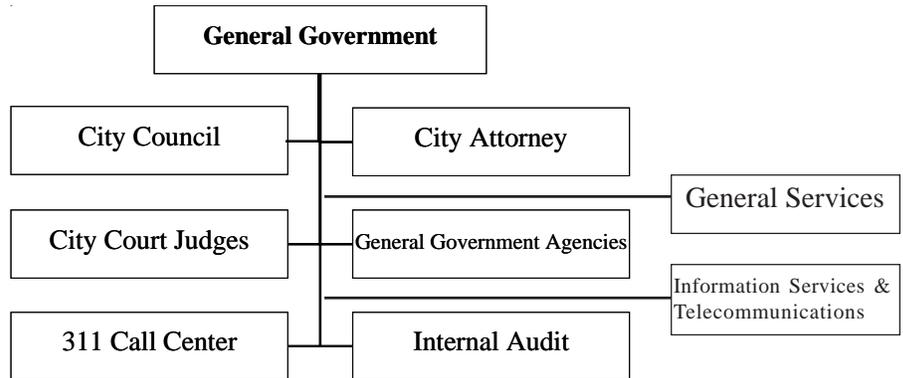
## Mission:

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 Judges represent the elected officials of the City and their respective operations. The City Attorney's Office represents the City in all legal matters, litigating on behalf of the City, as well as providing legal advice to the governing body and other departments where appropriate. The audit department enhances government efficiency and accountability by conducting performance and financial reviews of City departments and City-funded agencies. 311 Call Center simplifies citizen access to government by providing a single point of contact for all City services. In addition, 311 provides City departments with data needed to identify service needs, trends, and outcomes.

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



## Goals and Objectives

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

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

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

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

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

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

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

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

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

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

<b>Performance Measures</b>	<b>Actual FY07</b>	<b>Goal FY08</b>	<b>Actual FY08</b>	<b>Goal FY09</b>
311 service requests created	75,374	80,000	72,663	80,000
311 service requests closed	99%	100%	99%	100%
Customer satisfaction rating	82%	90%	N/A	90%
Total City Fleet	1,709	1,680	1,769	1,680
Total City Fleet Repairs and Maintenance	\$5,810,912	\$5,900,000	\$6,115,427	\$5,900,000
Days from Council Meeting to minutes	2	2	2	2
Paid in full prior to judgement	43.1%	50.0%	40.1%	50.0%
Percent with final judgement	69.0%	80.0%	69.0%	80.0%

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

### Department Summary

	<b>Actual FY05/06</b>	<b>Actual FY 06/07</b>	<b>Budget FY 07/08</b>	<b>Budget FY 08/09</b>
City Council Office	\$ 619,012	\$ 677,010	\$ 708,603	\$ 741,598
Office of City Court Judges	596,737	673,217	690,498	706,699
Office of City Attorney	980,859	1,011,391	1,108,441	1,134,824
Supported Agencies	13,503,027	12,860,316	12,850,253	13,207,398
Debt Service	9,801,307	11,567,051	9,392,174	12,166,456
311 Call Center	379,857	425,833	496,279	520,341
Internal Audit	321,272	436,416	491,256	499,419
Information Services	-	2,922,377	3,087,084	3,272,020
General Services	-	2,194,765	2,405,178	2,373,471
Other General Government Activities	8,575,935	12,878,709	6,474,875	2,136,366
<b>Total Expenditures</b>	<b>\$34,778,006</b>	<b>\$45,647,085</b>	<b>\$37,704,641</b>	<b>\$36,758,592</b>
Per Capita	\$224.59	\$294.95	\$224.04	\$216.37
<b>Positions Authorized</b>	<b>37</b>	<b>174</b>	<b>177</b>	<b>177</b>

### Resources

	<b>Actual FY05/06</b>	<b>Actual FY 06/07</b>	<b>Budget FY 07/08</b>	<b>Budget FY 08/09</b>
Personnel	\$ 2,006,467	\$ 5,902,135	\$ 6,655,073	\$ 6,644,299
Overtime	4,139	15,078	4,000	2,000
Operating	32,767,400	39,729,872	31,045,568	30,112,293
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 2008/2009.

## **Air Pollution Control Bureau**

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

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

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

## **Allied Arts Council**

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

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

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

City's Contribution.....\$255,000

## **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.....\$3,851,000

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

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

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

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

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

### **Chattanooga Area Urban League**

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

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

### **Chattanooga Downtown Partnership**

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

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

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

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

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

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

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

### **Chattanooga Neighborhood Enterprise**

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

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

### **Chattanooga History Center**

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

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

City's Contribution.....\$24,000

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

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

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

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

**Children's Advocacy Center**

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

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

**Community Foundation Scholarships**

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

City's Contribution.....\$160,000

**Homeless Healthcare Center**

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

City's Contribution.....\$17,500

**Chattanooga/Hamilton County Regional Planning Agency**

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

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

City's Contribution.....\$990,007

**Scenic Cities Beautiful**

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

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

City's Contribution.....\$22,888

**Tennessee Riverpark**

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

City's Contribution.....\$1,258,632

**WTCI TV 45**

The overall mission is to provide informational, educational, and quality cultural television programs to the people of the Greater Chattanooga and

Hamilton County community on Channel 45. The station provides information on the City of Chattanooga and Hamilton County governments, getting the public involved by way of television.  
City's Contribution.....\$60,000

**Liability Insurance Fund**

The Liability Insurance fund accounts for the City self insurance program for liability claims and losses due to liabilities arising under the laws of State and Federal governments. Cost incurred in this account may include judgement and cost, special counsel fees, and cost for any special legal cases of the City. The cost for these programs are funded through premiums paid by the departments and agencies of City government.  
City's Contribution.....\$400,000

**The Enterprise Center**

The Enterprise Center is a public benefit corporation that is organized exclusively for charitable purposes including relief of the poor and distressed, lessening the burdens of government, promoting social welfare, and combating community deterioration. In furtherance of such purposes, the corporation will operate to further the economic development of the City of Chattanooga and its surrounding region.  
City's Contribution .....\$100,000

**Carter Street Corporation**

Carter Street Corporation manages the Downtown Convention & Trade Center. The convention and trade center provides rental space for conventions, trade shows, meetings, banquets, etc., which bring outside dollars into the community, as well as providing a place for local organizations to hold events.  
City's Contribution.....\$200,000

**Community Impact of Chattanooga, Inc.**

Community Impact is a non-profit organization created to support the City of Chattanooga in its efforts to revitalize distressed urban neighborhoods. Its mission is "to create an improving quality of life for participating neighborhoods through support of neighborhood associations and partnerships with key organizations."  
City Contribution.....\$300,000

**Railroad Authority**

The Railroad Authority is governed by a board which includes the City and County Mayors and the Executive Director of the Chamber of Commerce, providing for continuation of rail service in the region as it is needed and feasible.  
City Contribution.....\$20,000

**Enterprise South Nature Park**

This is the passive park area of the Enterprise South Industrial Park. It is jointly funded between Hamilton County and the City. The park is managed by the County with the City contributing half of the cost of operations.  
City Contribution.....\$190,150

**Front Porch Alliance**

The Front Porch Alliance seeks to mobilize groups such as churches and faith-based organizations to have a greater impact in the low and moderate-income neighborhoods where they are located.  
City Contribution.....\$30,000

**Choose Chattanooga**

Choose Chattanooga is a marketing effort designed to increase area population growth as a necessary ingredient to accelerating economic development and organically increasing the local tax base. Funding will be used to promote Hamilton County to retirees and others who might potentially locate in the Chattanooga area.  
City Contribution.....\$25,000

<b>Resources</b>	Actual FY05/06	Actual FY06/07	Budget FY07/08	Budget FY08/09
Air Pollution Control Bureau	270,820	270,820	270,820	270,820
Allied Arts Council	250,000	155,000	255,000	255,000
Bessie Smith Hall, Inc.	70,000	70,000	70,000	70,000
CARTA	3,415,300	3,665,300	3,738,606	3,851,000
Chattanooga African-Museum				
Building Maintenance	55,825	57,019	57,019	57,019
Chattanooga Area Urban League	50,000	50,000	50,000	50,000
Chattanooga Downtown Partnership	140,000	100,000	100,000	100,000
Chattanooga - Hamilton County				
Bicentennial Library	2,487,660	2,487,660	2,487,660	2,640,000
Chattanooga Neighborhood Enterprises	1,500,000	1,500,000	1,000,000	1,000,000
Chattanooga History Center	24,000	24,000	24,000	24,000
Chatt. Area Regional Council of Gov.				
Southeast Tennessee Dev. District	31,111	31,111	31,111	31,111
Children's Advocacy Center	30,000	30,000	30,000	30,000
Community Foundation Scholarships	160,000	160,000	160,000	160,000
Homeless Healthcare Center	17,500	17,500	17,500	17,500
Chattanooga/ Hamilton County				
Regional Planning Agency	942,817	942,817	942,817	990,007
Scenic Cities Beautiful	22,888	22,888	22,888	22,888
Tennessee Riverpark	1,037,336	1,090,648	1,229,321	1,258,632
WTCI TV 45	60,000	60,000	60,000	60,000
Liability Insurance Fund	1,650,000	2,173,000	800,000	400,000
Enterprise Center	100,000	100,000	100,000	100,000
Carter Street Corp	N/A	150,000	200,000	200,000
Community Impact of Chattanooga	N/A	250,000	300,000	300,000
Railroad Authority	20,000	20,000	20,000	20,000
Enterprise South Nature Park	N/A	82,076	168,034	238,101
Stop the Madness	N/A	100,000	100,000	0
Front Porch Alliance	N/A	0	32,000	30,000
Choose Chattanooga	N/A	0	25,000	25,000
<b>TOTAL</b>	<b>12,335,257</b>	<b>13,609,839</b>	<b>12,291,776</b>	<b>12,201,078</b>





# Economic Development

Ron Littlefield, Mayor

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

## Description:

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

### Department Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Capital Fund	2,664,000	2,007,852	2,845,000	1,419,467
African American Chamber	150,000	150,000	150,000	150,000
Chamber for Economic Devel	400,000	400,000	450,000	450,000
Chamber Marketing-Enterprise South	0	0	0	75,000
Chattanooga Opportunity Fund	472,213	0	0	0
Business Development Initiative	75,000	75,000	0	0
Tourist Development Debt Service	497,075	47,635	0	0
Net Debt Service	4,823,423	7,921,142	8,580,663	9,370,806
<b>Total Expenditures</b>	<b>\$ 9,081,711</b>	<b>\$ 10,601,629</b>	<b>\$ 12,025,663</b>	<b>\$ 11,465,273</b>
City Only Sales Tax	\$ 10,153,916	\$ 10,566,227	\$ 10,935,000	\$ 11,465,273
Unreserved Fund Balance	0	0	1,090,663	0
TDZ State Sales Tax	427,823	0	0	0
TDZ County Sales tax	69,252	47,635	0	0
Interest Income	458,029	240,432	0	0
<b>Total Revenues</b>	<b>\$ 11,109,020</b>	<b>\$ 10,854,294</b>	<b>\$ 12,025,663</b>	<b>\$ 11,465,273</b>
Per Capita	\$ 58.65	\$ 68.50	\$ 71.46	\$ 67.49





# Community Development

Beverly P. Johnson, Administrator

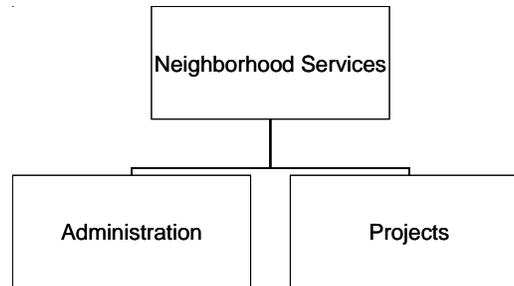
[www.chattanooga.gov/communitydev](http://www.chattanooga.gov/communitydev)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

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

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

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

### To increase employment in lower income areas.

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

Performance Measures	Actual	Goal	Actual	Goal
	FY07	FY08	FY08	FY09
Increase the stock of safe, affordable rental units	129	90	57	90
Rehabilitate substandard housing # of units	188	100	171	100
Assist first time LMI(low/moderate income) purchase with mortgages	88	120	69	120
# of Participants in Homebuyer Education Programs	179	200	164	200

\*N/A=Not Available

# Community Development

Beverly P. Johnson, Administrator

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

## Department Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Administration	413,945	416,424	583,265	562,837
Community Dev Projects	4,589,961	6,183,655	4,513,676	3,570,893
<b>Total Expenditures</b>	<b>\$ 5,003,906</b>	<b>\$ 6,600,079</b>	<b>\$ 5,096,941</b>	<b>\$ 4,133,730</b>
Per Capita	\$ 32.31	\$ 42.65	\$ 30.29	\$ 24.33
<b>Positions Authorized</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>

## Resources

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 314,022	\$ 340,854	\$ 355,000	\$ 390,000
Overtime	0	0	0	0
Operating	4,689,884	6,259,225	4,741,941	3,743,730
Revenue	4,485,829	7,031,562	5,096,941	4,133,730



# Department of Finance & Administration

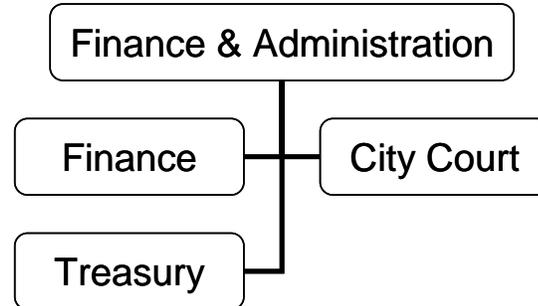
Daisy W. Madison, Administrator  
 Vickie Haley, Deputy Finance Officer  
[www.chattanooga.gov/finance](http://www.chattanooga.gov/finance)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

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

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

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

Performance Measures	Actual	Goal	Actual	Goal
	FY07	FY08	FY08	FY09
Cash Management Yield on investment portfolio	5.2%	5.0%	5.2%	5.0%
% of Current Levy Collected	96.0%	97.0%	96.0%	97.0%
Annual Debt Service Requirement as % of General Fund	5.6%	5.0%	5.6%	5.0%
Bond Rating by Standard & Poor's	AA	AA	AA	AA
Bond Rating by Fitch Ratings Ltd.	AA	AA	AA	AA

# Department of Finance & Administration

Daisy W. Madison, Administrator

Vickie Haley, Deputy Finance Officer

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

## Department Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Finance	\$1,721,504	\$1,997,681	\$2,114,542	\$2,177,519
Treasurer	582,718	740,631	697,618	768,711
City Court Clerk	953,621	1,049,782	1,108,733	1,130,520
Information Services	2,802,664	0	0	0
Purchasing	874,367	0	0	0
Building Maintenance	546,146	0	0	0
Radio & Electronics	429,976	0	0	0
Real Estate	155,837	0	0	0
Fleet Services	9,513,568	0	0	0
<b>Total Expenditures</b>	<b>\$ 17,580,401</b>	<b>\$ 3,788,094</b>	<b>\$ 3,920,893</b>	<b>\$ 4,076,750</b>
Per Capita	\$ 113.53	\$ 24.48	\$ 23.30	\$ 24.00
<b>Positions Authorized</b>	<b>199</b>	<b>66</b>	<b>66</b>	<b>67</b>

## Resources

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 6,158,200	\$ 2,915,760	\$ 3,239,823	\$ 3,415,802
Overtime	16,592	6,642	5,200	5,200
Operating	1,892,042	578,688	675,870	655,748
Revenue	9,866,828	-	-	-



# Department of Police

Freeman Cooper, Chief of Police  
Mark Rawlston, Deputy Police Chief

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

## Mission:

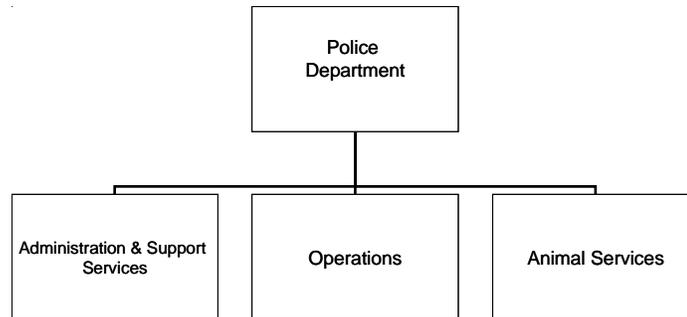
To work cooperatively with the public and within the framework of the constitutions of the United States and the State of Tennessee to enforce the laws, preserve the peace, maintain order, and provide for a safe community.

## Description:

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

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

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



## Goals & Objectives:

### Reduce Index Offenses Crime

- 1 Reduce all Crime 3% in 2007 (Calendar Year)
- 2 Reduce all Property Crime 5% in 2007 (Calendar Year)
- 3 Meet or surpass national Uniform Crime Report crime reduction trends each year.

### Prevent Crime and Make Citizens Safe

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

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

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

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

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

# Department of Police

Freeman Cooper, Chief of Police

Mark Rawlston, Deputy Police Chief

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

<b>Department Summary</b>				
	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Police Administration	\$ 2,093,417	\$ 2,281,409	\$ 1,993,701	\$ 2,314,701
Operations	27,111,824	28,692,413	30,005,797	31,628,234
Animal Services	966,199	1,051,581	1,114,572	1,114,572
Support Services	7,659,626	8,997,568	9,122,046	8,226,032
<b>Total</b>	<b>\$ 37,831,066</b>	<b>\$ 41,022,971</b>	<b>\$ 42,236,116</b>	<b>\$ 43,283,539</b>
Per Capita	\$ 244.30	\$ 265.07	\$ 250.97	\$ 254.78
<b>Positions Authorized</b>	<b>678</b>	<b>685</b>	<b>685</b>	<b>685</b>

<b>Resources</b>				
	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 30,450,937	\$ 32,892,959	\$ 35,586,751	\$ 37,060,844
Overtime	959,759	1,185,371	705,000	725,000
Operating	6,420,370	6,944,641	5,945,045	5,497,695
Revenue	471,610	409,800	356,900	368,200



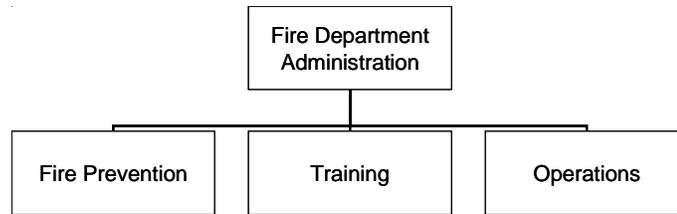
# Department of Fire

Wendell Rowe, Fire Chief  
Randall Parker, Deputy Fire Chief

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

## Mission:

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



## Description:

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

## Goals & Objectives:

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

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

### Reduce property loss resulting from fire.

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

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

### Provide a Homeland Security regional response

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

Performance Measures	Actual FY07	Goal FY08	Actual FY08	Goal FY09
Average response time (Department)	5:05	5:00	5:05	5:00
Inspections	3,774	3,116	5,978	3,116
Civilian Deaths	1	-	2	-
Civilian injuries	1	-	8	-
Firefighter Injuries	50	-	46	-
Property Damage (\$million)	\$8.4	\$ 5.45	\$8.4	\$ 5.45
Fire Calls	1,172	-	995	-
Non-Fire Calls	10,240	-	10,854	-

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

# Department of Fire

Wendell Rowe, Fire Chief

Randall Parker, Deputy Fire Chief

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

<b>Department Summary</b>				
	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Fire Operations	\$ 23,920,021	\$ 25,692,643	\$ 27,303,390	\$ 28,534,996
Fire Utilities	280,916	277,016	301,000	0
<b>Total Expenditures</b>	<b>\$ 24,200,937</b>	<b>\$ 25,969,659</b>	<b>\$ 27,604,390</b>	<b>\$ 28,534,996</b>
Per Capita	\$ 156.27	\$ 167.80	\$ 164.03	\$ 167.97
<b>Positions Authorized</b>	<b>418</b>	<b>417</b>	<b>417</b>	<b>417</b>

<b>Resources</b>				
	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 21,660,147	\$ 23,150,790	\$ 24,921,062	\$ 25,882,294
Overtime	15,696	23,065	10,000	20,000
Operating	2,525,094	2,818,905	2,673,328	2,652,702
Revenue	745	745	750	750



# Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

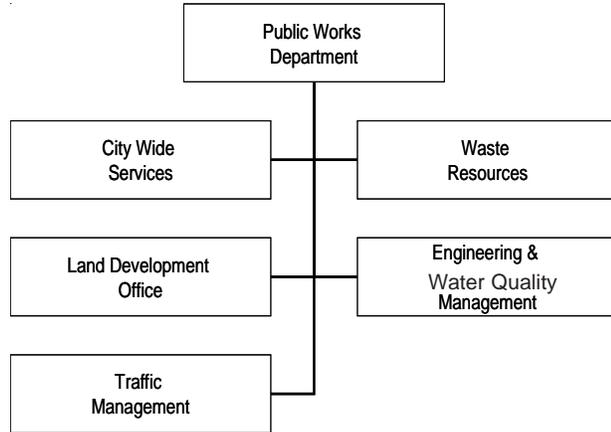
[www.chattanooga.gov/pubworks/](http://www.chattanooga.gov/pubworks/)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

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

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

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

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

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

# Department of Public Works

Steve Leach, Administrator

Lee Norris, Deputy Administrator

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

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

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

Performance Measures	Actual	Goal	Actual	Goal
	FY07	FY08	FY08	FY09
City Wide Service CSRs closed on time	94.9%	95.0%	95.2%	95.0%
Trash Flash CSRs closed on time	97.1%	96.0%	96.9%	96.0%
Engineering CSRs closed on time	92.9%	95.0%	77.1%	95.0%
Missed Garbage CSRs closed on time	97.2%	96.0%	94.4%	96.0%
Traffic Engineering CSRs closed on time	90.6%	95.0%	94.4%	95.0%
Waste Resources CSRs closed on time	98.7%	96.0%	95.9%	96.0%

\*CSR Customer Service Request

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
General Fund	\$ 28,686,559	\$ 29,768,637	\$ 30,575,023	\$ 33,074,616
Interceptor Sewer Fund	38,120,537	41,264,864	41,533,111	43,757,210
Solid Waste Fund	5,638,633	5,869,754	5,598,455	7,264,382
WaterQuality Fund	7,211,468	7,874,913	6,267,386	6,192,675
State Street Aid Fund	4,772,020	4,526,994	4,785,000	4,720,290
<b>Total Expenditures</b>	<b>\$ 84,429,217</b>	<b>\$ 89,305,162</b>	<b>\$ 88,758,975</b>	<b>\$ 95,009,173</b>
Per Capita	\$ 543.69	\$ 576.71	\$ 573.52	\$ 612.21
<b>Positions Authorized</b>	<b>624</b>	<b>609</b>	<b>618</b>	<b>620</b>

Resources				
	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 27,679,845	\$ 26,123,424	\$ 27,932,254	\$ 30,136,582
Overtime	318,982	761,418	852,303	736,763
Operating	56,430,390	65,579,813	59,974,418	64,135,828
Revenue	47,792,410	60,154,871	58,683,952	58,048,741



# Parks & Recreation

Larry Zehnder, Administrator

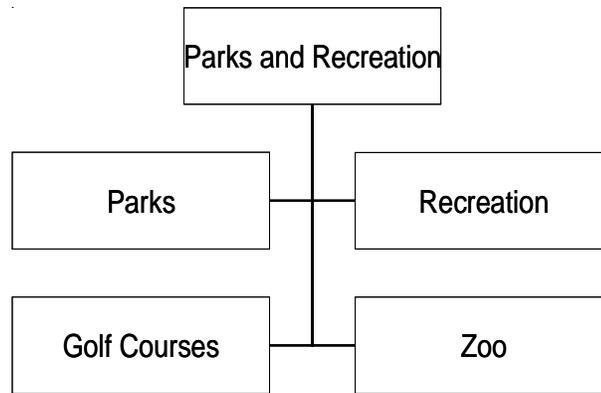
[www.chattanooga.gov/cpr](http://www.chattanooga.gov/cpr)

## Mission:

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

## Description:

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



## Goals & Objectives:

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

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

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

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

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

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

Performance Measures	Actual	Goal	Actual	Goal
	FY07	FY08	FY08	FY09
Park Permit CSRs closed on time	92.8%	90%	98.9%	95%
Park reservation CSRs closed on time	84.3%	90%	99.4%	95%
Park work requests closed on time	73.6%	90%	87.4%	90%
Recreation Center Attendance	458,331	460,000	567,444	575,000

# Parks & Recreation

Larry Zehnder, Administrator

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

## Department Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Administration	\$ 942,579	\$ 1,082,990	\$ 1,132,079	\$ 1,093,192
Program Services	4,309,066	4,557,224	4,679,834	4,841,278
Parks & Facilities	4,117,474	4,694,415	5,067,543	5,060,762
Chattanooga Zoo	464,867	515,376	516,414	528,501
Municipal Golf	1,663,687	1,771,579	1,749,257	1,963,938
<b>Total Expenditures</b>	<b>\$ 11,497,673</b>	<b>\$ 12,621,584</b>	<b>\$ 13,145,127</b>	<b>\$ 13,487,671</b>
Per Capita	\$ 74.25	\$ 81.55	\$ 78.11	\$ 79.39
<b>Positions Authorized</b>	<b>217</b>	<b>229</b>	<b>229</b>	<b>229</b>

## Resources

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 7,548,223	\$ 8,231,777	\$ 9,167,048	\$ 9,303,297
Overtime	70,400	81,452	74,145	57,394
Operating	3,879,050	4,308,355	3,903,934	4,126,980
Revenue	2,933,789	3,104,484	3,154,635	3,512,809



# Department of Human Services

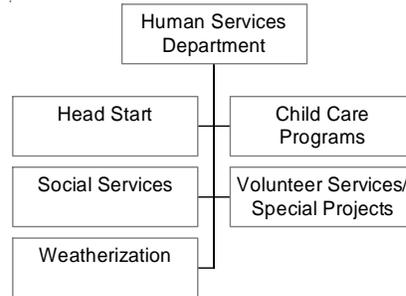
Bernadine Turner, Administrator  
 Tommie L. Pruitt, Deputy Administrator  
[www.chattanooga.gov](http://www.chattanooga.gov)

## 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 *Reduce foreclosures, evictions and utility cutoffs within the very low income population.*
- ❻ *Offer numerous channels to reduce hunger and improve nutrition.*

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

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

### Performance Measures

	Actual FY 06/07	Goal FY 07/08	Actual FY 07/08	Goal FY 08/09
Number of foster grandparents	113	95	104	110
Gas, electric, water shutoffs prevented	2,176	2,100	4,030	2,800
Homeless preventions	838	750	947	800
Participants in food distribution program	5,963	5,000	8,064	6,000
Dwelling units weatherized	88	75	80	90
Headstart funded enrollment	622	622	622	622
Early Headstart funded enrollment	146	146	146	146
Children immunized	865	873	897	900
Parents in adult ed/GED training	166	168	169	175

# Department of Human Services

Bernadine Turner, Administrator  
Tommie L. Pruitt, Deputy Administrator

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

## Department Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Administration	1,038,336	1,073,817	911,640	824,993
Head Start	8,101,851	7,897,542	7,784,522	7,688,713
Day Care	846,308	883,255	843,448	802,226
Weatherization	366,290	368,197	378,750	340,427
Foster Grandparents	493,002	507,535	462,384	509,780
LIEAP	1,464,389	2,106,035	2,101,908	1,422,421
CSBG	710,944	759,670	774,129	810,366
Human Services Programs	632,210	270,666	105,435	247,500
City General Relief	72,167	74,530	72,868	72,868
<b>Total Expenditures</b>	<b>13,725,497</b>	<b>13,941,247</b>	<b>13,435,084</b>	<b>12,719,294</b>
Per Capita	\$ 88.64	\$ 90.08	\$ 79.83	\$ 74.87
Authorized Positions	322	294	289	289

## Resources

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	7,517,675	7,318,244	7,518,273	7,356,460
Overtime	48,450	41,269	51,650	60,000
Operating	6,159,372	6,581,734	5,865,161	5,302,834
Revenue	13,452,789	13,681,671	13,435,084	12,719,294
<b>Total Expenditures</b>	<b>13,725,497</b>	<b>13,941,247</b>	<b>13,435,084</b>	<b>12,719,294</b>

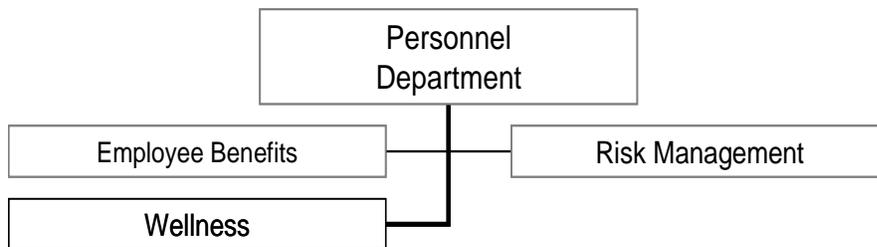


# Department of Personnel

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

## Mission:

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



## Description:

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

## Goals & Objectives:

### Recruit a highly qualified workforce

- 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 a diversified workforce that reflects a representation of the local workforce.

- ① Recruit individuals that are representative of local demographics.
- ② Seek diversity across all strata of pay and position.
- ③ Retain a well qualified, diverse workforce.

### 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.

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

#### Performance Measures

	Actual FY 07	Goal FY 08	Actual FY 08	Goal FY 09
Avg. eligible candidates per Requisition	N/A	6.0	6.38	6.0
Positions where qualified candidate found	100%	100%	100%	100%
Declined job offers	17	<30	16	<30
Turnover rate	8.1%	<10%	7.4%	<10%
Number of promotions	88	100	100%	100
Compliance with law	100%	100%	100%	100%
Workforce Diversity-Overall (+/-3%)	86.25%	85%	86.25%	85%
Workforce Diversity-Minorities (+/-3%)	95.31%	90%	95.31%	90%

# Department of Personnel

Donna Kelley, Administrator

Susan Dubose, Deputy Administrator

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

## Departmental Summary

	Actual FY06	Actual FY 07	Budget FY08	Budget FY09
Administration	\$ 1,210,463	\$ 1,170,779	\$ 1,257,150	\$ 1,132,259
Physical Exams	108,590	9,450	10,000	13,000
Wellness	261,640	96,471	-	-
Employee Insurance Office	343,797	442,344	495,915	290,234
Employee Insurance Program	4,114,148	3,984,557	4,992,044	5,240,474
Job Injury Administration	74,980	104,314	78,600	70,000
<b>Total Expenditures</b>	<b>\$ 6,113,618</b>	<b>\$ 5,807,915</b>	<b>\$ 6,833,709</b>	<b>\$ 6,745,967</b>
Per Capita	\$ 39.48	\$ 37.53	\$ 40.61	\$ 40.08
<b>Positions Authorized</b>	<b>19</b>	<b>21</b>	<b>21</b>	<b>21</b>

## Resources

	Actual FY 06	Actual FY 07	Budget FY 08	Budget FY 09
Personnel	\$ 1,063,243	\$ 1,198,802	\$ 1,174,510	\$ 1,181,155
Overtime	-	-	-	-
Operating	5,050,375	4,609,114	5,659,199	5,564,812
Revenue	105,330	144,153	25,000	25,000



## Mission:

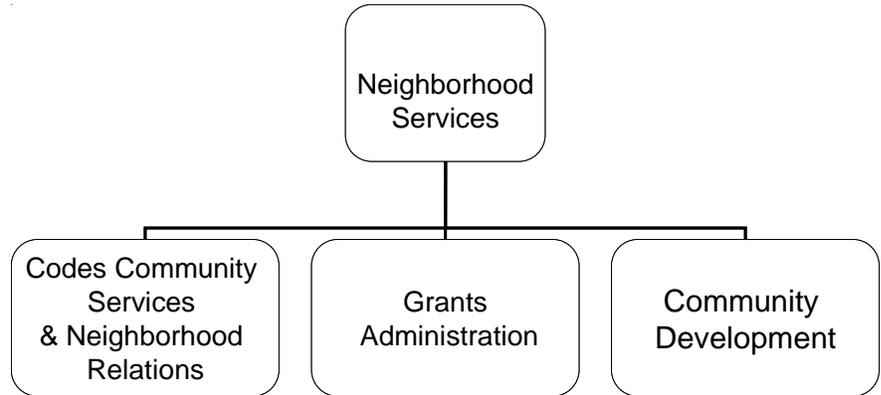
Make all Chattanooga neighborhoods a choice for people to live and invest in through the elimination of blight, code enforcement and individual participation and expended civic engagement.

## Description:

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

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

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



## Goals and Objectives:

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

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

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

### Elimination of blight in Chattanooga

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

Performance Measures	Actual FY07	Goal FY08	Actual FY08	Goal FY09
Abandoned vehicle CSRs dosed on time	93%	95%	93%	95%
Housing CSRs dosed on time	97%	95%	97%	95%
Illegal dumping CSRs dosed on time	83%	95%	83%	95%
Litter CSRs dosed on time	95%	95%	95%	95%
Vacant lot overgrowth CSRs dosed on time	94%	95%	94%	95%
Non-vac overgrowth CSRs dosed on time	97%	95%	97%	95%

# Department of Neighborhood Services

Beverly P. Johnson, Administrator

Anthony Sammons, Deputy Administrator

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

## Department Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Administration	\$ 328,316	\$ 465,454	\$ 519,694	\$ 535,534
Grants Administration	104,431	71,953	78,058	79,087
Codes & Community Svc	728,192	1,206,490	1,332,229	1,338,792
Neighbor Relations & Grants	462,755	86,600	86,800	55,000
Community Development	5,003,906	6,600,079	5,096,941	4,133,730
<b>Total</b>	<b>\$ 6,627,600</b>	<b>\$ 8,430,576</b>	<b>\$ 7,113,722</b>	<b>\$ 6,142,143</b>
Per Capita	\$ 42.80	\$ 54.47	\$ 42.27	\$ 36.15
<b>Positions Authorized</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>

## Resources

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 1,502,622	\$ 1,748,264	\$ 1,809,503	\$ 1,893,393
Overtime	2,512	544	8,500	1,000
Operating	5,122,466	6,681,769	5,295,719	4,247,750
Revenue	4,485,829	7,031,562	5,096,941	4,133,730



# Department of Executive Branch

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

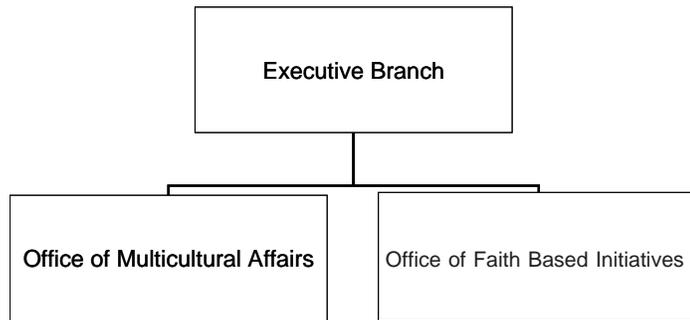
## Mission:

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

## Description:

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

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



## Goals & Objectives:

### Office of Multicultural Affairs

#### Eliminate discrimination in all its forms.

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

#### Create a climate for equity and equal opportunity.

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

#### Promote cross cultural communication

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

#### Open communication between conflicting groups

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

### Office of Faith Based Initiatives

#### Improve social services and their accessibility to all of our citizens

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

#### Develop partnerships between government, business and faith-based organizations

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

#### Prevent and end chronic poverty and homelessness

# Department of Executive Branch

Ron Littlefield, Mayor

L. Dan Johnson, Chief of Staff

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

## Departmental Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Mayor's Office	956,316	1,067,321	938,761	879,255
Office of Faith Based Initiatives	68,371	202,467	329,074	346,961
Great Ideas Competition	-	11,686	60,000	30,000
Office of Multicultural Affairs	70,069	361,669	459,296	459,296
Office of Asset Management	109,079	-	-	-
<b>Total Expenditures</b>	<b>1,203,835</b>	<b>1,643,143</b>	<b>1,787,131</b>	<b>1,715,512</b>
Per Capita	\$ 7.75	\$ 10.61	\$ 11.55	\$ 11.05
<b>Positions Authorized</b>	<b>11</b>	<b>15</b>	<b>16</b>	<b>16</b>

## Resources

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	978,551	1,001,091	1,295,922	1,274,937
Overtime	167	199	-	-
Operating	225,116	397,709	491,209	440,575
Revenue				

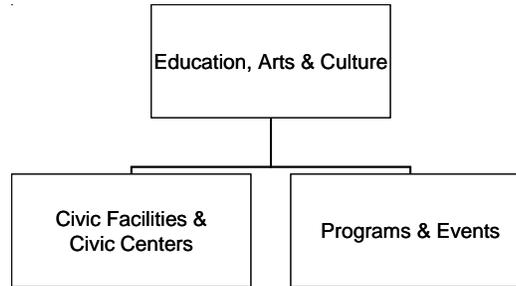


# Education, Arts & Culture

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

## Mission:

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



## Goals & Objectives:

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

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

## Description:

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

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

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

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

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

Performance Measures	Actual FY07	Goal FY08	Actual FY08	Goal FY09
Civic Facilities - Attendance	278,604	280,000	288,361	290,000
Civic Facilities - # of Events	421	495	374	425
Civic Centers - Attendance	30,684	50,000	51,339	55,000

# Education, Arts & Culture

Missy Crutchfield, Administrator

David Johnson, Deputy Administrator

## Department Summary

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Administration	\$ 226,999	\$ 313,811	\$ 407,878	\$ 356,338
Civic Facilities	1,348,770	1,497,724	1,584,854	1,632,876
Arts & Culture	85,076	334,860	374,714	291,773
Programs	0	0	0	66,895
<b>Total Expenditures</b>	<b>\$ 1,660,845</b>	<b>\$ 2,146,395</b>	<b>\$ 2,367,446</b>	<b>\$ 2,347,882</b>
Per Capita	\$ 10.73	\$ 13.87	\$ 14.07	\$ 13.82
<b>Positions Authorized</b>	<b>24</b>	<b>26</b>	<b>26</b>	<b>26</b>

## Resources

	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09
Personnel	\$ 911,093	\$ 1,237,656	\$ 1,378,415	\$ 1,371,180
Overtime	45,317	45,317	45,996	42,271
Operating	704,435	863,422	943,035	934,431
Revenue	750,030	869,835	752,500	944,500

# Debt Service Fund

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

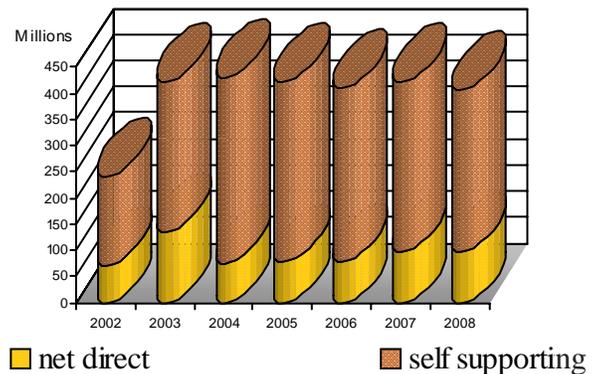
Gross outstanding indebtedness as of June 30, 2008 is \$415,375,442. This amount includes a 30-year capital lease of \$111,411,938 with final payment due on October 1, 2030 and 5-year capital lease of \$3,800,000 (balance on June 30, 2008 is \$1,191,838) with final payment due on July 1, 2009. Total authorized unissued debt at June 30, 2008 related to the 2004 TMBF Loan is \$1,603,620.

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

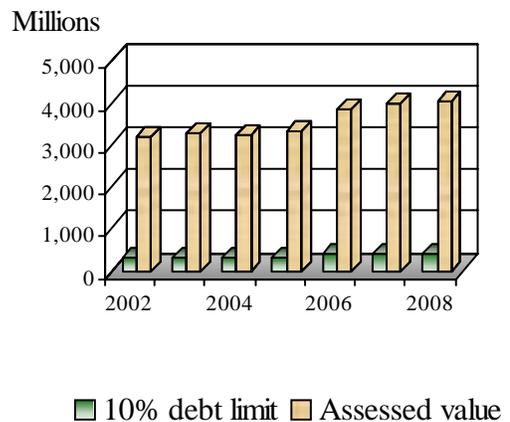
**Sec.6.107. General Debt Limit.** Hereafter no bonds shall be issued by the City of Chattanooga in such an aggregate amount as will create or increase the total bonded indebtedness of said City more than ten percent (10%) of the assessed valuation for the preceding year of all taxable property in said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

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

**Outstanding Debt  
Fiscal Year 2002 thru 2008**

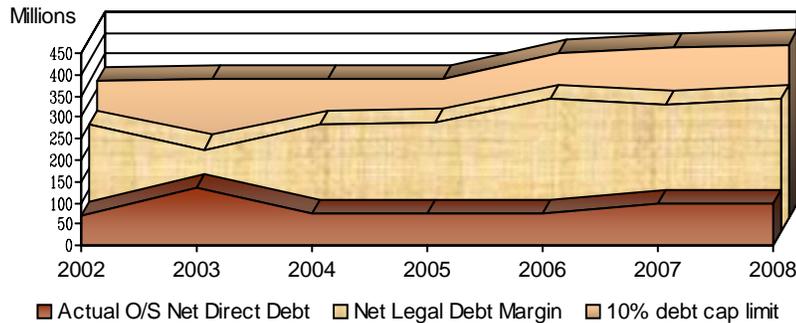


**General Obligation Debt Limit  
Fiscal Year 2002 thru 2008**



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

**Actual Outstanding Debt vs Debt Limit  
Fiscal Year 2002 thru 2008**



In October 2000, the City entered into a 30-year noncancelable capital lease agreement with the Chattanooga Downtown Redevelopment Corporation (CDRC), formerly the Southside Redevelopment Corporation, for the purpose of financing the cost of designing, acquiring, constructing and equipping four (4) facilities in the Tourist Development Zone comprising of more than 631,210 sq. ft. at a cost of over \$120M. The lease provides for semi-annual payments in amounts sufficient to meet the annual debt service requirements on \$129M in revenue bonds issued by the Industrial Development Board (IDB) of the City of Chattanooga on behalf of the CDRC, a non-profit corporation. IDB bonds are secured by payments to be made by the CDRC. The lease payments are funded by the city's share from the 1/2% increase in the county-wide sales tax passed by the county-wide referendum (see 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 \$111,411,938 at June 30, 2008. The debt service reserve fund held by the fiscal agent at June 30, 2008 amounts to \$9,783,266. The fiscal agent is required by the agreement to apply any interest on the debt service reserve fund toward the lease payments. The debt service reserve fund will be used to retire debt near the end of the lease. Beginning in FY2003, this long-term lease agreement is reported as an obligation from the City resulting in a high increase in the gross outstanding debt.

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

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

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

Community Development Block Grant (CDBG) activities. In the event program income is insufficient to pay the loan, the City pledges to pay the same from available appropriations or reserves. The loan is structured on a ten-year amortization schedule with the possibility of an earlier lump-sum payment. Funds will be drawn as needed and as of June 30, 2008 the City had drawn down \$4,576,000. A five year Capital Lease Agreement for \$3.8M was entered into by the city for the 800 MHz Communication System. Lease payments will be funded by the Hamilton County Emergency Communication District (911) subject to availability of funds, pursuant to an interlocal agreement between the City, Hamilton County and 911.

In 2004 the CDRC entered into a swaption contract to provide an upfront payment of \$3,088,000 based on a notional amount of \$59,655,000. As a synthetic refunding of its 2000 bonds, this payment represents the risk-adjusted, present-value savings of a refunding in October 2010 without issuing refunding bonds currently. The counterparty has the option to exercise the agreement on October 1, 2010. The fixed rate swap (5.45%) was set at a rate that, when added to an assumption for remarketing and liquidity costs, will approximate the coupons of the “refunded” bonds. The swap’s variable payment would be based on the Bond Market Association Municipal Swap Index. At June 30, 2008, the swap had a negative fair value of \$6,542,797.

In FY05, the City issued \$51,375,000 General Obligation Refunding Bonds Series 2005A. These bonds refunded portions of outstanding issues of 2001 General Obligation, 2002 Hotel-Motel Tax, 1998 Sewer, Storm Water and Solid Waste General Obligation and 2001 Storm Water and Solid Waste General Obligation bonds. In December 2004, the City received approval to enter into an agreement with the Public Building Authority of Clarksville, Tennessee (PBACC) from the Tennessee Municipal Bond Fund Series 2004 for an amount not to exceed \$25,000,000 including originating cost of the loan used to fund the Fiscal Year 2004 and 2005 Capital Projects. As of June 30, 2008, \$20,534,058 had been issued out of the total \$24,838,671 estimated projects cost.

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

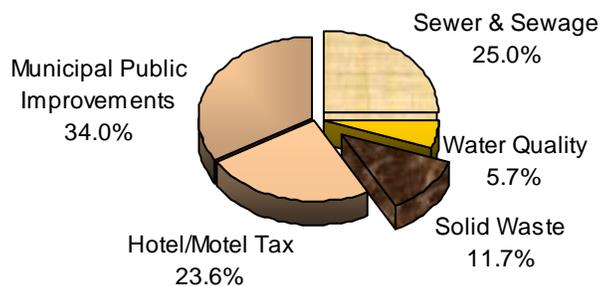
In FY08, The City entered into a loan agreement with the State of TN Department of Environment and Conservation for an amount up to \$13,000,000 from the State Revolving Loan Fund. This loan is for sewer projects related to upgrades & expansion of the Moccasin Bend Waste Water Treatment Plant. Loan funds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

The \$415,375,445 Gross Outstanding Indebtedness of the City of Chattanooga as of June 30, 2008 reflects the financing decisions being made by the City to meet its long-term goals.

As this chart 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 66.4% of the debt for Municipal Public Improvements is self supported debt.

### General Obligation Bonds by Purpose

Fiscal Year 2008



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

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

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

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

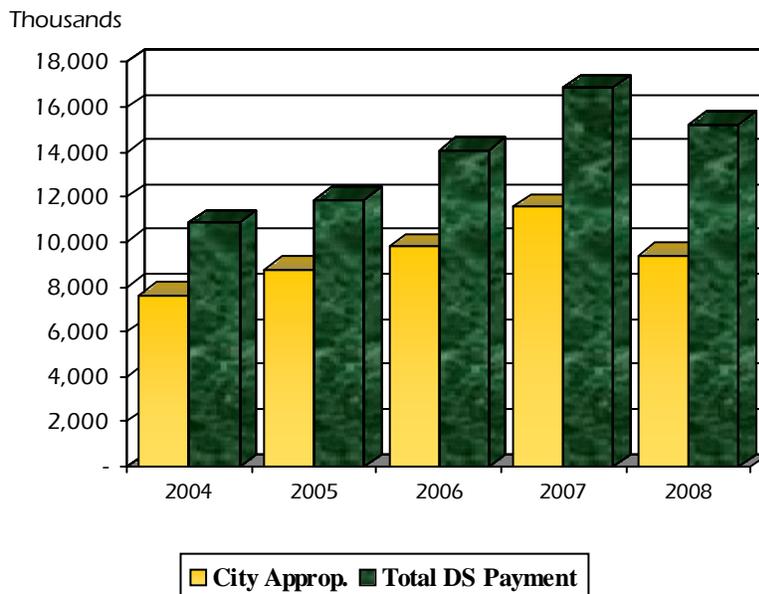
In FY 2007, the General Fund appropriated \$11,567,051. This increase from FY06 reflects an anticipated debt issue of \$30M to cover FY06 and FY07 capital project expenditures.

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

In FY 2009, the General Fund will appropriate \$12,166,456. This increase from FY08 is due to the principal retirement structure of existing debt as well as the planned sale of bonds in the fall to cover the FY08 and FY09 capital budgets.

## General Fund Debt Service Appropriation

Fiscal Years 2004 thru 2008



# 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, 2008, the County had gross outstanding general obligation bonded debt of \$188,260,000 and net indebtedness of \$188,020,662. The percentage of County net indebtedness applicable to the City is 60.39% or \$136,287,686. Also included in this section on Debt Service are schedules on Debt Ratios as of June 30, 2008, Historical Debt Ratios, and an analysis of General Obligation Debt as of June 30, 2008.

## Outstanding General Obligation Debt

<b>General Obligation Bonds by Purpose</b>	
Municipal Public Improvement <sup>(1)</sup>	170,276,376
Sewer and Sewage Facilities	<u>56,618,625</u>
Total Bonded Indebtedness	226,895,000
<b>Other Long-Term Indebtedness</b>	
Chatt. Downtown Redev. Capital Lease	111,411,938
HUD Sec 108 Notes	4,576,000
800 MHz Equipment Capital Lease	1,191,838
General Obligation Capital Outlay Notes	<u>71,300,666</u>
Total Long-Term Indebtedness	<u>188,480,442</u>
<b>Gross Direct Indebtedness</b>	415,375,442
Less: Self-Supporting Indebtedness	
Sewer and Sewage Facilities Bonds <sup>(2)</sup>	56,618,625
State Revolving Loan-CSO (ISS portion) <sup>(3)</sup>	36,648,498
State of GA Revolving Loan (ISS portion) <sup>(4)</sup>	4,715,690
Cap Lease City of Collegedale (ISS)	171,298
Chatt. Downtown Redev. Capital Lease <sup>(5)</sup>	111,411,938
State Revolving Loan-CSO (Water Quality portion) <sup>(3)</sup>	836,515
Tennessee Municipal Bond Notes (SoWa) <sup>(6)</sup>	911,242
Municipal Public Improvement Bonds(StWa&SoWa) <sup>(6)</sup>	39,432,896
800 MHz Equipment Capital Lease	1,191,838
Hotel/Motel Tax Revenue Pledge	53,638,980
HUD Sec. 108 Notes	4,576,000
	<u>310,153,520</u>
Total Self Supporting Indebtedness	310,153,520
Debt Service Fund <sup>(7)</sup>	<u>8,925,003</u>
<b>Net Direct Indebtedness</b>	96,296,919
Plus: Estimated Net Overlapping Indebtedness	<u>136,287,686</u>
<b>Net Direct and Net Overlapping Indebtedness</b>	<u>232,584,605</u>

- Note:**
- (1) \$170,000 is payable from the hotel-motel tax collected by Hamilton County for such purpose,
  - (2) Sewer and Sewage Facilities Bonds have the pledge of unlimited ad valorem taxes on all taxable property in the City for their repayment. However, such bonds have been paid by the City from revenues derived from the operation of the City's Interceptor Sewer System.
  - (3) This amount represents 100 percent of the outstanding balance on a State revolving loan, which will be paid by the City from revenues derived from the operations of the City's Interceptor Sewer System and from the operations of the Storm Water fund.
  - (4) The City of Chattanooga is the lead agent on the State of Georgia Revolving Loan; however, the debt is to be repaid by participating North Georgia municipalities.
  - (5) Funding will be paid by revenues from incremental State sales tax, profits from the Chattanooga center, and the city's Share of the 1/2% increase in the county-wide sales tax passed by county-wide referendum held in February 2004. This increase replaced the 1/2% city-only sales tax effective July 1, 2004.
  - (6) \$39,432,896 represents the outstanding balance of 1998 through 2007A Municipal Public Improvement Bonds of which \$12,998,664 is related to Water Quality and \$26,434,233 is related to Solid Waste, which will be paid by the city from the revenue derived from the operations of these funds. \$396,760 & \$514,482 from the 2003 and 2004 Tennessee Municipal Bond Fund, respectively.
  - (7) This represents unaudited Fund Balance at June 30, 2008.

# Debt Ratios

The following table sets forth certain ratios relating to the City's general obligation indebtedness as of June 30, 2008.

	<u>Amount of Indebtedness</u>	<u>Per Capita</u> <sup>1</sup>	<u>Percentage of Assessed Valuation</u> <sup>2</sup>	<u>Percentage of Full Valuation</u> <sup>3</sup>
Gross Direct Indebtedness <sup>4</sup>	\$ 415,375,442	\$ 2,445	10.26%	3.22%
Net Direct Indebtedness <sup>4</sup>	96,296,919	567	2.38%	0.75%
Gross Direct and Net Overlapping Indebtedness <sup>5</sup>	551,663,128	3,247	13.90%	4.48%
Net Direct and Net Overlapping Indebtedness <sup>5</sup>	232,584,605	1,369	5.74%	1.80%
Per Capita Assessed Valuation <sup>1</sup>	<u>\$23,833</u> *			
Per Capita Full Valuation <sup>1</sup>	<u>\$75,970</u> *			

\*Based on 2008 population estimate.

- Notes:
- (1) The City's population in 2008 was estimated at 169,884.
  - (2) The City's preliminary assessed valuation of taxable property as of June 30, 2008 was \$4,048,760,875.
  - (3) The City's estimated full valuation of taxable property as of June 30, 2008 was \$12,906,102,564.
  - (4) See "Historical Debt Ratios" under this section.
  - (5) The County's net overlapping indebtedness is \$225,669,863. The City's share is \$136,287,686. (60.3925%).

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

## Other Long-Term Indebtedness

As of June 30, 2008, the City had the following other outstanding long-term indebtedness.

	Outstanding Amount	Issue Dated Date	Maturity
State of Tennessee Revolving Loan	1,673,032	03/01/1993	02/28/2013
State of Tennessee Revolving Loan 2003	35,811,982	02/03/2003	10/20/2024
Tennessee Municipal League Bond Pool (1997)	2,761,023	02/01/1997	05/25/2012
State of Georgia Revolving Loan (1)	4,715,691	07/01/2000	10/01/2019
Fire Hall Land Note (2)	25,180	04/01/1999	04/01/2014
Capital Lease City of Collegedale (3)	171,298	10/01/2000	08/01/2014
Chatt. Downtown Redev. Corp. Capital Lease (4)	111,411,938	07/01/2002	10/01/2030
800 MHz Equipment Capital Lease	1,191,838	10/01/2003	07/01/2009
Fannie Mae Notes (5)	0	03/15/2004	01/01/2015
Tennessee Municipal League Bond Pool (2003)	4,309,000	09/07/2003	05/25/2018
Tennessee Municipal League Bond Pool (2004)	20,534,058	05/20/2005	04/20/2025
Republic Parking Equipment Loan ( 2005) (6)		05/01/2005	05/01/2008
Hennen Land Note (2008) (7)	549,404	01/15/2007	12/15/2013
Petros Land Note (2008) (7)	750,000	03/31/2008	03/13/2011
HUD Section 108 Loan Program (2008) (8)	4,576,000	06/01/2008	06/01/2024
Total	<u>\$ 188,480,444</u>		

Notes:

- (1) Loan agreement with the State of Georgia.
- (2) Land purchased for \$45,000 to build a Fire Super Station. Term of Loan - 15 years at 9.5%.
- (3) To lease and purchase an interceptor gravity sewer line, force main, pump station, easements and fee for property associated with purchase
- (4) Construction and purchase of the Conference Center (Chattanooga), Trade Center expansion, Development Resource Center, Parking Garage and associated infrastructure improvements.
- (5) Fannie Mae Note for HOPEVI infrastructure was paid off in June, 2008.
- (6) Republic Parking Equipment Loan (2005) with scheduled maturity 5/1/08 was paid off early in FY07.
- (7) Land purchases to support 1 Public Works road improvement project and 1 Parks greenway project
- (8) Loan agreement to pay off Fannie Mae note and establish a brownfield revolving loan fund. Community Development Block Grant program income will be used to retire the debt.

## Future Capital Financing

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

### Capital Improvement Program Fiscal Years 2009 thru 2013

Department	2009	2010	2011	2012	2013
Public Works (1)	\$12,338,428	\$21,486,000	\$18,068,750	\$18,470,000	\$14,650,000
Police	852,000	894,100	904,100	914,100	924,100
Fire	980,000	3,514,960	2,591,918	5,556,496	6,110,000
Parks & Recreation	6,972,821	6,926,000	2,657,000	1,655,000	2,190,000
Education, Arts & Culture	315,000	200,000	200,000	200,000	2,650,000
Neighborhood Services	-	-	-	-	-
General Services	-	-	-	-	-
General Government	12,178,000	525,000	450,000	450,000	450,000
Finance	-	-	-	-	-
Total	<u>\$33,636,249</u>	<u>\$33,546,060</u>	<u>\$24,871,768</u>	<u>\$27,245,596</u>	<u>\$26,974,100</u>

City of Chattanooga, Tennessee  
 General Obligation Self Supporting Bonded Debt Service Requirements  
 As of June 30, 2008  
**Sewer & Sewage Facilities Bonds**  
**Municipal Public Improvement Bonds (Water Quality and Solid Waste)**  
**and State Revolving Loan (CSO)**  
**(Water Quality and Solidwaste)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total P &amp; I Requirements</b>
2009	15,159,367.09	5,659,014.22	20,818,381.31
2010	13,311,918.16	5,026,859.88	18,338,778.04
2011	12,613,140.31	4,446,770.03	17,059,910.34
2012	10,758,712.54	3,913,906.96	14,672,619.50
2013	10,999,333.31	3,421,117.49	14,420,450.80
2014	10,041,273.09	2,960,350.71	13,001,623.80
2015	10,289,696.84	2,513,993.31	12,803,690.15
2016	8,638,145.89	2,092,641.94	10,730,787.83
2017	9,026,768.90	1,697,389.21	10,724,158.11
2018	9,430,502.15	1,285,065.25	10,715,567.40
2019	8,224,435.74	894,941.04	9,119,376.78
2020	3,302,398.59	658,049.85	3,960,448.44
2021	3,166,805.18	562,988.49	3,729,793.67
2022	3,264,591.18	454,655.49	3,719,246.67
2023	3,364,584.18	346,681.61	3,711,265.79
2024	3,476,820.18	232,100.22	3,708,920.40
2025	3,089,550.18	115,381.02	3,204,931.20
2026	893,360.18	45,976.61	939,336.79
2027	283,360.18	5,667.20	289,027.38
2028	0.00	0.00	0.00
2029	0.00	0.00	0.00
2030	0.00	0.00	0.00
2031	0.00	0.00	0.00
2032	0.00	0.00	0.00
2033			
<b>Total</b>	<b>\$ 139,334,763.87</b>	<b>\$ 36,333,550.52</b>	<b>\$ 175,668,314.39</b>

Does not include CDRC (Southside) Capital Lease of \$111,411,938 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2008 consist of 2004 TMBF Loan of \$1,300,942 and Tennessee Department of Environment and Conservation State Revolving loan 2007-204 of \$13,000,000.

City of Chattanooga, Tennessee  
 General Obligation Debt Service Requirements  
 As of June 30, 2008

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	12,096,824.25	13,833,353.10	25,930,177.35
2010	12,836,866.21	13,379,506.49	26,216,372.70
2011	12,538,378.97	12,839,164.66	25,377,543.63
2012	11,440,610.85	12,315,970.94	23,756,581.79
2013	11,120,294.82	11,795,980.00	22,916,274.82
2014	11,272,043.17	11,290,783.46	22,562,826.63
2015	11,851,056.02	10,759,427.82	22,610,483.84
2016	12,239,264.82	10,186,569.20	22,425,834.02
2017	11,933,640.82	9,609,103.35	21,542,744.17
2018	12,597,204.82	9,025,674.51	21,622,879.33
2019	11,233,950.82	8,408,188.92	19,642,139.74
2020	11,668,401.82	7,839,202.21	19,507,604.03
2021	12,388,600.82	7,289,780.56	19,678,381.38
2022	13,043,747.82	6,634,193.57	19,677,941.39
2023	13,732,174.82	5,958,906.45	19,691,081.27
2024	13,159,339.82	5,237,611.83	18,396,951.65
2025	13,260,122.82	4,530,518.48	17,790,641.30
2026	14,030,425.82	3,797,262.39	17,827,688.21
2027	11,944,266.82	3,020,536.80	14,964,803.62
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>\$ 276,040,678.13</b>	<b>\$ 172,793,704.73</b>	<b>\$ 448,834,382.86</b>

Does not include CDRC (Southside) Capital Lease of \$111,411,938 which is supported by local-option sales tax. Total authorized unissued debt at June 30, 2008 consist of 2004 TMBF Loan of \$1,300,942 and Tennessee Department of Environment and Conservation State Revolving loan 2007-204 of \$13,000,000.

GOVERNMENTAL ACTIVITIES

Serial Bonds:

	Outstanding June 30, 2007	Interest Pd FY 2008	Issued FY 2008	Retired FY 2008	Refunded FY 2008	Outstanding 06/30/08	Maturing FY 2009	Interest Payable FY 2009
1998 Public Improvement Refunding	7,000,400	372,743	0	220,000	0	6,780,400	1,413,900	328,361
2001 Municipal Public Improvement	2,255,000	112,250	0	1,100,000	0	1,155,000	1,155,000	57,750
2002 Municipal Public Refunding	6,880,000	316,963	0	640,000	0	6,240,000	665,000	291,381
2002 Series A Refunding	3,297,298	113,720	0	632,337	0	2,664,961	625,241	94,075
2002 Hotel-Motel Tax Pledge	48,985,000	2,179,763	0	795,000	0	48,190,000	870,000	2,154,788
2003 Series A General Obligation	9,780,000	360,926	0	830,000	0	8,950,000	840,000	336,026
2005A Municipal Public Improvement Refunding	17,198,392	762,964	0	410	0	17,197,982	0	762,958
2005A Hotel-Motel Tax Pledge Refunding	5,449,830	240,538	0	850	0	5,448,980	0	240,525
2006A Municipal Public Improvement	20,732,796	825,424	0	1,036,640	0	19,696,156	1,036,640	783,959
2007A Municipal Public Refunding	14,520,000	602,516	0	0	0	14,520,000	0	690,805
<b>Total Serial Bonds</b>	<b>136,098,716</b>	<b>5,887,807</b>	<b>0</b>	<b>5,255,237</b>	<b>0</b>	<b>130,843,479</b>	<b>6,605,781</b>	<b>5,740,627</b>

Notes Payable:

1997 TML Bond Fund	3,364,023	104,573	0	603,000	0	2,761,023	636,000	110,441
1999 Fire Hall Land Note	28,266	2,553	0	3,086	0	25,180	3,392	2,247
2003 Fannie Mae	2,752,555	183,546	0	2,752,555	0	0	0	0
2003 TML Bond Fund	3,801,905	117,644	438,095	327,760	0	3,912,240	338,655	105,630
2004 TML Bond Fund	17,645,517	552,080	3,431,541	1,057,482	0	20,019,576	1,085,799	540,529
2008 Hennen Land Note	0	0	555,986	6,582	0	549,404	111,197	0
2008 Petros Land Note	0	0	1,000,000	250,000	0	750,000	250,000	0
2008 HUD Section 108 Loan Program	0	0	4,576,000	0	0	4,576,000	0	91,520
<b>Total Notes Payable</b>	<b>27,592,266</b>	<b>960,396</b>	<b>10,001,622</b>	<b>5,000,465</b>	<b>0</b>	<b>32,593,423</b>	<b>2,425,043</b>	<b>850,367</b>

Capital leases payable:

Southside Capital Lease	113,738,737	7,376,176	0	2,326,799	0	111,411,938	2,474,321	7,225,279
800 MHz Equipment Capital Lease	1,775,158	25,439	0	583,320	0	1,191,838	591,679	17,080
<b>Total Capital Leases Payable</b>	<b>115,513,895</b>	<b>7,401,615</b>	<b>0</b>	<b>2,910,119</b>	<b>0</b>	<b>112,603,776</b>	<b>3,066,000</b>	<b>7,242,359</b>
<b>Total governmental activities</b>	<b>279,204,877</b>	<b>14,249,818</b>	<b>10,001,622</b>	<b>13,165,821</b>	<b>0</b>	<b>276,040,678</b>	<b>12,096,824</b>	<b>13,833,353</b>

City of Chattanooga, TN  
 Analysis of General Obligation Debt  
 June 30, 2008

	Outstanding June 30, 2007	Interest Pd FY 2008	Issued FY 2008	Retired FY 2008	Refunded FY 2008	Outstanding 06/30/08	Maturing FY 2009	Interest Payable FY 2009
<b>BU:</b>								
<b>Interceptor Sewer System:</b>								
<b>Serial Bonds:</b>								
1998 Sewer & Sewage Facilities Refunding	12,469,900	637,849	0	860,000	0	11,609,900	857,800	592,759
2002 Municipal Public Refunding	18,473,961	845,653	0	885,191	0	17,588,770	2,431,007	779,329
2002 Series A Refunding	17,612,702	607,442	0	3,377,663	0	14,235,039	3,339,759	502,506
2003 B Sewer & Sewage Facilities Refunding	4,490,000	140,125	0	2,320,000	0	2,170,000	2,170,000	70,525
2005A Municipal Public Improvement Refunding	12,469,136	572,282	0	1,454,220	0	11,014,916	0	550,468
Total serial bonds	65,515,699	2,803,351	0	8,897,074	0	56,618,625	8,798,566	2,495,588
<b>Notes payable:</b>								
1992 CSO State Revolving Loan	996,465	36,761	0	159,949	0	836,516	166,434	30,282
1998 State of Georgia Revolving Loan	5,032,521	196,588	0	316,830	0	4,715,691	329,695	183,723
2003 State Revolving Loan	37,426,666	1,093,368	0	1,614,684	0	35,811,982	1,663,464	1,044,588
Total notes payable	43,455,652	1,326,717	0	2,091,463	0	41,364,189	2,159,593	1,258,593
<b>Capital leases payable:</b>								
2001 Capital Lease City of Collegedale	193,543	11,417	0	22,245	0	171,298	23,575	10,078
Total capital leases payable	193,543	11,417	0	22,245	0	171,298	23,575	10,078
Total Interceptor Sewer System	109,164,894	4,141,485	0	11,010,782	0	98,154,112	10,981,734	3,764,259
<b>Solid Waste &amp; Sanitation Fund:</b>								
<b>Serial Bonds:</b>								
1998 Municipal Public Improvement Refunding	3,686,100	202,736	0	0	0	3,686,100	1,155,600	170,957
2001 Municipal Public Improvement	380,000	19,500	0	185,000	0	195,000	195,000	9,750
2002 Municipal Public Improvement-Refunding	5,700,814	287,398	0	5,614	0	5,695,200	837,860	270,529
2005A Municipal Public Improvement Refunding	9,794,893	445,054	0	800,804	0	8,994,089	0	433,042
2006A Municipal Public Improvement	5,667,204	225,626	0	283,360	0	5,383,844	283,360	214,291
2007A Municipal Public Improvement Refunding	2,480,000	102,914	0	0	0	2,480,000	0	117,990
Total serial bonds	27,709,011	1,283,228	0	1,274,778	0	26,434,233	2,471,820	1,216,559
<b>Notes payable:</b>								
2003 TML Bond Fund	430,000	13,136	0	33,240	0	396,760	34,345	10,713
2004 TML Bond Fund	540,000	16,581	0	25,518	0	514,482	26,201	13,891
Total Notes Payable	970,000	29,717	0	58,758	0	911,242	60,546	24,604
Total Solid Waste & Sanitation Fund	28,679,011	1,312,945	0	1,333,536	0	27,345,475	2,532,366	1,241,162

City of Chattanooga, TN  
 Analysis of General Obligation Debt  
 June 30, 2008

Water Quality Fund	Outstanding June 30, 2007	Interest Pd FY 2008	Issued FY 2008	Retired FY 2008	Refunded FY 2008	Outstanding 06/30/08	Maturing FY 2009	Interest Payable FY 2009
Serial Bonds:								
1998 Municipal Public Improvement Refunding	2,528,600	139,073	0	0	0	2,528,600	792,700	117,274
2001 Municipal Public Improvement	115,000	5,750	0	55,000	0	60,000	60,000	3,000
2002 Municipal Public Improvement-Refunding	4,260,226	214,773	0	4,195	0	4,256,031	626,134	202,167
2005A Municipal Public Improvement Refunding	6,002,749	274,169	0	598,716	0	5,404,033	-	265,188
2007A Municipal Public Improvement Refunding	750,000	31,123	0	0	0	750,000	-	35,683
Total serial bonds	13,656,575	664,888	0	657,911	0	12,998,664	1,478,834	623,311
Notes payable:								
1992 State Revolving Loan	996,465	36,761	0	159,949	0	836,516	166,434	30,282
	996,465	36,761	0	159,949	0	836,516	166,434	30,282
Total Water Quality Fund	14,653,040	701,649	0	817,860	0	13,835,180	1,645,268	653,593
TOTAL GENERAL OBLIGATION DEBT	431,701,822	20,405,897	10,001,622	26,327,999	0	415,375,445	27,256,191	19,492,367
PRIMARY GOVERNMENT REVENUE BONDS AND OTHER DEBTS								
Electric Power Board								
Revenue Bonds:								
2000 Electric System Revenue Bonds	8,000,000	335,600	0	1,600,000	0	6,400,000	1,600,000	263,600
2006A Electric System Refunding Revenue Bonds	23,430,000	957,556	0	0	0	23,430,000	0	957,556
2006B Electric System Revenue Bonds	40,000,000	1,725,725	0	0	0	40,000,000	0	1,725,725
2008A Electric System Revenue Bonds	0	0	219,830,000	0	0	219,830,000	0	9,030,219
Total Primary Government Revenue Bonds	71,430,000	3,018,881	219,830,000	1,600,000	0	289,660,000	1,600,000	11,977,101
Notes And Loans:								
Feb 05 Equipment Note	451,244	16,593	0	163,055	0	288,189	170,376	9,272
May 05 Equipment Note	336,225	13,118	0	113,696	0	222,529	119,050	7,764
Jun 05 Equipment Note	287,228	11,353	0	97,073	0	190,155	101,704	6,722
Oct 05 Equipment Note	325,732	12,674	0	110,097	0	215,635	115,270	7,501
Dec 05 Equipment Note	570,882	23,932	0	192,430	0	378,452	202,175	14,187
Total Electric Power Board	1,971,311	77,670	0	676,351	0	1,294,960	708,575	45,446
Total Primary Government	73,401,311	3,096,551	219,830,000	2,276,351	0	290,954,960	2,308,575	12,022,546

City of Chattanooga, TN  
 Analysis of General Obligation Debt  
 June 30, 2008

COM Rev	Outstanding June 30, 2007	Interest Pd FY 2008	Issued FY 2008	Retired FY 2008	Refunded FY 2008	Outstanding 06/30/08	Maturing FY 2009	Interest Payable FY 2009
Metropolitan Airport Authority:								
2002 Airport Revenue Series A Refunding	12,625,000	509,118	0	0	0	12,625,000	115,000	663,030
2002 Airport Revenue Series B	680,000	28,346	0	680,000	0	0	0	0
Total Metropolitan Airport Authority	13,305,000	537,464	0	680,000	0	12,625,000	115,000	663,030
Chart Downtown Redevelopment Corporation:								
2000 Chatt Lease Rental Revenue Bonds	71,290,000	3,900,427	0	2,700,000	0	68,590,000	2,835,000	3,761,906
2007 Chatt Lease Rental Rev Ref Bonds	56,110,000	2,540,382	0	0	0	56,110,000	75,000	2,698,900
Total Chatt. Downtown Redev. Corp.	127,400,000	6,440,809	0	2,700,000	0	124,700,000	2,910,000	6,460,806
Total Component Units	140,705,000	6,978,273	0	3,380,000	0	137,325,000	3,025,000	7,123,836

# History of General Obligation Debt

The following table sets forth all outstanding general obligation bond and note indebtedness of the city at the end of the fiscal years 1999/00 through 2007/08, less applicable exclusions, adjusted to reflect the City's applicable share of County debt.

General Obligation Bonds by Purpose	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Buildings Improvement	\$ 530,000	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and Sewage Facilities	124,002,403	115,758,219	107,942,691	100,678,646	92,029,992	83,022,016	74,361,102	65,515,699	\$ 56,618,62
Municipal Public Improvement	81,887,597	125,716,782	120,057,309	181,276,354	174,535,008	167,682,984	159,728,898	177,464,301	\$ 170,276,37
Total Bonded Indebtedness	\$ 206,420,000	\$ 241,740,001	\$ 228,000,000	\$ 281,955,000	\$ 266,565,000	\$ 250,705,000	\$ 234,090,000	\$ 242,980,000	\$ 226,895,000
Other Long-Term Indebtedness									
General Obligation Capital Outlay Notes	8,804,735	8,434,926	9,866,532	24,399,322	41,145,146	39,608,208	46,145,255	47,232,935	(1) 48,101,28
Tennessee Municipal Bond Fund	8,296,833	7,819,523	6,550,098	5,339,097	6,619,343	19,424,258	18,664,185	25,781,445	27,604,08
Capital Leases	-	448,399	288,204	116,196,668	119,978,775	119,077,117	118,490,272	115,707,438	(2) 112,775,07
Gross Direct Indebtedness	\$ 223,521,568	\$ 258,442,849	\$ 244,704,834	\$ 427,890,087	\$ 434,308,264	\$ 428,814,583	\$ 417,389,713	\$ 431,701,818	\$ 415,375,44
Less: Self-Supporting Indebtedness	179,866,955	179,059,226	169,016,890	289,509,352	353,562,825	346,612,744	333,128,264	325,198,221	310,153,52
Debt Service Fund	2,671,606	3,971,606	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,00
Net Direct Indebtedness	\$ 40,983,007	\$ 75,412,017	\$ 70,190,861	\$ 133,392,593	\$ 75,522,735	\$ 75,729,910	\$ 77,122,241	\$ 97,632,033	\$ 96,296,91
Plus: Estimated Net Overlapping Indebtedne	88,150,799	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,68
Net Direct and Overlapping Indebtedness	\$ 129,133,806	\$ 178,529,979	\$ 179,782,718	\$ 229,540,469	\$ 183,344,484	\$ 173,216,226	\$ 164,767,669	\$ 187,025,499	\$ 232,584,60

Notes:

(1) As of June 30, 2008 Capital Outlay Notes consist of \$37,485,013 State of Tennessee Revolving Loan for combined sewer overflow facilities; \$4,715,690 State of Georgia Revolving Loan for the Northwest Georgia Sewer Expansion; \$4,576,000 HUD Sec 108 Note; \$1,299,404 Notes to Individual for land purchase; and \$25,180 Fire Hall Loan.

(2) Capital leases as of June 30, 2008 includes the \$171,298 City of Collegedale for Sewer Easement, \$111,411,938 CDRC (Southside) Capital Lease and \$1,191,838 for the 800MHz Communication Equipment.

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

CITY OF CHATTANOOGA  
HISTORICAL DEBT RATIOS  
June 30, 2008 (unaudited)

Year ended June 30	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Estimated population(1)	147,500	145,700	155,554	155,992	155,582	155,289	154,853	154,762	168,293	169,884
Appraised property valuation	\$ 7,944,005,472	\$ 7,984,908,874	\$ 8,281,644,305	\$ 9,789,654,070	\$ 9,944,568,067	\$ 10,057,472,717	\$ 10,323,946,674	\$ 11,955,447,979	\$ 12,310,849,619	\$ 12,906,102,564
Assessed property valuation	2,604,109,845	2,617,535,875	2,729,199,377	3,201,743,737	3,260,023,356	3,237,183,936	3,319,249,168	3,860,452,959	3,968,157,371	4,048,760,875
Gross indebtedness (2)	237,505,962	223,521,569	258,442,849	244,704,834	427,890,087	434,308,264	428,814,582	417,389,712	431,701,818	415,375,442
Less: Self-supporting indebtedness(3)	190,087,672	179,866,956	178,059,226	169,036,886	344,499,352	353,562,825	346,612,744	333,128,264	325,198,221	310,153,520
Debt Service Fund	2,566,687	2,671,606	4,163,307	5,497,083	4,988,142	5,222,704	6,471,929	7,139,208	8,871,564	8,925,003
Net direct indebtedness	44,851,603	40,983,007	76,220,316	70,170,865	78,402,593	75,522,735	75,729,909	77,122,240	97,632,033	96,296,919
Plus: Estimated net overlapping indebtedness	98,505,368	88,150,782	103,117,962	109,591,857	96,147,876	107,821,749	97,486,316	87,645,429	89,393,466	136,287,686
Net direct and overlapping indebtedness	\$ 143,356,971	\$ 129,133,789	\$ 179,338,278	\$ 179,762,722	\$ 174,550,469	\$ 183,344,485	\$ 173,216,225	\$ 164,767,668	\$ 187,025,499	\$ 232,584,605
Gross debt per capita	\$ 1,610.21	\$ 1,534.12	\$ 1,661.43	\$ 1,568.70	\$ 2,750.25	\$ 2,796.77	\$ 2,769.17	\$ 2,696.98	\$ 2,565.18	\$ 2,445.05
Net direct debt per capita	304.08	281.28	489.99	449.84	503.93	486.34	489.04	498.33	580.13	566.84
Net direct and overlapping debt per capita	971.91	886.30	1,152.90	1,152.38	1,121.92	1,180.67	1,118.58	1,064.65	1,111.31	1,369.08
Gross debt to appraised valuation	2.99%	2.80%	3.12%	2.50%	4.30%	4.32%	4.15%	3.49%	3.51%	3.22%
Net direct debt to appraised valuation	0.56%	0.51%	0.92%	0.72%	0.79%	0.75%	0.73%	0.65%	0.79%	0.75%
Net direct debt and overlapping debt to appraised valuation	1.80%	1.62%	2.17%	1.84%	1.76%	1.82%	1.68%	1.38%	1.52%	1.80%
Gross debt to assessed valuation	9.12%	8.54%	9.47%	7.64%	13.13%	13.42%	12.92%	10.81%	10.88%	10.26%
Net direct debt to assessed valuation	1.72%	1.57%	2.79%	2.19%	2.40%	2.33%	2.28%	2.00%	2.46%	2.38%
Net direct and overlapping debt to assessed valuation	5.51%	4.93%	6.57%	5.61%	5.35%	5.66%	5.22%	4.27%	4.71%	5.74%

(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, HUD Sec. 108 Notes, 800 MHz Equipment Capital Lease.

## Debt Service Fund Revenues

Fiscal Years 2006-2009

Revenue Source	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	% CHANGE FY 08/09	% OF TOTAL
Debt Service (Fund 3100):							
General Fund	9,801,307	11,567,051	9,392,174	12,166,456	2,774,282	29.54	70.01
Trfrs-Cap Imp Bond Fd	0	0	0	0	0	0.00	0.00
Trfrs-Safety Cap Project Fd	3,085	5,639	5,639	5,639	0	0.00	0.03
Hamilton County	762,683	751,683	660,981	478,191	(182,790)	(27.65)	2.75
Miscellaneous Revenue	81,137	0	0	0	0	0.00	0.00
911 Communication	808,759	808,759	808,760	808,759	(1)	(0.00)	4.65
City Hotel/Motel Tax	2,752,135	3,183,497	3,216,151	3,265,313	49,162	1.53	18.79
CDBG (Fannie Mae Loan)	595,847	617,731	648,179	654,284	6,105	0.94	3.76
Homeland Security Grant	0	0	0	0	0	0.00	0.00
Use of Fund Balance	0		567,100	0	(567,100)	(100.00)	0.00
<b>Total Debt Service Fund</b>	<b>\$14,804,953</b>	<b>\$16,934,360</b>	<b>\$15,298,984</b>	<b>\$17,378,642</b>	<b>2,079,658</b>	<b>13.59</b>	<b>100.00</b>
Grand Total	<b>\$14,804,953</b>	<b>\$16,934,360</b>	<b>\$15,298,984</b>	<b>\$17,378,642</b>	<b>2,079,658</b>	<b>13.59</b>	<b>100.00</b>

## Debt Service Fund Expenditures

Fiscal Years 2006-2009

Expenditures	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Budget FY 08/09	BUDGET '09 INC/(DEC)	% CHANGE FY 08/09	% OF TOTAL
Debt Service (Fund 3100):							
Principal	7,735,136	9,442,942	8,383,644	9,756,306	1,372,662	16.4	56.14
Interest	6,329,621	7,421,418	6,845,340	7,552,336	706,996	10.3	43.46
Service Charges	72,917	70,000	70,000	70,000	0	0.0	0.40
Bond Sale Expenses	0	0	0	0	0	0.0	0.00
<b>Total Debt Service Fund</b>	<b>\$14,137,674</b>	<b>\$16,934,360</b>	<b>\$15,298,984</b>	<b>\$17,378,642</b>	<b>2,079,658</b>	<b>13.6</b>	<b>100.00</b>
Grand Total	<b>\$14,137,674</b>	<b>\$16,934,360</b>	<b>\$15,298,984</b>	<b>\$17,378,642</b>	<b>2,079,658</b>	<b>13.6</b>	<b>100.00</b>
Per Capita	91.30	109.42	98.58	111.98			

# Capital Project Funds

## Fund Structure

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

FY 2008 Approved Capital Budget was as follows:

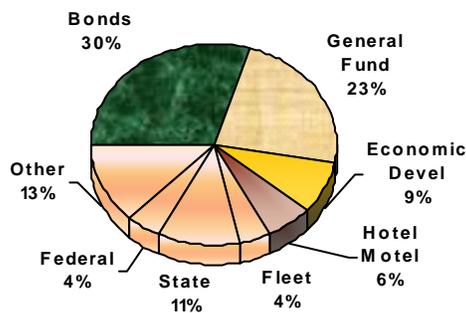
General Government	\$ 15,659,350
Parks & Recreation	14,188,000
Education, Arts & Culture	400,000
Public Works	10,272,000
Police	500,000
Fire	600,242
Southside Parking Garage	293,542
Public Works Solid Waste	1,865,000
Public Works Storm Water	<u>1,675,000</u>
	\$ 45,453,134

The FY09 Proposed Capital budget request is as follows:

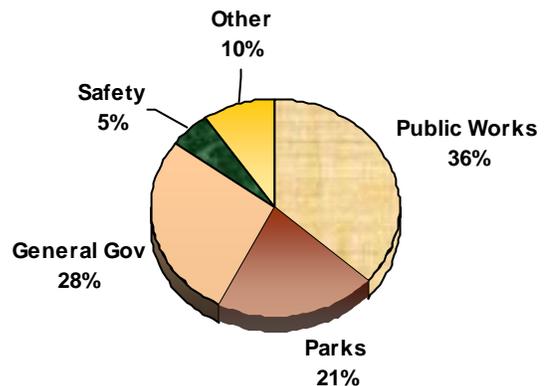
<u>Proposed Budget FY2009</u>	
<b>Proposed Revenue FY09</b>	
Bonds	\$ 10,000,000
General Fund	7,756,413
Economic Development	2,925,688
Fleet Lease Program	1,390,000
Hotel Motel Tax	2,000,000
State of Tennessee	3,712,433
Federal Grants	1,494,441
Other	<u>4,357,274</u>
	<u>\$ 33,636,249</u>
<b>Budget Request FY09</b>	
General Government	\$ 9,278,000
Parks & Recreation	6,972,821
Public Works	12,338,428
Police (Safety)	852,000
Fire (Safety)	980,000
Education, Arts & Culture	315,000
Chattanooga Development Resource Corp	<u>2,900,000</u>
	<u>\$ 33,636,249</u>

## Fiscal Year Proposed 2008/2009 \$33,636,249

*Revenues*



*Appropriations*



## Capital Fund Revenues

Fiscal Years 2006 - 2009

Revenue Source	Actual	Actual	Budget	Proposed	%		%
	FY 05/06	FY 06/07	FY 07/08	FY 08/09	BUDGET '09 INC/(DEC)	CHANGE FY 08/09	
General Fund Fund Balance	3,500,000	7,982,285	12,058,840	7,756,413	(4,302,427)	-35.7%	10.73%
State/Federal Grants	3,431,378	1,565,983	1,760,000	5,206,874	3,446,874	195.8%	100.00%
Economic Development Fund	2,664,000	3,433,192	2,845,000	2,925,688	80,688	2.8%	0.00%
General Obligation Bonds	1,438,791	778,935	18,400,000	10,000,000	(8,400,000)	-45.7%	0.00%
Hamilton County	0	0	3,273,538	512,500	(2,761,038)	-84.3%	100.00%
Hotel/Motel Tax Collections	0	650,000	625,000	2,000,000	1,375,000	220.0%	0.00%
Interest Income	333,791	10,309	1,150,000	550,000	(600,000)	-52.2%	0.00%
Solid Waste Fund	0	0	1,865,000	300,000	(1,565,000)	-83.9%	0.00%
Water Quality Fund	0	0	1,675,000	775,000	(900,000)	-53.7%	0.00%
Other	3,514,619	0	1,800,756	3,609,774	1,809,018	100.5%	100.00%
	<b>\$14,882,579</b>	<b>\$14,420,704</b>	<b>\$45,453,134</b>	<b>\$33,636,249</b>	<b>(11,816,885)</b>	<b>-26.0%</b>	<b>100.00%</b>
Annual Budget	\$ 29,979,847	\$ 31,150,804					

## Revenues

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

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

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

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

Funding for the FY 2009 proposed Capital Budget is provided by the General Fund Fund Balance of 7,756,413, General Obligation Bond Fund \$10,000,000, State of Tennessee and Federal grants of \$5,206,874, Economic Development Fund 2,925,688 and funds from Foundations and other sources in the amount of \$7,747,274.

## Capital Fund Expenditures

Fiscal Years 2006 - 2009

Expenditures	Actual FY 05/06	Actual FY 06/07	Budget FY 07/08	Proposed Budget FY 08/09	BUDGET '08 INC/(DEC)	% CHANGE FY 08/09	% OF TOTAL
Capital Projects:							
Police (Fund P411)	2,198,052	1,010,365	500,000	852,000	352,000	70.4%	2.53%
Fire (Fund P411)	1,904,765	544,042	600,242	980,000	379,758	63.3%	2.91%
Public Works (Fund P416)	10,445,303	11,050,777	10,272,000	11,263,428	991,428	9.7%	33.49%
Parks & Recreation (Fund P415)	2,087,186	2,181,215	14,188,000	6,972,821	(7,215,179)	-50.9%	20.73%
General Government (Fund P413)	4,222,247	14,986,198	15,659,350	9,278,000	(6,381,350)	-40.8%	27.58%
Chattanooga Development Resource Corp.	0	0	293,542	2,900,000	2,606,458	887.9%	8.62%
Education, Arts & Culture	80,193	131,874	400,000	315,000	(85,000)	-21.3%	0.94%
Solid Waste Fund	0	0	1,865,000	300,000	(1,565,000)	-83.9%	0.89%
Water Quality Fund	0	0	1,675,000	775,000	(900,000)	-53.7%	2.30%
<b>Total Capital Projects</b>	<b>\$20,937,746</b>	<b>\$29,904,471</b>	<b>\$45,453,134</b>	<b>\$33,636,249</b>	<b>(\$11,816,885)</b>	<b>-26.0%</b>	<b>100.00%</b>
Annual Budget	\$ 29,979,847	\$ 31,150,804					
<b>Grand Total</b>	<b>\$20,937,746</b>	<b>\$29,904,471</b>	<b>\$45,453,134</b>	<b>\$33,636,249</b>	<b>(11,816,885)</b>	<b>-26.0%</b>	<b>100.00%</b>

## 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

<b>FY 2009 Proposed Budget</b>	<b>\$ 852,000</b>
<b>% of Total Capital Budget</b>	<b>2.53%</b>
<b>Growth From FY 2008</b>	<b>\$ 352,000</b>
<b>% Change</b>	<b>70.4%</b>

The Police Department capital appropriation will be used for the digital radios and in car laptops.

### FIRE

<b>FY 2009 Proposed Budget</b>	<b>\$ 980,000</b>
<b>% of Total Capital Budget</b>	<b>2.91%</b>
<b>Growth From FY 2008</b>	<b>\$ 379,758</b>
<b>% Change</b>	<b>63.3%</b>

The FY 2009 appropriation for the Fire Department includes new fire apparatus, homeland technical rescue equipment, and upgrades of current buildings.

### PUBLIC WORKS, SOLID WASTE, WATER QUALITY

<b>FY 2009 Proposed Budget</b>	<b>\$12,338,428</b>
<b>% of Total Capital Budget</b>	<b>36.7%</b>
<b>Decline From FY 2008</b>	<b>\$ 1,473,572</b>
<b>% Change</b>	<b>10.7%</b>

The FY 2009 Public Works capital appropriation reflects the City's continuous street paving/street rehab program, streetscape work, various traffic signal projects and replacement of city-wide services equipment accounts, city-wide bridge rehabilitation, storm water projects and City landfill improvements.

### PARKS & RECREATION

<b>FY 2009 Proposed Budget</b>	<b>\$ 6,972,821</b>
<b>% of Total Capital Budget</b>	<b>20.7%</b>
<b>Decline From FY 2008</b>	<b>\$ 7,215,179</b>
<b>% Change</b>	<b>-50.9%</b>

The FY 2009 Parks & Recreation Department appropriation includes City wide parks rehabilitation, equipment replacement, Recreation Center expansions/upgrades and Zoo improvements.

## **GENERAL GOVERNMENT**

<b>FY 2009 Proposed Budget</b>	<b>\$ 9,278,000</b>
<b>% of Total Capital Budget</b>	<b>27.6%</b>
<b>Decline From FY 2008</b>	<b>\$ 6,381,350</b>
<b>% Change</b>	<b>-40.8%</b>

The FY 2009 General Government budget includes funding for Chattanooga Area Regional Transit Authority, city wide vehicle replacement, and Information Services software upgrades.

## **EDUCATION, ARTS & CULTURE**

<b>FY 2009 Proposed Budget</b>	<b>\$ 315,000</b>
<b>% of Total Capital Budget</b>	<b>1.0%</b>
<b>Decline From FY 2008</b>	<b>\$ 85,000</b>
<b>% Change</b>	<b>-21.3%</b>

FY 2009 Capital budget is for civic facilities improvements.

## **CHATTANOOGA DEVELOPMENT RESOURCE CORPORATION**

<b>FY 2009 Proposed Budget</b>	<b>\$ 2,900,000</b>
<b>% of Total Capital Budget</b>	<b>8.6%</b>
<b>Growth From FY 2008</b>	<b>\$ 2,606,458</b>
<b>% Change</b>	<b>887.9%</b>

FY 2009 Capital budget is for HVAC repair at the Development Resource Center and repair of Waterfront Passage.

# Capital Project Detail

## General Government

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
CARTA	400,000	3,487,000	400,000	400,000	400,000	400,000
Information Services	4,056,924	3,551,000	75,000	-	-	-
General Services	2,572,426	2,190,000	-	-	-	-
Fleet Services	155,000	-	-	-	-	-
Fortwood Center	-	50,000	50,000	50,000	50,000	50,000
Enterprise Industrial Park	8,475,000	-	-	-	-	-
<b>Total General Government</b>	<b>15,659,350</b>	<b>9,278,000</b>	<b>525,000</b>	<b>450,000</b>	<b>450,000</b>	<b>450,000</b>

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>1. CARTA</b>			
<b>Funding source: General Fund</b>		<b>\$ 175,000</b>	
<b>Bonds</b>		<b>3,312,000</b>	
<b>Prior Years</b>	<b>\$ 5,385,850</b>		<b>\$ 8,872,850</b>
This appropriation is to help fund the Chattanooga Area Regional Transportation Authority's capital needs. The FY09 appropriation funds a new parking garage on the North Shore.			
<b>Impact on operating budget:</b> None because these are one time funded projects for supported agencies.			
<b>2. Information Services</b>			
<b>Funding Source: General Fund</b>		<b>\$ 2,920,000</b>	
<b>Criminal Justice Department Grant</b>		<b>631,000</b>	
<b>Prior Years</b>	<b>\$ 5,513,386</b>		<b>\$ 9,064,386</b>
This appropriation funds the upgrade of computer equipment and purchase of new software.			
<b>Impact on operating budget:</b> None.			
<b>3. General Services</b>			
<b>Funding Source: General Fund</b>		<b>\$ 800,000</b>	
<b>Fleet Service Fund</b>		<b>1,390,000</b>	
<b>Prior Years</b>	<b>\$ 6,072,426</b>		<b>\$ 8,262,426</b>
General Services is responsible for the City's buildings and vehicle lease program to buy vehicles for all the departments in the city except the fire department.			
<b>Impact on operating budget:</b> The vehicle replacement program results in lower operating, maintenance, and fuel costs along with a safer fleet operations. Cost savings expected to exceed \$30,000 .			
<b>4. Fortwood Center</b>			
<b>Funding Source: General Fund</b>		<b>\$ 50,000</b>	
<b>Prior Years</b>	<b>\$ 0</b>		<b>\$ 50,000</b>
This appropriation is to help fund capital ungrades for the Fortwood Center.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## Police

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/2008	FY 2008/2009	FY2009/2010	FY 2010/2011	FY2011/2012	FY2012/2013
Motorola Portable Radios	252,000	252,000	252,000	252,000	252,000	252,000
In-Car Laptops	248,000	600,000	630,000	640,000	650,000	660,000
Target Range Control System Security	-	-	12,100	12,100	12,100	12,100
<b>Total Police</b>	<b>500,000</b>	<b>852,000</b>	<b>894,100</b>	<b>904,100</b>	<b>914,100</b>	<b>924,100</b>

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>1. Portable Digital Radios</b>			
<b>Funding Source: General Fund</b>		<b>\$ 252,000</b>	
<b>Prior Years</b>	<b>\$ 252,000</b>		<b>\$ 504,000</b>
This project funds the Systematic replacement of all of the old analog radios with new digital radios. All communication towers are being converted from the old analog system to the new digital system.			

Impact on operating budget: None

<b>2. In Car Laptops</b>			
<b>Funding Source: General Fund</b>		<b>\$ 600,000</b>	
<b>Prior Years</b>	<b>\$ 248,000</b>		<b>\$ 248,000</b>
This project funds the Systematic replacement of out of date laptops used by the officers to prepare and submit reports for review.			

Impact on operating budget: None

# Capital Project Detail

## Fire

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Fire Apparatus	430,000	800,000	55,000	850,000	1,800,000	2,900,000
Firehall Roof and Driveway repair	40,000	50,000	50,000	50,000	50,000	50,000
Fire Station Replacement	-	-	1,315,380	1,446,918	1,200,000	-
Technical Rescue Equipment	105,242	50,000	-	-	-	50,000
Fire Station Generators	25,000	80,000	80,000	80,000	80,000	80,000
Fire Service Expansion	-	-	1,972,080	-	2,366,496	3,030,000
Mobile Data Project	-	-	42,500	165,000	60,000	-
<b>Total Fire</b>	<b>600,242</b>	<b>980,000</b>	<b>3,514,960</b>	<b>2,591,918</b>	<b>5,556,496</b>	<b>6,110,000</b>

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>1. Fire Apparatus</b> <b>Funding Source: General Fund</b> <b>Prior Years</b> This appropriation will fund the purchase of new fire apparatus to upgrade the front line fire service fleet to maintain current level of service. These vehicles include Line Fire Apparatus, Elevating Platform, Hazardous Materials Vehicle, Technical Rescue Vehicle, Tankers and Brush Trucks. <b>Impact on operating budget:</b> The equipment replacement program results in lower operating and maintenance costs and safer fleet operations.	\$7,065,000	\$ 800,000	\$ 7,865,000
<b>2. Fire Station Roof and Driveway Repair</b> <b>Funding Source: General Fund</b> <b>Prior Years</b> This appropriation allows for the replacement of one roof or repair/replace concrete areas at a Fire Department Building each year. <b>Impact on operating budget:</b> None	\$ 395,500	\$ 50,000	\$ 445,500
<b>3. Technical Rescue Equipment</b> <b>Funding Source: Hamilton County Grant</b> <b>Prior Years</b> Tennessee Homeland Security is affording the department the opportunity to equip and train in technical areas. The funding will provide for water rescue, structural and trench collapse and confined space training and equipment. <b>Impact on operating budget:</b> None	\$1,542,742	\$ 50,000	\$1,592,742

# Capital Project Detail

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>5. Fire Station Generators</b>			
<b>Funding Source: General Fund</b>			
<b>Prior Years</b>	<b>\$ 25,000</b>	<b>\$ 80,000</b>	<b>\$ 105,000</b>
<p>This project fund two station generators a year until all Fire Stations have a generator for back-up power. This project will allow each station to remain operational in case of a natural or man-made disaster. This project will also allow Fire Stations to be used as Safe Havens for the public during disasters</p>			
<p><b>Impact on operating budget:</b> None</p>			

# Capital Project Detail

## Public Works

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Paving of Streets	1,600,000	1,888,000	1,000,000	2,000,000	2,000,000	2,000,000
City Wide Services Equipment	1,000,000	550,000	425,000	625,000	500,000	500,000
Bridge Rehab	550,000	568,000	1,350,000	350,000	350,000	350,000
Downtown Streetscape Program	500,000		1,025,000	375,000	-	-
Traffic Engineering Projects	277,000	1,176,000	325,000	325,000	325,000	325,000
Curbs, Gutters, and Sidewalks	1,000,000	1,120,274	750,000	1,400,000	1,400,000	1,400,000
Street Rehabilitation	4,255,000	5,915,154	7,972,000	8,168,750	-	-
MPO - Major Construction	100,000	26,000	164,000	2,875,000	12,430,000	7,050,000
UFORE/Forestry Grant Match	-	20,000	-	-	-	-
Intersection Improvements	650,000	-	300,000	300,000	300,000	300,000
Sewer Construction Parcel 8	340,000	-	-	-	-	-
Water Quality Capital Projects	1,675,000	775,000	1,775,000	1,975,000	2,725,000	3,725,000
Solid Waste Capital Projects	1,865,000	300,000	6,400,000	650,000	165,000	1,000,000
<b>Total Public Works</b>	<b>13,812,000</b>	<b>12,338,428</b>	<b>21,486,000</b>	<b>19,043,750</b>	<b>20,195,000</b>	<b>16,650,000</b>

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>1. Paving of streets</b>			
<b>Funding sources: General Fund</b>		<b>\$1,600,000</b>	
<b>TPO Funds</b>		<b>288,000</b>	
<b>Prior Years</b>	<b>\$19,564,450</b>		<b>\$21,452,450</b>
This appropriation funds the resurfacing of streets City wide. It also provides for replacement of pavement markings and traffic signal loop detector wiring damaged due to pavement milling and resurfacing.			
<b>Impact on operating budget:</b> This program will reduce the cost of annual street maintenance.			
<b>2. City Wide Services Equipment Replacement</b>			
<b>Funding sources: General Fund</b>		<b>\$ 300,000</b>	
<b>Economic Development Fund</b>		<b>250,000</b>	
<b>Prior Years</b>	<b>\$ 8,714,777</b>		<b>\$ 9,264,777</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.			
<b>3. Bridge Rehabilitation</b>			
<b>Funding sources: General Fund</b>		<b>\$ 18,000</b>	
<b>Bonds Interest 2003</b>		<b>550,000</b>	
<b>Prior Years</b>	<b>\$ 3,592,000</b>		<b>\$ 4,160,000</b>
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:</b> None			

# Capital Project Detail

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>4. Traffic Engineering Projects</b>			
<b>Funding sources:</b> General Fund		\$ 25,800	
Economic Development Fund		124,200	
Automatic Traffic Enforcement Fund		150,000	
TPO State Grant		876,000	
<b>Prior Years</b>	\$ 7,020,749		\$ 8,196,749
This appropriation provides for modernization of existing and installation of future traffic signals and parking meters.			
<b>Impact on operating budget:</b> The replacement program results in lower maintenance costs.			
<b>5. Curbs, Gutters and Sidewalks</b>			
<b>Proposed Funding Source:</b> Community Development Funds		\$ 863,441	
State of Tennessee		256,833	
<b>Prior Years</b>	\$ 5,257,347		\$ 6,377,621
This appropriation provides for the continuing program of construction and repair of curbs, gutters, and sidewalks within the City.			
<b>Impact on operating budget:</b> None			
<b>6. Street Improvements</b>			
<b>Funding sources:</b> Bonds		\$ 4,450,681	
General Fund		689,473	
Economic Development Funds		487,500	
Hamilton County		187,500	
Other		100,000	
<b>Prior Years</b>	\$34,504,712		\$40,419,866
This appropriation will fund a program of major street rehabilitation within the City.			
<b>Impact on operating budget:</b> This program of major street Improvements results in lower street maintenance costs.			
<b>7. MPO Match Major Street Construction</b>			
<b>Funding sources:</b> General Fund		\$ 26,000	
<b>Prior Years</b>	\$ 5,853,593		\$ 5,879,593
This appropriation funds the City's portion of State of Tennessee projects within the City limits.			
<b>Impact on operating budget:</b> None			
<b>8. Match for UFORE Forestry Grant</b>			
<b>Funding sources:</b> General Fund	\$ 0	\$ 20,000	\$ 20,000
This appropriation funds the City's portion of a UFORE data collection grant.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>9. Storm Water Projects City Wide</b>			
<b>Funding sources: Storm Water Fund</b>		\$ 775,000	
<b>Prior Years</b>	\$ 7,190,559		\$7,965,559
This appropriation funds a drainage system inventory and City wide storm water projects.			
<b>Impact on operating budget:</b> None			
<b>10. Solid Waste Capital Projects</b>			
<b>Funding sources: Solid Waste Fund Balance</b>		\$ 300,000	
<b>Prior Years</b>	\$ 8,789,647		\$ 9,089,647
This appropriation funds the purchase of equipment, expansion and rehabilitation of the Solid Waste System.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## Parks & Recreation

<b>Capital Budget</b> <i>Five Year Plan</i>						
Project Name	<b>Estimated Project Cost by Fiscal Year</b>					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Parks Rehab	13,295,000	3,391,821	4,338,000	1,632,000	1,280,000	1,090,000
Greenways	100,000	2,875,000	750,000			
Zoo Improvements	125,000	125,000	125,000	125,000	125,000	
Recreation Center Rehab	318,000	-	1,410,000	800,000	150,000	1,000,000
HVAC Repair	-	131,000	203,000			
Parks Equipment Replacement	150,000	50,000	-	-		
Public Art	200,000	100,000	100,000	100,000	100,000	100,000
<b>Total Parks &amp; Recreation</b>	<b>14,188,000</b>	<b>6,672,821</b>	<b>6,926,000</b>	<b>2,657,000</b>	<b>1,655,000</b>	<b>2,190,000</b>

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>1. City Parks Rehabilitation</b>			
<b>Funding Source: Bonds</b>		<b>\$ 1,309,319</b>	
<b>Economic Development Fund</b>		<b>745,988</b>	
<b>General Fund</b>		<b>698,514</b>	
<b>State of Tennessee</b>		<b>140,800</b>	
<b>Hamilton County</b>		<b>150,000</b>	
<b>Insurance Proceeds</b>		<b>217,000</b>	
<b>Donation</b>		<b>130,200</b>	
<b>Prior Years</b>	<b>\$22,496,448</b>		<b>\$23,586,448</b>
This appropriation will fund rehabilitation and upgrading of City Parks: equipment replacement; fencing; park planning and expansion.			
<b>Impact on operating budget: None</b>			
<b>2. Greenways</b>			
<b>Funding Source: General Fund</b>		<b>\$ 550,000</b>	
<b>TDOT Grant</b>		<b>1,780,000</b>	
<b>Donation</b>		<b>545,000</b>	
<b>Prior Years</b>	<b>\$ 962,367</b>		<b>\$ 3,837,367</b>
The purpose of this project is to upgrade and expand the Greenway system in Chattanooga.			
<b>Impact on operating budget: None</b>			
<b>3. Zoo Improvements</b>			
<b>Funding Source: Economic Development Fund</b>		<b>\$ 125,000</b>	
<b>Prior Years</b>	<b>\$ 1,250,000</b>		<b>\$ 1,375,000</b>
This appropriation will fund upgrade and renovation of the City Zoo.			
<b>Impact on operating budget: None</b>			

# Capital Project Detail

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>4. HVAC Repair</b>			
<b>Funding Source: Bonds</b>			
<b>Prior Years</b>	\$ 300,000	\$ 131,000	\$ 430,000
This appropriation will fund HVAC replacement for aging units at various facilities			
<b>Impact on operating budget:</b> None			
<b>5. Park Maintenance Equipment</b>			
<b>Funding Source: Economic Development Fund</b>			
<b>Prior Years</b>	\$ 150,000	\$ 50,000	\$ 235,000
This appropriation will fund systematic replacement for aging maintenance equipment.			
<b>Impact on operating budget:</b> None			
<b>6. Public Art</b>			
<b>Funding Source: Economic Development Fund</b>			
<b>Prior Years</b>	\$ 200,000	\$ 100,000	\$ 300,000
This appropriation will fund city wide public art exhibits.			
<b>Impact on operating budget:</b> None			

# Capital Project Detail

## Education, Arts & Culture

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Memorial Auditorium & TIVOLI	400,000	200,000	200,000	200,000	200,000	200,000
Heritage Hall 2nd Floor Renovation	-	115,000	-	-	-	-
<b>Total Neighborhood Services</b>	<b>\$400,000</b>	<b>\$315,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>1. Memorial Auditorium &amp; TIVOLI</b> <b>Funding Source: General Fund</b> <b>Prior Years</b> This appropriation will fund the renovation of the City's Civic facilities. <b>Impact on operating budget:</b> None.	<b>\$ 900,000</b>	<b>\$ 200,000</b>	<b>\$ 1,100,000</b>
<b>2. Heritage House 2nd Floor Renovation</b> <b>Funding Source: General Fund</b> <b>State of Tennessee Grant</b> This appropriation will fund the renovation of the 2nd floor of the Heritage House. <b>Impact on operating budget:</b> None.		<b>\$ 90,000</b> <b>25,000</b>	

# Capital Project Detail

## Chattanooga Development Resource Corp.

Capital Budget Five Year Plan						
Project Name	Estimated Project Cost by Fiscal Year					
	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13
Development Resource Center Rehab	-	900,000	-	-	-	-
Waterfront Passage Rehab	-	2,000,000	-	-	-	-
<b>Total Neighborhood Services</b>	<b>\$0</b>	<b>\$2,900,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

	Prior Years Appropriations	2008/2009 Proposed	Total Project
<b>1. Development Resource Center Rehab</b>			
<b>Funding Source: CDRC Fund</b>	\$ 0	\$ 900,000	\$ 900,000
This appropriation will fund the renovation of the City's Development Resource Center.			
<b>Impact on operating budget:</b> None.			
<b>2. Waterfront Passage Rehab</b>			
<b>Funding Source: CDRC Fund</b>	\$ 0	\$ 2,000,000	\$ 2,000,000
This appropriation will fund the renovation of the City's interactive waterfront passage.			
<b>Impact on operating budget:</b> None.			

# PROPOSED CAPITAL BUDGET ORDINANCE

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

AN ORDINANCE APPROPRIATING, AUTHORIZING OR ALLOCATING FUNDS  
TO THE CAPITAL IMPROVEMENTS BUDGET FOR THE FISCAL YEAR 2008/  
2009.

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 2008/2009:

FROM	General Obligation Bonds	\$ 10,000,000	
	General Fund	7,956,413	
	Economic Development	2,925,688	
	Hotel Motel Tax	2,000,000	
	Bond Interest (2003)	550,000	
	Narcotics Fund	252,000	
	Automatic Traffic Enforcement Fund	150,000	
	Reappropriation of Public Works (P416)	125,574	
	Fleet Lease Program	1,390,000	
	Federal Grant (Criminal Justice)	631,000	
	State of Tennessee	3,712,433	
	CDBG	863,441	
	Hamilton County	312,500	
	Other	1,692,200	
TO:	General Government & Supported Agencies		\$ 9,278,000
	Department of Police		852,000
	Department of Fire		980,000
	Department of Public Works		11,263,428
	Department of Parks & Recreation		6,972,821
	Department of Education, Arts & Culture		315,000
	CDRC	_____	<u>2,900,000</u>
	TOTALS	\$ 32,561,249	\$ <u>32,561,249</u>

# PROPOSED CAPITAL BUDGET ORDINANCE

## PROPRIETARY FUND CAPITAL

From Water Quality Unreserved Fund Balance	\$ 775,000	
Solid Waste Fund Unreserved Fund Balance	300,000	
Public Works Water Quality Capital Fund		\$ 775,000
Public Works Solid Waste Capital Fund	_____.	<u>300,000</u>
<b>TOTAL PROPRIETARY FUNDS</b>	<u>\$ 1,075,000</u>	<u>\$ 1,075,000</u>
<b>TOTAL CAPITAL BUDGET</b>	<u>\$33,636,249</u>	<u>\$33,636,249</u>

SECTION 2. That Ordinance No. 12139, the BUDGET ORDINANCE, be and is hereby amended as provided hereinafter.

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

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
REVENUE FROM FUND BALANCE	\$ _____ 0	\$ <u>7,956,413</u>
AMENDED GENERAL FUND ESTIMATED REVENUE	\$ <u>170,070,000</u>	\$ <u>178,026,413</u>

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

GENERAL FUND APPROPRIATIONS:

General Government & Supported Agencies	\$ <u>36,758,592</u>	\$ <u>44,715,005</u>
<b>AMENDED TOTAL APPROPRIATION</b>	<u>\$ 170,070,000</u>	<u>\$ 178,026,413</u>

GENERAL GOVERNMENT & SUPPORTED AGENCIES

Capital Improvements	\$ _____ 0	\$ <u>7,956,413</u>
<b>AMENDED GEN. GOVT. &amp; SUPPORTED AGENCIES</b>	<u>\$ 36,758,592</u>	<u>\$ 44,714,005</u>
<b>AMENDED TOTAL APPROPRIATION</b>	<u>\$ 170,070,000</u>	<u>\$ 178,026,413</u>

# Capital Project Detail

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

	<u>Delete</u>	Substitute in <u>Lieu Thereof</u>
1119 <u>ECONOMIC DEVELOPMENT EDUCATION FUND:</u>		
ESTIMATED REVENUE		
Economic Development Unreserved Fund Balance	\$ _____ 0	\$ <u>1,506,221</u>
Amended Total Revenue	\$ <u>11,465,273</u>	\$ <u>12,971,494</u>
APPROPRIATIONS		
Appropriation to Capital from Fund Balance	\$            0	\$ 1,506,221
Amended Total Appropriation	\$ <u>11,465,273</u>	\$ <u>12,971,494</u>
2106 <u>HOTEL MOTEL TAX FUND:</u>		
ESTIMATED REVENUE		
Hotel/Motel Unreserved Fund Balance	\$            0	\$ <u>2,000,000</u>
Amended Total Revenue	\$ <u>4,112,640</u>	\$ <u>6,112,640</u>
APPROPRIATIONS		
Appropriation to Capital from Fund Balance	\$ _____ 0	\$ <u>2,000,000</u>
Amended Total Appropriation	\$ <u>4,112,640</u>	\$ <u>6,112,640</u>
5200 <u>SOLID WASTE FUND:</u>		
ESTIMATED REVENUE		
Fund Balance	\$ _____ 0	\$ <u>300,000</u>
Amended Total Revenue	\$ <u>7,264,382</u>	\$ <u>7,564,382</u>
APPROPRIATIONS		
Appropriation to Capital from Fund Balance	\$ _____ 0	\$ <u>300,000</u>
Amended Total Appropriation	\$ <u>7,264,382</u>	\$ <u>7,564,382</u>

# Capital Project Detail

5300 WATER QUALITY MANAGEMENT FUND:

## ESTIMATED REVENUE

Fund Balance \$ \_\_\_\_\_ 0 \$ 775,000

Amended Total Revenue \$ 6,192,675 \$ 6,967,675

## APPROPRIATIONS

Appropriation to Capital from Fund Balance \$ \_\_\_\_\_ 0 \$ 775,000

Amended Total Appropriation \$ 6,192,675 \$ 6,967,675

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

PASSED on Third and Final Reading

\_\_\_\_\_, 2009

\_\_\_\_\_  
CHAIRPERSON

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

DATE: \_\_\_\_\_, 2009

\_\_\_\_\_  
MAYOR

DM/RR/AD

# Capital Project Detail

