

Policies & Procedures

Budget Procedures

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

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

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

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

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

A governmental budget should:

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

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

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

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

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

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

Then, budget sessions are held with department Administrators and budget personnel to discuss various issues and gain a thorough understanding of the budget requests. After meetings with the departments, the Budget Section is ready to balance the budget request to the estimated revenues. When this is accomplished, the balanced budget is presented to the Mayor for review. At this point the Mayor can add or delete items to the budget. When the Mayor is satisfied that the budget presented represents the goals and objectives of the City and the financial means of reaching those goals and objectives, he will present the balanced budget to the City Council at a Budget and Finance Committee meeting.

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

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

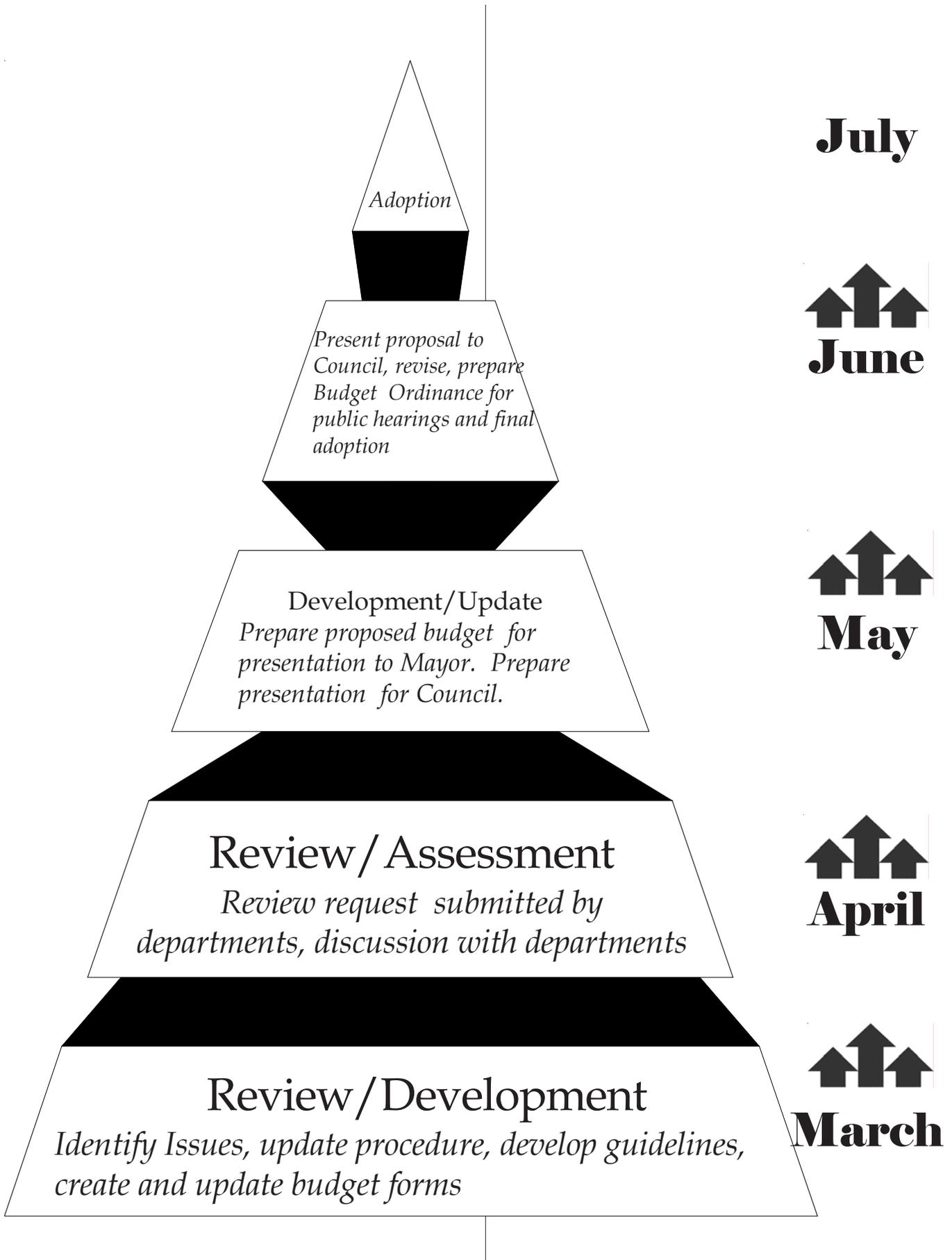
During May and June, the City Council hears budget requests from agencies and departments at its regularly scheduled meetings. Prior to July 1, the City adopts an interim budget appropriating funds for the usual and ordinary expenses of the City government in an amount not to exceed one-twelfth of the preceding fiscal year operating budget for each month that the interim budget is in effect. Subsequently, the budget is legally enacted through passage of an ordinance with an operative date of July 1. Upon adoption of the annual budget ordinance by the Council, it becomes the formal budget for City operations. After the budget ordinance is adopted, the council can increase the budget only if actual receipts exceed the estimated, or from accumulated surplus in the amount of an unexpended appropriation from the previous year. Budget control is maintained by recording encumbrances as purchase orders are written. Financial reports, which compare actual performance with the budget, are prepared monthly and presented to the Mayor. Open encumbrances are reported as reservations of fund balance at June 30. All unencumbered and unexpended appropriations lapse at year-end.

The City Finance Officer is authorized to transfer budgeted amounts within divisions within the General

Fund, but the authorization does not apply to funds other than the General Fund.

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

The Budget Pyramid Approach Model



S M T W T F S

January 2006

1 2 3 4 5 6 7
8 9 10 11 12 13 14
15 16 17 18 19 20 21
22 23 24 25 26 27 28
29 30 31

February 2006

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12 13 14 15 16 17 18
19 20 21 22 23 24 25
26 27 28

March 2006

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April 2006

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23 24 25 26 27 28 29
30

May 2006

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June 2006

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S M T W T F S

July 2006

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August 2006

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27 28 29 30 31

September 2006

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24 25 26 27 28 29 30

October 2006

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22 23 24 25 26 27 28
29 30 31

November 2006

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19 20 21 22 23 24 25
26 27 28 29 30

December 2006

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17 18 19 20 21 22 23
24 25 26 27 28 29 30
31

January
16-20 Preliminary prep work for budget documents
31 Target cut off for CY actuals on budget forms

February
1-3 Budget staff prepares on-line presentation for Depts
6 Budget forms available on-line to all Depts
6 Salary projections distribution to Depts

March
10 Deadline for Budget submissions along with goals and accomplishments
20-24 Budget review and discussions with departments
31 In-house budget sessions to balance budget
31 Revenue projection target date

April
3-14 In-house budget sessions to balance budget
21 Proposed balance budget to Mayor
24-28 Discussions w/Mayor

May
2-12 Discussion with the Mayor
11 City/County Joint Budget Hearing
25 Presentation of Budget to Council with PowerPoint

June
12&16 Council Finance Committee review/questions
27 Council approval 1st reading

July
11 Council approval 2nd & 3rd reading
17-18 Budget Roll to upload new budget
22 Budget Staff start work on CABR

September
Budget staff work on CABR 2007

November
10 Deadline date for CABR submission to GFOA

Budget Policies

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

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

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

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

After the budget policies have met the satisfaction of the Finance Officer and staff, the Finance Officer presents them to the Mayor. They undergo further review, additions, deletions, and changes by the Mayor based upon his personal

knowledge of the direction the City needs to be taking in conjunction with the Administrator's initiative. Once adopted, the budget policies are set in place to serve as the guide for the fiscal year.

The following section outlines the budget policies adopted by the City Council for use in preparation of the City's FY 06/07 Operating Budget:

Budget Requests for FY 07 will be submitted on line item (Account) basis. All departments should present two budget requests, one with a 0% growth and one with a 3% decrease in total operating costs. The adopted FY2006 budget is the baseline. Flexibility is allowed in how this is achieved through a combination of salary and operating costs. Generally, any growth in funding must be fully justified and will be at the expense of some other line item, barring a specific revenue generated to cover the additional expense.

Budget Requests will be divided into two parts: The Maintain Requests, and the Additional Requests. Requests for additional funding must be accompanied by narrative justification.

Maintain Requests will be based upon the projected 05/06 expenditures less any one time nonrecurring expenditures.

- a. Request for one time, unavoidable costs that are anticipated for FY 06/07 will be included in the Additional Requests with justification.
- b. Requests for recurring unavoidable increases, including such items as street lighting, other utilities, pension costs, FICA, etc., will be included in the Maintain Budget Requests.

Personnel Issues:

- a. Maintain Requests for Salaries & Wages will include all positions authorized at the current Pay Plan Amount. The department is encouraged to maintain frozen or unfilled positions from FY06 as part of the 0% growth and 3% reduction budget requests. The Finance Office will provide projections.
- b. Maintain Requests will not include any requests for funding of additional personnel.
- c. Do not include funds for pay raises or pending reclassifications. Salary increases are provided for by Projections, which will be entered by the Management & Budget Analysts after a decision is made concerning salary and wage changes.
- d. Budget Requests for overtime must be from a zero base, consistent with overtime ordinances, and not justified by prior year experience only.

- e. If you plan to hire temporary workers, your budget estimate should include payroll taxes. Any hiring of contract employees must stand up to IRS scrutiny. Personnel has developed guidelines to assist in determining whether a person would be an employee or contract employee.
- f. Temporary staffing should be budgeted under "Salaries & Wages".
- g. There will be no additions to the total number of positions. New positions and position reclassifications must be matched with comparable reductions or consolidation of existing positions so as to result in no increase in total personnel cost.
- h. No increase in positions or position reclassifications will be considered in the 2006-2007 budget without a corresponding reduction/reclassification in existing positions resulting in the same or reduced cost to the city.
- i. Request for new and/or additional positions (including reclassifications) must be submitted to Personnel for review no later than Friday, March 24, 2006. Forms are available in Personnel, see Jean Smith (ext. 4862). (All requests for new positions and reclassifications must be supported by corresponding reductions in existing positions resulting in the same or reduced payroll cost)

Renewal & Replacement:

Budget Requests will include capital operating requirements, to be funded from the amount appropriated for Renewal & Replacement of Equipment. Generally, a capital operating requirement has a useful life of less than 15 years and involves a cost less than \$25,000.00. Items with a longer useful life and greater cost will be included in the Capital Budget. The FY 06/07 budget includes funding for Renewal & Replacement in the amount of \$2,017,897.

All departments will include in each activity funds for vehicle repairs at the City Garage. Parts will be billed by the Garage at a 25% markup. Labor cost has been set at \$55.00 per hour. Vehicle maintenance cost expenses should be based on hours experienced during FY 06/07 execution. The price factor to be used for forecasting fuel costs is \$2.50 per gallon for gasoline and \$2.60 per gallon for diesel. This reflects a \$.15 per gallon price decrease

for gasoline and a \$.05 per gallon price increase for diesel over FY06 budgeted rates for fuel. During FY07, the fuel cost will fluctuate as the market rate changes.

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

General Pension:	6.97%
Fire & Police Pension:	20.25%

CIGNA Healthcare premium net of employee contribution (monthly):

Individual	\$233.39
Subscriber + Child	\$389.75
Subscriber + Spouse	\$476.09
Family	\$660.46

Life Insurance Coverage: \$0.305 per \$1,000 coverage/month. Maximum Coverage: \$50,000.

Long-Term Disability:
\$0.61 per \$100 coverage per month. One-half of premium cost is paid by the General Pension Board. Cost to the City is \$.305 per \$100.

FICA	6.20%
Medicare	1.45%

Union Pensions:	
Operating Engineers	\$1.26/hour
Laborers	\$0.98/hour

Anticipated increase in utility cost during FY06
Electricity: 7% Natural Gas 5% Water: 3.8%

Budget Execution Guidance

1. Descriptions, Goals & Objectives, and Performance Measures for each activity in FY06 will be available by February 6, 2006. Please update, where necessary, for FY07 as they are included in the City's Comprehensive Annual Budget Report submitted to the Mayor and City Council as well as the Government Finance Officers Association. Please return updated Descriptions and Goals & Objectives information no later than March 10, 2006. Performance Measures are due back with the budget submission on April 10, 2006.

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

3. The budget submission will not be complete or considered if Descriptions, Goals & Objectives are not submitted timely as they will become part of the decision making process for budget approval in FY07.

4. Total Budget request information for FY07 is due back to the Budget Office by Friday, March 10, 2006.

Revenue Policies

The City of Chattanooga's revenue programs are administered by the Management & Budget Section of the Department of Finance & Administration. The Budget Section adheres to long-standing principles which insure stability and financial health. The cornerstone of these principles followed by the City is an air of conservatism. The City never has, nor never will, intentionally overestimate a revenue source merely to fund a project or additional personnel. The revenue policies of the City remain fairly constant from year to year, changing to include new revenue sources and an extension of the tax base when appropriate. These revenue policies give a good insight into the reasoning being considered by the City at budget time. The policies themselves reflect the conservative approach used by the City.

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

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

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

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

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

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

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

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

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

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

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

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

Cash Management & Investment Policy

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

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

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

2.1 Funds

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

unless specifically exempted.

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

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

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

4.1 Safety. Safety of principal is the foremost objective of the investment program. Investments of the City of Chattanooga shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversion is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

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

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

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

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

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

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

6.0 Ethics and Conflicts of Interest.

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

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

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

7.0 Authorized Financial Dealers and Institutions.

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

a qualified public depository as established by the laws of the State of Tennessee.

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

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

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

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

8.0 Authorized and Suitable Investments.

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

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

- (1) Bonds, Notes or Treasury Bills of the United States;
- (2) Non-convertible debt securities of the following issues:
 - (A) The Federal Home Loan Bank;
 - (B) The National Mortgage Association;
 - (C) The Federal Farm Credit Bank; and
 - (D) The Student Loan Marketing Association;
- (3) Any other obligations not listed above which are guaranteed as to principal and interest by the United States or any of its agencies;
- (4) Certificates of deposit and other evidences of deposit at state and federal chartered banks and savings and loan associations.
- (5) Obligations of the United States or its agencies.
- (6) The Tennessee Local Government Investment Pool
- (7) Repurchase Agreements (provided a Master repurchase agreement has been executed and approved by the state director of local finance, such investments are made in accordance with procedures established by the state funding board)"

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

- (1) Corporate Bonds
- (2) Corporate Stocks
- (3) Foreign Government Obligations
- (4) Futures Contracts

- (5) Investments in Commodities
- (6) Real Estate
- (7) Limited Partnerships
- (8) Negotiable Certificates of Deposit

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

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

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

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

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

- (1) If the Total Collateral Pool participants hold an aggregate of less than thirty percent (30%) of the total sum of deposits held in the State of Tennessee by financial institutions, the collateral pledging level shall equal two hundred percent (200%).
- (2) If the Total Collateral Pool participants hold an aggregate of thirty percent (30%) or more of the total sum of deposits held in the State of Tennessee by financial institutions, the collateral pledging level shall equal one hundred fifteen percent (115%).
- (3) However, the collateral pledging level will be one hundred percent (100%) for any participant whose bank rating is equal to or greater than

twenty-five (25) as determined from the most recent quarterly report published by Sheshunoff Information Services, Inc. (bank president's national peer group weighted rating). The collateral pledge level will be ninety percent (90%) if the participant meets the requirement in Rule 1700-4-1-.04(1)(b).

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

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

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

12.0 Diversification. The City will diversify its investments by security type and institution. With the exception of U. S. Treasury securities and the Tennessee State Local Government Investment Pool, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

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

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

14.0 Internal Control

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

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

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

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

Schedules in the quarterly report should include the following:

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

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

Debt Policies

The City will maintain a bond retirement fund reserve which is equivalent to the amount of debt service due on tax-supported General Obligation Bonds in the next fiscal year.

The City will not issue notes to finance operating deficits.

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

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

The City will formally adopt a new policy in FY07.

Reserve Policies

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

Accounting, Auditing, and Financial Reporting Policies

An independent audit will be performed annually.

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

The City will maintain a strong internal audit capability.

Capital Budget Policies

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

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

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

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

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

Legal Requirements

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

6-56-203. Annual Budget Ordinance. The governing body of each municipality shall adopt and operate under an annual budget ordinance. The budget ordinance shall present a financial plan for the ensuing fiscal year, including at least the following information:

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

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

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

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

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

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

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

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



Budget Ordinance

ORDINANCE NO. 11848

AN ORDINANCE, HEREINAFTER ALSO KNOWN AS “THE FISCAL YEAR 2006-2007 BUDGET ORDINANCE”, TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2006, AND ENDING JUNE 30, 2007, AND APPROPRIATING SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE CITY, AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES AND TO AMEND CITY CODE CHAPTER 18, SECTION 18-123(g).

WHEREAS, Pursuant to and in compliance with the provisions of the Charter of the City of Chattanooga, Tennessee, the revenue has been estimated for operating the Municipal Government for the fiscal year 2006-2007 from all sources to be as follows:

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
<u>PROPERTY TAXES</u>			
Current Taxes on Real & Personal Property	\$80,035,765	\$80,650,402	\$ 82,678,000
Taxes on Real & Personal Property - Prior Years	3,421,104	3,500,000	3,400,000
<u>PAYMENTS IN LIEU OF TAXES</u>			
Chattanooga Housing Authority	22,921	29,994	23,000
Tennessee Valley Authority	1,144,642	1,173,832	1,191,437
Electric Power Board	2,827,923	2,901,424	2,935,000
Electric Power Board Telecommunications	210,781	240,139	324,000
Chattanooga Labeling System	8,928	7,745	7,745
E I Dupont	248,760	-	-
Burner Systems	25,859	12,538	12,538
Messer Griesheim Industries	66,414	-	-
T B Wood's Inc	7,274	6,629	6,629
Regis Corporation	49,919	43,274	43,273
JRB Company	42,383	-	-
Chattem, Inc	32,006	15,840	15,839
Covenant Transport	23,505	22,570	22,570
Signal Mountain Cement	428,892	318,358	318,358
Kenco Group, Inc	86,137	78,658	78,658
Total Other	<u>31,619</u>	<u>173,989</u>	<u>177,751</u>
TOTAL IN LIEU OF TAXES	5,257,963	5,024,990	5,156,798

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
Corp Excise Taxes – State (Intangible Property)	182,611	370,000	250,000
Interest & Penalty on Current Year Taxes	131,963	92,794	130,000
Interest & Penalty on Delinquent Taxes	482,438	675,424	450,000
Delinquent Taxes Collection Fees	161,553	185,584	188,000
Interest - Bankruptcy Claim Delinquent Taxes	<u>11,171</u>	<u>6,115</u>	<u>-</u>
TOTAL PROPERTY TAXES	\$ 89,684,568	\$90,505,309	\$ 92,252,798
<u>OTHER LOCAL TAXES</u>			
Franchise Taxes – ComCast Cable	\$1,411,908	\$1,429,828	\$1,435,000
Franchise Taxes - Century Tel	-	32,480	43,810
Franchise Taxes – Chattanooga Gas	252,955	254,000	254,000
Gross Receipts Taxes	3,641,709	3,469,200	3,677,352
Gross Receipts - Interest & Penalty	54,073	97,666	60,000
Liquor Taxes	1,606,265	1,660,640	1,711,454
Beer Taxes	4,638,904	4,581,769	4,661,756
Local Litigation Taxes - City Court	<u>5,176</u>	<u>4,870</u>	<u>5,000</u>
TOTAL OTHER LOCAL TAXES	\$11,610,990	\$11,530,453	\$11,848,372
<u>LICENSE, PERMITS, ETC.</u>			
Motor Vehicle Licenses	\$394,810	\$345,261	\$330,000
Parking Meters	449,486	467,060	450,000
Business Licenses (excluding Liquor)	144,000	144,000	130,000
Fees for Issuing Business Licenses & Permits	55,512	54,372	57,000
Interest & Penalty on Business Licenses & Permits	2,096	-	-
Wrecker Permits	6,900	8,220	9,500
Building Permits	1,143,668	1,177,196	1,150,000
Electrical Permits	191,787	187,069	190,000
Plumbing Permits	220,388	234,257	235,000
Street Cut-In Permits	251,088	313,769	260,000
Temporary Use Permits	2,980	2,980	3,000
Sign Permits	152,636	147,569	140,000
Taxi Permits	2,830	3,504	3,700
Liquor By the Drink Licenses	114,885	120,576	120,000
Hotel Permits	1,000	2,275	2,500
Gas Permits	7,162	6,666	7,000
Liquor By the Drink – Interest & Penalty	3,420	1,098	2,500
Plumbing Examiner Fees & Licenses	35,698	35,698	35,000
Electrical Examiner Fees & Licenses	32,555	32,555	25,000
Gas Examination Fees & Licenses	45,415	42,345	45,000
Mechanical Code Permits	68,666	76,238	70,000
Permit Issuance Fees	57,320	61,146	55,000
Beer Application Fees	97,142	93,499	95,000
Annual Electrical Contractor License	56,750	66,000	64,000
Exhibitor's Fees	6,806	2,621	3,500
Mechanical Exam Fees & Licenses	60,640	64,770	62,000
Miscellaneous	26,221	23,255	16,500
Subdivision Review/Inspection Fees	<u>29,085</u>	<u>52,693</u>	<u>40,000</u>
TOTAL LICENSES, PERMITS, ETC.	\$3,660,946	\$3,766,692	\$3,601,200
City Court Fines	33,878	22,441	35,000
Criminal Court Fines	220,799	219,055	220,000
Parking Ticket Fines	444,639	551,057	525,000
City Fines-Speeding	324,604	309,536	300,000
City Fines-Other Driving Offenses	221,318	224,664	225,000
City Fines-Non Driving Offenses	22,246	29,106	25,000
Air Pollution Penalties	6,405	6,766	6,500
Bond Forfeitures	1,544	-	1,000
Miscellaneous	16,061	2,849	-

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
Delinquent Parking Tickets	68,945	51,018	50,000
Delinquent Tickets – Court Cost	<u>50,205</u>	<u>52,087</u>	<u>45,000</u>
TOTAL FINES, FORFEITURES AND PENALTIES	\$1,410,644	\$1,468,579	\$1,432,500
<u>REVENUES FROM USE OF MONEY OR PROPERTY</u>			
Interest on Investments	\$1,101,516	\$2,000,035	\$2,200,000
Sale of Back Tax Lots	<u>31,670</u>	<u>1,321,718</u>	<u>25,000</u>
TOTAL FROM USE OF MONEY OR PROPERTY	\$1,133,186	\$3,321,753	\$2,225,000
<u>REVENUES FROM OTHER AGENCIES</u>			
Local Option Sales Taxes-General Fund	\$23,585,866	\$25,028,570	\$26,155,000
State Beer Taxes	76,270	77,352	82,000
Hall Income Taxes	2,149,036	2,200,000	2,200,000
State Sales Taxes	9,398,986	10,324,435	11,163,162
State Mixed Drink Taxes	1,347,872	1,487,136	1,507,361
State Gas Inspection Fees	350,173	346,188	350,000
State Maintenance of Streets	141,982	112,474	105,000
State Alcoholic Beverage Taxes	72,530	82,467	75,000
Hamilton County - Radio & Electronics	147,541	160,538	170,194
Hamilton County Ross' Landing/Plaza	476,079	481,763	730,663
Hamilton County - SWAT Reimbursement	-	2,500	-
State – Specialized Training Funds	347,032	381,750	392,700
State – Telecommunication Sales Taxes	25,974	26,993	27,150
State - Tax Mitigation	-	24,489	-
State — Department of Transportation	34,493	-	-
DOJ — Bulletproof Vest Program	<u>24,371</u>	<u>-</u>	<u>-</u>
TOTAL FROM OTHER AGENCIES	\$38,178,205	\$40,736,655	\$42,958,230
<u>SERVICE CHARGES FOR CURRENT SERVICES</u>			
Current City Court Costs	\$219,587	\$213,271	\$200,000
Court Commissions	9,423	9,216	9,000
Clerk's Fees	899,002	908,845	912,000
Current State Court Costs	3,473	2,658	2,600
Court Administrative Costs	23,399	20,626	23,000
Service of Process	3,106	1,680	2,000
Processing of Release Forms	12,304	11,173	12,500
Charges for Services - Electric Power Board	7,200	7,200	7,200
Variance Request Fees	11,989	9,060	9,000
Fire & Ambulance Service Fees	541	229	500
Warner/Montague Park Ballfield Fees	4,350	4,804	7,500
Fitness Center	30,992	34,598	35,000
Arts & Culture	7,334	5,665	6,000
Skateboard Park	32,864	14,121	82,500
Kidz Kamp	83,656	73,274	85,000
Therapeutic Kamp Fees	7,109	5,618	7,000
Champion's Club	23,488	23,488	23,000
Construction Board of Appeals	3,550	1,620	2,500
Zoning Letter	4,900	6,600	6,000
Sign Board of Appeals	4,135	3,840	4,000
Certificates of Occupancy	325	1,065	1,000
Sewer Verification Letter	1,450	720	1,000
Modular Home Site Investigation	175	50	-
Plan Checking Fees	184,755	179,970	175,000
Phased Construction Plans Review	3,022	22,857	3,500
Cell Tower Site/Location Review	4,500	4,500	3,000
Memorial Auditorium Credit Card Fees	35,300	20,135	24,000
Tivoli Credit Card Fees	6,114	9,996	10,000
Preservation Fees	61,060	100,000	75,000

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
Sports Program Fees	4,060	4,069	5,000
Non-Traditional Program Fees	8,533	5,000	5,000
OutVenture Fees	15,951	17,683	18,000
Police Reports: Accidents, etc. Fees	132,423	123,407	140,000
Photo/ID Card Fees	11,892	22,248	19,000
Dead Animal Pick Up Fees	7,696	7,661	7,500
General Pension Admin. Costs & Other Misc.	25,025	27,725	28,000
Credit Card Processing Fees	22,072	35,682	30,000
Code Compliance Letter Fees	110	575	-
Link2Gov Internet Fees	<u>(11,793)</u>	<u>-</u>	<u>-</u>
TOTAL SERVICE CHARGES	\$1,905,072	\$1,940,929	\$1,981,300
<u>MISCELLANEOUS REVENUE</u>			
Land & Building Rents	\$71,681	\$65,172	\$65,000
Dock Rental	13,685	12,720	15,000
Payroll Deduction Charges	5,548	4,538	5,000
Indirect Cost	2,685,866	2,685,866	2,485,866
Plans and Specification Deposits	4,905	4,905	5,000
Condemnation	60,966	36,838	41,000
Memorial Auditorium Rents	182,365	163,964	180,000
Memorial Auditorium Concessions	37,967	27,473	35,000
Tivoli Rents	134,652	141,904	130,000
Tivoli Concessions	16,274	20,000	20,000
Swimming Pools	36,040	37,788	35,000
Park Concessions	10,755	7,706	10,000
Recreation Center Rental	47,053	50,573	50,000
Carousel Ridership	93,414	73,507	85,000
Walker Pavilion Rents	17,468	12,289	20,000
Coolidge Park Table Rents	18,735	18,107	20,000
Recreation Center Concessions	13,980	15,589	15,000
Auditorium Box Office	98,974	71,299	100,000
Tivoli Box Office	26,622	35,444	40,000
Sale of Equipment	55,889	68,074	50,000
Loss & Damage	183,618	153,232	180,000
Sale of Scrap	54,232	5,009	10,000
Miscellaneous Revenue	224,662	193,524	191,000
Greenway Facilities Rent	8,850	11,269	12,000
Outside Sales – Radio Shop	76,588	94,066	109,734
Memorial Auditorium OT Reimbursement	14,525	6,083	10,000
Tivoli Theatre OT Reimbursement	<u>7,770</u>	<u>4,941</u>	<u>7,000</u>
TOTAL MISCELLANEOUS REVENUE	\$4,203,084	\$4,021,880	\$3,926,600
REVENUE FROM FUND BALANCE	-	-	330,000
TOTAL GENERAL FUND REVENUE	\$151,786,695	\$157,292,250	<u>\$160,556,000</u>

and,

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

NOW, THEREFORE,

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

TENNESSEE

SECTION 1. That for the purpose of raising revenue to operate the various departments, agencies, boards, commissions, offices, divisions or branches of the Municipal Government, and to pay the interest on and retire bonds of said City as they mature, there be and is hereby levied upon all taxable property within the City of Chattanooga, Tennessee, a tax for the year 2006 at a rate of \$2.202 upon every \$100.00 in assessed value of such taxable property; and to the extent applicable there is also levied a tax at the same rate upon every \$100.00 of Merchant and other Ad Valorem within the corporate limits of the City of Chattanooga, Tennessee.

SECTION 2. That the assessment made by the Assessor of Property of Hamilton County, Tennessee, and by the Tennessee Regulatory Agency for 2006 on all property located within the Corporate limits of the City of Chattanooga, Tennessee, be and is hereby adopted as the assessments of the City of Chattanooga.

SECTION 3. That the taxes herein levied on all taxable property within the corporate limits of the City of Chattanooga shall be due and payable at the office of the City Treasurer and Tax Collector OCTOBER 1, 2006, and shall become delinquent MARCH 1, 2007, after which date unpaid taxes shall bear interest at twelve percent (12%) per annum, and a penalty of six percent (6%) per annum, plus other penalties as provided by law, which shall be paid by the taxpayer; provided, that except for taxpayers receiving tax relief under T.C.A. Sections 67-5-702 through 67-5-705.

SECTION 4. That the Provisions of Chapter 387, Public Acts of 1971, as amended by Chapter 850, Public Acts of 1972, and as further amended by the Public Acts of 1973, and as further amended, relative to the authorization of local taxes upon the privilege of engaging in certain types of business activities be and are hereby adopted by reference, and there is hereby levied a Business Tax on all businesses taxable by municipalities under Chapter 387, Public Acts of 1971, as amended, at the maximum rates specified therein. The City Treasurer is authorized and directed to collect such taxes as are authorized by said Act to be collected by the City of Chattanooga, a municipality, together with such interest and penalties as may become due thereon, at the maximum rate provided by law. In addition to said taxes, the City Treasurer is hereby authorized and directed to collect a fee of Five and 00/100

Dollars (\$5.00) upon the issuance of any privilege license under said Business Tax Act and also upon receipt of each payment of the Gross Receipts tax authorized by said Act, except that this fee may not be charged persons paying the annual minimum tax under the provisions of Chapter 58, Title 67, of the Tennessee Code Annotated, if paid on the same date as the respective and related return is filed.

SECTION 5. That the budgets of the various departments, agencies, boards, commissions, offices, divisions, or branches of Municipal Government for the fiscal year beginning July 1, 2006, are fixed as hereafter set out; and the amount so fixed for each is hereby appropriated out of the estimated revenue for said year for the use of that department, agency, board, commission, office, division, branch of government, to-wit:

GENERAL FUND APPROPRIATIONS

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
Department of Finance & Administration	\$ 8,063,407	\$ 8,290,094	\$ 3,788,094
Department of Police	36,461,093	37,927,842	40,008,735
Department of Fire	24,632,944	24,915,565	26,073,692
Department of Public Works	27,607,580	29,891,526	30,220,397
Department of Parks & Recreation	10,923,853	9,848,000	10,782,698
Department of Personnel	5,553,182	6,549,991	6,138,675
Department of Neighborhood Services	2,636,903	1,643,171	1,841,372
General Government & Supported Agencies	32,676,791	32,825,843	37,516,622
Executive Department	1,358,677	1,466,802	1,981,098
Department of Education, Arts, & Culture	-	<u>1,546,973</u>	<u>2,204,617</u>
TOTAL	\$149,914,430	\$ 154,905,807	<u>\$160,556,000</u>

DEPARTMENT OF FINANCE & ADMINISTRATION

Finance Office	\$ 1,692,769	\$ 1,771,009	\$ 1,997,681
Information Services	2,707,131	2,546,932	-
City Treasurer	507,318	634,435	740,631
Telephone System	170,218	187,572	-
City Court Clerk – Operations	819,846	848,396	924,782
City Court Clerk’s Office – Space Cost	111,688	105,000	125,000
Telecommunications Operations	137,763	160,215	-
Building Maintenance	585,179	659,861	-
Chattanooga Mobile Communication Services	372,747	402,927	-
Purchasing	818,023	877,819	-
Real Estate – Administration	96,783	44,887	-
Real Estate – Property Maintenance	<u>43,942</u>	<u>51,041</u>	-
TOTAL	\$ 8,063,407	\$ 8,290,094	\$ 3,788,094

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
<u>DEPARTMENT OF POLICE</u>			
Chief of Police	\$ 1,684,531	\$ 2,199,529	\$ 2,352,157
Uniform Services Command Office	367,899	326,011	288,890
Sector 1	5,831,786	6,296,668	6,721,416
Sector 2	3,732,825	3,867,842	3,768,124
Sector 3	3,753,533	3,986,553	4,210,357
Community Services	470,155	268,223	268,743
Special Operations Division	1,454,968	1,582,025	2,018,263
Animal Services	-	990,107	999,926
Park Security	106,505	284,521	212,804
Investigative Services	6,189,708	6,067,124	5,915,189
School Resource Officers	421,775	-	-
Support Services	264,957	171,192	178,492
Training Division	2,699,145	2,617,210	4,039,218
Technical Services	1,567,366	1,256,361	1,347,008
Operation Support Services	4,086,694	4,032,017	4,130,820
Budget & Finance	720,156	752,513	737,013
Facilities, Securities & Fleet Mgmt	<u>3,109,089</u>	<u>3,229,946</u>	<u>2,820,315</u>
TOTAL	\$ 36,461,092	\$ 37,927,842	\$40,008,735
<u>DEPARTMENT OF FIRE</u>			
Fire Operations	\$ 23,868,962	\$ 24,622,095	\$ 25,780,192
Utilities	<u>763,982</u>	<u>293,470</u>	<u>293,500</u>
TOTAL	\$ 24,632,944	\$ 24,915,565	\$ 26,073,692
<u>DEPARTMENT OF PUBLIC WORKS</u>			
Administration	\$ 1,024,510	\$ 1,019,124	\$ 981,465
City Engineer	1,863,900	1,921,660	1,931,329
Emergency	759,789	797,453	737,632
Sewer Construction & Maintenance	2,093,301	2,068,051	2,152,005
Street Cleaning	2,086,259	2,350,671	2,422,223
City Wide Services	960,995	982,694	958,444
Waste Pick-up Brush	2,619,143	2,576,886	2,921,193
Waste Pick-up Garbage	3,137,819	3,974,834	3,603,788
Municipal Forestry	497,776	524,265	530,517
Land Development Office	1,867,015	2,741,473	2,644,489
Board of Plumbing Examiners	2,659	2,250	2,250
Board of Electrical Examiners	19,274	24,220	24,100
Board of Mechanical Examiners	1,027	1,700	1,700
Board of Gas Fitters	2,907	3,000	3,250
Board of Appeals & Variances	6,968	12,759	12,600
Traffic Engineering Administration	606,377	680,597	732,653
Street Lighting	2,597,269	2,670,557	2,778,375
Traffic Control	1,614,399	1,726,885	1,765,864
Public Works Utilities	141,889	174,497	191,586
Brainerd Levee 1, 2, 3	99,779	54,969	56,900
Orchard Knob Storm Station	24,923	30,930	33,880
Minor Storm Station	13,893	21,684	21,460
Waste Disposal Fee	4,881,755	4,846,415	5,028,742
Storm Water Subsidy	<u>683,952</u>	<u>683,952</u>	<u>683,952</u>
TOTAL	\$ 27,607,580	\$ 29,891,526	\$ 30,220,397
<u>DEPARTMENT OF PARKS & RECREATION</u>			
Administration	\$ 621,211	\$ 546,072	\$ 662,943
Public Information	65,810	98,131	93,640
Senior Neighbors A.O.	58,916	58,916	58,916
Greater Chattanooga Sports Committee. . A.O.	75,000	30,000	75,000
Inner City Ministry A.O.	18,500	18,500	18,500

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
Downtown PartnershipA.O.	75,000	-	-
Outdoor Chattanooga	154,411	132,604	187,521
Skatepark	19,709	-	87,478
Recreation Facility Management	3,454,701	3,497,545	3,417,037
Fitness Center	318,864	276,912	278,451
OutVenture	104,533	102,839	124,941
Sports	19,755	33,849	37,983
Champion's Club	221,680	228,236	244,156
Aquatics	143,223	166,143	167,432
Therapeutic Recreation	-	65,475	112,119
Parks & Athletic Fields	810,158	737,251	798,240
Tennessee Riverpark – Downtown	909,589	1,042,407	1,347,080
Buildings & Structures	822,912	874,994	888,599
Carousel Operations	96,368	107,512	105,531
Parks & Facilities	551,696	493,938	500,482
Landscape	368,561	395,844	444,189
City Wide Security	87,003	87,188	93,945
Athletic Facilities	282,220	328,910	364,061
Memorial Auditorium	392,178	-	-
Civic Facilities Concessions	32,612	-	-
Tivoli Theatre	282,596	-	-
Civic Facilities Administration	459,864	-	-
Arts & Culture	17,312	-	-
Chattanooga Zoo	<u>426,185</u>	<u>473,787</u>	<u>509,454</u>
TOTAL	\$ 10,923,854	\$ 9,848,000	\$ 10,782,698

DEPARTMENT OF PERSONNEL

Administration	\$ 926,164	\$ 960,718	\$ 1,027,917
Wellness Initiative	356,941	104,106	108,926
Physicals	107,129	108,807	10,000
Employee Insurance Program	3,820,405	4,914,737	4,494,044
Employee Insurance Office	267,662	383,023	419,188
Job Injuries	<u>74,880</u>	<u>78,600</u>	<u>78,600</u>
TOTAL	\$ 5,553,182	\$ 6,549,991	\$ 6,138,675

DEPARTMENT OF NEIGHBORHOOD SERVICES & COMMUNITY DEVELOPMENT

Neighborhood Services - Administration	\$ 362,786	\$ 365,985	\$ 460,021
Grants Administration	-	133,921	119,382
Codes, Community Svcs & Neigh. Relations	802,502	689,148	1,175,169
Human Rights	-	12,895	-
Neighborhood Relations & Support Services	362,754	341,222	-
Neighborhood Partners Projects	100,000	100,000	86,800
NS-Animal Services	<u>1,008,861</u>	<u>-</u>	<u>-</u>
TOTAL	\$ 2,636,903	\$ 1,643,171	\$ 1,841,372

DEPARTMENT OF EXECUTIVE BRANCH

Mayor's Office	\$ 792,765	\$ 804,929	\$ 887,417
Office of Performance Review	121,244	-	-
Office of Capital Planning	137,812	-	-
General Fund – Community Development	141,930	-	-
Grants Administration	146,747	-	-
Human Rights & Human Relations	18,179	-	-
Multicultural Affairs	-	506,109	750,676
Office of Faith Based Initiatives	-	65,791	283,005
Great Ideas Competition	-	-	60,000
Asset Management	<u>-</u>	<u>89,973</u>	<u>-</u>
TOTAL	\$1,358,677	\$1,466,802	\$1,981,098

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
<u>DEPARTMENT OF EDUCATION, ARTS, & CULTURE</u>			
Administration	\$ -	\$ 217,551	\$ 327,461
Memorial Auditorium	-	419,839	521,138
Civic Facilities Concessions	-	12,124	32,683
Tivoli Theatre	-	279,278	327,005
Civic Facilities Administration	-	504,126	629,005
Arts & Culture	-	114,055	181,691
Eastgate Center	-	-	129,107
Heritage House	-	-	56,527
TOTAL	\$ -	\$ 1,546,973	\$ 2,204,617

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

GENERAL GOVERNMENT & SUPPORTED AGENCIES

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
City Council	\$ 627,105	\$ 543,529	\$ 693,898
Air Pollution Control Bureau A.S.F.	270,820	270,820	270,820
Allied Arts Council. A.O.	250,000	250,000	155,000
Association of Visual Artists A.O.	15,000	15,000	-
Chattanooga Regional History Museum	24,000	24,000	24,000
Audits, Dues, & Surveys	176,853	206,757	206,757
Capital Improvements	3,500,000	3,500,000	-
CARCOG & Economic Development District . . A.O.	31,111	31,111	31,111
CARTA Subsidy A.O.	3,285,000	3,415,300	3,665,300
Carter Street Corporation A.O.	-	-	150,000
Carter Street Lease Agreement A.O.	1,419,097	1,415,389	-
C-HC Bicentennial Public Library A.S.F.	2,487,660	2,487,660	2,487,660
Chatt. African-American Museum/Bessie Smith.A.O.	70,000	70,000	70,000
Chatt. African-American Museum Bldg. Maint .A.S.F.	42,123	55,825	57,019
Chattanooga Neighborhood Enterprises A.O.	2,000,000	1,500,000	1,500,000
Chattanooga Area Urban League A.O.	50,000	50,000	50,000
Chattanooga Storm Water Fees A.S.F.	72,720	70,000	73,000
Children’s Advocacy Center A.O.	30,000	30,000	30,000
Citizen Relationship Management	373,059	459,202	475,350
City Code Revision	9,600	4,850	-

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
City Court (Judicial) #1	275,289	299,980	348,721
City Court (Judicial) #2	281,224	300,608	339,097
Community Foundation Scholarships	160,000	160,000	160,000
Community Impact Fund	450,000	-	250,000
Community Research Council, Inc.	10,000	-	-
Contingency Fund	39,766	306,745	500,000
Debt Service Fund A.S.F.	8,772,293	9,801,307	11,567,051
Downtown Design Center	202,743	-	-
Downtown Partnership A.O.	140,000	140,000	100,000
Election Expense	207,121	-	-
General Services			
Administration	-	-	392,778
Purchasing	-	-	849,421
Building Maintenance	-	-	624,939
Chatt Mobile Communication Services	-	-	442,578
Real Estate	-	-	125,558
Property Maintenance	-	-	104,400
Homeless Health Care Center A.O.	17,500	17,500	17,500
Human Services A.S.F.	1,333,477	1,333,477	1,333,477
Intergovernmental Relations	287,390	307,184	327,000
Chattanooga Invest	169,363	-	-
City Attorney's Office			
Administration	936,018	999,106	1,056,484
Liability Insurance Fund A.S.F.	1,050,000	650,000	900,000
Renewal & Replacement	1,463,442	1,500,000	2,017,897
Pensions, FICA, & UIC	61,686	50,000	50,000
Regional Planning Agency A.S.F.	988,817	942,817	942,817
Scenic Cities Beautiful A.S.F.	30,294	22,888	22,888
Tuition Assistance Program	15,985	6,445	20,000
Tennessee RiverPark A.O.	855,741	994,756	1,191,326
Westside Development Corporation A.O.	75,000	-	-
Finley Stadium	25,000	25,000	25,000
Railroad Authority	-	20,000	20,000
Tenn Valley Railroad Museum	34,493	-	-
Enterprise South Nature Park	-	-	104,282
Go Fest	-	-	25,000
Stop The Madness	-	-	100,000
Waterfront Management Agreement	-	-	40,000
Information Services	-	-	2,666,635
Telephone System	-	-	180,900
Telecommunication Operations	-	-	147,123
Internal Audit	-	316,582	423,835
Enterprise Center	-	100,000	100,000
WTCL-TV-Channel 45 A.O.	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
TOTAL	\$ 32,676,790	\$ 32,753,838	\$ 37,516,622

SECTION 6. That there be and is hereby established a budget for each of the following

special funds for Fiscal Year 2006-2007

1108

MUNICIPAL GOLF COURSE FUND

ESTIMATED REVENUE

Pro Shop	\$ 140,260	\$141,105	\$ 154,781
Green Fees	728,586	735,468	783,755
Memberships	73,988	148,065	134,000
Cart Rentals	443,734	410,500	412,785
Food	61,663	59,846	59,726
Beverage	91,965	98,764	103,203

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
Property Rental	<u>2,800</u>	<u>3,700</u>	<u>-</u>
Total	\$1,542,996	\$1,597,448	<u>\$1,648,250</u>
APPROPRIATIONS			
Brainerd	889,204	874,624	823,778
Brown Acres	<u>864,947</u>	<u>862,098</u>	<u>824,472</u>
Total	\$1,754,151	\$1,736,722	<u>\$1,648,250</u>
1119	<u>ECONOMIC DEVELOPMENT/EDUCATION FUND</u>		
ESTIMATED REVENUE			
City – Only Sales Tax	9,615,776	10,103,266	\$10,400,000
TDZ – State Sales Tax	602,883	427,823	425,000
TDZ – County Sales Tax	<u>191,027</u>	<u>69,252</u>	<u>70,000</u>
Total	\$10,409,686	\$10,600,341	<u>\$10,895,000</u>
APPROPRIATIONS			
Economic Development Capital Projects	5,550,000	2,664,000	1,165,275
Chatt African-American Chamber of Commerce	150,000	150,000	150,000
Chattanooga Chamber of Commerce	400,000	400,000	400,000
Business Development Initiative	75,000	75,000	75,000
Lease Payments	5,857,699	6,256,180	9,209,725
Less: Chattanooga Lease Payment offset	-	(716,864)	(600,000)
Tourist Development –Debt Service	<u>793,910</u>	<u>490,096</u>	<u>495,000</u>
Total	\$12,826,609	\$9,318,412	<u>\$10,895,000</u>
2102	<u>HUMAN SERVICES DEPARTMENT</u>		
ESTIMATED REVENUE			
Federal – State Grants	\$11,273,879	\$11,924,795	\$10,565,165
City of Chattanooga	1,333,477	1,333,477	1,333,477
Contributions & Parent Fees	73,613	73,000	28,000
Interest Income	36,054	100,000	50,000
Day Care Fees	141,511	134,780	82,920
Fund Balance	<u>513,015</u>	<u>163,022</u>	<u>427,304</u>
Total	\$13,371,549	\$13,729,074	<u>\$12,486,866</u>
APPROPRIATIONS			
Administration	1,045,726	1,398,738	\$1,359,796
Indirect Cost Offset	-	(467,901)	(463,291)
Headstart	7,809,684	8,116,624	7,825,309
Day Care	708,589	843,448	843,448
Weatherization	235,318	373,960	340,840
Foster Grandparents	474,327	497,889	504,780
LIEAP	1,198,890	1,469,514	1,058,770
CSBG	774,438	788,509	729,411
Occupancy	180,875	-	-
Title II Commodities	102,785	96,000	40,435
Emergency Food and Shelter	24,691	37,000	37,000
Summer Food Program	518,787	61,830	-
Human Services Program	100,189	28,000	28,000
Neighborhood Family Services	94,463	100,000	89,500
CDBG-Homeless Utility Deposit Asst.	2,400	4,500	-
Operation Warm Home Tennessee	-	243,095	-
Chambliss Home (per year for five years)	20,000	20,000	20,000

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
AGL Resource Award	28,385	45,000	-
City General Relief	<u>74,402</u>	<u>72,868</u>	<u>72,868</u>
Total	\$13,393,949	\$13,729,074	<u>\$12,486,866</u>
2103 <u>NARCOTICS FUND</u>			
ESTIMATED REVENUE			
Federal	\$16,318	\$93,844	-
State	-	1,090	-
Confiscated Narcotics Funds	142,765	583,675	170,250
Other	<u>76,113</u>	<u>104,632</u>	<u>100,000</u>
Total	\$235,196	\$783,241	<u>\$270,250</u>
APPROPRIATIONS			
Operations	<u>\$171,122</u>	<u>\$206,404</u>	<u>\$270,250</u>
Total	\$171,122	\$206,404	<u>\$270,250</u>
2104 <u>STATE STREET AID</u>			
ESTIMATED REVENUE			
State of Tennessee	\$4,410,939	\$4,419,289	\$4,431,733
Fund Balance	320,000	300,000	300,000
Investment Income	<u>37,437</u>	<u>35,000</u>	<u>50,000</u>
Total	\$4,768,376	\$4,754,289	<u>\$4,781,733</u>
APPROPRIATIONS			
Operations	<u>\$4,688,518</u>	<u>\$4,754,289</u>	<u>\$4,781,733</u>
Total	\$4,688,518	\$4,754,289	<u>\$4,781,733</u>
2105 <u>COMMUNITY DEVELOPMENT FUND</u>			
ESTIMATED REVENUE			
Federal	\$2,752,971	\$2,558,421	\$1,487,941
Miscellaneous	<u>2,835,516</u>	<u>2,840,934</u>	<u>3,184,211</u>
Total	\$5,588,487	\$5,399,355	<u>\$4,672,152</u>
APPROPRIATIONS			
Administration	\$ 398,148	\$ 418,470	\$ 575,665
Chattanooga Neighborhood Enterprise	2,335,458	1,860,128	1,954,000
Prior Yr Economic Dev Projects	1,094,970	2,133,230	1,017,487
Transfers	<u>1,249,600</u>	<u>946,604</u>	<u>1,125,000</u>
Total	\$5,078,176	\$5,358,432	<u>\$4,672,152</u>
2106 <u>HOTEL/MOTEL TAX FUND</u>			
ESTIMATED REVENUE			
Occupancy Tax	<u>\$2,583,318</u>	<u>\$3,541,569</u>	<u>\$3,750,000</u>
Total	\$2,583,318	\$3,541,569	<u>\$3,750,000</u>
APPROPRIATIONS			
21 st Century Waterfront Capital Fund	\$2,295,005	\$1,938,110	\$461,503
Hotel/Motel Collection Fee	51,236	57,466	75,000
Debt Service	-	969,676	3,183,497
Hamilton County	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Total	\$2,376,241	\$2,995,252	<u>\$3,750,000</u>

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
3100			
<u>DEBT SERVICE FUND</u>			
ESTIMATED REVENUE			
General Fund	\$ 8,772,293	\$ 9,801,307	\$ 11,567,051
911 Emergency Communications	200,000	200,000	200,000
Homeland Security Grant (911)	782,163	762,683	751,683
Hamilton County	17,109	571,603	617,731
CDBG (Fannie Mae Loan)	923,688	608,759	608,759
Safety Capital (Fire Loan)	3,316	5,638	5,639
Hotel/Motel Capitalized Interest	<u>2,477,538</u>	<u>2,416,930</u>	<u>3,183,497</u>
Total	\$ 13,176,107	\$ 14,366,920	\$ 16,934,360
APPROPRIATIONS			
Principal	\$ 5,777,360	\$ 7,163,965	\$ 9,442,942
Interest	6,118,239	6,693,941	7,421,418
Bank Service Charges	<u>53,198</u>	<u>69,810</u>	<u>70,000</u>
Total	\$ 11,948,797	\$ 13,927,716	\$ 16,934,360
5200			
<u>SOLID WASTE & SANITATION FUND</u>			
ESTIMATED REVENUE			
Landfill Tipping Fees	\$ 996,509	\$ 350,000	\$ 404,201
Permits	2,445	2,500	2,500
State of Tennessee Household Hazardous Waste Grant	83,652	85,000	85,000
State of Tennessee Recycle Rebate	-	60,000	60,000
City Tipping Fees	4,881,755	4,846,415	5,028,742
Sale of Scrap Metal	585	33,840	23,581
Investment Income	163,016	353,750	346,141
Total	\$ 6,130,692	\$ 5,758,005	\$ 5,950,165
Appropriations			
Recycle	\$ 476,527	\$ 493,511	\$ 594,435
Sanitary Landfill	236,630	102,705	346,141
Waste Disposal – Chattanooga Landfill	872,325	1,167,600	894,127
Wood Recycle	395,246	505,544	482,811
Solid Waste Reserve	-	-	244,644
Renewal & Replacement	116,429	-	-
Debt Service			
Principal	1,810,147	1,910,211	2,018,242
Interest	1,371,981	1,283,214	1,244,766
Household Hazardous Waste	<u>116,111</u>	<u>125,060</u>	<u>125,000</u>
Total	\$ 5,395,396	\$ 5,587,845	\$ 5,950,165
5300			
<u>STORM WATER FUND</u>			
ESTIMATED REVENUE			
Storm Water Fee	\$ 5,435,192	\$4,850,828	\$4,863,358
Land Disturbing Fee	52,781	55,000	55,000
Other	95,879	85,000	85,000
General Fund Subsidy	683,952	683,952	683,952
Fund Balance	<u>1,500,000</u>	<u>2,100,000</u>	<u>-</u>
Total	\$ 7,767,804	\$ 7,774,780	\$ 5,687,310

	<u>FY05 Actual</u>	<u>FY06 Projected</u>	<u>FY07 Proposed</u>
APPROPRIATIONS			
Storm Water Administration	\$ 1,611,109	\$1,544,631	\$1,969,864
Storm Water City Wide Services	1,253,811	1,401,213	1,383,310
Renewal & Replacement	111,804	97,500	69,643
Debt Service			
Principal	1,362,084	1,436,085	1,506,799
interest	918,971	853,037	757,694
Appropriation to Capital Project Fund	<u>1,500,000</u>	<u>2,100,000</u>	<u>-</u>
Total	\$ 6,757,779	\$7,432,466	<u>\$5,687,310</u>

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

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

SECTION 7(a). Be it further ordained that the City Finance Officer hereby be and is authorized to pay the increase in compensation to City employees in accordance with and subject to the constraints in Section 4 of Ordinance No. 11836, encaptioned:

AN ORDINANCE PROVIDING FOR AN INTERIM BUDGET AND
 APPROPRIATING FUNDS FOR THE USUAL AND ORDINARY EXPENSES
 OF THE CITY GOVERNMENT FOR THE MONTHS OF JULY, AUGUST,
 AND SEPTEMBER 2006, PENDING THE ADOPTION OF THE 2006-2007
 ANNUAL BUDGET

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

SECTION 7(a)(2). Any person employed on a temporary basis in positions authorized within the Classification Plan shall be paid at a rate not more than Step One (1) of the position's pay grade. As provided in the Chattanooga City Code, Part II, temporary employment shall not exceed a period of six (6) months on any occasion.

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

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

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

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

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

SECTION 9(a). That the City Finance Officer is authorized to pay a uniform and equipment maintenance allowance of five hundred dollars (\$500.00) for all sworn police officers and firefighters as of July 1, 2006, except for those new employees who have received from the city a new uniform

since July 1, 2005. Further, the City Finance Officer is authorized to pay a supplemental tool allowance of one hundred fifty dollars (\$150.00) for certain employees as set forth in Resolution No. 18381, dated December 5, 1989, as amended; and is authorized to pay a supplemental uniform allowance of two hundred fifty dollars (\$250.00) for City Court Officers. It shall be the duty of employees receiving these supplements to use the funds for the specified purpose and retain receipts to that effect.

SECTION 9(b). That the City Finance Officer is authorized to match the total salaries of all participants in the Fire and Police Pension Fund with a contribution from the General Fund not to exceed twenty and twenty-five one hundredth percent (20.25%).

SECTION 9(c). That the City Finance Officer is authorized to contribute to the General Pension Plan an amount equal to six and ninety-seven one hundredth percent (6.97%) of all participants' salaries as specified in the most recent actuarial study.

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

Central Pension Fund	\$1.26 Per Hour
LIUNA (Laborers) Pension Fund	\$0.98 Per Hour

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

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

SECTION 12. That for employees called to active duty during a National Emergency such as, but not limited to, the War on Terrorism or an Iraq Conflict, shall be paid the difference that their City pay exceeds their total military base pay, up to \$850.00 per month, from the time called to active duty until relieved from active duty status or until June 30, 2007, whichever occurs first. Payments beyond the current fiscal year shall be subject to future appropriations by City Council. The City Finance

Officer be and is authorized to appropriate the necessary money from other available funds. The difference in pay shall be calculated without regard to any payment of combat pay.

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

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

SECTION 13. That pursuant to the Charter, it shall be unlawful for any department, agency, or branch of the Government to expend any money other than the purpose for which it was appropriated, nor shall the expenditures for a purpose exceed the appropriation for said purpose.

SECTION 14. If at any time the actual receipt of revenues is projected to be less than the estimated revenues, it shall be the duty of the Mayor to forthwith initiate an ordinance amending this budget ordinance so as to appropriately reduce or otherwise change the various appropriations made herein which, in the judgment of the City Council, should be made.

SECTION 15. That Chattanooga City Code, Part II, Chapter 18, Section 18-123(g), be and is hereby stricken and the following substituted in lieu thereof:

- (g) In addition to the other landfill fees provided hereinabove, there shall be imposed a surcharge of One and 50/100 Dollars (\$1.50) per ton for each ton of municipal solid waste received at the landfill.

SECTION 16. That this Ordinance shall be operative, as distinguished from its effective date, on and after July 1, 2006.

SECTION 17. That if any section, sentence, word or figures contained in this Ordinance should be declared invalid by a final decree of a Court of competent jurisdiction, such holding shall not affect the remaining sentences, sections, words or figures contained in this Ordinance, but the same shall remain in full force and effect.

SECTION 18. That this Ordinance shall take effect two (2) weeks from and after its passage.

PASSED on Second and Final Reading

_____ July 11, _____, 2006.

_____ Leamon Pierce /S/ _____
CHAIRPERSON

APPROVED: X DISAPPROVED: _____

DATE: July 17, _____, 2006

_____ Ron Littlefield /S/ _____
MAYOR

Reviewed By: Daisy W. Madison/S/ _____
Daisy W. Madison

RLN/DWM/add

**City Of Chattanooga
General City Employee Pay Plan
Fiscal Year 2006/2007**

Step-> Grade	1	2	3	4	5	6	7	8	9	10	11	<-Step Grade
1	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,199	21,061	21,921	22,784	1
2	20,000	20,000	20,000	20,000	20,000	20,016	20,950	21,886	22,821	23,756	24,689	2
3	20,000	20,000	20,000	20,000	20,716	21,555	22,563	23,573	24,581	25,590	26,598	3
4	20,000	20,000	20,386	21,287	22,188	23,093	24,175	25,258	26,340	27,423	28,505	4
5	20,000	20,775	21,739	22,703	23,665	24,628	25,785	26,941	28,095	29,252	30,410	5
6	21,042	22,068	23,094	24,118	25,144	26,167	27,398	28,629	29,859	31,091	32,318	6
7	22,274	23,359	24,445	25,532	26,618	27,705	29,009	30,312	31,616	32,920	34,226	7
8	23,503	24,651	25,799	26,946	28,093	29,243	30,621	31,998	33,376	34,753	36,132	8
9	24,732	25,943	27,153	28,362	29,572	30,781	32,232	33,685	35,135	36,587	38,039	9
10	25,964	27,235	28,507	29,778	31,050	32,319	33,845	35,370	36,896	38,420	39,946	10
11	27,194	28,526	29,858	31,189	32,523	33,857	35,457	37,056	38,655	40,254	41,854	11
12	28,424	29,819	31,213	32,607	33,999	35,395	37,068	38,741	40,415	42,088	43,760	12
13	29,655	31,110	32,566	34,022	35,477	36,932	38,680	40,426	42,173	43,921	45,666	13
14	30,885	32,402	33,920	35,437	36,955	38,471	40,291	42,111	43,931	45,752	47,573	14
15	32,115	33,694	35,271	36,850	38,429	40,007	41,901	43,796	45,690	47,584	49,481	15
16	33,344	34,985	36,626	38,266	39,905	41,546	43,513	45,482	47,450	49,417	51,387	16
17	34,575	36,277	37,978	39,680	41,382	43,083	45,125	47,168	49,210	51,251	53,293	17
18	35,807	37,568	39,332	41,095	42,857	44,623	46,738	48,853	50,970	53,085	55,202	18
19	37,036	38,860	40,684	42,509	44,334	46,159	48,349	50,539	52,730	54,919	57,107	19
20	38,266	40,151	42,038	43,924	45,810	47,697	49,960	52,225	54,489	56,753	59,015	20
21	39,496	41,444	43,392	45,341	47,288	49,234	51,572	53,909	56,248	58,586	60,921	21
22	40,727	42,736	44,744	46,753	48,762	50,773	53,184	55,595	58,004	60,416	62,829	22
23	41,955	44,027	46,098	48,168	50,240	52,311	54,796	57,280	59,765	62,249	64,734	23
24	43,187	45,320	47,452	49,584	51,716	53,848	56,407	58,965	61,524	64,081	66,643	24
25	44,417	46,611	48,806	50,999	53,193	55,386	58,018	60,651	63,284	65,916	68,548	25
26	45,648	47,902	50,157	52,413	54,667	56,925	59,631	62,338	65,043	67,750	70,455	26
27	46,878	49,195	51,512	53,829	56,146	58,463	61,243	64,022	66,804	69,584	72,363	27
28	48,107	50,486	52,865	55,243	57,621	60,000	62,854	65,708	68,563	71,417	74,269	28
29	49,338	51,777	54,217	56,656	59,095	61,536	64,465	67,394	70,322	73,249	76,178	29
30	50,570	53,071	55,571	58,071	60,574	63,076	66,079	69,080	72,081	75,085	78,084	30
31	51,799	54,361	56,925	59,487	62,051	64,613	67,689	70,763	73,839	76,914	79,990	31
32	53,030	55,655	58,278	60,904	63,527	66,152	69,300	72,449	75,598	78,747	81,898	32
33	54,258	56,944	59,630	62,315	65,000	67,689	70,911	74,134	77,358	80,580	83,804	33
34	55,490	58,236	60,983	63,731	66,479	69,227	72,523	75,820	79,117	82,415	85,711	34
35	56,720	59,529	62,339	65,148	67,957	70,764	74,135	77,508	80,878	84,248	87,619	35
36	57,950	60,820	63,691	66,562	69,432	72,302	75,747	79,192	82,637	86,081	89,526	36
37	59,180	62,111	65,042	67,974	70,906	73,840	77,358	80,876	84,392	87,911	91,430	37
38	60,412	63,405	66,398	69,392	72,385	75,378	78,971	82,564	86,155	89,749	93,340	38
39	61,640	64,695	67,751	70,806	73,862	76,916	80,581	84,247	87,913	91,579	95,245	39
40	62,870	65,988	69,104	72,222	75,337	78,454	82,193	85,932	89,672	93,411	97,153	40
41	64,102	67,278	70,456	73,634	76,812	79,991	83,805	87,618	91,431	95,244	99,059	41
42	65,331	68,571	71,811	75,050	78,290	81,531	85,417	89,304	93,191	97,079	100,967	42
43	66,561	69,863	73,164	76,465	79,767	83,066	87,028	90,990	94,952	98,912	102,872	43
44	67,793	71,154	74,515	77,877	81,240	84,604	88,640	92,675	96,711	100,746	104,781	44
45	69,022	72,446	75,869	79,294	82,717	86,142	90,252	94,360	98,470	102,580	106,686	45
46	70,252	73,738	77,223	80,710	84,195	87,681	91,864	96,045	100,226	104,409	108,594	46
47	71,482	75,031	78,578	82,125	85,673	89,219	93,475	97,731	101,986	106,242	110,500	47
48	72,713	76,321	79,929	83,537	87,145	90,755	95,085	99,416	103,746	108,077	112,408	48
49	73,944	77,614	81,283	84,953	88,623	92,294	96,696	101,102	105,505	109,909	114,316	49
50	75,174	78,905	82,638	86,369	90,101	93,831	98,310	102,789	107,266	111,744	116,222	50

Approved By: Ron Littlefield /S/

**Fiscal Year 2006/2007
Fire & Police Pay Plans**

Step-> Grade	1	2	3	4	5	6	7	8	9	10	11	<-Step Grade
F1	27,959	29,238	30,599	31,957	33,332	34,698	35,052	37,429	39,794	40,161	41,525	F1
F2	29,130	30,557	31,987	33,415	34,844	36,272	37,701	39,129	40,557	41,985	43,415	F2
F3	31,652	33,206	34,760	36,316	37,871	39,424	40,980	42,534	44,088	45,643	47,199	F3
F4	35,893	38,500	40,307	42,114	43,920	45,727	47,533	49,340	51,147	52,953	54,761	F4
F5	44,258	46,442	48,628	50,813	52,998	55,181	57,367	59,553	61,737	63,923	66,106	F5
F6	56,863	59,679	62,494	65,310	68,124	70,941	73,756	76,571	79,388	82,203	85,018	F6

P1	30,319	31,806	33,293	34,782	36,269	37,758	39,249	40,730	42,219			P1
P2	35,885	38,702	40,518	42,335	44,150	45,968	47,785	49,603	51,419			P2
P3	42,139	44,217	46,296	48,376	50,455	52,534	54,613	56,691	58,772			P3
P4	47,391	49,731	52,074	54,414	56,756	59,096	61,436	63,777	66,118			P4
P5	61,837	64,899	67,962	71,024	74,088	77,151	80,213	83,277	86,339			P5

Approved By: Ron Littlefield /S/

AN ORDINANCE TO AMEND ORDINANCE NO. 11848, ENTITLED “AN ORDINANCE, HEREINAFTER ALSO KNOWN AS ‘THE FISCAL YEAR 2006-2007 BUDGET ORDINANCE’, TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2006, AND ENDING JUNE 30, 2007, AND APPROPRIATING SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE CITY, AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES AND TO AMEND CITY CODE CHAPTER 18, SECTION 18-123(g)” SO AS TO SET FORTH THE BUDGET OF THE INTERCEPTOR SEWER SYSTEM AND TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 31, SECTIONS 31-15, 31-36, 31-37, 31-40, 31-41, and 31-43.

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

TENNESSEE:

SECTION 1. That Ordinance No. 11848, entitled as set forth in the caption hereof, be and the same is amended as provided hereinafter.

SECTION 2. That there be and is hereby added a new Section 6(d) establishing the operating budget for the Interceptor Sewer System (Fund 5100) for Fiscal Year 2006-2007.

	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Proposed</u>
5100 INTERCEPTOR SEWER SYSTEM			
Estimated Revenues:			
Sewer Service Charges	\$28,418,333	\$25,449,623	\$30,396,279
Industrial Surcharges	3,220,096	3,370,855	2,600,000
Septic Tank Charges	157,784	171,497	130,000
Wheelage and Treatment:			
Lookout Mountain, TN	202,386	177,012	\$196,691
Dade County	1,856	2,722	3,916
Walker County, GA	259,568	269,517	325,930
Collegedale, TN	215,716	159,101	210,062
Soddy-Daisy, TN	109,041	95,872	122,104
East Ridge, TN	1,139,012	889,566	1,080,825
Windstone	22,188	21,581	25,598
Hamilton County, TN	600,912	374,280	458,976
Northwest Georgia	549,670	489,213	598,175
Lookout Mountain, GA	50,446	49,629	57,602

	FY 05 <u>Actual</u>	FY 06 <u>Projected</u>	FY 07 <u>Proposed</u>
Rossville, GA	321,637	279,331	349,142
Ringgold, GA	45,731	59,685	73,845
Red Bank, TN	97,267	329,919	422,915
Debt Service Northwest Georgia	372,335	410,074	447,377
Industrial User Permits	40,500	44,000	41,000
Miscellaneous	36,860	34,492	
Garbage Grinder Fees	<u>23,936</u>	<u>21,566</u>	<u>22,000</u>
Operating Revenue:	\$35,885,274	\$32,699,535	\$37,562,437
Fund Balance (P540)	0	6,153,000	0
Interest Earnings	<u>600,780</u>	<u>1,117,703</u>	<u>1,275,000</u>
Total Revenue	\$36,486,054	\$39,970,238	<u>\$38,837,437</u>
Appropriations:			
Operations & Maintenance:			
Administration	2,077,700	2,047,694	2,240,322
Laboratory	482,933	530,644	555,329
Engineering	181,657	217,902	264,899
Plant Maintenance	1,269,227	1,204,536	1,437,139
Sewer Maintenance	1,296,790	1,377,536	1,834,714
Moccasin Bend - Liquid Handling	5,312,601	7,393,797	6,738,577
Inflow & Infiltration	789,328	765,242	1,145,487
Safety & Training	107,515	110,834	106,226
Pretreatment/Monitoring	295,456	310,306	363,542
Moccasin Bend - Solid Handling	2,477,556	2,970,255	4,036,920
Landfill Handling	2,036,014	1,369,450	1,408,890
Combined Sewer Overflow	<u>243,944</u>	<u>190,728</u>	<u>393,805</u>
Total Operations & Maintenance	\$16,570,721	\$18,488,924	\$20,525,850
Pumping Stations:			
Mountain Creek Pump Station	12,423	18,083	\$6,900
Citico Pump Station	281,188	216,692	242,045
Friar Branch Pump Station	147,750	97,914	119,520
Hixson 1, 2, 3, & 4 Pump Stations	69,449	72,708	78,842
19th Street Pump Station	30,463	40,581	44,178
Orchard Knob Pump Station	37,912	31,410	52,950
South Chickamauga Pump Station	278,816	286,754	302,675
Tiftonia 1 & 2 Pump Stations	96,185	36,487	50,820
23rd Street Pump Station	103,610	78,628	115,740
Latta Street Pumping Station	8,993	5,621	17,775
Residential Pump Station	21,979	17,691	18,750
Murray Hills Pump Station	9,526	9,789	16,275
Highland Park Pump Station	13,122	10,635	13,625
Big Ridge 1-5 Pump Stations	40,607	45,185	73,063
Dupont Parkway Pump Station	19,657	16,390	25,385
VAAP Pump Station	2,300	1,502	5,465
Northwest Georgia Pump Station	42,684	62,432	52,620
Brainerd Pump Station	11,630	34,403	14,090
East Brainerd Pump Station	40,951	32,858	33,835
North Chattanooga Pump Station	35,717	27,889	20,895
South Chattanooga Pump Station	16,233	4,057	6,095
Ooltewah-Collegedale Pump Station	123,859	87,577	74,375
Odor Control Pump Stations	159,367	201,754	250,000

	<u>FY 05 Actual</u>	<u>FY 06 Projected</u>	<u>FY 07 Proposed</u>
Enterprise South Pump Station	455	238	5,335
River Park Pump Station	-	-	4,250
Total Pumping Stations	<u>\$ 1,604,876</u>	<u>\$ 1,437,278</u>	<u>\$ 1,645,503</u>
Total Operations & Maintenance	\$18,175,597	\$19,926,202	\$22,171,353
Capital Improvement	170,247	178,306	\$342,418
Debt Service Reserve			\$321,000
Construction Trust Fund (P540)	0	2,490,971	0
Debt Service			
Principal	9,373,700	10,518,484	\$11,196,580
Interest	<u>5,222,150</u>	<u>4,789,179</u>	<u>4,806,086</u>
	<u>\$14,595,850</u>	<u>\$15,307,663</u>	<u>\$16,002,666</u>
Total Appropriations:	\$32,941,694	\$37,903,142	<u>\$38,837,437</u>

SECTION 3. That Section 7(b) of said Ordinance be amended as hereinafter set out:

ADDITIONS:

INTERCEPTOR SEWER SYSTEM

ADMINISTRATION

C00482	1	Inventory Control Coordinator	12	B
C00575	1	Waste Resources Director	39	B
C00579	1	Systems Technician	15	B
C00580	1	Warehouse Supervisor	11	B
C01001	1	Office Assistant	3	B
C01201	1	Secretary	6	B
C01204	1	Administrative Secretary	9	B
C01301	2	Inventory Clerk (each)	5	H
C01401	1	Personnel Assistant	7	B
C01404	1	Fiscal Coordinator	17	B
Cxxxxx	1	Plant Engineer	NR	B

LABORATORY

C00591	1	Quality Control Manager	27	B
C00592	5	Laboratory Technician Sr. (each)	12	B
C00594	1	Chemist	15	B

ENGINEERING

C00597	1	Waste Resources System Engineer		31	B
C00598	1	ISS Project Coordinator		16	B
Cxxxxxx	1	Infrastructure Supervisor		NR	B
C01301	1	Inventory Clerk		5	B

PLANT MAINTENANCE

C00351	1	Painter		7	H *
C00601	1	Plant Maintenance Supervisor		24	B *
C00603	1	Electric Instrument Maintenance Supervisor		19	H *
C00605	2	Chief Maintenance Mechanic	(each)	19	H *
C00610	11	Plant Maintenance Mechanic	(each)	11	H *
C00611	7	Electrical Instrument Technician	(each)	12	H *
C00618	3	Plant Maintenance Lubricator	(each)	6	H *
C01503	1	Crew Supervisor		11	H *
C01522	1	Crew Worker, Senior		5	H

* denotes positions authorized to receive a tool allowance based on City of Chattanooga, Department of Public Works, Interceptor Sewer System policy.

SEWER MAINTENANCE

C01504	4	Crew Supervisor, Senior	(each)	12	H
C01506	1	General Supervisor, Senior		16	B
C01512	4	Equipment Operator, Senior	(each)	8	H
C01513	3	Heavy Equipment Operator	(each)	10	H
C01522	3	Crew Worker, Senior	(each)	5	H

MOCCASIN BEND TREATMENT PLANT – LIQUID HANDLING

C00630	1	Plant Superintendent		32	B
C00631	1	Plant Operations Supervisor-Liquids		22	B
C00633	5	Chief Plant Operator	(each)	16	H
C00634	8	Plant Operator, Senior	(each)	12	H
C00636	4	Plant Operator Principal	(each)	13	H
C00638	6	Plant Operator	(each)	9	H
C01002	1	Office Assistant Senior		5	H

INFLOW AND INFILTRATION

C00646	3	Sewer Maintenance Truck Operator	(each)	10	H
C01506	1	General Supervisor, Senior		16	B
C01513	1	Heavy Equipment Operator		10	H
C01522	3	Crew Worker, Senior	(each)	5	H
C01504	3	Crew Supervisor, Senior	(each)	12	H

SAFETY & TRAINING

C00651	1	Safety/Training Coordinator, Senior		15	B
C00671	1	Scale Operator		4	H

PRETREATMENT/MONITORING

C00652	1	Pretreatment Coordinator		15	B
C00653	4	Monitor Technician, Senior	(each)	10	B
C00655	1	Pretreatment Inspector		10	B
C01201	1	Secretary		6	B

MOCCASIN BEND TREATMENT PLANT – SOLID HANDLING

C00634	7	Plant Operator, Senior	(each)	12	H
C00638	3	Plant Operator	(each)	9	H
C00657	1	Plant Operations Supervisor-Solids		21	B
C01512	1	Equipment Operator, Senior		8	H

SECTION 4. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-15 (a) be and the same is hereby deleted and the following substituted in lieu thereof:

(a) No storm water, ground water, rain water, street drainage, rooftop drainage, basement drainage, subsurface drainage, foundation drainage, yard drainage, cooling water, process water drainage, or other unpolluted or minimally polluted water shall be discharged to the city’s sanitary sewer system unless no other reasonable alternative is available, and then no such water shall be discharged to the city’s sanitary sewer system except upon permission by the superintendent upon such reasonable conditions as he may prescribe and upon payment of a sewer service charge based upon the quantity of water discharged as measured by a flow meter or a reasonable estimate accepted by the superintendent. All users shall be required to maintain their private sewer lines so as to prevent infiltration of ground or storm water as a condition of use of the system and shall immediately repair or replace any leaking or damaged lines.

SECTION 5. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36(a), be and the same is hereby deleted and the following substituted in lieu thereof:

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

User Class (gallons)	Fiscal Year 2006/2007 - 1	Fiscal Year 2006/2007 - 2
	Total Charges (\$/1,000 gallons)	Total Charges (\$/1,000 gallons)
First 100,000	\$ 4.30	\$ 4.55
Next 650,000	3.18	3.37
Next 1,250,000	2.58	2.73
Next 30,000,000	1.93	2.06
Over 32,000,000	1.76	1.95

In addition, the total charges derived from the above chart for residential users consuming 100,000 gallons of water or less per month will be multiplied by ninety (90) percent to compensate for water use not going to the sewer such as lawn and garden watering. Any residential location where a separate water meter has been installed for the purpose of lawn and garden watering shall not be entitled to have the multiplier applied to any water consumed through the primary water meter.

SECTION 6. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36(b), be

and the same is hereby deleted and the following substituted in lieu thereof:

(b) Regional service charge rates (wheelage and treatment). The regional sewer service use charge (wheelage and treatment) shall be collected from regional users of the system including Collegedale, Tennessee; Hamilton County, Tennessee; Walker County, Georgia; Catoosa County, Georgia; Lookout Mountain, Georgia; Dade County, Georgia: Rossville, Georgia; and Fort Oglethorpe, Georgia: and shall be determined either under the “billable flow” methods based on the quantity of water used as shown by applicable water company meter readings or the “total flow” method based upon flow meter measured flow according to the applicable contract with the regional user pursuant to subparagraphs (c) and (d).

SECTION 7. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36(c) as

relates to sewer service charges and fees be and the same is hereby deleted and the following substituted in lieu thereof:

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

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

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

SECTION 8. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36 (d),

be and the same hereby deleted and the following substituted in lieu thereof:

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

	Regional Operation & Maintenance Charge <u>(\$/1,000 gallons)</u>	Regional Debt Charge <u>(\$/1,000 gallons)</u>	Regional Total Charge (Wheelage and Treatment) <u>(\$/1,000 gallons)</u>
Wheelage and Treatment	\$ 0.6834	\$ 0.3337	\$ 1.0171

SECTION 9. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-37, be

and the same is hereby deleted and the following substituted in lieu thereof:

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

Monthly Minimum Sewer Service Charges

<u>Meter Size</u> (inches)	<u>Fiscal Year</u> 2006/2007 -1 <u>Charge per Month</u>	<u>Fiscal Year</u> 2006/2007 - 2 <u>Charge per Month</u>
5/8	\$ 8.88	\$ 9.41
3/4	31.71	33.59
1	55.40	58.68
1-1/2	124.00	131.35
2	219.55	232.56
3	514.65	545.15
4	951.09	1,007.45
6	2,265.34	2,399.60
8	4,006.98	4,244.45

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

SECTION 10. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-40 (b) (4), be and the same is hereby deleted.

SECTION 11. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-41(c), be and the same is hereby deleted and the following substituted in lieu thereof:

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

Bc = \$0.092 per pound of BOD for concentrations in excess of three hundred (300) milligrams per liter.

Sc = \$0.066 per pound of total suspended solids for concentrations in excess of four hundred (400) milligrams per liter.

SECTION 12. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-43 (b), (e), (f) and (g) be and the same are hereby deleted and the following substituted in lieu thereof:

(b) *Fees for garbage grinders.* Any user of a garbage grinder, except users in a premise used exclusively for an individual residence, shall be charged at a rate of one hundred thirty-seven dollars (\$137.00) per month. The superintendent shall bill users on a bi-monthly basis and the bills shall be due and payable within thirty (30) days following the last day of the billing period.

(e) *Truck discharge operation permit fee.* The superintendent shall charge and collect the sum of one hundred dollars (\$100.00) per truck for a truck discharge operation permit as authorized pursuant to division 6 of this article. The holders of such permit shall also be charged a fee set forth in paragraphs (f) and (g) of this section. Such additional fees shall be collected by the superintendent at the time of the discharge or, in his discretion, he may enter into an agreement with the holder of such a permit to bill and collect the fees on a monthly basis.

(f) *Fees for septic tank discharge.* All persons discharging concentrated, domestic septic tank sewage waste from a truck under

the provisions of Article III of this Chapter shall be charged at the rate of fifty dollars (\$50.00) per one thousand (1,000) gallons of such waste. The minimum charge for septic tank discharges shall be one half (1/2) of the rate for one thousand (1,000) gallons of the rate in effect at the time of such discharge. All persons discharging grease trap or grease interceptor waste or loads where septic tank waste has been mixed or blended with grease trap or grease interceptor waste shall be charged at the rate two (2) times the rate for septic tank wastes.

(g) *Fees holding tank wastes.* All persons discharging any holding tank waste authorized pursuant to division 6 of this article shall be charged at the rate of four dollars and thirty cents (\$4.30) per one thousand (1,000) gallons of such discharge, plus any surcharge rate authorized by Article III of this chapter for concentrations of pollutants in excess of normal waste water without regard to the definition of the industrial user or other limitations set forth in such section. The superintendent may also require a chemical analysis of such waste and charge therefore. The fee for Fiscal years 2006/2007 – 2 shall be four dollars and fifty-five cents (\$4.55). The minimum charge for holding tank wastes shall be the fee for one thousand (1,000) gallons of said discharge of the rate in effect at the time of such discharge.

(h) *Fees for discharge outside normal operating hours.* Any hauled waste delivered for discharge at the Moccasin Bend Waste Water Treatment Plant outside the normal operating hours of 7:00 am and 5:00 pm Monday through Friday and on any Holidays observed by the City of Chattanooga shall be charged at the additional fee of thirty dollars (\$30.00) per discharge.

(i) *Fees for discharges originating from outside the MBWWTP service area.* All persons discharging hauled waste including but not limited to septic tank, grease trap, grease interceptor, mixed loads or holding tank wastes shall be charged at one and one half (1 ½) times the fees applicable for such wastes.

SECTION 13. That this Ordinance shall be operative, as distinguished from its effective date, on and after July 1, 2006.

SECTION 14. Notwithstanding any other provision of this Ordinance to the contrary, water providers within the City of Chattanooga shall bill according to the new Chattanooga sewer service charges effective on the following dates:

- (1) For the Fiscal Year 2006/2007 - 1 - For service rendered beginning on the 1st day of October, 2006, and until the 31st day of March, 2007;

- (2) For Fiscal Year 2006/2007 - 2 - For service rendered beginning on the 1st day of April, 2007, and until further notice.

SECTION 15. That if any section, sentence, word or figures contained in this Ordinance should be declared invalid by a final decree of a Court of competent jurisdiction, such holding shall not affect the remaining sentences, sections, words or figures contained in this Ordinance, but the same shall remain in full force and effect.

SECTION 16. That this Ordinance shall take effect two (2) weeks from and after its passage.

PASSED on Second and Final Reading

September 12, 2006. Leamon Pierce /S/
CHAIRPERSON

APPROVED: X DISAPPROVED: _____

DATE: _____, 2006

Ron Littlefield /S/
MAYOR

Reviewed By: Daisy W. Madison/S/
Daisy W. Madison

/add