

Policies & Procedures

Budget Procedures

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

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

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

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

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

A governmental budget should:

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

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

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

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

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

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

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

After Council sessions are over, budget sessions are held with department Administrators and budget personnel to further discuss budget requests and changes. After meetings with the departments, the Budget Section is ready to balance the budget request to the estimated revenues. When this is accomplished, the balanced budget is presented to the Mayor for review. At this point the Mayor can add or delete items to the budget. When the Mayor is satisfied that the

budget presented represents the goals and objectives of the City and the financial means of reaching those goals and objectives, he will present the balanced budget to the City Council at a Budget and Finance Committee meeting.

The City Council then begins a second budget review once it receives the balanced budget proposal. This is done through the Budget Committee, where numerous work sessions are held to examine all aspects of the proposal. Department Administrators are asked to attend 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.

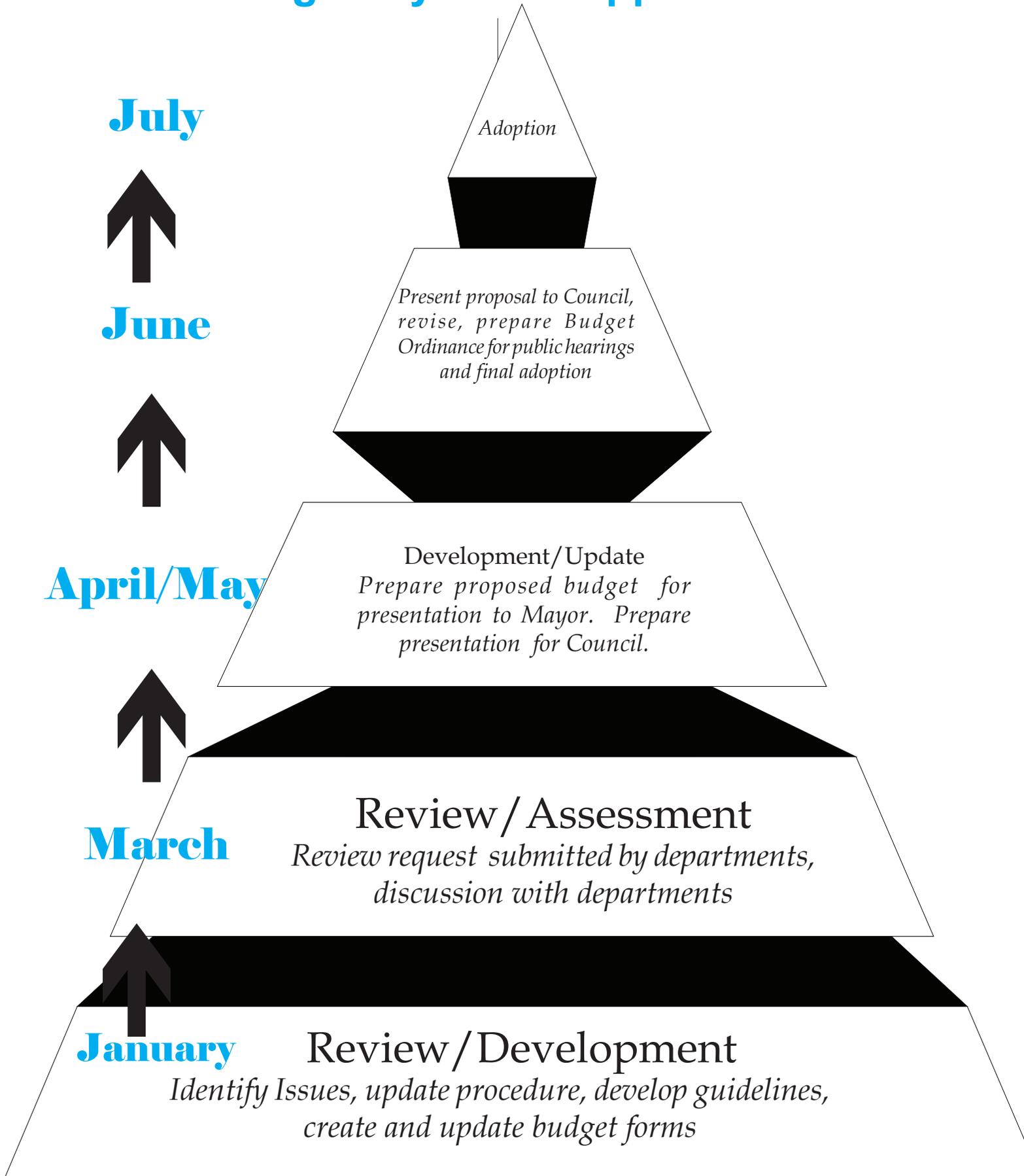
During May and June, budget hearings are held by the Council that allow comment/input from citizens. Prior to July 1, the City adopts an interim budget appropriating funds for the usual and ordinary expenses of the City government in an amount not to exceed one-twelfth of the preceding fiscal year operating 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 are available online and in hard copy for the Council, Mayor and department managers to review.

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 from one account to another within or between the accounts of the various agencies and divisions of government and the various departments of the City as may be necessary to meet expenditures for the fiscal year.

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



December

31 Target cut off for CY actuals on budget forms

January

3-5 Preliminary prep work for budget documents

3 Salary Project Review begins

6 Budget forms available on-line to all Depts

7 Capital Budget Forms available for department

February

1 Non-Profit & Agency requests due to City Council

7 Deadline for Budget submissions along with goals and accomplishments

8 Cut-Off for Intranet Website Department Entry

11 Deadline Capital Budget request forms

7 Five-year budget projections presentation to Council

8-25 Budget review and discussions with departments

14-28 Budget staff prepares Total Capital Budget Request

12 Prepare Initial Revenue Projections

March

1 Deliver total request operating budget to City Council

2-8 Staff prepares summary of balance budget

3 Presentation of Non-Profit Agencies

8 Presentation by Quasi-Government Agencies

10 Presentation by Administrative Departments

21-25 Discussion with Mayor

April

4-15 Proposed balance budget to Mayor

27-29 Discussions with Mayor and budget committee chair

29 Review Capital Budget with Mayor/Chief of Staff

May

2-9 Finance department PowerPoint preparation

11 City/County Joint Budget Hearing

10 or 17 Presentation of Budget to Council with PowerPoint

31 Council Finance Committee review/questions and Capital Budget

June

21 Council approval 1st reading

28 Council approval 2nd reading

July

6 Council approval 2nd & 3rd reading

12 Amendment to distribution Sales Tax dollars for Agency funding in the General Fund

19 Council approval 2nd & 3rd reading

26 Presentation to Council of FY12 Capital Budget

August

2 Council approval 2nd & 3rd reading Capital

October

Budget staff finalize CABR 2012

18 Deadline date for CABR submission to GFOA

November/December

Mid Year Review and preparation for Budget Projections

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

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

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

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

The following section outlines the budget policies for use in preparation of the City's FY 11/12 Operating Budget:

Budget Requests for FY12 will be submitted on a line item (Account) basis. The adopted FY2011 budget is the baseline. Flexibility is allowed in the budget preparation through a combination of salary and operating costs. Generally, any growth in funding for a particular line item must be fully justified and will be at the expense of some other line item, barring a specific revenue source generated to cover the additional expense.

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

Maintain Requests will be based upon the Projected FY2011 expenditures less any one-time, non-recurring expenditure.

- a. Requests for one-time, unavoidable costs that are anticipated for the FY2011 budget will be included in the Additional Requests with justification.
- b. Requests for recurring unavoidable increases, including such items as street lighting, utilities, pension costs, health insurance, etc., will be included in the Maintain Requests.

Personnel Issues:

- a. Maintain Requests for Salaries & Wages will include all positions authorized at the current Pay Plan Amount. Any frozen or unfunded positions in current year should remain frozen unless swapped with another position to be frozen. The Finance Office will provide projections. Adjustments should be made for frozen positions.
- b. Maintain Requests will not include any requests for funding of additional personnel.
- c. Do not include funds for pay raises or pending reclassifications. All salary adjustments will be made by the Management & Budget Analysis Staff.
- d. Budget Requests for overtime must be from a

- zero base, consistent with overtime policy and not based on prior year experience only
- e. If you plan to hire temporary workers, your budget estimate should include payroll taxes. Temporary staffing should be budgeted under "Salaries & Wages."
 - f. Any hiring of contract employees must stand up to IRS scrutiny. Guidelines can be found in the Finance intranet site under the topic "Independent Contractors".
 - g. NO INCREASE IN POSITIONS OR POSITION RECLASSIFICATIONS WILL BE CONSIDERED IN THE FY2012 ZERO INCREASE OR MAINTAIN BUDGET WITHOUT A CORRESPONDING REDUCTION/RECLASSIFICATION IN EXISTING POSITIONS RESULTING IN THE SAME OR REDUCED COSTS TO THE CITY.
 - h. Any requests for increase beyond item g above must be part of a supplemental budget with detailed explanations in the executive summary
 - i. A completed Job Analysis Questionnaire (JAQ) and the Classification Action Request Form: FY2011-2012 Budget Process must be submitted to Personnel for review and approval for new and/or additional existing positions including reclassifications. The JAQ and Classification Action Request Form: FY2011-2012 Budget Process is available on the City's intranet website. The link is below. If you have questions, contact Jean Smith at 757-4862 <http://int.chattanooga.gov/forms.asp?Dir=Personnel>

Renewal & Replacement:

Budget Requests will include capital operating requirements to be funded from the amount appropriated for Renewal & Replacement of Equipment. Generally, a capital operating requirement has a useful life of less than 15 years and involves a cost less than \$25,000. Items with a longer useful life and greater cost will be included in the Capital Budget. We anticipate that the FY11/12 budget will include funding for Renewal & Replacement in the amount of \$1,500,000.

Fleet Maintenance:

All departments will include in each activity funds for vehicle repairs at City Garage. Parts will be billed by the Garage at a 25% mark-up. Vehicle maintenance cost expenses should take into consideration any additional leased vehicles. The current labor rate is \$65.00. We estimate the average price of fuel for FY12 at \$3.00 per gallon for unleaded gasoline and \$3.15

per gallon for diesel. The actual fuel prices will continue to fluctuate as the market rate changes.

Fringe Benefits:

Fringe Benefit costs, including OPEB (Other Post Employment Benefits) are to be included in each Activity Request, which has full time personnel costs. The Finance Office will provide projections. These Fringe Benefit costs are:

The Health Savings Account (HSA) includes a

Description	Employer Cost/Rate	Employee Cost	Total Premium/Cost
Medical:			
Individual	\$3,613.68	\$903.36	\$4,517.04
Subscriber + Child	6,502.56	1,625.76	8,128.32
Subscriber + Spouse	7,580.16	1,895.04	9,475.20
Family	10,834.08	2,708.64	13,542.72
Onsite Medical Cost	984.00		
OPEB – Sworn Personnel	23.20%		
OPEB- Civilian	10.30%		
Pension – Fire & Police	27.74%		
Pension – General	12.95%		

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

Utility Cost:

Description	Rate/Cost
Life & AD&D Insurance	\$0.15/\$1000 coverage per mo. (Max \$50,000 Coverage)
Long Term Disability Ins	\$0.205/\$100 covered salary/month (remaining 50% paid by pension fund)
FICA	6.20%
Medicare	1.45%
Radio Maintenance	\$111.86 per radio per year

Anticipated increase in utility costs during FY12
 Electricity: 3% Natural Gas: 1% Water: 8%

Fleet leased vehicles:

List of fleet rental rates provided with department information.

Budget Execution Guidance

1. Descriptions, Goals & Objectives, and Performance Measures for each activity for FY11 are available on the intranet. Please update, where necessary, for FY12 as they are included in the City's Comprehensive Annual Budget Report submitted to the Mayor and City Council as well as the Government Finance Officer's Association. Please return updated Descriptions and Goals & Objectives information with the budget submission on February 7, 2011. Performance Measures are due back July 31, 2011.

2. 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 FY12.

3. Total Budget request information for FY12 is due back to the Budget Office by Monday, February 7, 2011.

Revenue Policies

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

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

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

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

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

The City will maintain a broad revenue base; that is, a large number of widely diversified revenue sources will be established and maintained in order

to distribute the revenue burden equitably and protect the City from short-term fluctuations in any one revenue source.

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

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

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

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

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

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

Cash Management & Investment Policy

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

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

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

2.1 Funds

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

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

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

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

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

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

4.3 Return on Investment. The City of Chattanooga's investment portfolio shall be designed with the objective of attaining

a market rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and cash flow characteristics of the portfolio.

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

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

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

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

6.0 Ethics and Conflicts of Interest.

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

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

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

7.0 Authorized Financial Dealers and Institutions.

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list

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

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

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

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

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

8.0 Authorized and Suitable Investments.

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

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

- (1) Bonds, Notes or Treasury Bills of the United States;
- (2) Nonconvertible debt securities of the following federal government sponsored enterprises that are chartered by the United States congress; provided, that such securities are rated in the highest category by at least two (2) nationally recognized rating services:
 - (A) The federal home loan bank;
 - (B) The federal national mortgage association;
 - (C) The federal farm credit bank; and
 - (D) The federal home loan mortgage corporation;
- (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 under

a repurchase agreement for a shorter time than the maturity date of the security itself if the market value of the security itself is more than the amount of funds invested; provided, that municipalities may invest in repurchase agreements only if the comptroller of the treasury or the comptroller's designee approves repurchase agreements as an authorized investment, and if such investments are made in accordance with procedures established by the state funding board;

- (6) The local government investment pool created by title 9, chapter 4, part 7;

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?

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

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

one hundred percent (100%) for any participant whose bank rating is equal to or greater than twenty-five (25) as determined from the most recent quarterly report published by Sheshunoff Information Services, Inc. (bank president's national peer group weighted rating). The collateral pledge level will be ninety percent (90%) if the participant meets the requirement in Rule 1700-4-1-.04(1)(b).

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

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

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

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

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

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

expected use of the funds.

14.0 Internal Control

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

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

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

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

Schedules in the quarterly report should include the following:

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

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

Debt Policies

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

The City will not issue notes to finance operating deficits.

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

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

The City has formally adopted a debt policy effective October 31, 2006. We are currently drafting a new debt policy to be approved by City Council no later than December 31, 2011.

Reserve Policies

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

Accounting, Auditing, and Financial Reporting Policies

An independent audit will be performed annually.

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

The City will maintain a strong internal audit capability.

Capital Budget Policies

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

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

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

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

Projects which will increase property values in a neighborhood, residential or business district; Projects identified by a priority board

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

Legal Requirements

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

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

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

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

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

prescribed by the governing body;

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

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

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

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

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



ORDINANCE NO. 12523

AN ORDINANCE, HEREINAFTER ALSO KNOWN AS “THE FISCAL YEAR 2011-2012 BUDGET ORDINANCE”, TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2011, AND ENDING JUNE 30, 2012; APPROPRIATING SAME TO THE PAYMENT OF EXPENSES OF THE MUNICIPAL GOVERNMENT; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE CITY, AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES; AND TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 2, SECTION 2-267, RELATIVE TO PAID LEAVE FOR ACTIVE-DUTY TRAINING AND TO AMEND CHATTANOOGA CITY CODE, PART II, CHAPTER 31, SECTIONS 31-36, 31-37, 31- 41, and 31- 43.

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 2011-2012 from all sources to be as follows:

	<u>FY10</u> Actual	<u>FY11</u> Projected	<u>FY12</u> Proposed
<u>PROPERTY TAXES</u>			
Current Taxes on Real & Personal Property	\$88,829,178	\$104,600,000	\$106,535,000
Taxes on Real & Personal Property - Prior Years	3,311,966	3,900,000	4,290,000
PAYMENTS IN LIEU OF TAXES			
Chattanooga Housing Authority	\$331,397	\$143,400	\$143,400
Tennessee Valley Authority	1,754,192	1,793,596	1,838,400
Chattem, Inc	15,288	60,117	60,100
Covenant Transport	21,449	49,753	49,800
LJT of Tennessee	36,705	34,619	37,600
Unum	9,809	11,681	11,700
American Plastic Ind. Inc.	48,426	47,949	95,900
Dupont-Sabancı Intl.	17,049	14,850	14,800
Invista	31,267	34,510	34,500
Wm Wrigley Jr Co	53,192	72,053	72,100
Astec Incustries	31,275	41,753	41,800
BlueCrossBlueShield	1,011,332	933,510	933,500
Roadtec	22,195	31,336	31,300
US Express	43,738	54,462	54,500
United Packers of Chattanooga	34,050	59,768	59,800
Vision Chestnut Hotel Group LLC	49,403	75,138	75,100
Alstom Power	160,810	941,464	941,500
Gestamp Chattanooga LLC	-	151,889	151,900

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
	Actual	Projected	Proposed
Scannell Properties	-	22,597	22,600
Riverset Apartments	-	40,579	5,000
Total Other	248,704	475,079	457,800
TOTAL IN LIEU OF TAXES	\$3,920,281	\$5,090,103	\$5,133,100
Interest & Penalty on Current Year Taxes	148,815	150,000	150,000
Interest & Penalty on Delinquent Taxes	746,396	725,000	725,000
Delinquent Taxes Collection Fees	<u>240,216</u>	<u>285,610</u>	<u>285,600</u>
TOTAL PROPERTY TAXES	\$97,196,852	\$114,750,713	\$117,118,700
<u>OTHER LOCAL TAXES</u>			
Liquor Taxes	\$2,160,674	\$1,938,779	\$1,958,200
Beer Taxes	4,902,027	5,300,000	5,353,000
Local Litigation Taxes - City Court	3,526	2,812	2,800
Gross Receipts Taxes	3,731,345	3,600,000	3,672,000
Gross Receipts - Interest & Penalty	59,569	70,000	70,000
Corp Excise Taxes – State (Intangible Property)	224,020	41,035	41,000
Franchise Taxes – Chattanooga Gas	289,883	276,382	1,100,000
Franchise Taxes – ComCast Cable	1,941,254	1,847,560	1,740,000
Franchise Taxes - Century Tel	17,142	31,808	21,500
Franchise Taxes – AT&T Mobility	<u>-</u>	<u>20,804</u>	<u>21,000</u>
TOTAL OTHER LOCAL TAXES	\$13,329,440	\$13,129,180	\$13,979,500
<u>LICENSES, PERMITS, ETC.</u>			
Business Licenses (excluding Liquor)	\$101,130	\$3,427	\$3,400
Business Licenses – Suspense	5,638	1,051	500
Wrecker Permits	6,650	5,800	5,800
Annual Electrical Contractor License	53,200	53,200	53,200
Penalty-electrical fees & licenses	669	190	200
Liquor By the Drink Licenses	133,860	141,223	141,200
Liquor By the Drink – Interest & Penalty	4,192	2,240	2,200
Motor Vehicle Licenses	404,595	378,893	378,900
Building Permits	976,155	785,381	785,400
Electrical Permits	133,287	285,000	287,900
Plumbing Permits	142,586	160,000	161,600
Street Cut-In Permits	255,325	350,000	350,000
Mechanical Code Permits	59,481	125,000	125,000
Hotel Permits	4,450	5,000	5,000
Gas Permits	4,154	25,000	25,000
Sign Permits	117,560	136,291	136,300

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
	Actual	Projected	Proposed
Taxi Permits	3,330	1,920	1,900
Temporary Use Permits	2,800	5,000	4,000
Fees for Issuing Business Licenses & Permits	56,963	58,060	58,100
Plumbing Examiner Fees & Licenses	37,090	30,000	30,000
Electrical Examiner Fees & Licenses	66,365	30,000	30,000
Gas Examination Fees & Licenses	10,720	30,000	30,000
Beer Application Fees	87,817	93,000	93,000
Mechanical Exam Fees & Licenses	58,220	60,000	60,000
Permit Issuance Fees	44,305	43,000	43,000
Exhibitor's Fees	1,809	1,200	1,200
Subdivision Review/Inspection Fees	10,540	15,000	15,000
Zoning Letter	7,100	11,000	11,000
Variance Request Fees	6,150	8,100	8,100
Certificates of Occupancy	14,635	19,140	19,100
Sewer Verification Letter	750	1,000	1,000
Code Compliance Letter Fees	900	400	400
Modular Home Site Investigation	150	400	400
Plan Checking Fees	183,809	144,705	146,200
Phased Construction Plans Review	28,470	9,000	9,000
Construction Board of Appeals	3,982	7,320	7,300
Sign Board of Appeals	2,900	3,733	3,700
Dead Animal Pick Up Fees	1,761	1,484	1,000
Fire Department Permits	-	8,867	8,900
Miscellaneous	<u>34,973</u>	<u>54,751</u>	<u>54,800</u>
TOTAL LICENSES, PERMITS, ETC.	\$3,068,471	\$3,094,775	\$3,098,700

REVENUES FROM OTHER AGENCIES

Federal Funds	\$-	\$-	\$562,500
TEMA Recovery	-	-	93,750
State – Specialized Training Funds	484,200	469,800	469,800
State Maintenance of Streets	318,287	342,584	320,000
State Sales Taxes	9,904,220	10,215,768	10,420,100
Hall Income Taxes	2,578,926	1,800,000	1,800,000
State Beer Taxes	77,086	81,372	81,400
State Mixed Drink Taxes	1,888,061	1,900,000	1,919,000
State – Telecommunication Sales Taxes	13,500	11,033	11,000
State Alcoholic Beverage Taxes	99,820	107,499	107,500
State Gas Inspection Fees	334,015	333,863	335,500
Commission from State of TN/Gross Receipts	223,587	275,763	275,800
Hamilton County Ross' Landing/Plaza	897,203	936,900	936,900
Local Option Sales Taxes-General Fund	25,116,025	26,321,678	36,657,700
Miscellaneous	<u>355,149</u>	<u>10,246</u>	<u>-</u>
TOTAL FROM OTHER AGENCIES	\$42,290,079	\$42,806,506	\$53,334,700

	<u>FY10</u> Actual	<u>FY11</u> Projected	<u>FY12</u> Proposed
<u>SERVICE CHARGES FOR CURRENT SERVICES</u>			
Current City Court Costs	\$247,928	\$205,493	\$207,500
Court Commissions	10,597	8,213	8,200
Clerk's Fees	1,017,350	890,000	898,900
Processing of Release Forms	13,338	12,689	12,800
Court Administrative Costs	13,205	10,795	10,800
Current State Court Costs	2,498	2,456	2,500
Memorial Auditorium Rents	126,114	121,000	158,100
Tivoli Rents	157,264	130,000	130,000
Land & Building Rents	106,111	85,299	86,200
Ballfield Income	21,263	57,893	57,900
Skateboard Park	49,574	32,000	32,300
Carousel Ridership	97,416	90,000	90,900
Walker Pavilion Rents	21,525	22,000	22,200
Walker Pavilion Table Rental	1,550	700	700
Heritage Park House Rent	32,463	34,500	34,500
Greenway Facilities Rent	12,350	17,000	17,000
Fitness Center	50,824	46,000	46,000
Dock Rental	57,098	44,337	44,300
Ross' Landing Rent	1,250	1,250	1,300
Champion's Club	53,696	50,000	51,000
Recreation Center Rental	63,897	58,000	58,600
Preservation Fees	152,500	115,000	103,000
Auditorium Box Office	158,090	97,000	97,000
Tivoli Box Office	113,764	75,000	67,000
Memorial Auditorium OT Reimbursement	5,419	2,673	1,500
Tivoli Theatre OT Reimbursement	6,963	3,292	1,800
Park Event Fee	13,325	22,000	22,000
Kidz Kamp	60,505	60,000	60,600
Sports Program Fees	15,309	14,500	14,500
Non-Traditional Program Fees	12,985	3,795	3,800
OutVenture Fees	22,313	20,000	20,000
Therapeutic Kamp Fees	2,819	3,000	3,000
Swimming Pools	77,562	105,000	106,100
Arts & Culture	18,673	12,972	13,100
Police Reports: Accidents, etc. Fees	45,902	42,147	42,100
Photo/ID Card Fees	1,070	903	900
Memorial Auditorium Credit Card Fees	32,305	9,415	32,000

	<u>FY10</u> Actual	<u>FY11</u> Projected	<u>FY12</u> Proposed
Tivoli Credit Card Fees	18,837	14,000	28,000
Credit Card Processing Fees	41,752	40,476	40,500
Memorial Auditorium Concessions	62,306	40,000	35,000
Tivoli Concessions	28,846	20,000	25,000
Park Concessions	31,114	40,000	40,000
Charges for Services - Electric Power Board	7,200	72,000	72,000
Fire & Ambulance Service Fees	205	400	400
General Pension Admin. Costs & Other Misc.	40,000	40,000	40,000
Waste Container Purchases	24,725	21,040	21,000
Other Service Charges	<u>367,135</u>	<u>13,036</u>	<u>2,300</u>
TOTAL SERVICE CHARGES	\$3,518,935	\$2,807,274	\$2,864,300
 <u>FINES, FORFEITURES, AND PENALTIES</u>			
City Court Fines	\$11,919	\$13,240	\$13,300
City Fines-Speeding	221,524	150,000	153,000
City Fines-Other Driving Offenses	357,797	350,000	357,000
City Fines-Non Driving Offenses	25,684	20,227	20,600
Criminal Court Fines	155,746	110,000	110,000
Parking Ticket Fines	460,541	450,000	459,000
Delinquent Parking Tickets	60,260	50,000	50,500
Delinquent Tickets – Court Cost	54,504	51,000	51,000
Air Pollution Penalties	74,056	1,180	1,200
Miscellaneous	4,556	-	-
TOTAL FINES, FORFEITURES AND PENALTIES	\$1,426,587	\$1,195,647	\$1,215,600
 <u>REVENUES FROM USE OF MONEY OR PROPERTY</u>			
Interest on Investments	\$554,057	\$428,262	\$428,300
Sale of City Owned Property	9,855	9,900	9,900
Sale of Back Tax Lots	15,710	17,000	17,000
Sale of Equipment	-	-	-
Sale of Scrap	4,765	7,749	7,700
TOTAL FROM USE OF MONEY OR PROPERTY	\$584,387	\$462,911	\$462,900
 <u>MISCELLANEOUS REVENUE</u>			
Loss & Damage	\$113,432	\$69,184	\$69,200
Indirect Cost	2,789,981	2,815,900	2,815,900
Payroll Deduction Charges	3,363	3,400	3,400

	<u>FY10</u> Actual	<u>FY11</u> Projected	<u>FY12</u> Proposed
Plans and Specification Deposits	7,564	9,700	9,700
Condemnation	14,624	17,378	15,000
Purchase Card Rebate	11,029	12,096	12,100
Take Home Vehicle Fee	-	25,084	76,000
Miscellaneous Revenue	<u>138,226</u>	<u>149,412</u>	<u>40,000</u>
TOTAL MISCELLANEOUS REVENUE	\$3,078,219	\$3,102,154	3,041,300
 <u>TRANSFERS IN</u>			
Transfers In-EPB Electric	\$3,379,812	\$3,877,247	\$5,220,000
Transfers In-EPB Telecom	377,070	369,177	416,000
Transfers In-EPB Internet	3,011	120,972	197,000
Transfers In-EPB Fiber Optic	110,508	306,293	306,300
Transfers In-Any Other	414,800	-	-
TOTAL TRANSFERS IN	<u>\$4,285,201</u>	<u>\$4,673,689</u>	<u>\$6,139,300</u>
 TOTAL GENERAL FUND REVENUE	 \$168,778,171	 \$186,022,849	 \$201,255,000

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 2011 at a rate of \$2.309 upon every \$100.00 in assessed value of such taxable property; and to the extent applicable there is also levied a tax at the same rate upon every \$100.00 of Merchant and other Ad Valorem within the corporate limits of the City of Chattanooga, Tennessee.

SECTION 2. That the assessment made by the Assessor of Property of Hamilton County, Tennessee, and by the Tennessee Regulatory Agency for 2011 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, 2011, and shall become delinquent MARCH 1, 2012, after which date unpaid taxes shall bear interest at twelve percent (12%) per annum, and a penalty of six percent (6%) per annum, plus other penalties as provided by law, which shall be paid by the taxpayer; provided, that except for taxpayers receiving tax relief under T.C.A. Sections 67-5-702 through 67-5-705.

SECTION 4. That the provisions of the Business Tax Act, Tennessee Code Annotated section 67-4-701, et seq., relative to the authorization of local taxes upon the privilege of engaging in certain types of business activities be and are hereby adopted by reference, and there is hereby levied a Business Tax on all businesses taxable by municipalities under Chapter 387, Public Acts of 1971, as amended, at the maximum rates specified therein. The Tennessee Department of Revenue shall collect the Business Tax on behalf of the City as authorized in T.C.A. § 67-4-703(a). The City Treasurer is authorized and directed to collect such fees and taxes as are authorized by said Act to be collected by the City of Chattanooga, a municipality, together with such interest and penalties as may become due thereon, at the maximum rate provided by law. The City Treasurer is hereby authorized and directed, in accordance with the Business Tax Act, to register new businesses located within the City and collect a fee of Fifteen Dollars (\$15.00) for issuance of an initial business license upon the City Treasurer's receipt of the application, together with any other information reasonably required, and to issue such license at the time of registration. The City Treasurer is designated as the City official responsible for the registration of businesses located within the City of Chattanooga.

SECTION 5. That the budgets of the various departments, agencies, boards, commissions, offices, divisions, or branches of Municipal Government for the fiscal year beginning July 1, 2011, 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			
	FY10 Actual	FY11 Projected	FY12 Proposed
General Government & Supported Agencies	\$ 44,731,088	\$ 39,448,251	\$47,649,590
Executive Department	1,442,926	1,010,925	1,367,574
Department of Finance & Administration	3,647,809	4,080,300	4,745,979
Department of General Services	2,682,072	2,305,894	2,642,487
Department of Personnel	6,896,201	1,703,330	1,909,637
Department of Neighborhood Services	1,877,782	2,067,218	2,147,967
Department of Police	41,125,562	50,737,774	54,342,130
Department of Fire	27,983,309	32,545,661	37,064,691
Department of Public Works	27,476,923	31,628,291	32,403,031
Department of Parks & Recreation	11,714,239	13,515,751	14,537,167
Department of Education, Arts, & Culture	2,198,944	2,362,048	2,444,747
TOTAL	\$ 171,776,855	\$ 181,405,443	\$ 201,255,000
DEPARTMENT OF EXECUTIVE BRANCH			
Mayor's Office	865,286	861,954	968,661
Multicultural Affairs	308,071	106,653	398,913
Office Of Faith Based Initiatives	269,569	42,318	-
TOTAL	\$1,442,926	\$1,010,925	1,367,574
DEPARTMENT OF FINANCE & ADMINISTRATION			
Finance Office	\$2,034,358	\$2,259,938	\$2,651,040

	FY10 Actual	FY11 Projected	FY12 Proposed
City Treasurer	707,961	678,136	865,133
Delinquent Tax	-	-	65,000
City Court Clerk – Operations	905,490	1,142,226	1,164,806
TOTAL	\$3,647,809	\$4,080,300	\$4,745,979
DEPARTMENT OF GENERAL SERVICES			
General Services Admin	\$325,511	\$360,964	\$582,416
Purchasing	756,267	777,582	836,224
Building Maintenance	1,010,552	1,104,114	1,166,207
Chatt Mobile Communication Services	534,179	-	-
Real Estate Office	22,532	21,052	15,575
Property Maintenance	15,193	30,674	26,000
Farmers Market	17,838	11,508	16,065
TOTAL	\$2,682,072	\$2,305,894	\$2,642,487
DEPARTMENT OF PERSONNEL			
Personnel Admin	\$918,719	\$1,252,679	1,455,136
Employees Insurance Office	253,791	317,501	315,851
Employees Insurance Program	5,642,020	45,150	45,650
OJI Admin	75,041	75,000	75,000
Physical Exam - Police	6,630	13,000	18,000
TOTAL	\$6,896,201	\$1,703,330	1,909,637
DEPARTMENT OF NEIGHBORHOOD SERVICES & COMMUNITY DEVELOPMENT			
Neighborhood Serv - Admin	\$494,391	\$534,835	\$628,391
Neighborhood Serv - Grants Admin	47,408	49,390	77,226
Neighborhood Serv - Partners Projects	55,000	55,000	55,000
Codes, Community Svcs & Neighborhood Relations	1,280,983	1,427,993	1,387,350
TOTAL	\$1,877,782	\$2,067,218	\$2,147,967
DEPARTMENT OF POLICE			
Chief of Police	\$1,698,858	\$3,102,241	\$3,247,125
Internal Affairs	443,054	441,686	468,545
Uniform Services Command Office	351,195	379,574	367,438
Community Services	225,166	253,300	132,949
Special Operations Division	2,023,221	2,680,957	2,920,888
Police Patrol Alpha	2,455,460	3,127,948	3,334,840
Police Patrol Bravo	1,987,420	2,525,641	2,751,007
Police Patrol Charlie	1,860,521	2,481,946	2,566,083
Park Security	232,450	253,247	270,234
Parking	485,817	562,213	525,333
Bike Patrol	499,190	592,654	616,770
Police Patrol Echo	2,169,136	2,752,735	3,067,974
Police Patrol Fox	2,258,883	2,781,795	2,884,483
Police Patrol Delta	2,106,920	2,606,304	2,192,199
Police Patrol George	2,402,437	2,658,804	3,526,582

	FY10 Actual	FY11 Projected	FY12 Proposed
Investigative Services	608,901	731,754	699,968
Property Crimes	1,610,203	1,726,083	1,951,418
Major Crimes	2,218,164	2,407,575	2,742,431
Special Investigations	2,159,652	2,580,444	3,008,338
Admin & Support Service Command	222,236	258,116	278,756
Administrative Support & Technical Services	1,656,669	2,071,280	2,481,047
Training Recruiting	1,663,845	2,462,241	2,372,462
Budget & Finance	396,161	462,322	416,307
Facilities, Securities	3,472,048	4,987,124	4,920,248
Records Management & Services	974,587	1,121,046	1,188,916
Polygraph	84,076	89,930	107,812
Police Communications Center	3,384,718	3,120,000	3,737,604
Animal Services	1,474,574	1,518,814	1,564,373
TOTAL	\$41,125,562	\$50,737,774	\$54,342,130
DEPARTMENT OF FIRE			
Fire Admin Staff	\$261,585	\$275,166	\$1,686,028
Fire Inventory Purchases	158,105	339,842	294,285
Fire Operations	2,551,263	2,612,612	3,077,823
Fire Station # 1	3,271,484	3,898,405	4,185,717
Fire Station # 3	-	-	7,425
Fire Station # 4	890,530	992,785	1,132,752
Fire Station # 5	2,050,190	2,309,121	2,353,140
Fire Station # 6	906,476	1,026,261	1,111,654
Fire Station # 7	88	966,013	2,020,376
Fire Station # 8	949,549	1,125,892	1,126,279
Fire Station # 9	880,483	1,037,268	1,123,022
Fire Station # 10	872,131	965,227	1,142,437
Fire Station # 12	904,753	1,039,113	1,129,082
Fire Station # 13	1,787,367	2,014,291	2,030,623
Fire Station # 14	1,827,599	2,015,199	2,060,633
Fire Station # 15	785,809	932,693	1,098,422
Fire Station # 16	906,709	987,981	1,129,869
Fire Station # 17	894,182	1,004,025	1,087,494
Fire Station # 19	1,774,988	1,975,718	2,095,414
Fire Station # 20	966,514	1,138,374	1,172,633
Fire Station # 21	929,974	1,078,966	1,162,536
Fire Station # 22	891,518	1,022,725	1,184,099
Hamilton County Rescue	10,323	10,900	10,800
Fire Deputy Chief Admin	154,460	156,830	164,031
Fire Safety	70,633	93,278	104,239
Fire Research and Planning	37,665	530	74,101
Fire Tactical Services	174,391	194,346	209,769
Fire Training Division	1,267,645	1,420,773	881,398
Fire Resource Division	643,084	662,798	733,434

	FY10 Actual	FY11 Projected	FY12 Proposed
Fire Marshall Staff	117,432	135,167	167,714
Fire Prevention	380,766	505,157	490,119
Fire Public Education	82,653	93,137	168,191
Fire Investigation	301,791	207,229	328,491
Fire Water Supply	63,817	81,577	86,369
Fire Information Technology	143,259	140,960	144,129
Fire Records Division	74,093	85,303	90,163
TOTAL	\$27,983,309	\$32,545,661	\$37,064,691
DEPARTMENT OF PUBLIC WORKS			
Public Works Admin	\$900,871	\$984,341	1,283,293
City Engineer	2,119,953	2,187,607	4,228,268
Public Works Utilities	165,387	189,845	170,013
Solid Waste Disposal	5,740,775	5,907,775	5,773,587
CWS Admin	996,428	3,506,347	1,001,831
CWS Emergency	800,582	802,526	930,558
CWS Street Cleaning	2,255,552	2,398,465	2,395,620
Brush Pick-up	1,816,298	1,195,866	1,350,643
Garbage Pick-up	3,315,155	3,696,443	4,023,680
Trash Flash Pick-up	432,614	541,646	490,504
Recycle Pick-up	408,182	494,606	553,014
Refuse Inspection	-	247,061	311,650
Solid Waste Refuse Collection Centers	-	253,053	218,382
Sway Cars	-	-	70,253
Recycle Express	-	-	56,800
Municipal Forestry	558,451	697,693	705,740
Land Development Office	2,417,834	2,715,692	2,792,835
Board of Plumbing Examiners	4,024	3,750	3,650
Board of Electrical Examiners	27,162	20,786	21,850
Board of Mechanical Examiners	1,348	1,818	3,559
Board of Gas Fitters	1,846	2,070	2,980
Board of Appeals & Variances	9,119	15,180	7,300
Traffic Engineering Admin	752,622	803,248	894,103
Street Lighting	2,942,943	2,940,383	2,924,000
Traffic Operations	1,755,719	1,925,790	2,092,618
Brainerd Levee 1, 2, 3	19,213	46,600	46,600
Orchard Knob Storm Station	32,696	38,250	38,250
Minor Storm Station	2,149	11,450	11,450
TOTAL	\$27,476,923	\$31,628,291	32,403,031
DEPARTMENT OF PARKS & RECREATION			
Parks & Rec Admin	\$481,341	\$501,064	\$853,040
Parks & Rec Public Information	87,764	91,363	104,589
Trust For Public Land	100,000	100,000	100,000
Greater Chatt Sports Committee	75,000	75,000	-
Recreation Admin	997,817	1,229,520	1,095,143
Recreation Support Services	-	469,220	574,794

	FY10 Actual	FY11 Projected	FY12 Proposed
Rec Prog - Urban & Community	-	182,479	203,205
Rec Prog - Kidz Kamp	154,434	222,824	195,168
Rec Prog - Sports	165,375	212,024	191,384
Aquatics Programs	189,188	186,000	181,175
Therapeutic Programs	111,395	121,155	129,874
Fitness Center	211,447	217,320	232,864
Rec Facility - Skatepark	63,903	68,913	88,702
Rec Facility - Champion's Club	268,391	273,172	293,597
Rec Facility - Heritage House	1,886	503	600
Rec Facility - Summit of Softball	166,379	498,215	512,971
Rec Ctr - Avondale	137,454	149,914	148,848
Rec Ctr - Brainerd	310,660	255,620	312,248
Rec Ctr - Carver	168,914	181,174	204,611
Rec Ctr - East Chattanooga	185,109	194,205	215,735
Rec Ctr - East Lake	127,945	139,356	156,054
Rec Ctr - Eastdale	191,887	207,461	212,287
Rec Ctr - First Centenary	47,921	50,618	53,107
Rec Ctr - Frances B. Wyatt	62,316	112,881	72,223
Rec Ctr - Glenwood	192,829	207,516	264,700
Rec Ctr - John A. Patten	134,807	146,905	159,149
Rec Ctr - North Chattanooga	99,759	148,410	159,590
Rec Ctr - Shepherd	181,195	193,017	194,318
Rec Ctr - South Chattanooga	231,823	169,848	230,122
Rec Ctr - Tyner	130,605	113,001	186,597
Rec Ctr - Washington Hills	80,778	105,073	191,400
Rec Ctr - Westside Community Ctr	39,376	26,062	57,594
Rec Ctr -Hixson	-	-	179,895
Outdoor Chattanooga	345,848	378,045	387,234
Parks Admin	775,168	828,277	905,590
Parks Maint - Parks & Athletic Fields	843,071	527,872	429,492
Parks Maint - Buildings & Structures	916,078	930,396	973,256
Parks Maint - Landscape	498,891	968,897	1,003,920
Parks Maint - City-Wide Security	123,970	133,757	142,559
Parks Maint - Athletic Facilities	411,683	-	-
Shared Maint - TN Riverpark Downtown	1,190,248	1,630,309	1,625,929
Shared Maint - Carousel Operations	107,393	66,949	76,963
Shared Maint - TN Riverpark Security	188,747	188,815	218,697
Shared Maint - Coolidge Park	73,050	54,393	56,251
Shared Maint - Outdoor Pavilion	259	-	-
Shared Maint - Renaissance Park	21,859	7,647	10,357
Shared Maint - Ross' Landing	149,855	135,331	142,714
Shared Maint - Walker Pavilion	1,690	471	500
Shared Maint - Walnut Street Bridge	35,012	20,609	14,564
Shared Maint - Waterfront Management	40,000	40,000	40,000
Shared Maint - Public Art	-	42,100	95,000
Chattanooga Zoo at Warner Park	593,719	712,050	658,557
TOTAL	\$11,714,239	\$13,515,751	\$14,537,167

	FY10 Actual	FY11 Projected	FY12 Proposed
DEPARTMENT OF EDUCATION, ARTS, & CULTURE			
EAC Administration	\$341,990	\$358,657	\$401,415
Memorial Auditorium	391,544	476,447	463,204
Tivoli Theatre	293,672	334,238	333,139
Civic Facilities Concessions	63,868	47,494	47,094
Civic Facilities Administration	808,438	833,396	878,203
Arts & Culture North River	86,335	97,763	98,382
Arts & Culture Eastgate Center	126,325	127,111	133,079
Arts & Culture Heritage House	57,341	67,975	71,007
Cultural Arts Programs	29,431	18,968	19,224
TOTAL	\$2,198,944	\$2,362,048	\$2,444,747

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

	FY10 Actual	FY11 Projected	FY12 Proposed
City Council	\$ 690,361	\$ 727,476	\$ 784,351
City Judges Division 1	360,515	400,393	403,374
City Judges Division 2	355,502	368,132	396,888
City Attorney Operations	1,108,136	1,283,375	1,387,359
Internal Audit	458,219	480,762	543,732
Information Services	2,833,498	3,645,767	3,804,837
Telephone Systems	155,382	67,372	56,975
Telecommunication Operations	173,725	64,834	-
311 Call Center	488,179	549,488	606,980
CARCOG & Economic Dev District A.O.	31,111	36,038	
Allied Arts Council. A.O.	231,250	161,200	
Carter Street Corporation A.O.	185,000	161,257	
Chattanooga Neighborhood Enterprises A.O.	900,000	1,000,000	
WTCI-TV-Channel 45 A.O.	45,000	50,650	
Tennessee RiverPark A.O.	1,154,397	1,191,180	
Homeless Health Care Center A.O.	15,750	13,300	
Children’s Advocacy Center A.O.	22,500	19,000	
Community Foundation Scholarships.A.O.	120,000	101,300	
Chattanooga Area Urban League A.O.	50,000	42,200	
Downtown Partnership A.O.	40,000	-	

	FY10 Actual	FY11 Projected	FY12 Proposed
Chatt African Amer Museum/Bessie Smith.A.O.	64,000	54,000	
Chattanooga History Center.A.O.	18,000	15,200	
Community Impact Fund.A.O.	208,511	175,600	
Railroad Authority.A.O.	-	12,281	
Enterprise Center.A.O.	137,500	160,500	
Enterprise South Nature Park.A.O.	233,810	564,697	
Go Fest.A.S.F.	15,000	8,440	
Front Porch Alliance.A.O.	27,000	22,800	
Choose ChattanoogaA.O.	20,000	16,900	
Finley Stadium.A.O.	60,000	60,000	
Friends of Moccasin Bend Nat'l Park.A.O.	30,000	25,300	
ESIP Security.A.O.	55,496	-	
Chattanooga Area Food Bank.A.O.	15,000	12,700	
Senior Neighbors/Alexian BrothersA.O.	22,094	17,700	
RiverCity	-	67,500	
CARTA SubsidyA.O.	3,851,000	4,231,000	
Public LibraryA.S.F.	2,659,000	2,777,468	
Debt Service FundA.S.F.	10,906,307	15,494,469	14,400,000
Capital Improvements	9,461,261	1,000,000	-
Human ServicesA.S.F.	1,233,477	733,477	
Air Pollution Control BureauA.S.F.	270,820	270,820	
Regional Planning AgencyA.S.F.	1,188,584	1,378,500	
Scenic Cities BeautifulA.S.F.	5,000	4,220	
Heritage Hall Fund.A.S.F.	62,653	62,653	
Election Expense	-	19,735	-
Unemployment Insurance	95,744	101,480	133,000
Contingency Fund Appropriation	1,072	-	1,799,788
R&R	466,311	1,226,177	1,500,000
Audits, Dues & Surveys	128,947	252,910	306,000
Intergovernmental Relations	310,850	-	357,000
City Water Quality Mgmt FeesA.S.F.	274,627	298,000	356,300
Liability Insurance PremiumsA.S.F.	3,478,237	-	1,000,000
Tuition Assistance Program	12,262	20,000	20,000
Homeless CoalitionA.O.			
Total Agency Appropriation			19,425,506
Sales Tax Collection Fee	-	-	367,500
Orange Grove			
Signal Center			
Bethlehem Center			
Total	\$44,731,088	\$39,448,251	\$47,649,590
Beginning Unrestricted Fund Balance	31,520,660	28,415,466	30,839,617
Estimated increase(decrease)		2,424,151	-
Ending Unrestricted Fund Balance	28,415,466	30,839,617	30,839,617

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

Year 2011-2012:

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
1105 <u>MUNICIPAL GOLF COURSE FUND</u>			
ESTIMATED REVENUE			
Pro Shop	\$134,410	\$148,129	\$142,488
Green Fees	703,282	764,814	775,791
Memberships	139,652	150,885	161,092
Cart Rentals	504,796	538,907	530,948
Food	65,772	74,667	69,144
Beverage	112,826	139,958	118,537
Total	\$1,660,738	\$1,817,360	\$1,798,000
APPROPRIATIONS			
Brainerd	\$841,321	\$882,882	\$855,410
Brown Acres	302,193	971,314	942,590
Total	\$1,143,514	\$1,854,196	\$1,798,000
Beginning Assigned Fund Balance	\$ 151,172	\$81,151	\$44,315
Estimated increase(decrease)		(36,836)	-
Ending Assigned Fund Balance	\$ 81,151	\$44,315	\$44,315
1111 <u>ECONOMIC DEVELOPMENT/EDUCATION FUND</u>			
ESTIMATED REVENUE			
City – Only Sales Tax	\$10,182,243	\$10,820,889	\$10,983,200
TDZ – State Sales Tax	1,809,793	-	-
TDZ – County Sales Tax	549,755	-	-
Total	\$12,541,791	\$10,820,889	\$10,983,200
APPROPRIATIONS			
Economic Development Capital Projects	\$2,999,500	\$2,157,131	\$760,649
Appropriation to Capital from Fund Balance	-	-	-
Tenn.Multicultural Chamber of Commerce	75,000	75,000	-
Chattanooga Chamber of Commerce	450,000	450,000	450,000
Chamber of Commerce Marketing-Enter. South	75,000	75,000	75,000
Commission to Hamilton County	-	-	109,832
Lease Payments	6,760,434	8,935,244	10,187,719
Less: Chattanooga Lease Payment offset	(746,743)	(418,900)	(600,000)
Tourist Development Zone	2,359,549	-	-
Total	\$11,972,740	\$11,273,475	\$10,983,200

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
Beginning Restricted Fund Balance	3,247,074	3,862,236	3,409,650
Estimated increase(decrease)		(452,586)	-
Ending Restricted Fund Balance	3,862,236	3,409,650	3,409,650

2030 HUMAN SERVICES DEPARTMENT

ESTIMATED REVENUE

Federal – State Grants	\$15,348,742	\$14,044,472	\$14,100,000
City of Chattanooga	1,233,477	733,477	733,477
Interest Income	20,534	20,000	20,000
Donations & Other	118,399	113,704	114,000
Day Care Fees	39,204	44,648	45,000
Fund Balance	1,256,130	1,521,923	1,593,523
Total	\$18,016,486	\$16,478,224	\$16,606,000

APPROPRIATIONS

Administration	\$2,088,676	\$894,139	\$895,000
Headstart	7,932,990	7,841,179	7,900,000
Day Care	959,002	720,957	721,000
Weatherization	37,205	-	-
Foster Grandparents	573,263	508,643	510,000
LIEAP	2,314,476	4,550,351	4,550,000
CSBG	639,651	592,734	600,000
Human Services Program	247,652	70,000	70,000
City General Relief	122,463	59,909	60,000
ARRA	3,099,061	1,131,060	1,200,000
Other	2,047	109,252	100,000
Total	\$18,016,486	\$16,478,224	\$16,606,000

Beginning Restricted Fund Balance	2,410,450	2,387,797	2,387,797
Estimated increase(decrease)		-	-
Ending Restricted Fund Balance	2,387,797	2,387,797	2,387,797

2050 STATE STREET AID

ESTIMATED REVENUE

State of Tennessee	\$4,135,611	\$4,180,024	\$4,280,000
Fund Balance	-	-	-
State Maintenance of Streets	17,852	35,000	35,000
Investment Income	5,678	-	-
Total	\$4,159,141	\$4,215,024	4,315,000

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
APPROPRIATIONS			
Operations	\$3,940,663	\$4,065,225	4,315,000
Total	\$3,940,663	\$4,065,225	4,315,000
Beginning Restricted Fund Balance	1,008,195	1,226,673	1,376,472
Estimated increase(decrease)		149,799	-
Ending Restricted Fund Balance	1,226,673	1,376,472	1,376,472
2060 COMMUNITY DEVELOPMENT FUND			
ESTIMATED REVENUE			
Federal and State	\$3,988,357	\$5,500,000	\$2,937,955
Miscellaneous/Other	750,322	600,000	650,017
Total	\$4,738,679	\$6,100,000	\$3,587,972
APPROPRIATIONS			
Administration	\$451,000	\$394,000	\$497,954
Chattanooga Neighborhood Enterprise	1,400,000	1,000,000	908,426
Other Community Development Projects	1,979,616	4,306,000	1,238,276
Transfers	908,063	400,000	943,316
Total	\$4,738,679	\$6,100,000	\$3,587,972
Beginning Restricted Fund Balance	3,429,473	1,152,797	1,152,797
Estimated increase(decrease)		-	-
Ending Restricted Fund Balance	1,152,797	1,152,797	1,152,797
2070 HOTEL/MOTEL TAX FUND			
ESTIMATED REVENUE			
Occupancy Tax	\$4,058,621	\$4,503,429	\$4,548,500
SRC Parking Garage Revenue	296,876	266,200	250,000
Interest Revenue	16,612	-	-
Fund Balance	-	-	-
Total	\$4,372,109	\$4,769,629	\$4,798,500
APPROPRIATIONS			
21 st Century Waterfront Capital Fund	\$-	\$300,708	\$333,024
Other Waterfront Capital Fund	-	-	-
Appropriation from Fund Balance	-	-	-
River Pier Garage Operations	161,048	160,000	250,000
Hotel/Motel Collection Fee	80,418	90,069	90,970
Debt Service	2,685,160	3,320,547	4,094,506
Hamilton County	30,000	30,000	30,000
Total	\$2,956,626	\$3,901,324	\$4,798,500

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
Beginning Restricted Fund Balance	(354,464)	925,191	1,793,496
Estimated increase(decrease)		868,305	-
Ending Restricted Fund Balance	925,191	1,793,496	1,793,496
2110 TN VALLEY REGIONAL COMMUNICATIONS			
ESTIMATED REVENUE			
Partner Revenue	\$-	\$150,000	\$150,000
Maintenance Fees	-	593,057	767,320
Site & Programming Fees	-	24,543	71,280
Grant Revenue		89,354	
Total	\$-	\$856,954	\$988,600
APPROPRIATIONS			
Operations	-	856,954	988,600
Total	\$-	\$856,954	\$988,600
Beginning Restricted Fund Balance	-	-	-
Estimated increase(decrease)		-	-
Ending Restricted Fund Balance	-	-	-
3100 DEBT SERVICE FUND			
ESTIMATED REVENUE			
General Fund	\$10,906,307	\$15,494,470	\$14,400,000
911 Emergency Communications	200,000	200,000	-
Homeland Security Grant (911)	608,759	-	-
Hamilton County	477,852	474,423	476,834
CDBG (Fannie Mae Loan)	497,232	469,740	457,540
Safety Capital (Fire Loan)	1,910	5,639	5,639
Hotel/Motel Tax	2,685,160	3,320,547	4,094,506
Other Sources	342,145	433,905	183,881
Use of Fund Balance	4,054,639	-	-
Total	\$19,774,004	\$20,398,724	\$19,618,400
APPROPRIATIONS			
Principal	\$12,532,082	\$12,893,117	\$12,762,130
Interest	7,147,952	7,091,030	6,756,270
Bank Service Charges	93,970	112,400	100,000
Total	\$19,774,004	\$20,096,547	\$19,618,400
Beginning Committed Fund Balance	8,925,003	4,870,365	5,172,542
Estimated increase(decrease)		302,177	-
Ending Committed Fund Balance	4,870,365	5,172,542	5,172,542

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
6010 INTERCEPTOR SEWER SYSTEM			
ESTIMATED REVENUE			
Sewer Service Charges	\$36,667,327	\$36,846,210	\$37,453,990
Industrial Surcharges	2,789,097	3,100,000	2,500,000
Septic Tank Charges	419,693	270,000	200,000
Wheelage and Treatment:			
Lookout Mountain, TN	210,131	214,303	226,233
Dade County, GA	13,233	12,793	11,723
Walker County, GA	401,848	412,683	412,470
Collegedale, TN	310,421	306,225	341,307
Soddy-Daisy, TN	187,079	192,194	204,218
East Ridge, TN	1,379,078	1,462,403	1,644,098
Windstone	85,449	31,674	32,797
Hamilton County, TN	695,824	715,198	796,738
Northwest Georgia	680,331	728,097	804,913
Lookout Mountain, GA	63,518	61,480	65,035
Rossville, GA	470,765	471,917	447,541
Ringgold, GA	344,173	349,255	407,217
Red Bank, TN	521,488	595,584	668,695
Debt Service Northwet Georgia	447,353	447,353	447,353
Industrial User Permits	40,500	41,000	41,000
Industrial User Fines	-	-	-
Miscellaneous	15,613	12,000	-
Garbage Grinder Fees	45,290	38,000	57,672
Operating Revenue:	\$45,788,211	\$46,308,369	\$46,763,000
Fund Balance			
Interest Earnings	\$366,601	\$300,000	\$270,000
Total Revenues	\$46,154,812	\$46,608,369	\$47,033,000
APPROPRIATIONS			
Operations & Maintenance:			
Administration	\$2,683,671	3,007,083	2,651,679
Laboratory	646,375	623,370	624,934
Engineering	363,371	482,381	539,296
Plant Maintenance	1,426,557	1,550,227	1,783,679
Sewer Maintenance	2,169,992	3,339,744	3,677,813
Moccasin Bend - Liquid Handling	10,674,429	10,193,787	10,553,161
Inflow & Infiltration	1,513,590	1,236,368	1,261,124
Safety & Training	114,870	136,361	145,862
Pretreatment/Monitoring	430,571	511,090	602,484
Moccasin Bend - Solid Handling	3,638,084	3,367,010	3,572,322
Moccasin Bend - Landfill Handling	1,422,181	1,600,000	1,600,000
Combined Sewer Overflow	320,887	240,201	388,902
Total Operations & Maintenance	\$25,404,578	\$26,287,622	\$27,401,256

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
Pumping Stations:			
Mountain Creek Pump Station	6,585	25,929	53,400
Citico Pump Station	308,674	296,607	360,300
Friar Branch Pump Station	219,162	1,445,996	193,700
Hixson 1, 2, 3, & 4 Pump Stations	108,936	176,861	198,196
19th Street Pump Station	66,754	63,060	114,400
Orchard Knob Pump Station	39,535	49,460	53,045
South Chickamauga Pump Station	346,409	282,540	413,025
Tiftonia 1 & 2 Pump Stations	97,948	200,624	159,575
23rd Street Pump Station	139,792	113,021	141,250
Latta Street Pumping Stations	26,753	7,030	14,100
Residential Pump Stations	4,578	3,000	38,500
Murray Hills Pump Station	16,789	20,305	24,610
Highland Park Pump Station	25,272	4,975	10,300
Big Ridge 1-5 Pump Stations	45,515	57,305	113,400
Dupont Parkway Pump Station	47,449	30,583	26,110
VAAP Pump Station	4,027	2,370	6,490
Northwest Georgia Pump Station	41,831	38,844	113,650
Brainerd Pump Station	17,369	11,500	51,525
East Brainerd Pump Station	53,364	36,554	53,120
North Chattanooga Pump Station	24,867	14,280	23,325
South Chattanooga Pump Station	11,657	2,355	8,270
Ooltewah-Collegedale Pump Station	77,437	82,535	93,400
Odor Control Pump Stations	718,256	755,000	800,000
Enterprise South Pump Station	1,861	16,018	24,395
River Park Pump Station	861	478	4,350
Ringgold Pump Station	78,900	40,353	57,850
Regional Metering Stations	1,100	-	-
Warner Park #1	7,247	-	-
West Chickamauga	868	-	-
Total Pumping Stations	<u>\$2,539,796</u>	<u>\$3,777,583</u>	<u>\$3,150,286</u>
Total Operations & Maintenance	\$27,944,374	\$30,065,205	\$30,551,542
Capital Improvement	\$1,242,285	\$1,149,782	\$2,737,985
Debt Service Reserve	\$1,059,825	\$1,575,012	\$1,687,795
Construction Trust Fund (P540)	\$10,804,000	\$-	\$-
Debt Service			
Principal	\$9,492,618	\$9,137,500	\$8,941,261
Interest	<u>\$3,755,185</u>	<u>\$3,987,597</u>	<u>\$3,114,417</u>
	<u>\$13,247,803</u>	<u>\$13,125,097</u>	<u>\$12,055,678</u>
Total	<u>\$54,298,287</u>	<u>\$45,915,096</u>	<u>\$47,033,000</u>
Beginning Unrestricted Net Assets	250,456,360	254,321,427	255,014,700
Estimated increase(decrease) in Unrestricted Net Assets		693,273	-
Ending Unrestricted Net Assets	254,321,427	255,014,700	255,014,700

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
6020 SOLID WASTE & SANITATION FUND			
ESTIMATED REVENUE			
Landfill Tipping Fees	\$474,940	\$415,024	\$457,553
Permits	2,160	2,200	2,200
State of Tennessee Household Hazardous Waste Grant	81,171	85,000	85,000
State of Tennessee Recycle Rebate		60,000	60,000
City Tipping Fees	5,740,775	5,907,775	5,773,587
Investment Income	144,774	320,930	299,760
Sale of Mulch	243,729	280,000	180,000
Miscellaneous	22,317	27,650	30,000
Total	\$6,709,866	\$7,098,579	\$6,888,100
APPROPRIATIONS			
Recycle	\$776,790	\$890,903	\$923,224
Waste Disposal – Summit Monitoring	218,069	372,705	399,760
Waste Disposal – City Landfill	1,289,520	1,392,108	1,676,269
Wood Recycle	569,982	544,239	685,542
Montague Park Monitoring	3,971	9,313	9,750
Solid Waste Reserve	-		
Debt Service			
Principal	2,655,635	2,782,577	1,538,719
Interest	1,090,780	961,627	854,836
Capital Improvement	25,983	1,127,000	700,000
Household Hazardous Waste	60,616	100,493	100,000
Total	\$6,691,346	\$8,180,965	\$6,888,100
Beginning Unrestricted Net Assets	(8,620,188)	(6,772,038)	(7,854,424)
Estimated increase(decrease) in Unrestricted Net Assets		(1,082,386)	-
Ending Unrestricted Net Assets	(6,772,038)	(7,854,424)	(7,854,424)
6030 WATER QUALITY FUND			
ESTIMATED REVENUE			
Water Quality Fee	\$13,735,442	\$12,603,070	\$14,222,600
Land Disturbing Fee	26,393	20,753	20,800
Other	79,302	58,447	55,400
General Fund Subsidy	683,952		
Fund Balance			
Total	\$14,525,089	\$12,682,270	\$14,298,800
APPROPRIATIONS			
Water Quality Administration	\$2,690,552	\$1,954,119	\$2,240,247
Water Quality Operations	3,828,793	4,798,528	5,899,024
Water Quality Site Development	-	318,164	1,164,187
Water Quality Engineering	-	467,155	798,131

	FY 10 Actual	FY 11 Projected	FY 12 Proposed
Water Quality Public Education	-	56,047	89,034
Renewal & Replacement	58,523	779,690	200,689
Debt Service			
Principal	1,730,510	1,824,500	977,258
Interest	568,952	477,203	584,789
Debt Service Reserve	-	895,441	895,441
Appropriation to Capital Project Fund	-	11,500,000	1,450,000
Total	\$8,877,330	\$23,070,847	\$14,298,800
Beginning Unrestricted Net Assets	32,240,558	37,680,313	27,291,736
Estimated increase(decrease) in Unrestricted Net Assets		(10,388,577)	-
Ending Unrestricted Net Assets	37,680,313	27,291,736	27,291,736
9091 AUTOMATED TRAFFIC ENFORCEMENT			
ESTIMATED REVENUE			
Automated Traffic & Speeding Fines	\$1,830,713	\$1,713,576	\$1,524,000
Use of Fund Balance	-	-	-
Total	\$1,830,713	\$1,713,576	\$1,524,000
APPROPRIATIONS			
Traffic Enforcement Operations	\$1,873,892	\$1,596,999	\$1,524,000
Transfer to General Fund	-	-	-
Total	\$1,873,892	\$1,596,999	\$1,524,000
Beginning Fund Balance	435,718	1,129,965	1,246,542
Estimated increase(decrease) in Fund Balance		116,577	-
Ending Fund Balance	1,129,965	1,246,542	1,246,542
9250 NARCOTICS FUND			
ESTIMATED REVENUE			
Federal	\$-	\$20,000	\$50,000
State	-	5,000	12,000
Confiscated Narcotics Funds	693,823	649,082	200,000
Other	139,727	52,000	50,000
Total	\$833,550	\$726,082	\$312,000
APPROPRIATIONS			
Operations	\$415,746	\$650,000	\$312,000
Total	\$415,746	\$650,000	\$312,000
Beginning Fund Balance	922,131	1,381,968	1,458,050
Estimated increase(decrease) in Fund Balance		76,082	-
Ending Fund Balance	1,381,968	1,458,050	1,458,050

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

SECTION 6(c). That the Chattanooga City Council adopted Resolution 25862 on March 24, 2009, authorizing the City to enter into an Airport Operations Service Contract (“Contract”) with the Chattanooga Metropolitan Airport Authority (“Airport Authority”). In accordance with Section 5.1 of the Contract, the City hereby appropriates the sum of \$644,889.00 from the Debt Service Fund (which represents the total debt service requirements for the Airport Authority’s fiscal year 2011), to be used only in the event that the Airport Authority is unable to meet its debt service requirement for fiscal year 2012.

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

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

The Mayor is authorized to increase pay for personnel to address any anomalies and Career Ladder Program and increase pay for civilian personnel effective July 1, 2011.

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

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

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

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

POSITIONS ARE LISTED IN THE PERSONNEL ADMINISTRATION SECTION

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

SECTION 7(c). This ordinance further provides longevity bonus pay for permanent, full time classified service employees who have five (5) or more years of continuous service as of October 31, 2011. The longevity pay shall be fifty dollars (\$50.00) for each full year of continuous service up to a maximum of thirty (30) years or one thousand five hundred dollars (\$1,500). Employees terminated prior to October 31, 2011 shall not qualify for the longevity bonus pay.

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

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

SECTION 9(a). That the City Finance Officer is authorized to pay a uniform and equipment maintenance allowance of five hundred dollars (\$500.00) for all sworn police officers and firefighters as of July 1, 2011, except for those new employees who have received from the city a new uniform since July 1, 2010. Further, the City Finance Officer is authorized to pay a supplemental tool allowance of two hundred dollars (\$200.00) for certain employees as set forth in Resolution No. 18381, dated December 5, 1989, as amended; and is authorized to pay a supplemental uniform allowance of two hundred fifty dollars (\$250.00) for City Court Officers. It shall be the duty of employees receiving these supplements to use the funds for the specified purpose and retain receipts to that effect.

SECTION 9(b). That the City Finance Officer is authorized to match the total salaries of all participants in the Fire and Police Pension Fund with a contribution from the General Fund not to exceed twenty seven and seventy-four hundredth percent (27.74%).

SECTION 9(c). That the City Finance Officer is authorized to contribute to the General Pension Plan an amount equal to twelve and ninety-five hundredth percent (12.95%) of all participants' salaries as specified in the most recent actuarial study.

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

Central Pension Fund	\$1.41 per hour
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SECTION 9(e). That the City Finance Officer is authorized to contribute to the Other Post-Employment Benefit Trust Fund a percentage of all participants' salaries as specified in the most recent actuarial study.

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

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

SECTION 12. That employees called to active duty and deployed outside the continental United States ("OCONUS") to a combat zone or a qualified hazardous duty area, as those terms are defined by federal law, shall be paid the difference that their City pay exceeds their total military base pay, up to \$850.00 per month, from the time called to active duty until relieved from active duty status or until June 30, 2012, whichever occurs first. Payments beyond the current fiscal year shall be subject to future appropriations by City Council. The City Finance Officer be and is authorized to appropriate the necessary money from other available funds. The difference in pay shall be calculated without regard to any payment of combat pay.

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

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

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

(b) Unless his/her military organization requires a specified time for the training

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

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

- (1) A fee of fifteen cents (\$0.15) per page per each standard 8 ½ by 11 or 8 ½ x 14 black and white copy produced.
- (2) A fee of fifty cents (\$0.50) per page per each 8 ½ x 11 or 8 ½ x 14 color copy produced.
- (3) If the time reasonably necessary to produce the requested records, including time spent locating, retrieving, reviewing, redacting, and reproducing the records, exceeds more than one (1) hour, the City is permitted to charge the hourly wage of the employee(s) producing such requested records. The hourly wage is based upon the base salary of the employee(s) and does not include benefits. If an employee is not paid on an hourly basis, the hourly wage shall be determined by dividing the employee's annual salary by the required hours to be worked per year.
- (4) Any records request not subject to the provisions of the Tennessee Open Records Act may be provided at the discretion of the department head at a reasonable rate considering the employees' time and expenses to provide the records.

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

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

SECTION 17. That the City Finance Officer be and is hereby authorized to transfer credits from one account to another account within or between the accounts of the various agencies and divisions of government and the various departments of the City as may be necessary to meet expenditures for the fiscal year 2011-2012.

SECTION 18. In addition to FY12 appropriations for current year expenditures, funds shall be appropriated to meet obligations carried forward from prior year open purchase order balances in each fund. Such appropriation shall be from the fund balance of each respective fund.

SECTION 19. That Ordinance 11941 dated March 14, 2007 amended the Chattanooga City Code, Part II, Chapter 24 relative to parking, per Section 24-335, the City delegated the Management responsibilities for parking meters within the Special Parking Management Districts to Chattanooga Area Regional Transportation Authority. By this Budget Ordinance, any revenue in excess of the cost to CARTA for operation of metered parking spaces within the Special Parking

Management Districts be appropriated to CARTA to be utilized for CARTA’s parking management operations, including the costs of acquiring and maintaining parking equipment and systems and enforcement of these ordinances, as well as the acquisition, construction, and maintenance of off-street parking facilities and the provision of passenger shuttle services in the downtown Chattanooga area.

SECTION 20. That Ordinance #9727 dated May 26, 1992 establishing the “Non-Profit Corporation Fund Request” special fund be rescinded and all cash accumulated to this fund be transferred to the General Fund. That de minimis expenditures related to this activity are being captured in General Fund.

SECTION 21. 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 2011/2012 - 1 10/1/2011	Fiscal Year 2011/2012 - 2 4/1/2012
	Total Charges (\$/1,000 gallons)	Total Charges (\$/1,000 gallons)
First 100,000	\$ 5.72	\$ 5.86
Next 650,000	4.24	4.35
Next 1,250,000	3.44	3.53
Next 30,000,000	2.90	2.98
Over 32,000,000	2.82	2.89

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

SECTION 22. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36(c) as relates to sewer service charges and fees be and the same is hereby deleted and the following substituted in lieu thereof:

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

	Regional Operation & Maintenance Charge (\$/1,000 gallons)	Regional Debt Charge (\$/1,000 gallons)	Total Regional Charge (Wheelage and Treatment) (\$/1,000 gallons)
Wheelage and Treatment	\$ 1.7165	\$ 0.479	\$ 2.1955

If regional customers are billed directly through the water company, the rate to be charged shall be two dollars and twenty cents (\$2.20) per one thousand (1,000) gallons.

SECTION 23. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-36 (d), be and the same hereby deleted and the following substituted in lieu thereof:

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

	Regional Operation & Maintenance Charge (\$/1,000 gallons)	Regional Debt Charge (\$/1,000 gallons)	Total Regional Charge (Wheelage and Treatment) (\$/1,000 gallons)
Wheelage and Treatment	\$ 0.9337	\$ 0.2507	\$ 1.1844

SECTION 24. 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> 2011/2012 -1 <u>Charge per Month</u>	<u>Fiscal Year</u> 2010/2012 - 2 <u>Charge per Month</u>
5/8	\$ 11.79	\$ 12.08
3/4	42.07	43.10
1	73.51	75.31
1-1/2	164.51	168.56
2	291.28	298.45
3	682.79	699.59
4	1,261.82	1,292.85
6	3,005.43	3,079.36
8	5,316.08	5,446.84

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 25. 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 = \$0.107 per pound of BOD for concentrations in excess of three hundred (300) milligrams per liter.

Sc = \$0.073 per pound of total suspended solids for concentrations in excess of four hundred (400) milligrams per liter.

SECTION 26. That Chattanooga City Code, Part II, Chapter 31, Article II, Section 31-43 (b), (f) and (g) be and the same are hereby deleted and the following substituted in lieu thereof:

(b) *Fees for garbage grinders.* Any user of a garbage grinder, except users in a premise used exclusively for an individual residence, shall be charged at a rate of one hundred seventy eight dollars (\$178.00) per month. The superintendent shall bill users on a bi-monthly basis and the bills shall be due and payable within fifteen (15) days following the last day of the billing period.

(f) *Fees for septic tank discharge.* All persons discharging concentrated, domestic septic tank sewage waste from a truck under the provisions of Article III of this Chapter shall be charged at the rate of sixty seven dollars (\$67.00) per one thousand (1,000) gallons of such waste. The minimum charge for septic tank discharges shall be one half (1/2) of the rate for one thousand (1,000) gallons of the rate in effect at the time of such discharge. All persons discharging grease trap or grease interceptor waste or loads where septic tank waste has been mixed or blended with grease trap or grease interceptor waste shall be charged at the rate two and one half (2 1/2) times the rate for septic tank wastes.

(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 five dollars and eighty-six cents (\$5.86) per one thousand (1,000) gallons of such discharge, plus any surcharge rate authorized by Article III of this chapter for concentrations of pollutants in excess of normal waste water without regard to the definition of the industrial user or other limitations set forth in such section. The superintendent may also require a chemical analysis of such waste and charge therefore.

SECTION 27. Notwithstanding any other provision of this Ordinance to the contrary, water providers within the City of Chattanooga shall bill according to the new Chattanooga sewer service charges effective on the following dates:
For the Fiscal Year 2011/2012-1 for service rendered beginning on the 1st day of October 2011 and;
For the Fiscal Year 2011/2012-2 for service rendered beginning on the 1st day of April 2012 and until further notice

SECTION 28. That per ordinance 12377 Section 2. Amending City Code, Part II, Chapter 31, Article VIII, Division 7, Fees, Section 31-354 the annual City of Chattanooga Water Quality fee for bills issued on or about October 1, 2011 for calendar year 2011 will be as follows:

Residential Properties – \$115.20 per ERU
Nonresidential Properties: - \$96.00 per ERU

SECTION 29. That this Ordinance shall be operative, as distinguished from its effective date, on and after July 1, 2011.

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

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

PASSED on Second and Final Reading
June 28, _____, 2011.

/s/ Pam Ladd/S/
CHAIRPERSON

APPROVED: X DISAPPROVED: _____

DATE: July 1, _____ 2011, 2011

/s/ Ron Littlefield
MAYOR

DWM/add

ORDINANCE NO. 12528

AN ORDINANCE TO AMEND ORDINANCE NO. 12523, ENTITLED "AN ORDINANCE, HEREINAFTER ALSO KNOWN AS 'THE FY2011/2012 BUDGET ORDINANCE', TO PROVIDE REVENUE FOR THE FISCAL YEAR BEGINNING JULY 1, 2011, AND ENDING JUNE 30, 2012, 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; AND PROVIDING FOR INTEREST AND PENALTY ON DELINQUENT TAXES AND PRIVILEGES." SO AS TO PROVIDE FOR CERTAIN CHANGES IN APPROPRIATIONS SET OUT IN SECTION 5(a).

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

SECTION 1. That Ordinance No. 12523, entitled as set forth in the caption hereof, be and the same is amended as provided hereinafter.

SECTION 2. 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. That Section 5(a) of said Ordinance be and is hereby amended to provide certain designated agency appropriations as hereinafter set out as follows:

	<u>Delete</u>	<u>Substitute in Lieu Thereof</u>
GENERAL GOV'T & SUPPORTED AGENCIES		
Total Agency Appropriations	\$19,386,074	
 Add:		
CARCOG & Economic Dev District	A.O.	36,038
Allied Arts Council.	A.O.	176,472
Carter Street Corporation	A. O.	200,000
Chattanooga Neighborhood Enterprises	A.O.	1,150,000
WTCL-TV-Channel 45	A.O.	80,000
Tennessee RiverPark	A.O.	1,050,701
Homeless Health Care Center	A.O.	13,300
Children's Advocacy Center	A.O.	19,000
Community Foundation Scholarships.	A.O.	101,300
Chattanooga Area Urban League	A.O.	50,000
Chatt African Amer Museum/Bessie Smith	A.O.	54,000
Chattanooga History Center	A.O.	15,200
*Community Impact Fund.	A.O.	100,000
Railroad Authority.	A.O.	10,311
Enterprise Center.	A.O.	160,500
Enterprise South Nature Park.	A.O.	669,750
Enterprise South Nature Park Capital.	A.O.	570,000
*Front Porch Alliance.	A.O.	22,800
Choose Chattanooga	A.O.	16,900
*Friends of Moccasin Bend Nat'l Park.	A.O.	30,000
ESIP Security.	A.O.	53,827
*Senior Neighbors/Alexian Brothers	A.O.	12,720
RiverCity	A.O.	67,500
CARTA Subsidy	A.O.	4,675,000
Public Library	A.S.F.	5,655,773
Human Services	A.S.F.	733,477
Air Pollution Control Bureau	A.S.F.	270,820
Regional Planning Agency	A.S.F.	2,631,648
Scenic Cities Beautiful	A.S.F.	5,000
Heritage Hall Fund.	A.S.F.	62,653
*Homeless Coalition	A.O.	15,000
Partnership/Rape Crisis	A.O.	56,522

*Children's Home – Chambliss Shelter. A.O.	275,000
The Team Centers/ Team Evaluation A.O.	50,000
*Fortwood Center A.O.	105,000
Joe Johnson Mental Health A.O.	60,156
Speech & Hearing Center A.O.	67,700
Orange Grove. A.O.	32,000
Signal Center. A.O.	30,006

AMENDED AGENCY APPROPRIATIONS	<u>\$19,386,074</u>	<u>\$19,386,074</u>
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*Distribution of appropriation is contingent upon the City receipt and review of all required documentation.

SECTION 3. BE IT FURTHER ORDAINED, That this Ordinance shall become effective immediately upon passage as provided by law.

PASSED on Second and Final Reading

_____ July 19, _____, 2011. /s/ _____ Pam Ladd/S/ _____.

CHAIRPERSON

APPROVED: X . DISAPPROVED: _____

DATE: _____ July 21, _____, 2011

/s/ _____ Ron Littlefield _____
MAYOR

DM:FK/mms